AN INVESTIGATION INTO THE FACTORS INFLUENCING THE USE OF SUPERMARKET LOYALTY CARD DATA AMONGST SMALL AGRI-FOOD COMPANIES

BY

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DEDICATION

To God Almighty and my dear parents

AUTHENTICATION

This work has not previously been submitted for a degree or diploma in any university. To the best of my knowledge and belief, the thesis contains no material previously published or written by another person except where due reference is made in the thesis itself.

_____ _____

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*"My hope is built on nothing less, Than Jesus' blood and righteousness.
I dare not trust the sweetest frame, But wholly trust in Jesus' Name.*

Refrain
*On Christ the solid Rock I stand,
All other ground is sinking sand;
All other ground is sinking sand."*
- William Bradbury, 1863

To God Almighty be the Glory, Honour, Power, Adoration, Splendour and Majesty… Indeed, Christ is my cornerstone, and on Him alone have I continued to rest. It has been God, who raised me up from the humble beginnings in the bubbling city of Lagos, Nigeria, to the historic Cathedral City of Canterbury, United Kingdom. I wouldn't have reached where I am today, if it were not for the grace of God upon my life. Surely I can testify that '*God is good and His mercies endure forever*'.

My utmost appreciation goes to my parents: my father, Mr E. E. Ihua, who was always of the opinion that education is the best legacy a man can bestow to his children; and my mother, Mrs G. N. Ihua, who planted my feet to the ground like the *Rock of Gibraltar* and taught me to be content in my own skin. She imbibed in me the virtues of love, hope, faith, dedication, tenacity, self-confidence and selflessness. As she always said to me, *"My son, you don't need anybody's approval to know you're great; believe in yourself and tell yourself, I am great"*. Herein lays the magic concoction that has brought me thus far…. I wouldn't have been where I am today without their love and support. I also appreciate the efforts of my elder brothers and their respective families; as well as some dear friends like Ezekiel, Sand, Bimbo, Kunle, Kamdi, Dise, Femi and Alex, who have all stood by me through thick and thin. I'm also indebted to relatives like my uncle Charles and his wife, Dr. Fortune, Peace, Aunty Awele, Bros Eddy Pozo and many others who supported me financial, moral and through prayers. I also want to appreciate my Pastors, Sam Akintoye and Tunde Lawal, for their prayers and spiritual counsel during the period.

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ABSTRACT

The research on which this thesis is based sought to provide new insights into the use of supermarket loyalty card data (SLCD) amongst small agri-food companies; with respect to the factors influencing their use of formalised market information. Given the lack of research in this area and on the key constructs (barriers and enablers) upon which this thesis is focussed, a case study approach was adopted. Data was collected in two phases, and it comprised of thirteen in-depth semi-structured interviews for the 1st phase and two in-depth case studies for the 2nd phase. The qualitative data generated was analysed using thematic analysis.

The thesis investigated four interrelated groups of factors influencing the use of supermarket loyalty card data – organisational, individual-related, informational and relationship factors. The results revealed that, amongst the four groups of factors investigated, the individual-related factors seemed to exhibit more influence on the use of the data amongst the small food companies investigated. Components of this group include: education, economic history, administrative familiarity, information-seeking personality and decision-making rationality of the owner-managers; as well as their involvement of staff, desire for growth and networking ability.

In summary, whilst the existing body of knowledge suggests that small businesses tend to rely more on informal sources of information, this thesis has provided some evidence to suggest that there are some small businesses making use of formalised market information, and in a structured manner, to enhance their marketing decisions. And those small businesses seemed to perform better than their counterparts who did not avail themselves of such forms of market information. Also, whilst the study provided some evidence of the existence of instrumental, conceptual and selective (as opposed to symbolic) use of SLCD amongst small businesses, it also unearthed the concept of "emblematic use" of market information. This refers to the positive image and credibility gained by some of the small agri-food companies on account of merely possessing supermarket loyalty card data. In this situation, market information is used merely as an emblem, and this dimension has not been previously investigated in the literature.

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CHAPTER ONE

1 Introduction

1.1 Background

Within the marketing literature, market information has been identified as a significant resource in helping organisations: scan their environment and assess their market positioning (Kotler and Armstrong 2004); reduce the risks and uncertainties associated with marketing decision-making (Citroen 2011, Frishammar 2003); enhance market orientation (Keh, Nguyen and Ng 2007, Kohli and Jaworski 1990); and gain competitive advantage, which ultimately results in superior performance (Burke and Jarratt 2004, Parry and Song 2010).

In recent times, the use of market information amongst small to medium-sized enterprises, particularly within the agri-food industry has become increasingly critical to their success (FDF 2011, Fielding *et al.* 2011). This is as a result of several factors ranging from the economic recession, and reduction in shoppers' disposable income, to the proliferation of food products, power of retail chains, and increased ethical awareness towards issues regarding fair-trade, regional and local food, healthy eating (Hingley, Boone and Haley 2010, Pelupessy and Van Kempen 2005). Therefore, small companies cannot afford to shoot blind i.e. they cannot afford to operate without adequate understanding of their market (Jocumsen 2004, Jones and Rowley 2011). Consequently, to understand their market, they need to effectively seek and make use of market information (Simmons *et al.* 2008).

Supermarket loyalty card data (SLCD) represents an example of formalised market information which provides organisations the ability to gain better understanding of their markets, particularly in relation to customer shopping patterns, consumer profiling and targeting (Dunnhumby 2007a, Humby, Hunt and Phillips 2003). It has also been recognised as a powerful tool for enhancing market knowledge, informed marketing decisions and performance within the retail sector (Anstead, Samuel and Crofton 2008, Mauri 2003).

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However, the use of supermarket loyalty card data has remained limited to large organisations, which have the financial resources to access this type of information and the capability to analyse and interpret it, in order to support their marketing decision-making and business planning. On the other hand, most small companies lack the financial capacity and technical capability to exploit this type of information (Byrom 2001, Cacciolatti *et al.* 2009, Simmons *et al.* 2008).

In addition to the financial constraints and lack of skilled personnel which tend to hinder the use of information amongst small businesses, the SME marketing literature suggests that entrepreneurs and small business owners/managers are more inclined to adopting informal sources of market intelligence and they tend to adopt more intuitive approaches to business decision-making (Ekwulugo 2006, McCartan-Quinn and Carson 2003, Spillan and Parnell 2006).

Nonetheless, anecdotal evidence has shown that there exists varying levels of "use" and "non-use" of supermarket loyalty card data amongst small agri-food companies (Cacciolatti *et al,* 2009; Simmons *et al* 2008). On one hand, there are companies who make considerable use of the information in marketing strategy formulation, product innovation, and decision-making; while on the other hand, there are companies that make absolutely no use of the data, even when it is made accessible to them free of charge. The reasons for the heterogeneity of response towards this type of market information amongst small businesses are under-researched; therefore, they constitute the primary focus of this research.

1.2   Research Problem

In comparison to larger organisations, small businesses are known for their creativity, innovation, flexibility and quick response to market changes. Nonetheless, the proliferation of food products on offer to consumers, continues to act as a threat that contributes in no small measure to the decline in small business activities experienced within the agri-food industry (Pelupessy and Van Kempen 2005, Senauer, Asp and Kinsey 1991).

It would appear that not much has been done to improve new product failure rates despite several decades of research into the phenomenon (Bogue 2001, Buisson

1995, Rudolph 1995). Consequently, small agri-food companies cannot afford to operate without a sound knowledge of their market and customers. For them to thrive and grow they require a thorough understanding of the specific needs of their actual and potential customers in the market. This can be done by seeking appropriate market information to help them identify market gaps and opportunities; and thereafter, tailor their product offerings to meet those identified gaps. In the context of the food sector, supermarket loyalty card data can provide powerful insights to guide and support this process. The small business literature also suggests that the activities of small firms tend to be product-oriented during their initial stages of development. Over time, they become less likely to accommodate new marketing perspectives as they become set in their ways and comfortable in the knowledge of what they can produce; thus making it difficult to adopt the most basic of marketing principles, such as the use of market information to inform their decision-making (Carson and Cromie 1989, Churchill and Lewis 1983).

Nonetheless, evidence from the marketing literature suggests that the use of market information enhances the ability of businesses to: make better marketing decisions and innovate; create value for the customer and satisfaction; increase consumer responsiveness, and timely introduce new products into the market (Duffy 2005, Florin et al. 2007). Thus, the contention is that there is need for a paradigm shift within the agri-food sector, from "product-orientation" to "consumer-orientation". The use of supermarket loyalty card data may be the catalyst for this shift, but only if small businesses expose themselves to it and respond accordingly.

In light of the lack of empirical research in this area, the research question that this thesis seeks to answer is:

• What are the factors (barriers and enablers) that prevent and/or enable Small Agri-Food Companies from fully exploiting the benefits of supermarket loyalty card data when it is made freely available?

The research develops linkages between the theory of small business management, entrepreneurial marketing and information-use; in the context of the agri-food sector and small companies supplying the supermarket chains.

1.3   Research Objectives

The primary aim of this thesis is to explore the use of supermarket loyalty card data amongst small food companies. Building upon the existing gaps in the literature, the thesis would seek to address the following objectives:

> 1. *To understand how supermarket loyalty card data is used amongst small agri-food companies.*

The information-use literature suggests that organisations use information along the lines of dimensions (Menon and Varadarajan 1992, Souchon and Diamantopoulos 1996). These dimensions differ in nature and scope; and while some scholars have adopted a uni-dimensional approach to understanding information-use (Lybaert 1998, Moorman, Deshpande and Zaltman 1993), others have argued for a multi-dimensional approach, stating that it negates the limitations associated with uni-dimensionality and tends to generate more robust findings (Arnett, Menon and Wilcox 2000). However, the issue of how market information is used amongst small companies is still not clear. Responding to this gap in the literature, the current research seeks to understand how supermarket loyalty card data is used amongst small agri-food companies; and particularly along multi-dimension lines – instrumental, conceptual and symbolic uses.

> 2. *To explore the factors influencing the use of supermarket loyalty card data amongst small agri-food companies.*

Given the lack of agreement amongst researchers on the nature and impact of the factors influencing information-use amongst small businesses (Burke and Jarratt 2004), the second objective of this research seeks to explore four interrelated groups of contextual factors influencing the use of supermarket loyalty card data, and to identify which of the factors act as enablers, and which ones act as barriers, to the use of the data. In particular, the research attempts to explain how and to what extent does each of the groups of factors influence the use of the data amongst the small agri-food companies investigated.

> 3. *To investigate the benefits derived by small agri-food companies as a result*

of their use of supermarket loyalty card data.

In view of the knowledge gap relating to small business use of market information, and their performance resulting from the use of such market information, the third objective of this research is to provide insights from the exploratory studies on the benefits of using supermarket loyalty card data. In order words, the study would explain the positive outcomes that small agri-food companies have gained from their use of the data. This objective is valuable academically because, firstly, it does not claim to explore "performance" or "success" from the use of the data. Secondly, yet, its discussion of benefits, as positive outcomes, draw largely from the performance literature. Therefore by considering positive outcomes (benefits), instead of performance, the research provides a platform upon which future researchers may choose to further the investigation of linking the use of market information and performance amongst small businesses. Ultimately, the aim of the research is to identify the critical factors influencing the effective use of market information amongst small businesses.

1.4 Methodology

Given the lack of empirical research focusing on the use of specific market information amongst small businesses, a qualitative research methodology is adopted, using semi-structured interviews and in-depth case studies over two distinct phases. The first phase consists of exploratory semi-structured interviews with key informants - owner-managers of small agri-food businesses, business advisors and consultants. The second phase consists of detailed case studies conducted on two small agri-food companies. Data collection methods within the case studies include semi-structured interviews and participant observation, as well as documentary evidence such as company management reports, artefacts and archival documents.

1.5 Justification for the Research

Whilst the role of market information to the practice of marketing and understanding of consumer behaviour has been widely studied (Baye, Morgan and Scholten 2003, Day, G. S. 1994, Keh, Nguyen and Ng 2007, Moorman 1995, Nelson 1970, Sinkula 1994, Slater 1997), the literature is constrained by:

- Limited understanding of how specific forms of market information are used in organisations, particularly amongst small businesses.

- Limited study into the factors influencing the use of specific forms of market information within the small business context.

- Limited evidence regarding the potential and actual benefits to be derived from the use of specific forms of market information in small businesses.

Consequently, the value of this research is threefold. First, it generates new knowledge into how supermarket loyalty card data, a specific form of market information, is used within the context of small agri-food companies. In so doing, the study identifies the dimensions of which SLCD is used; hence it would be of value to both academics and practitioners (small business owner-managers, consultants, policy makers) by providing insights into the use of specific market information within the small business context. Second, the research allows the aforementioned stakeholders to also understand the factors influencing the use of SLCD, as well as provide insights into the factors acting as enablers and/or barriers to the use of specific market information. Finally, in explaining the benefits or positive outcomes derived from the use of SLCD, this research would help both academics and practitioners to gain insights into possible performance outcomes that exist. In practice, since several small agri-food businesses in the UK are experiencing decline (IGD, 2008), the findings could be extremely valuable to the stakeholders.

1.6 Structure of the Thesis

Chapter Two describes the contextual background of the study and is divided into three sections. The first section provides an overview of the UK agri-food industry and structure of food retailing. The second section describes the nature, context and uniqueness of supermarket loyalty card data; while the third section introduces the area of small businesses, particularly in relation to the agri-food industry.

Chapter Three reviews the different theories and concepts underlining this research. These include defining information-use, discussing the dimensions of information-use, factors influencing information-use, and identifying the theoretical linkages.

Chapter Four develops the research methodology, incorporating the approaches, designs, methods and techniques to be adopted in the research. Specifically two detailed case studies were conducted.

Chapter Five presents detailed analysis into the first phase of the data collection process. This commences with the result of the pilot interview, and moves into the results of the exploratory semi-structured interviews conducted.

Chapters Six and Seven independently present results of the first and second case studies conducted, respectively, as part of phase two of the data collection process; while **Chapter Eight** presents combined cross-case analysis of the results of the two case studies.

Finally, **Chapter Nine** summarises the research process and findings, and discusses the practical implications of the results. Theoretical and methodological implications, as well as limitations and suggested areas for further research are discussed. Figure 1.1 presents an outline of the structure of the thesis.

Figure 1.1: Outline of Thesis Structure
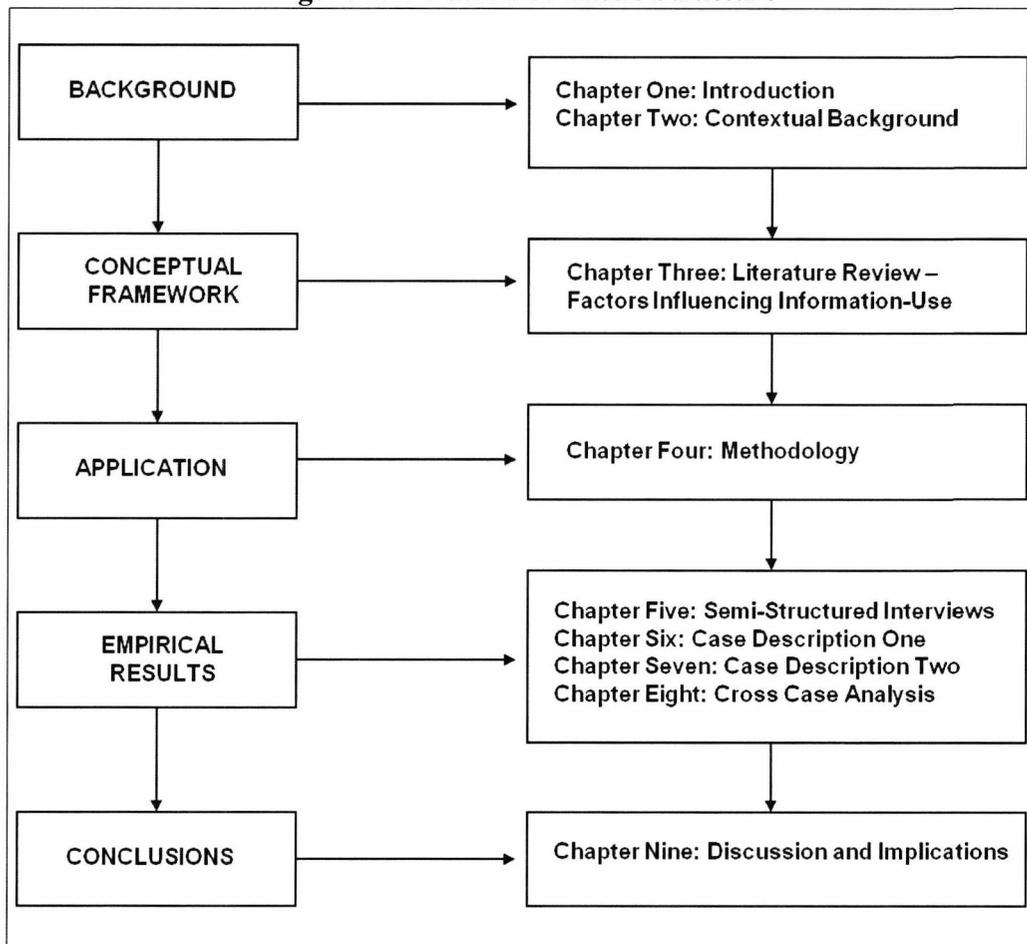
2 Contextual Background: The UK Agri-Food Industry

2.1 Introduction

In chapter one of this document, the study was introduced with the research problem, objectives and justifications. In furtherance, this chapter presents discussion into the contextual settings within which this research is positioned. The aim of the chapter is to clearly delineate the boundaries and specific focus of this thesis and it is divided into three broad sections. The first section provides an overview of the Agri-food sector in the United Kingdom (2.1); detailing its contribution to the UK economy, the structure of food retailing; and providing a case for local and regional food.

The second section provides a detailed discussion of the nature and context of supermarket loyalty card schemes and data as adopted in this research (2.2). Finally, the third section presents discussions into the field of small to medium-sized enterprises (SMEs) (2.3); their characteristics and performance issues; and provides anecdotal evidence of the use of supermarket loyalty card data in small agri-food businesses.

2.2 Overview of the Agri-Food Sector in the United Kingdom

2.2.1 Contribution to the UK Macro-Economy

The food and drink industry plays a very important role in the UK economy (Keynote 2011). According to statistics from the Food and Drink Federation (FDF) and the Department for Environment, Food and Rural Affairs (DEFRA), the food and drink industry – from farming to food retailing to canteens and restaurants – represents the single largest manufacturing sector in the UK. It accounts for 7.1 percent of the total national output, with a gross value added of £20 billion, and supports around 3.7 million jobs. In addition, the food and drink industry is a key partner for British farmers, buying two-thirds of all the UK's agricultural produce and it invests over £1 billion into research and development (R&D), enabling the launch of over 1500 products quarterly (Defra 2008b, FDF 2011).

The industry generates an annual turnover of about £74 billion, accounting for about 15 percent of the total manufacturing sector; representing the fourth largest food and drink manufacturing industry in the world (FDF 2011, Keynote 2011). As seen in Figure 2.1, the Food and Drink Manufacturing sector constitutes the largest UK manufacturing sector:

Figure 2.1: Gross Value Added by different manufacturing sectors in the UK
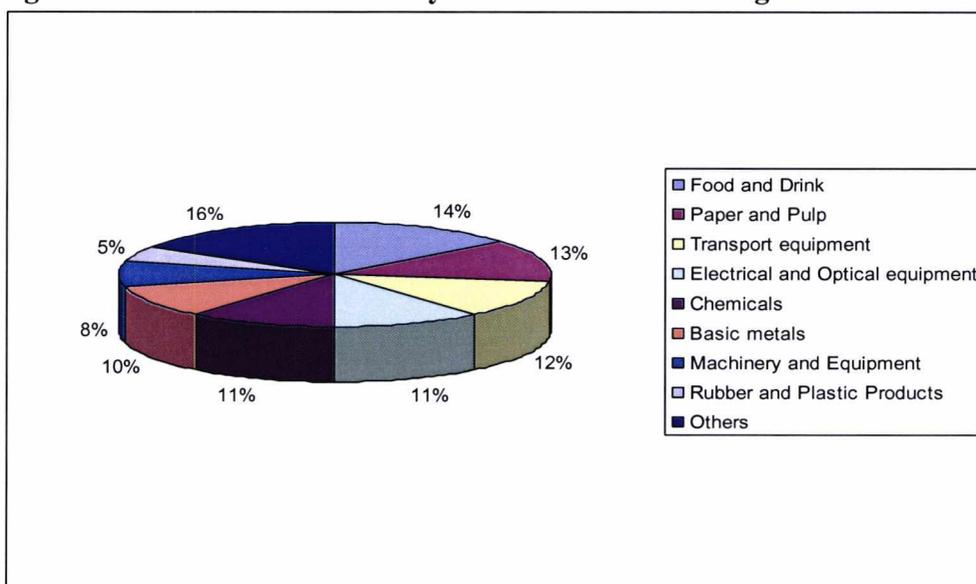
Source: (FDF 2008, FDF 2011)

In addition, recent statistics also confirm that the food and drink industry employs between some 440,000 and 500,000 people representing about 16 percent of the manufacturing workforce in the UK (IfM 2010, Keynote 2011). The sector also prides itself as being the eighth largest exporter of food and drink in the world, with exports worth about £11 billion per annum, of which 77 percent are exported to the European Union region (FDF 2011).

Interestingly, the economic activities in the industry are conducted by about 6,000 food and drink enterprises, many of which are small companies engaging less than 10 employees (FDF 2011). Hence the constant attention attached towards the food and drink sector by government policy makers (Defra 2010, Defra 2011).

The UK food market is divided into six core sub-sectors vis-à-vis: Meat and meat products; Fish and fish products; Fruits and vegetables; Dairy products, eggs, oils and fats; Bread, cakes, biscuits and cereal; and other foods (Keynote 2008). Also, food and groceries account for about 13 percent of all household expenditure in the UK, making the sector the third largest area of expenditure after housing and transport (Keynote 2011).

Similarly, between 2001 and 2009, consumer expenditure on food items grew by over 21.9% to a value of £1.228 billion globally in all the core food sub-sectors over current prices (Keynote 2011). However, growth slowed sharply in 2009, reflecting tumbling prices of commodities necessitated by the slowdown experienced in the global economy, arising from the crisis that afflicted the world financial market. These growth figures are shown in Table 2.1:

Table 2.1: UK Consumer Expenditure on Food by Sector at Current Prices (£m at rsp), 2001-2009

Category	2001	2002	2003	2004	2005	2006	2007	2008	2009
Meat and meat products	12,384	12,579	13,128	13,689	13,795	14,302	14,310	16,033	16,644
Fish and fish products	2,298	2,405	2,397	2,447	2,661	2,988	2,877	3,109	3,055
Fruits and vegetables	12,660	12,962	13,347	13,848	14,749	15,468	16,087	16,935	16,509
Dairy products, eggs, oils and fats	8.701	8,729	8,866	9,003	9,467	9,852	10,414	11,804	12,405
Bread, cakes, biscuits and cereals	8,702	9,016	9,309	9,642	9,889	10,313	10,750	11,449	11,678
Other foods	1,405	1,463	1,514	1,603	1,609	1,673	1,900	2,075	2,231
Total	**46,150**	**47,154**	**48,561**	**50,232**	**52,170**	**54,596**	**56,338**	**61,405**	**62,522**
Change year-on-year	-	2.5	3.0	3.4	3.9	4.7	4.9	9.0	1.8

Source: (Keynote 2008, Keynote 2011)

Furthermore, in 2009, the Fruits and vegetable (29%) sub-sectors followed by the Meat and meat products sub-sector (26%) posted the highest consumer expenditure within the Food sector in the UK as shown in Figure 2.2 below.

Figure 2.2: UK Consumer Expenditure on Food by Sector at Current Prices (%), 2009
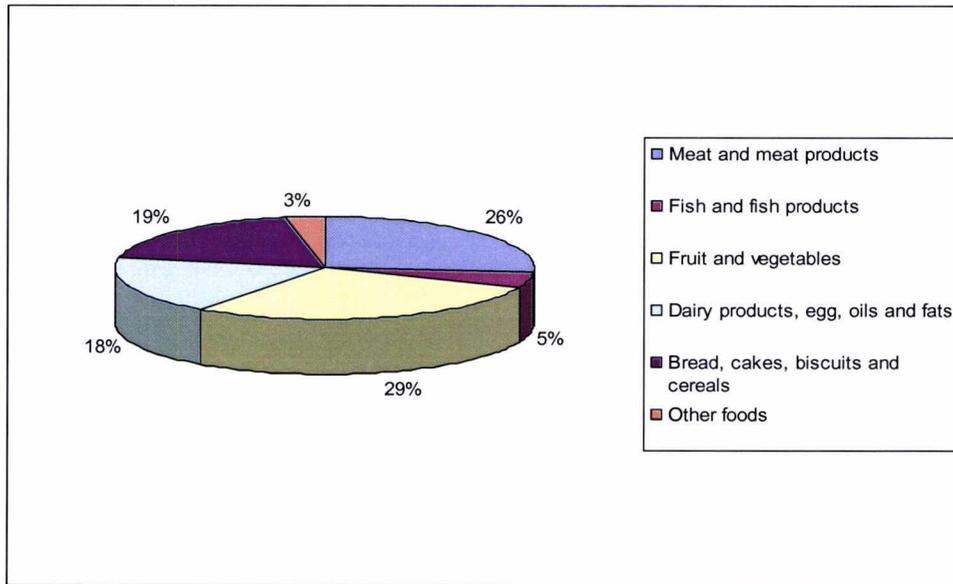
The current state of the food sector in the UK has been characterised by the following: (1) marked growth of interest in local food over the last 2 to 3 years in linking consumers with producers; (2) provision of support for SMEs, locally based, sustainable farm and community enterprises with direct social, environmental and economic benefits; and (3) promotion of farm markets, local food directories, box schemes, collaborative distribution schemes, food co-ops and community buying groups (Defra 2011, FDF 2011, Keynote 2010).

To conclude this section on the contextual background, we present an economic summary of the UK food chain in Figure 2.3 below, which shows us the scale of the UK food industry and the linkages that exist within the chain.

Figure 2.3: Economic Summary of the UK Food Chain - Quarter 1, 2010
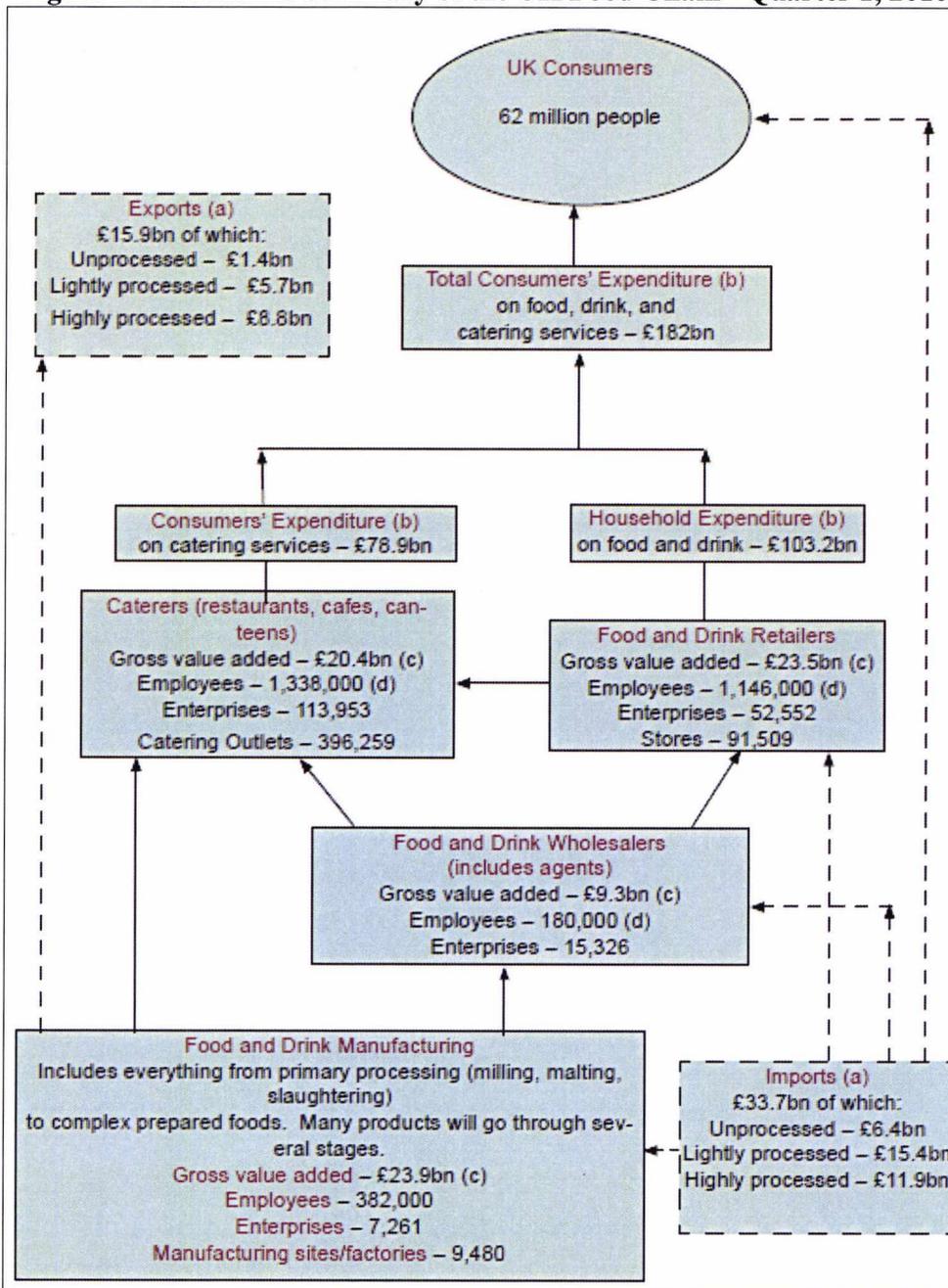
Source: Source: (Keynote 2010)

2.2.2 Structure of the UK Food Retailing Industry

Food retailing in the UK is highly concentrated (Keynote 2010). According to IGD Research (2010), the grocery market was worth £150.8 billion for the year 2010, representing an increase of 3.1 percent on 2009. Food and grocery stores are predominantly the main food retailers in the UK and they number about 91,509. They are broadly divided into four sectors made up of:

1. Convenience stores i.e. stores that open for long hours, selling products from at

least eight different categories and occupy sales space of less than 3,000 sq ft such as SPAR, Londis and Co-operative group;

2. Traditional retail and developing convenience stores i.e. those other stores operating in sales areas of less than 3,000 sq ft such as off-licenses, grocers and newsagents;

3. Supermarkets and superstores i.e. stores that occupy sales area of 3,000-25,000 sq ft selling a broad range of mainly food and grocery items, as well as non-food items such as Tesco, Asda, Sainsbury's and Morrison; and

4. Online channel i.e. sales via the internet (IGD 2010).

Furthermore, statistics reveal food and grocery expenditure accounts for 53p in every £1 of retail spending; and 21p in every £1 spent on food and grocery is spent in convenient stores (IGD 2010). In addition, while nearly 70 percent of food sales are done through supermarkets (Mintel 2007), the UK food retailing industry is dominated by nine major retailers – Tesco, Asda, Sainsbury, Safeway, Somerfield, Marks & Spencer, Morrisons, Waitrose and Iceland (Duffy, Fearne and Hornibrook 2003). Also, at least two-thirds of the sales are accounted for by four of the major retailers at the expense of other independent and smaller players (Defra 2008b).

This domination of food retailing by these big supermarkets has therefore created a fiercely competitive industry where players compete on price, range and service; with different stores targeting different consumer segments and shopping needs (MLC 2008). According to Keynote food sector report, from 1995 till date, Tesco has maintained the position as the leading supermarket chain in the UK. However, in 1999 competition intensified when the world's largest company and US discounter Wal-Mart bought over Asda for £6.7 billion and in 2004 Asda overtook Sainsbury's to become the 2nd leading supermarket chain in the UK (Keynote 2008). According to figures from Key Note, Tesco accounted for 31.7 percent of UK grocery market in the 3 months ending 9th September 2007. Asda followed behind with 16.7 percent; with Sainsbury's accounting for 15.9 percent; Morrisons, 11 percent and Waitrose 3.9 percent. Figure 2.4 below provides a pictorial representation of the structure, number and values of the UK food retail channels.

Figure 2.4: UK Grocery Retailing - Structure, Store Numbers & Sector Value

Co-ops	
2,448 stores	
4.8m sq ft	£3.8bn
Multiples	
2,912 stores	
5.9m sq ft	£5.0bn
Convenience Retailing	**Symbol Groups**
48,289 stores	16,072 stores
53.5m sq ft £32.1bn	19.2m sq ft £12.1bn
	Non Affiliated
	20,351 stores
	18.1m sq ft £6.9bn
UK Grocery Retail	**Traditional Retail**
91,509 stores	35,250 stores
191.3m sq ft £150.8bn	28.7m sq ft £6.1bn
	Forecourts
	6,506 stores
	5.5m sq ft £4.3bn
Hypermarkets,	**Co-ops**
Supermarkets &	1,402 stores
Superstores	11.9m sq ft £6.3bn
7,970 stores	
109.1m sq ft £107.8bn	**Multiples**
	5,224 stores
	85.1m sq ft £94.5bn
Online	**Discounters**
£4.8bn	1,240 stores
	11.2m sq ft £6.4bn
	Independents
	104 stores
	0.9m sq ft £0.6bn

Source: IGD Factsheet on UK Grocery Retailing, 2010

Additionally, these major food retailers have been remarkably successful in supplying a wide range of food and drink products to UK consumers at very competitive prices. There has been a huge proliferation of products on offer to consumers and the food and drink industry witnesses the introduction of about 10,000 new products each year (Defra 2008b, Pelupessy and Van Kempen 2005). Indeed UK food consumers now have the opportunity to a wide range of food products to select from and the ability to eat healthy diets. Furthermore, customer service at most of the chains is very satisfactory and the recent years have witnessed continued expansion by the big retailers, who have developed a modular approach such that Tesco for instance store sizes now range from extra hypermarkets through superstores to express convenience stores.

There is also report that internet-based shopping and home delivery services have continued to grow and many of their stores have now diversified their product ranges to cover other non-food products and services to areas such as clothing, mobile telephones, entertainments, electronics, household items, financial services and gas stations among others (Keynote 2008, MLC 2008).

2.2.3 Local Regional Food and Opportunities for Small Agri-Food Companies

Local food has simply been defined as 'food produced (and possibly consumed) in the local area of purchase (SAC 2007) and regional food (often referred to as locality food) has been defined as "food produced within a particular geographical area (whether administrative region, county, town or other appellation) and is marketed as coming from that area. However, it may be sold within or outside that area. Regional food is perceived to have a distinctive quality because of the area in the method by which it is produced" (Defra 2002). SAC (2007) suggested that some of the products and produce may have a protected designation of origin (PDO) such as champagne and Parma Ham. Other examples of these local foods include Scotch Beef, Kentish Potatoes, and Cornish Pork produced in Scotland, Kent and Cornwall respectively.

In recent years, there has been a huge opportunity within the Agri-food sector, arising from the increasing demand for local and regional food (IGD 2005). Studies have revealed that 70 percent of British consumers want to buy local food and 49 percent want to buy more than they do presently (IGD 2005). This is because the unique selling points (UPS) for local and regional food in the UK are the taste, freshness, quality, food miles, social commitment, variety, convenience, seasonality, heritage and special methods of production (Bunney and Spedding 2008) and the benefits are very similar to the ones above. In addition, recent studies demonstrate that 'every £10 spent with a local food initiative is worth £25 to the local economy compared with just £14 when spent in a supermarket chain' (CAA 2009).

Local and regional food has continued to gain significant attention in the public sphere since the Curry Commission's report of 2002. Considering the significant implication of local and regional food to the UK agri-food industry, the Curry report made two specific recommendations concerning regional food vis-à-vis:

1. That the management of regional food be transferred from the Countryside Agency to specialist body such as Food from Britain (FFB) and the regional food groups (RFGs). FFBs should be given a new remit and, if necessary, additional funding; and

2. that each Regional Development Agency (RDA) work with FFB and others to devise a regional food component to its regional economic strategy (Defra 2002).

Although the recent years have witnessed the demise of regional development agencies; nonetheless the principle behind the local and regional food initiative is a sort of collaborative effort to support more locally based self-reliant food economies, in which 'sustainable food production, processing, distribution, and consumption is integrated to enhance the economic, environmental and social health of a particular place' (Feenstra 2002). It therefore creates opportunities for small food companies.

Also, it has been reported that while local and regional food tends to appeal to the professional class, there are reports indicating that all social groups are now showing interest for local foods; and the drivers appear to be slogans like 'it is fresher because it has not travelled so far' or 'it is good for the environment because it has not travelled far.' Others include 'supporting local producers', 'more natural', 'tastes better than the alternatives' and has 'value for money' (Bunney and Spedding 2008).

In the United Kingdom, the market for local and regional food is estimated to have grown by 15 percent in the last 3 years, with a turnover of about £4.3 billion; and the market is predicted to be worth £5.7 billion by 2012 (Defra 2011, FoodNW 2009). Furthermore, researchers have reported favourable levels of sales success for local and regional food and more than 80 percent of the existing local producers and farmers would source materials locally if they were available (FoodNW 2009). Therefore, the increasing demand for local and regional food opens up further opportunities for small agri-food business. However, insufficient knowledge of market intelligence throughout the supply chain tends to impact on SMEs efficiency and potentials to develop in the sector (FoodNW 2009).

2.2.4 Food Policy and Small Businesses

The importance of the UK food industry cannot be overemphasised. The Food 2030 report, issued by the British Government in January 2010 emphasised this importance by stating that: "Food sustains us. Producing it provides jobs, supports our economy, and helps shape the character of our landscape and our countryside. A vibrant food culture has developed in the UK, reflecting the diversity of our country and celebrating the best of British regional food" (Defra 2010). In the same vein, another Defra report highlighted the relevance of small businesses the development of the British rural economy. Their study found that "most rural enterprises are

relatively new small businesses, which are independent and locally formed" (Winter and Rushbrook 2003).

Food policy issues in the UK have been focused around the pillars of food security, environmental sustainability and regional growth and development (Defra 2006, Defra 2008a). In addition, more than ever before, the UK food strategy, marshalled by the Department for Environment, Food and Rural Affairs (Defra), has continued to seek more co-operation, partnerships, alliances and collaboration across the entire food chain; because it is believed that by working together, all stakeholders could play key roles in not only ensuring food security for the nation, but also in sustaining the environment, drastically reducing the country's greenhouse emissions, and enhancing simultaneous growth the regions where agricultural activities take place.

This strategy was also summarised in the Food 2030 Defra report, where it was stated that the vision of the British Government is to make sure that by the year 2030 the following points are achieved:

1. Consumers are informed, and can choose, and afford healthy, sustainable food. This demand is met by profitable, competitive, highly skilled and resilient farming, fishing and food businesses, supported by first class research and development.

2. Food is produced, processed, and distributed to feed a growing global population in ways which: use global natural resources sustainably, enable the continuing provision of the benefits and services given to us by a healthy natural environment, promote high standards of animal health and welfare, protect food safety, make a significant contribution to rural communities, and allow us to show global leadership on food sustainability.

3. Our food security is ensured through strong UK agriculture and food sectors, and international trade links with EU and global partners which support developing economies.

4. The UK has a low carbon food system which is efficient in using resources – any waste is reused, recycled or used for energy generation (Defra 2010).

Over the last decade, there have been several commissioned studies and reports targeting the role of small to medium-sized agri-food companies within the "big

picture" of achieving the above policy targets (Defra 2006, Defra 2007, Defra 2008b, Defra 2011, FDF 2007, FDF 2011, IfM 2010, IGD 2005, IGD 2007). In summary, while SMEs have been found to "often require greater attention, especially in areas where there is new environmental legislation" (Defra 2007); they also appear to be experiencing some challenges that hinder them from effectively managing the sustainability and growth considerations required to meet those policy targets. Such challenges include: inappropriate language; lack of time and resources; short-term business-planning horizons; lack of appropriate information; and fear of doing things incorrectly (Defra 2011, IGD 2007, SAC 2007).

Therefore, despite the increasing significance of the local and regional food agenda and the availability of several support services for agri-food SMEs, aimed at raising their awareness of sustainability and environment, it appears that those efforts are not yielding the desired results (Defra 2006, Hill 2007). Nonetheless, while Mintel (2010) reports an increasing awareness of local and regional food being motivated by support for local farmers, food producers and retailers (Mintel 2010); it has also been suggested that the resurgence of farm shops and other direct selling initiatives offer small agri-food companies vast opportunities to profit from the increasing demand for local and regional products (Hingley, Boone and Haley 2010).

2.3   Supermarket Loyalty Card Schemes and Data: Nature and Context

2.3.1   Supermarket Loyalty Card Schemes and Data

While market information comes in various forms, for the purpose of this thesis, they may be broadly grouped into two: first, informal market information derived from informal sources such as newspapers, magazines and online websites, as well as personal networks and contacts like friends, relatives, suppliers and customers. Second, formalised market information derived through scientifically tested means, such as market research, consumer surveys and focus groups, TNS World-panel, Mintel, AC Nielson, Kantar, dunnhumby data, and Keynote reports. However, the focus of this thesis is dunnhumby data, also known as supermarket loyalty card data, and which is derived from the Tesco loyalty scheme.

Although literature suggests that while loyalty cards have become a dominant tool for increasing customer loyalty in mature retail markets (Bellizzi and Bristol 2004, Noordhoff, Pauwels and Odekerken-Schröder 2004, Sharp and Sharp 1997); yet there isn't a precise definition for the term 'supermarket loyalty card data'. However, it simply represents individual or aggregated data derived from the databases of supermarket loyalty schemes (Knox and Denison 2000, Sharp and Sharp 1997). In discussing the idea of supermarket loyalty card data, an understanding of the concept of loyalty schemes is important (Banasiewicz 2005, Mauri 2003).

Rayner (1996), defined a loyalty scheme as a "mechanism for identifying and rewarding loyal customers", and Sharp and Sharp (1997) referred to such schemes as a "structured marketing effort which reward, and therefore encourage, loyal behaviour (Rayner 1996, Sharp and Sharp 1997). It has been suggested that loyalty card schemes are not a new phenomenon, and that they could be compared to Green Shield stamps in the 1970s, which were discontinued when they were found no longer attractive because they had lost their commercial advantage which initially spurred their introduction (Passingham 1998).

Furthermore, Mauri (2003) noted that in the 1990s loyalty card schemes were introduced by all the largest European grocery retailers, making the concept a tangible evidence of what previous scholars have termed "The Marketing Information Revolution" (Blattberg, Glazer and Little 1993). Sopanen (1996:12) commented on the effectiveness of 'customer loyalty' schemes, stressing that they are "based on the assumption that by running a scheme retailers concentrate their business on their most profitable loyal customers, on those who have joined the scheme. A relationship is created between these customers and the retailer" (Hart, Susan *et al.* 1999, Sopanen 1996, Uncles 1994).

Researchers have also argued that the increasing interest in loyalty schemes have been as a result of the paradigm shift experienced in the field of marketing over the last two decades, which have succeeded in changing the objectives of marketers from a transaction focus to a relationship focus. Resultantly, this has triggered the development of a body of research in customer relationship management (CRM) and customer loyalty (Allaway *et al.* 2006, Dowling and Uncles 1997, Knox and Denison

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2000, Mägi 2003, Worthington 2000). Furthermore, while the concept of loyalty appears to be a difficult and complex construct to study, because it has been used in marketing literature in a large variety of ways; several authors have suggested ways to measure loyalty from both the behavioural and attitudinal perspectives (Kumar and Shah 2004, Mauri 2003, Reichheld 2001).

The term 'loyalty card' has been criticised for not being able to create any actual customer loyalty, arguing that the term is a misnomer (Worthington 2000); because over time such schemes hold the potential of eroding loyalty and enhancing a situation where shoppers become commercially astute and promotionally promiscuous, and ultimately leading to less profitability for retailers (Cuthbertson 1998, Davies 1998, Mauri 2003, Rowley 2005).

Scholars have suggested that real brand loyalty results from an emotional bond created by trust, dialogue, frequency, ease of use and a sense of value and added satisfaction. Loyalty is the reflection of a customer's subconscious emotional and psychological need to find a constant source of value, satisfaction and identity (Dick and Basu 1994, Jenkinson 1995). Notwithstanding, there appears to be some consensus amongst scholars that loyalty schemes can provide a vast store of information that can provide organisations with immense benefits, when analysed (Mauri 2003, Noordhoff, Pauwels and Odekerken-Schröder 2004, Reichheld 2001, Rowley 2005).

Noordhoff *et al* (2004) also suggested that loyalty card schemes are primarily an interface between the retailer's database and the customer; and that typically they serve three main purposes: firstly the card performs the function of information identification; secondly, it serves a memory function that links a vast store of information to retailer's database and thirdly, they are used to reward loyal customers. Examples of such schemes include: Tesco Club-Card, Sainsbury's Reward Card, Boots Advantage Card, Shell Smart Card, WH Smith Club-Card and Safeway's ABC Card.

2.3.2 Uniqueness of Supermarket Loyalty Card Data

According to Wood (2009), supermarket loyalty card data stands out as one of the most accurate sources of market information regarding actual shopping trends and patterns. Also, given that over 80 percent of UK households have been found to be involved in one form of loyalty scheme or the other (Davies 1998), the detail and accuracy afforded by supermarket loyalty card data remain its core distinguishing factors from other forms of formalised market information (Bonney *et al.* 2008, Capizzi and Ferguson 2005, Cortinas, Elorz and Mugica 2008, Ghosh 1997, Mauri 2003, Wood 2009). In the case of Tesco Clubcard scheme, which is managed by dunnhumby, the database is reported to contain more than 30,000 food products, representing the shopping patterns of 40 percent of UK households; making it the most detailed shopper database in the world (Wood 2009).

Although there is a paucity of empirical studies focusing specifically on supermarket loyalty card data; yet, a report by the Horticultural Development Company (HDC) described supermarket loyalty card data as a "goldmine", given the intrinsic value of the consumer insight it provides (Wood 2009). This is because the data provides vast amounts of market information in details that are difficult to get elsewhere; and as it has the ability of drilling down to specific demographic segmentations such as age range, social status and geographical locations to mention a few. Specifically, while other market information sources such as consumer surveys, focus groups and reports may be useful for understanding consumer attitudes and perceptions; they are however weakened by the consideration that they are only based on what people say, as opposed to what they do (Wood 2009). More so, those other sources require regular updates to remain relevant.

Another type of market information, which is similar to supermarket loyalty card data, is scanner data. The information literature has shown that scanner data can also be applied to measure market performance and to target promotional activities (Bonney *et al.* 2008, Ghosh 1997, Neslin *et al.* 1994). Nonetheless, the weaknesses of scanner data are that, unlike supermarket loyalty card data, (1) they are not useful for understanding new product performance and segmentation dynamics; (2) they do not provide information about non-purchasers; (3) they only provide information at

an highly aggregated level, which does not allow the information to be broken down into specific segments (Bonney *et al.* 2008, Ghosh 1997, Neslin *et al.* 1994).

In essence, while scanner data such as TNS and Mintel data are made up of consumer panels that are regularly questioned about their buying behaviour, which may have been out-of-date by the time the results are been analysed; supermarket loyalty card data represents "the real information from actual purchases, not what consumers' say they are going to do but what they actually did" (Wood, 2009); making it most accurate and valuable to directing marketing strategy. It also provides accurate aggregated data that can be broken down into regions, counties, stores and individual household levels.

2.3.3 Usefulness of Supermarket Loyalty Card Schemes

Over the years, the marketing literature has widely reported a positive relationship between customer satisfaction and customer loyalty, as well as between customer retention and profitability (Leenheer and Bijmolt 2008, Rowley 2005, Soderlund 1998, Sopanen 1996), thus stimulating increasing research interest on these concepts and industry recognition as a key part of marketing strategy (Dowling and Uncles 1997, Reichheld 2001, Uncles 1994, Wright and Sparks 1999). By implication, it has been suggested that market information derived from supermarket loyalty card data provides organisations with the opportunity to gain a clearer view of the needs of their customers and subsequently informs their marketing strategy decisions (Blattberg, Glazer and Little 1993, Mauri 2003, Stone, Bond and Foss 2004).

Consequently, it can be argued that large retail organisations do not simply implement loyalty schemes solely to reward loyal customers, but more importantly they also consider the wealth of information such schemes provide. They periodically engage in both individual and aggregate analysis of the purchasing patterns of shoppers, which enables them to engage in sophisticated marketing planning, segmentation and discrete target marketing (Conley 1998, Mauri 2003, Noordhoff, Pauwels and Odekerken-Schröder 2004).

Mauri (2002:14) further remarked that loyalty cards can be an "effective tool for knowledge development and information driven customer relationship management."

This suggestion re-echoed what was earlier expressed by Davies (1998) that the meteoric rise by Tesco to the leading position of the UK grocery retailer is testimony to the evidence that retailers who aggressively pursue a loyalty card strategy have made positive gains. For instance, it has been reported that there is clear evidence that Tesco club-card scheme has benefited the company immensely and improved their bid to: better understand customers' shopping habits; enable suppliers to improve their service level; help customers get more out of their shopping; and drive continual improvement in the way business is operated. The data also allows Tesco to identify: who their shoppers are; where they live; their family composition; and what other brands they buy amongst others. The analyses of these pieces of information also provide them with actionable insights that is used to develop both external media communications and in-store development strategies like new product development, better pricing strategies, optimal in-store ranges, improved product availability, effective in-store promotion and above the line media optimisation (Dunnhumby 2007a, Dunnhumby 2007b).

Scholars have observed that within the agri-food industry, there is crucial need for cooperation, collaboration and communication across the entire food supply chain (Duffy 2005, Duffy, Fearne and Healing 2005); and that food companies need to seek better understanding of their markets, customers and end consumers by accessing powerful "consumer-centric" market information, such as supermarket loyalty card data (Pelupessy and Van Kempen, 2005:358).

However, what is still not understood in the literature is how the data derived from supermarket loyalty card schemes can be used by small farmers and food producers within the food industry. Much of the literature has focused broadly on the concept of loyalty and loyalty card schemes, and less on the market information derived from such schemes. Secondly, studies have tended to focus on the use and benefits of the information to the large retailers, who implement the loyalty card schemes; thus creating a gap in the literature as to how small agri-food companies use such market information. Specifically, there is limited empirical evidence on how 'supermarket loyalty card data' is used within the context of small agri-food companies; and this is the gap that this research attempts to fill.

2.4 Small Agri-Food Companies

Since the Second World War, small to medium-sized enterprises (SMEs) have been widely reported as playing very important economic roles in several countries. They constitute the largest proportion of businesses and play key roles in generating employment, providing goods and services, enhancing better living standards and contributing significantly to national incomes (Day 2000, Gold 2003, OECD 2000). Small businesses are unique in their own right and their contributions towards economic development have succeeded in dismissing previously held views that they were only "miniature versions" of larger companies (Gaskill, Van Auken and Manning 1993, Welsh and White 1981). Their contributions have also been responsible for the increased attention given to the sector by policy makers and researchers alike (Al-Shaikh 1998).

2.4.1 Defining Small to Medium-Sized Enterprises

Traditionally, much of the small business literature is intertwined with SME literature, and there is considerably more work dedicated to SMEs combined as opposed to only small businesses (Simpson and Docherty 2004). Hence our discussions on small businesses would draw largely from the SME literature, and the terms "SME" and "small business" would be used interchangeably in this document.

There appears to be no universal definition in the literature for the term 'small firm' or 'small to medium-sized enterprises' (SMEs), resulting into the use of rather arbitrary definitions by scholars (Gilmore, Audrey, Carson and Rocks 2006, OECD 2002). The SME literature reveals that several criteria have been used to define SMEs, such as company size, number of employees, sales volume, asset size, type of customer, market share and capital requirements or a combination of variables (Awe 2002, McCartan-Quinn and Carson 2003).

Consequently, for the purpose of this research, a small company has been defined as any company with turnover of less than 10 million pounds and having less than 50 employees. This definition aptly satisfies the objectives of this research, and represents the nature of the small agri-food companies under investigation.

2.4.2 SMEs Characteristics and Performance Issues

Typically, small firms possess unique characteristics that distinguish them from large organisations (Carson 1990, Gilmore, Carson and Grant 2001); such as the informal, intuitive and unstructured manner of sourcing and using information (Brouthers, Andriessen and Nicolaes 1998, Fann and Smeltzer 1989, Jocumsen 2004). According to Blankson and Stokes (2002:49), "the small business deliberation involves informal, unplanned activity that relies on the intuition and energy of an individual (e.g. the owner-manager) to make things happen" (Blankson and Stokes 2002).

In addition, scholars have argued in the literature that SMEs face certain performance-related issues that differentiate them from large organisations (Carson and Cromie 1989, Stokes 1995, Stokes and Wilson 2006). Firstly, their lack of scale (Hogarth-Scott, Watson and Wilson 1996), coupled with resources constraints such as time and finance (Hudson, Smart and Bourne 2001, Lu and Beamish 2001) and human resource, tend to influence their ability to: (1) seek expert hands in the business (Weinrauch *et al.* 1991); (2) engage in marketing activities (Carter and Jones-Evans 2006); and (3) thereby limiting their ability to penetrate certain markets (Carson 1990). Similarly, while the fortunes of small businesses appear to have been tied to the cycles of local economies (Carter and Jones-Evans 2006), scholars have observed that limited product portfolios, limited customer base and usually operate within restricted geographical areas (Keeble, Bryson and Wood 1991).

Furthermore, the small business literature reveals a personalised approach to management in small businesses, where the owner-manager knows and relates with all employees personally, and makes all they key decisions alone (McCartan-Quinn and Carson 2003, Reijonen and Komppula 2007). It has been argued that this dominant influence or omnipresence of the entrepreneur or SME owner-manager often results into the lack of formal strategic planning (Carter and Jones-Evans 2006); typifies operational orientation (Cromie 1994); and is also responsible for the characteristic intuitive and reactive nature of small businesses, who tend to only consider the short-term, due to their survival mentality (Blackburn and Hankinson 1989, Hankinson, Bartlett and Ducheneaut 1997). Similarly, it has been suggested that the personalisation of management by the entrepreneur or SME owner-manager tends to expose small businesses to greater uncertainty and higher fixed cost

associated with management, because the owner-manager may lack the requisite "skill set" to manage the business (Carter and Jones-Evans 2006).

On the contrary, a recent study involving over 300 UK small businesses, conducted by Kingston University's Small Business Research Centre, reported that many small businesses had successfully adapted to the economic recession, and as a result improved their performance. Overall, the study shows that while the responses of businesses seem highly diverse under conditions of recession; most of them engage in judicious cost reduction efforts and carefully choose their revenue-generating activities (IGD 2011).

Nonetheless, despite the mixed reports on performance-related issues facing small businesses, there appears to be some consensus amongst scholars that a positive relationship exists between the use of market information and SME performance (Appiah-Adu and Singh 1998, Becherer, Halstead and Haynes 2001). For instance, Lybaert (1998) found that small businesses whose managers use more market information achieved better results, and were also more optimistic about the future. This finding has also been affirmed in more recent studies, where market information has been found to positively impact new venture performance (Parry and Song 2010); and strategic decision-making (Citroen 2011). To this end, this current study seeks to explore how market information is used amongst small agri-food businesses.

2.4.3 Marketing in Small Businesses

Irrespective of the size of a business, researchers have found a congruence between market orientation and organisational performance (Kohli and Jaworski 1990, Narver and Slater 1990). While literature describes a market-oriented company as one in which all its staff are committed towards continuously creating superior value for the customers (Deshpande, Farley and Webster 1993, Kohli, Jaworski and Kumar 1993); scholars have also identified some link between market orientation in small businesses and performance (Blankson and Stokes 2002). It has been suggested that ignorance of the marketing concept, where the customer is considered as king, in the planning process of small firms is directly related to their in inability to articulate their long term objectives (Mendelssohn 1991).

In addition, it has also been observed that their inability to compete is attributed to their lack of market orientation and ineffective use of market information (SAC 2007, Spillan and Parnell 2006). Again, Blankson and Stokes (2002) pointed out that factors impinging on the ability of small businesses to focus on market trends and needs include: their unclear view of the customer, ignorance of market orientation, contentment with status quo, unavailability of adequate resources, lack of competitive differentiation and "short-termism" (Blankson and Stokes 2002).

Also, in the small business literature, it has been established that SMEs have unique characteristics regarding how they engage in marketing, which differentiates them from traditional marketing in large organisations (Carson 1990, Carson and Cromie 1989). Stokes and Blackburn (1999) contended that while traditional marketing has to do with carefully planned processes arising from gaps identified in the market through formal research, and leading to the development of specific new products tailored to filling such gaps; marketing practices in small businesses tend to be informal, unplanned, intuitive and heavily reliant on the personality of the small business owner (Stokes and Blackburn 1999).

Scholars have posited that the unique traits of small business marketing tend to be determined by the inherent characteristics of their size, stage of development, personal attributes and behaviours of the entrepreneur or owner/manager, and resource constraints (Gilmore, Carson and Grant 2001). Although, it has been suggested that small businesses fail because they possess weak and inadequately defined business concepts, and their owners/managers sometimes lack the skills and commitment to manage them (Smallbone 1991). There is also evidence that small business failure can sometimes be linked with lack of marketing or marketing practice, which includes planning, decision-making and implementation of marketing strategies (Bruno and Leidecker 1988).

Similarly, resource constraints associated with small businesses are likely to influence their investment in marketing (Hogarth-Scott, Watson and Wilson 1996). This is because the lack of finance, for instance, may be hindered businesses from: (1) conducting their marketing tasks, (2) seeking alternative marketing efforts; (3) entering markets where they would not be able to compete if they do not have

sufficient resources; and (4) seeking specialised marketing advice from consultants (Oakey 1991, Weinrauch *et al.* 1991).

Hogarth-Scott *et al* (1996) also found that small businesses practice some degree of marketing, even where the owner-managers have very little marketing education and experience. Although they found considerable difference in the level of marketing sophistication, from businesses with no marketing strategies and no knowledge of the market, to businesses with quite sophisticated marketing strategies. In another study, Gilmore *et al* (2001) found the intrinsic value of networking as a relatively cost effective tool of marketing amongst small businesses; further advocating that "networking", as a marketing competence, needs to be developed amongst SMEs.

Furthermore, Blankson and Stokes (2002) found three main factors supporting marketing practices in small businesses vis-à-vis: management and staff relationship, survival and financial strength of the business, and the changing market conditions (Blankson and Stokes 2002). Similarly, Jocumsen (2004) identified "information gathering and research" as one of the key steps in his model of strategic marketing decisions in small businesses (Jocumsen 2004). In summary, despite the varying academic settings and contexts of the different scholars and their studies, it can be argued that one unique feature connecting all the studies together is the relevance of marketing information (formal or informal) in the process of marketing planning and decision-making.

2.4.4   Small Agri-Food Companies in the United Kingdom

Small businesses operating within the UK agri-food industry constitute the largest proportion. They constitute about 99.6 percent of the entire businesses in the industry, accounting for about 87.8 percent of the total turnover, and employing about 94.3 percent of the total number of employees (ONS 2007). They are characterised by products that are often specialised, normally of high quality, having a degree of individuality, involving an element of 'hand-made' manufacture and using natural ingredients (IGD 2008).

According to the Food and Drink Federation (FDF), in 2008, small agri-food companies contributed 52 percent of the total GVA of the industry (FDF 2008).

Recent statistics have also stated that economic activities within the food industry are conducted by about 6,000 Food and Drink Manufacturing enterprises, many of which are small companies engaging less than 10 employees and medium-sized companies employing less than 250 employees (FDF 2011).

Furthermore, recent IGD research (2011) reports that small food companies not only constitute the largest proportion of businesses in the industry, they have consistently experienced higher productivity growth than large firms since 1998, and possess the ambition to grow further (IGD 2011). The report further stated that while 43 percent of the small agri-food businesses plan to increase their investments in marketing to increase sales, 66 percent are seeking to maintain their investments in innovation, and 24 percent of them are planning to increase their spending in product development and innovation (IGD 2011). Table 2.2 presents data on the UK food and drink manufacturing enterprises by turnover size band.

Table 2.2: Number of UK VAT-Based Enterprises in the Food manufacturing Industry by Turnover Size-band (£000, number and %), 2009

Turnover (£000)	Number of Enterprises	% of Total
1 – 49	655	10.3
50 – 99	800	12.6
100 – 249	1,440	22.7
250 – 499	815	12.9
500 – 999	695	11.0
1,000 – 4,999	1,050	16.6
5,000+	875	13.8
Total	**6,330**	**100.0**

Note: includes all companies manufacturing food, beverages or tobacco products
Source: (Keynote 2010)

Table 2.2 shows that the turnover size-band "100-249" represents 22.7 percent of the entire businesses in the sector. However, between 2001 and 2007, the food and drink industry continued to experience decline in the number of operating businesses. Although this decline was abated in 2008; nonetheless, 2009 and 2010 witnessed further decline in the numbers of agri-food companies. As mentioned earlier, this

decline was necessitated by the credit crunch resulting from the global economic recession. Table 2.3 presents the figures:

Table 2.3: Number of UK VAT-Based Enterprises in the Food Manufacturing Industry, 2010

Year	No. of Businesses
2001	7,015
2002	6,765
2003	6,695
2004	6,350
2005	6,310
2006	6,290
2007	6,270
2008	7,195
2009	6,300
2010	6,000

Note: includes all companies manufacturing food, beverages or tobacco products
Source: (FDF 2011, Keynote 2008)

Apart from findings from commissioned studies and reports discussed above, more recent literature suggests that small agri-food companies in the UK have to consider certain issues that tend to influence their activities and role within the wider food industry (Fielding *et al.* 2011, Hills, Hultman and Miles 2008, Jamsa *et al.* 2011, Yapp and Fairman 2006). Hingley *et al* (2010) suggest that small food companies have to consider the implications of issues such as their role in the local and regional food agenda, national food policy, the impact of climate change and environmental sustainability, and increasing competition from the market; as well as food safety legislation and compliance. In particular, Yapp and Fairman (2006) found several barriers limiting the compliance of small food companies towards food safety legislations. These barriers include: lack of trust in food safety legislation and enforcement officers; lack of motivation in dealing with food safety legislation; and lack of knowledge and understanding.

2.5 Chapter Summary

In conclusion, this chapter has presented the contextual background of this research. This was divided into three sections within the chapter: The first section provided an overview of the agri-food sector in the United Kingdom; the second section provided a detailed discussion into the nature and context of supermarket loyalty card schemes and data; and the third section presented discussions into the field of small to medium-sized enterprises (SMEs) and how it relates to the Agri-food sector. The next chapter would present a review of the extant literature covering the definition of information-use, dimensions of information-use, factor influencing information-use and also draws theoretical linkages from the review.

3 Literature Review: Factors Influencing Information-Use

3.1 Introduction

In chapter two, the contextual background for this thesis was presented, covering the literature on the UK agri-food industry, supermarket loyalty card data and small businesses. This chapter presents detailed review of the literature relating to the factors influencing information-use. It commences with discussion into the scope of marketing information in marketing decision-making; and proceeds into other areas such as the nature of information, definition of information-use, dimensions of information-use and factors influencing information-use. While there are several groups of factors influencing the use of information, this study focuses specifically on three main dimensions – instrumental, conceptual and symbolic. The aim of this chapter is to help the reader appreciate the existing body of work previously conducted by other researchers and scholars, and to aid the development of propositions and theoretical linkages to guide the investigation in this research.

3.2 The Scope of Market Information

Literature is replete on studies that have associated market/customer orientation to superior performance in organisations (Deshpande, Farley and Webster 1993, Kohli and Jaworski 1990, Narver and Slater 1990). There appears to be a general agreement amongst scholars that a market oriented company "is one in which all employees are committed to continuous creation of superior value for customers" (Blankson and Stokes 2002). In this regard, market information plays a key role in the ability of organisations to be classified as being market or customer oriented (Appiah-Adu and Singh 1998).

According to scholars and researchers within the marketing literature, the role of market information is well established as crucial to assisting organisations manage risk, scan the environment, achieve competitive advantage and gain organisational success (Barabba 1983, Barabba and Zaltman 1991, Burke and Jarratt 2004, Keh,

Nguyen and Ng 2007, Turner 1991). Both in theory and practice, this association between the use of market information and organisational success has continued to generate empirical implications for research, as well as practice implications regarding the way organisations operate and strive to meet the needs of the market (Diamantopoulos and Hart 1993).

According to Drucker (1954:37), 'there is only one valid definition of business purpose: to create a customer. It is the customer who determines what the business is about' (Drucker 1954). Similarly, information bridges the gap between organisations and their customers or market (Palmer and Hartley 2006). It has also been suggested that market information has tremendous effects on competition in three different ways. Firstly, it changes the industry structure, thus altering the rules of competition in favour of companies which have access to it; secondly, it enhances competitive advantage for organisations by equipping them with new strategic insights to outperform their competitors; and thirdly it has the ability to stimulate 'whole new businesses, often from within a company's existing operations (Moorman 1995, Ottum and Moore 1997).

Scholars have also suggested that the use of market information, such as supermarket loyalty card data represents the way forward in the current global marketing efforts of the 21st century (Cortinas, Elorz and Mugica 2008, Noordhoff, Pauwels and Odekerken-Schröder 2004, Sopanen 1996). To buttress the value of supermarket loyalty card data to marketers and marketing decision-making, Capizzi and Ferguson (2005:77) reported that the data would provide valuable information for several marketing tasks such as: the forecasting of marketing ROI; measuring the customer value from a dynamic, ever-changing approach; dictating the suitable marketing value proposition and the optimisation of marketing budgets to yield the greatest results; comparing ROI across several marketing efforts; designating marketing strategies for increasingly growing shopper categories; enabling marketing departments to know where to invest for the greatest impact; and measuring the net present values of major marketing initiatives amongst others (Capizzi and Ferguson 2005). The following section moves to discuss the nature of information.

3.3 The Nature of Information

Information is an 'essential but elusive concept' (Rowley 1998b). Information is all around us and it forms part of what is used in almost every activity in an organisation, but it is difficult to understand what it truly means (Choo 1996, Kaye 1995). It has been argued that despite the ubiquitous use of the term information in diverse fields, to represent diverse meanings, its true meaning tends to be taken for granted. Hence the existence of several perspectives on the concept and its rather elusive and ill-defined nature cause difficulty in evaluation and measurement (Choo 1996, Kaye 1995, Rowley 1998a).

Similarly, information literature stretches across several disciplines such as library studies, information science, organisation science, cognitive sciences, and communication theory amongst others; with the suggestion that there exists over 400 definitions of the term information from various disciplines (Yuexiao 1988). Nonetheless, the definitions of information have been summarised as follows: subjective knowledge; useful data, or as a thing; a resource; a commodity; and a constitutive force in society (Rowley 1998b).

In the field of information and knowledge management, the concept of information is not studied in isolation. It is usually considered as a continuum or ladder stretching from data to information and to knowledge, intelligence, wisdom etc (Tuomi 1999, Tuomi 2002, Wiig 1999, Wilson, Stenson and Oppenheim 2000). This mirrors the historical antecedents emanating from information systems viewed as a continuum from *data* processing to *information* management and *knowledge* management. This has been termed the knowledge hierarchy (Tuomi 1999) or the knowledge ladder (Mingers 2008).

Similarly, there appears to be a broad consensus among scholars that data precedes information and in turn, information precedes knowledge, insights, intelligence and wisdom (Tuomi 1999). Furthermore, it is considered that while *data* represents raw textual or virtual facts and numbers, information refers to processed data and knowledge refers to information that has been tested and proven (Alavi and Leidner 2001). This hierarchical view reinforces the suggestion that knowledge cannot be

assumed to be the same as an amount of data, nor can it be equalled to information. Davenport and Prusak (1998:2) puts the argument this way:

> 'Data is a set of discrete, objective facts about events...Data describes only a part of what happened; it provides no judgement or interpretation and no sustainable basis of action...Data says nothing about its own importance or relevance. But data is important to organisations - largely...because it is essential raw material for the creation of information.'

Unlike data, information makes more sense. According to Davenport and Prusak (1998:5) 'information is data endowed with relevance and purpose.' In their opinion, data becomes information when it is given some meaning: 'its data that makes a difference...The word "inform" originally meant "to give shape to" and information is meant to shape the person who gets it...Data becomes information when its creator adds meaning.'

Similarly, *knowledge* is information that is relevant, actionable, and based at least partially on experience (Leonard and Sensiper 1998). Karl Wiig also suggested that knowledge is made up of insights, understanding and practical know-how we all possess and which allows us to operate intelligently (Baker *et al.* 1997); while Fahey and Prusak (1998, p.267) argued that the discussion of knowledge makes no meaning in the absence of a 'knower', stressing that 'knowledge is what the knower knows; there is no knowledge without someone knowing it. Knowledge must therefore be viewed as originating 'between the ears of individuals' (Fahey and Prusak 1998). Knowledge is also considered as intangible, boundary-less, and dynamic; thus buttressing the argument that knowledge represents a useful, renewable, reusable, and accumulating asset of value in relation to employees who hold the knowledge in organisations (Ginsburg and Kambil 1999, Gottschalk 1999).

To this end, the focus of this thesis is the use of market information, and the specific type of market information being explored is supermarket loyalty card data. Therefore, it is important to note that throughout this document, the words "data" and "information" are used interchangeably.

3.4 Defining Information-Use

The term *Information-use* is not all encompassing and there is no agreement on a common definition of the word 'use' (Rich 1997). A review of the existing literature relating to information and knowledge utilisation or use reveals that there exists a great deal of variety in the way use or utilisation is *defined* (Deshpande and Zaltman 1982, John and Martin 1984, Menon and Varadarajan 1992, Weiss 1981), *measured* (Deshpande and Zaltman 1987, Diamantopoulos and Souchon 1999, Larsen 1982) and/or *categorised* (Deshpande and Zaltman 1982, Deshpande and Zaltman 1987, Wilton and Myers 1986). For instance, Rich (1997:11) contended that the concept of information tended to be handled as if all information were the same for the purpose of considering its use; arguing that the word "use" has been applied amorphously, to the point that the question of how to measure "use" now appears to be even more intriguing to managers and decision makers alike (Rich 1997).

Similarly, Menon and Varadarajan (1992:54) observed that in the information and knowledge literature, the terms 'information utilisation', 'knowledge utilisation', 'information use', 'knowledge use', 'research utilisation', 'research knowledge utilisation', 'utilisation' and 'use' have all been used interchangeably; considering that all the terms signify the same phenomenon, and chose to adopt 'knowledge utilisation' and 'knowledge use' in their study. In the same vein, Todd (1999) pointed that the phenomenon is further complicated by terms such as 'utility', 'over-utilisation', 'underutilisation' and 'mis-utilisation'. Karapin (1986) also remarked that he used the words 'utilisation' and 'use' interchangeably for the purpose of variety; emphasising however, that 'utilisation' contains eight letters and four syllables more than 'use', and seems to provide a sort of scientific authority, even though they both mean almost the same thing (Karapin 1986).

There also exists other rationalistic bias' influencing how information-use is studied, conceptualised and operationalised in a way that highlights other interests and perspectives such as issues of uni-dimensionality and multidimensionality; utilisation and non-utilisation; objectivity and subjectivity; and scale rationality amongst others (Anderson, Ciarlo and Brodie 1981, Larsen 1982, Larsen 1985, Rich 1997). Consequently, the measures of information-use identified from the literature tend to

vary considerably in focus, scope, process and scale characteristics (Menon and Varadarajan 1992, Souchon and Diamantopoulos 1996).

Furthermore, in terms of definition, information use has previously been defined as the extent to which a report is used directly to guide behaviours and make decisions (John and Martin 1984); the extent to which information leads to the reduction of uncertainty (Patton 1978); and the specific changes in three psychological areas – behavioural, cognitive and affective (Anderson, Ciarlo and Brodie 1981). In addition, Diamantopoulos and Souchon, (1992:2) defined "use" as taking information to account when making decisions (Moorman, Deshpande and Zaltman 1993, Weiss 1982, Weiss and Bucuvalas 1980).

Therefore, in this research, the phrase 'information-use' has been adopted loosely to mean that 'supermarket loyalty card data was taken into consideration when making decisions'. This definition is justified by its simplicity in alleviating the complexities surrounding the concept of use, and it enhances the easy understanding of the concept within our research context of small agri-food companies.

3.5 Theoretical Linkages of the Research

In this study the use of supermarket loyalty card data refers to any/all of three meanings (1) instrumental use - where consumer information has been considered or taken into account in the decision making progress (Weiss 1981), or in solving a specific problem; (2) conceptual use - where consumer information has been received, read, understood and considered as expanding the knowledge base of the organisation (Beyer and Trice 1982, Moorman 1995), or considered for future use (Diamantopoulos and Souchon 1999, Rich 1997); and symbolic use - where consumer information is purposely distorted or used to support the decision makers opinion (Diamantopoulos and Souchon 1999, Goodman 1993).

The three definitions provide the conceptual underpinnings for the dimensions from which this research seeks to investigate the use of supermarket loyalty card data. Furthermore, Menon and Varadarajan (1992) argued that the conceptualisation and measurement of information-use can be considered from two perspectives, vis-à-vis:

'circumscribing the boundaries' of information-use and 'developing major dimensions' of information-use. They suggested that any attempt to examine the value and use of information should 'be based on careful and systematic conceptualisation and operationalisation of the phenomenon in terms of general issues'; addressed under the parameters and frame of reference.

Table 3.1 below presents the underlying parameters and frame of reference within which the research is conducted.

Table 3.1: Framework for Circumscribing Information-Use

Underlying Parameters	Frame of Reference
Individual or group of individuals from whose perspective utilisation is being assessed	Researcher (Internal researcher, External researcher), Manager, Individual Users, Group Users
Domain where the utilisation occurs	Corporate Level, Business Unit Level, Functional Level, Strategic Management Level, Operational Management Level.
Level of analysis for determining utilisation	Research study, Policy or Strategy, Individual Users, Group Users, Firm/SBU/Division
Time frame within which utilisation occurs	Short-term, Medium-term, Long-term

Source: (Menon and Varadarajan 1992)

In Table 3.3 above, Menon and Varadarajan (1992) provide a useful guide to enhancing a defined focus for information-use within certain boundaries for the purpose of conducting valid and rigorous research into the issue of use. In addition, once supermarket loyalty card data has been acquired, it is left for managers and organisational decision makers to consider how to use such information.

In addition, De Solla Price (1975:178) argued that it makes no sense discussing information without 'some idea of what you are going to do with it'. As such, the frame of reference below is proposed to guide this research:

1. Whose Perspective of Use is Assessed: The entrepreneurs and or owner-managers of the small agri-food companies being investigated, charged with the responsibilities of making functional decisions within the organisations;

2. Domain where the Use Occurs: The research intends to focus on the functional level because the core objectives of the study are to understand how supermarket loyalty card data is used within our context, investigate the factors influencing the

use of the data, and explore the benefits of using the data.

3. Level of Analysis: the research proposes to focus on the entrepreneurs, managers and marketing executives of the small food businesses. The study also investigates the enablers and barriers to the use of the supermarket loyalty card data at a functional level;

4. Time frame: this study focuses on the short and medium-term use of supermarket loyalty card data due to the time difference between when the businesses are provided consumer information and the time they are investigated.

Literature reveals that several models have been used in the past to study information-use in organisations such as the Consumer Business Managers' Model (Deshpande and Zaltman 1982); Industrial Managers' Model (Deshpande and Zaltman 1987); Marketing Knowledge-Use Model (Menon and Varadarajan 1992); Export Information Model (Diamantopoulos and Souchon 1999, Souchon and Diamantopoulos 1996); Competitive Intelligence Use Model (Arnett, Menon and Wilcox 2000) and SME Information Use Model (Lybaert 1998).

3.5.1 Consumer Business (CB) Managers' Model

This model was conceptualised by Deshpande and Zaltman (1982) in their study examining the factors affecting the use of market research information. The study was undertaken in two stages, the first of which involved personal interviews conducted with 16 individuals in seven large firms (10 managers and 6 researchers). The second stage involved two separate samples of managers and researchers, with a sampling frame of 100 managers from a list of 100 large advertisers cited in the *Advertising Age*. In the CB Managers' model, the instrumental dimension of information use was conceptualised and 12 variables were tested. The model contributed to theory by setting an agenda; as well as developing and testing scales on the use of marketing information within the context of industrial firms.

3.5.2 Industrial Managers' Model

This model was conceptualised by Deshpande and Zaltman (1987) and it builds on their earlier work in 1982. In this (1987) study attempted to create a distinction in the use of information between "Consumer-base companies" and "Industrial firms." In addition, 'marketing information' was adopted in this study, as opposed to 'market research information' adopted in their previous (1982) study. In the Industrial

managers', only the instrumental use of information was also considered and six variables were tested. The model builds upon earlier studies of the authors (CB Managers' Model above) on the use of marketing information within consumer goods businesses as opposed to the study of industrial firms in earlier works.

3.5.3   Marketing Knowledge-Use Model

This model was conceptualised by Menon and Varadarajan (1992). The model was developed to examine the use of marketing knowledge within organisations. It proposed that the utilisation of knowledge is a function of direct and indirect effects of five factors. The authors conceptualised three dimensions of information use, vis-à-vis: action oriented; knowledge enhancing and affective use. However, the model was not tested. The model contributes to the literature by first of all explicating the nature of knowledge utilization and further proposing a framework for delineating the concept of knowledge utilization.

3.5.4   Export Information-Use Model

This model was conceptualised by Souchon and Diamantopoulos (1996), but fully developed and empirically tested in Diamantopoulos and Souchon (1999). The study was focused on export information as a specified type of information and also consisted of two stages vis-à-vis: 12 exploratory interviews conducted with export decision makers for the first stage and the second stage was a survey instrument mailed to a stratified sample of 1324 UK exporters.

In the model, the authors theorised that information-use is related to a number of concepts such as: effectiveness i.e. "the outcome of the use, and its badness/goodness in relation to the user's goals"; usability, i.e. "the potential for being used, rather than observable process and outcome"; usefulness, i.e. the potential of information to produce "outcomes that will be evaluated as effective in terms of a set of goals"; and credibility, the "perceived value of information" (Souchon and Diamantopoulos, 1992:53-54).

Unlike other models that previously tested information-use from a uni-dimensional approach, their study tested *use* from a multi-dimensional approach along the lines of instrumental, conceptual and symbolic dimensions of use. Their model contributed by developing and validating scales for the use of export market information, as a

specific type of information; and pioneered the development of multi-item scales of export information use.

3.5.5 Competitive Intelligence Use Model

This model was developed by Arnett, Menon and Wilcox (2000:20) and it discussed the use of competitive intelligence. They conceptualised the use of competitive intelligence (CI) into three – Congruous Use, Product Use, and Process Use; and operationalized six environmental factors (centralisation, formalisation, market turbulence, speed culture, innovative culture, and openness culture); and five relational factors (involvement, communication, credibility, trust, and usefulness).

It was found that the relationship factors affect the use of competitive intelligence, which in turn affects the user's decision–making ability and attitude towards competitive intelligence. The model contributed towards delineating the use of competitive intelligence within large organisations.

3.5.6 SME Information Use Model

The above models were developed from the context of large organisations and do not necessarily apply to our context of small businesses. Nonetheless, Lybaert (1998) developed a model that investigated information-use in SMEs and tested the relationship between information-use and SME success. Although her study revealed that SMEs which used information performed better than average, and were more optimistic about the future; yet the model reveals some gaps in the literature that require consideration.

First, Lybaert's model investigated the concept of 'information-use' from a uni-dimensional perspective. This approach has been widely criticised in the literature, and scholars have argued for the multi-dimensional approach, which provides rich and robust contributions to the theory of information-use (Menon and Varadarajan 1992, Toften and Olsen 2003).

Second, Lybaert's study did not specify the type, nature or quality of information being investigated. As such, the term 'information' was investigated in its broad sense; a phenomenon which has been widely criticised in the literature (Menon and Varadarajan 1992, Toften and Olsen 2003). Rich (1997:22) argued that the word

information is used amorphously, and that both scholars and practitioners have tended to treat all information as the same for the purposes of understanding its uses. He further stressed that "the specification of information, situation, and use…are crucial to the development of an evaluative framework for knowledge utilisation".

Finally, Lybaert's study only considered two groups of exogenous factors influencing information-use in SMEs – person-specific and firm-specific factors – leaving behind other groups of factors to which also influence information-use such as informational and relationship factors. This is also considered a major criticism of the work of Lybaert and viewed as a gap that can also be filled by researchers. Figure 3.1 presents the SME information use model developed by Lybaert (1998).

Figure 3.1: Information Use in SMEs
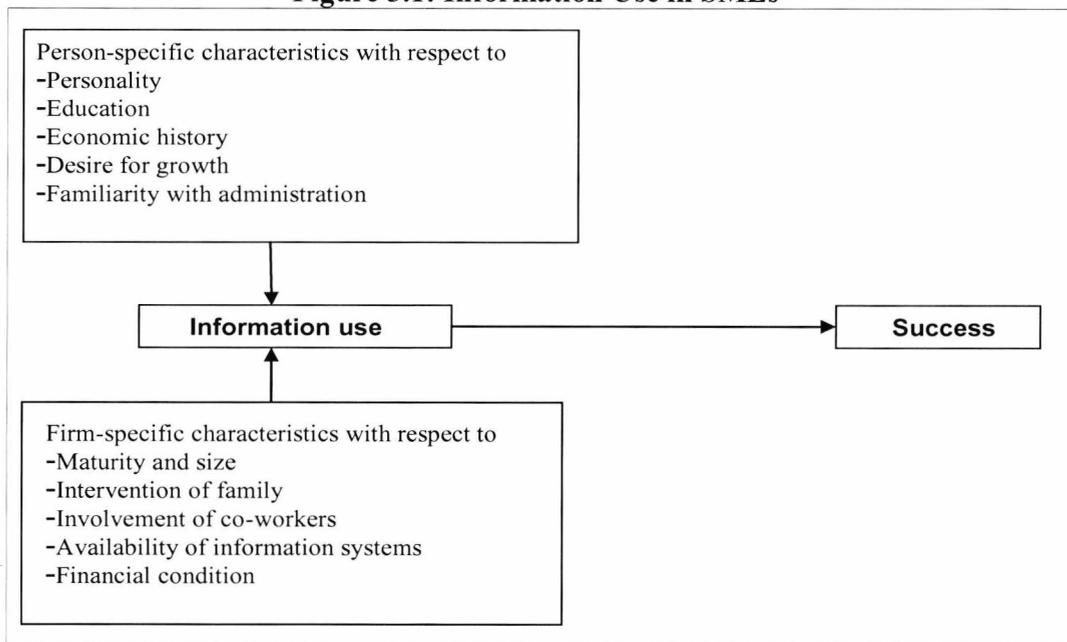
Source: (Lybaert 1998)

Table 3.2 presents a summary of the models discussed above. It also compares and contrasts their merits and demerits.

Table 3.2: Comparison of Previous Models

Model	Author(s)	Approach and Merits	Demerits
Consumer Business Managers' Model	Deshpande and Zaltman (1982)	It tested 12 variables affecting the use of market research information. Helped to set the agenda for instrumental-use and in developing testable scales.	This model investigated information-use from a single dimension – instrumental use.
Industrial Managers' Model	Deshpande and Zaltman (1987)	It sought to distinguish between information-use in commercial and industrial firms. It tested six variables and builds upon their previous study in 1982.	Same as above, this model measured information-use from only the instrumental dimension.
Marketing Knowledge-Use Model	Menon and Varadarajan (1992)	Conceptualised three new dimensions on the use of marketing knowledge – action oriented, knowledge enhancing, and affective use.	This model was only conceptualised. It was not tested.
Export Information-Use Model	Souchon and Diamantopoulos (1996), Diamantopoulos and Souchon (1999)	This model was conceptualised in 1996 and tested 1999. It conceptualised and tested the use of export information in 1,324 UK exporters from three dimensions – instrumental, conceptual and symbolic.	The study's findings relate more to large organisations, than small companies, which are of concern to this current study.
Competitive Intelligence Use Model	Arnett, Menon and Wilcox (2000)	This model conceptualised and tested the use of competitive intelligence from three dimensions – congruous, product and process uses.	Same as above, this study focused on large organisations.
SME Information Use Model	Lybaert (1998)	This model measured the use of information in SMEs. It investigated two groups of factors influencing information-use.	It did not clearly delineate the type of information it was investigating.

Therefore, in this present research, we have attempted to fill the gaps identified above, by developing further from the models of Lybaert's (1998) and Menon and Varadarajan (1992), from a more exploratory perspective, in the following ways:

1. This study investigates information-use i.e. the use of supermarket loyalty card data, from a multi-dimensional approach vis-à-vis instrumental use, conceptual use and symbolic uses of information. As opposed to Lybaert's uni-dimensional approach, it is expected that this approach would generate more robust results.

2. We have also specified the type of market information being investigated, by focusing specifically on supermarket loyalty card data, as opposed to the amorphous investigation of information adopted by other scholars.

3. The study has also grouped the several factors influencing information-use into four broad factors for the purpose of investigation, as opposed to other scholars that have treated these factors individually in their models.

4. In addition, it would be investigating four groups of exogenous factors influencing information-use within our context of small agri-food companies, vis-à-vis organisational, individual-related, Informational and relationship factors.

Similarly, the theoretical linkages presented in this research integrates the general information-use theories from (Menon and Varadarajan 1992, Moorman 1995, Souchon and Diamantopoulos 1996, Weiss 1981) with SME information-use theories from (Burke and Jarratt 2004, Lybaert 1998). Figure 3.2 below presents the theoretical linkages to guide our exploration.

Figure 3.2: Theoretical Linkages for the Research
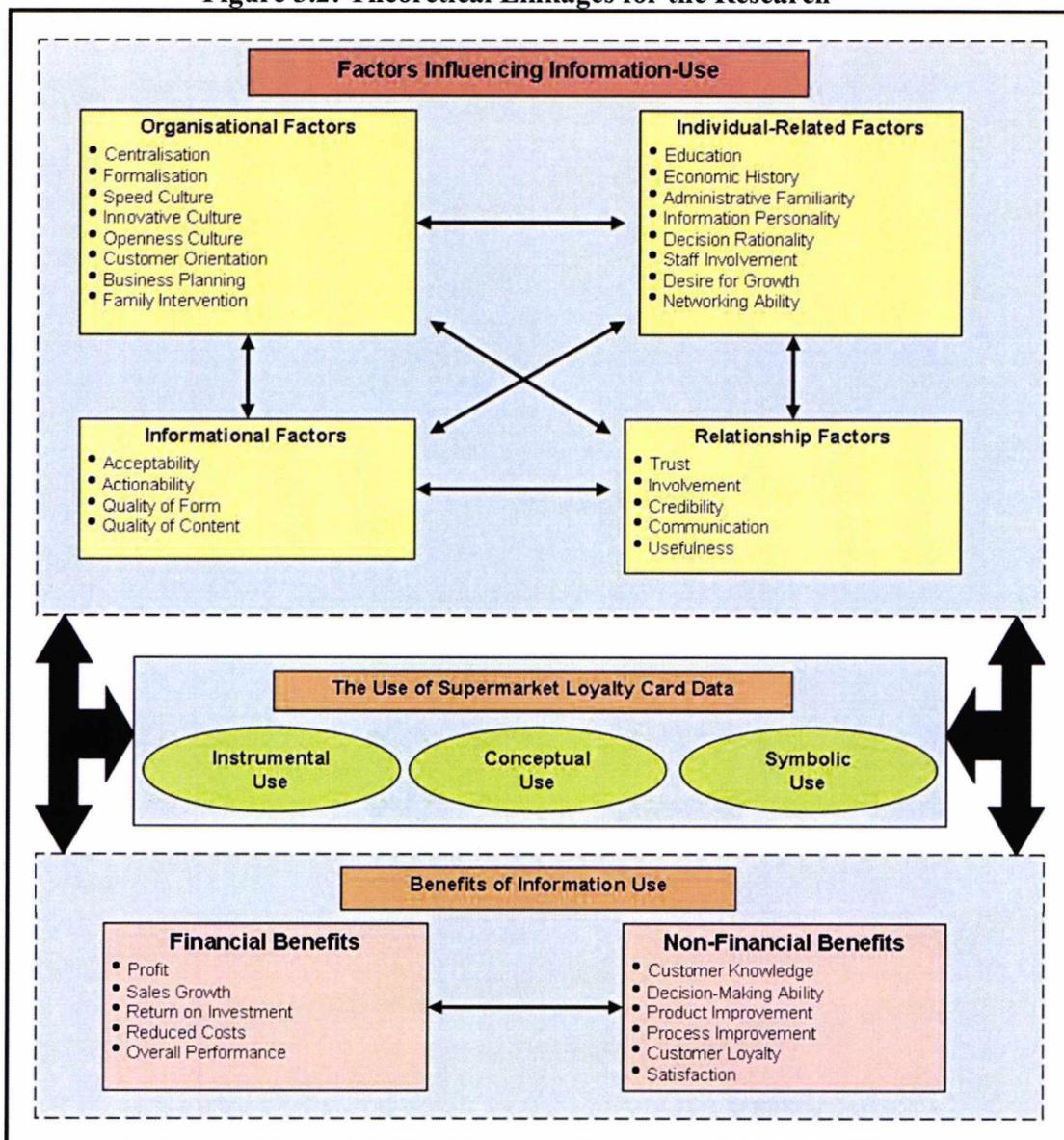
Source: Developed from the literature for this research

The theoretical linkages presented above represents the classical input-output model of information-use that has previously been adopted in several studies which have investigated information-use (Lybaert 1998, Menon and Varadarajan 1992, Souchon and Diamantopoulos 1996, Toften and Olsen 2003). However, it is salient to note that this thesis is not interested in measuring performance from the use of supermarket loyalty data. This is because, firstly, the literature is clear on the link between information-use and organisational performance; and secondly, measuring performance or success are complex to engage in, due to the other considerations that comes into bear (Barabba and Zaltman 1991, Burke and Jarratt 2004, Sinkula 1994).

In addition, it is important to note that although the above theoretical linkages are intended to facilitate the empirical study; and may only be considered the starting-point for the purpose of analysis, rather than a model for deductive testing within a positivist research paradigm. More so, given the nature of the research phenomena, it is needful that an integrated approach is maintained, rather than "purist" deductive or inductive approaches. This would allow for flexibility and openness to other theoretical conceptualisations, propositions, categorisations and definitions; particularly in a situation where the empirical evidence provides the researcher reason to follow a different path to reviewing and analysing data, other than the proposed theoretical pathway. Therefore, consideration is granted to diversity, uniqueness and novelty of each group of factors influencing the use of SLCD.

The following subsections proceed to discuss the literature and justifications for the constructs, sub-constructs and variables listed in the theoretical framework. This would be divided into discussions focusing on the dimensions of information-use, factors influencing information-use and benefits of information-use; while propositions are developed in the process.

3.6 Dimensions of Information-Use

The use of information has been examined within several disciplines, such as social science research and evaluation (Oh 1996, Rich 1979, Weiss 1981), library science (Kaye 1995), information management (Rowley 1998a, Weitzel 1987), organisational behaviour (Kilmann, Slevin and Thomas 1983), strategic management

(King and Grover 1991), and marketing (Sinkula 1994), including specific fields like export marketing (Toften and Olsen 2003). Nonetheless, the information-use literature reveals several dimensions of information-use that have previously been investigated they range from instrumental and conceptual use; to behavioural, congruous, product and process use (Rich 1997, Souchon and Diamantopoulos 1996). Table 3.3 below presents a summary of the dimensions of information-use.

Table 3.3: Dimensions of Information-Use

Authors	Dimensions of Information-Use
Caplan, et al. (1975)	Instrumental and Conceptual
Knorr (1977)	Decision-preparatory, Decision-constitutive, Substitute and Legitimization
Rich (1977)	Instrumental and Conceptual
Sabatier (1978)	Legitimating
Weiss (1981)	Instrumental and Conceptual
Anderson, et al. (1981)	Behavioural, Cognitive, and Affective
Feldman and March (1981)	Self-Promoting
Larsen and Werner (1981)	Complete, Adaptation, and Partial
Beyer and Trice (1982)	Power-Seeking Use
Deshpande and Zaltman (1982)	Decision relevance, Information surplus, Recommendations implemented, general quality
Havelock (1986)	Communicative, Conceptual, Behavioural, and Confirmatory/Dis-confirmatory
Weitzel (1987)	General, Specific, Trigger, Exception, Control-decision, Allocation-decision, and Direction-decision
Glazer, Steckel and Winer (1992)	Haphazard
Menon and Varadarajan (1992)	Action-oriented, Knowledge-enhancing, and Affective; Congruous, Product-based and Process-based; Benign, Cynical and Positive; Social
Moorman (1995)	Instrumental and Conceptual
Souchon and Diamantopoulos (1996)	Instrumental, Conceptual and Symbolic
Rich (1997)	Information pick-up, Information processing, and Information application
Souchon and Diamantopoulos (1997)	Immediate, Future, Consideration and Rejection, Ignore
Bettis-Outland (1999)	Information distortion
Diamantopoulos and Souchon (1999)	Instrumental/Conceptual and Symbolic
Arnett, Menon and Wilcox (2000)	Congruous, Product and Process
Vyas and Souchon (2003)	Symbolic

Source: Updated from (Souchon and Diamantopoulos 1996)

The literature further reveals that traditionally there exists three broad dimensions of information-use – instrumental use, conceptual use and symbolic use (Menon and Varadarajan 1992, Souchon and Diamantopoulos 1996). While instrumental use involves the direct application of information, conceptual use refers to a more indirect use of information, and for broadening the organisation's knowledge base. Also, the symbolic use of information refers with the distortion of information to suit the decision-maker.

Other significant dimensions that have been investigated include the action-oriented, knowledge enhancing, and affective use of information conceptualised by Menon and Varadarajan (1992). Similar to instrumental and conceptual uses, action-oriented use, on one hand, refers to the direct use of information; while knowledge enhancing use, on the other hand, refers to the indirect application of information to enhance organisational knowledge. Likewise, affective use is akin to symbolic use; as affective use refers to information that is difficult to measure, but is used 'because it is related to general levels of satisfaction or dissatisfaction, confidence or lack thereof, and trust and mistrust.' It is also referred to as the 'feel good' use of information because it is that satisfaction that the decision maker feels good to know he has used the information (Menon and Varadarajan 1992).

Another important perspective to the investigation of information-use is the issue of dimensionality. Some scholars have tended to investigate information-use from a single dimension, thereby attracting criticisms. For instance, while some scholars focused strictly on instrumental use (Deshpande and Zaltman 1987, Low and Mohr 2001, Piercy 1983); others focused on conceptual-use (Weiss and Bucuvalas 1980). Their decision to focus on a single dimension has been critiqued as a major limitation in those studies. Consequently, it has been suggested that the nature and scope of information-use are more often complex and require multi-dimensional measurement (Menon and Varadarajan 1992).

Consequently, this research would attempt to investigate the use of supermarket loyalty card data along the lines of the three traditional uses of information, vis-à-vis instrumental use, conceptual use and symbolic use. This decision justified on four main grounds. First, the traditional dimensions form the basis for the principles of

information-use. Therefore, given that the study of the use of supermarket loyalty card data is relatively new, it is important that understanding if first sought via the traditional dimensions. Second, the decision to adopt this multi-dimensional approach of investigating the three traditional dimensions seeks to address previous criticisms associated with uni-dimensional studies. Third, it is expected that by investigating the use of SLCD along the traditional dimensions, the research would generate more robust and valid findings. Finally, there are previous scholars that have adopted this multi-dimensional approach and generated useful insights in the process (Arnett, Menon and Wilcox 2000, Diamantopoulos and Souchon 1999, Souchon and Diamantopoulos 1996, Toften and Olsen 2003).

The following sub-sections discuss the three traditional dimensions of information-use to be investigated in this study; as well as how they relate to other dimensions.

3.6.1 Instrumental Use of Information

Instrumental use of information refers to the direct application of information to solving specific problems (i.e. where a problem exists and information is used as a tool to solve the problem by filling the gap in the unknown). The use of information here is immediate and directly observable (Rich 1997).

According to Souchon and Diamantopoulos (1996), a situation where the decision to introduce a new product is based on marketing information, then it can be concluded that information has been used instrumentally. In relation to our context, there is evidence that supermarket loyalty card data has been used instrumentally within small companies to help them decide on which markets to target, the adoption of a specific pack size and in a particular case the data was used instrumentally to decide on the need to add value to their cheaper cuts of meat, by turning their mince-meat into meatloaf (Cacciolatti *et al.* 2009, Simmons *et al.* 2008).

Further examples of instrumental use of supermarket loyalty data were reported in Simmons *et al* (2008), which found that small food companies used the information to specifically decide the retail packs to sell in and to target certain supermarkets and convenience stores. It also helped them to rethink their packaging design.

Similar to instrumental use, Menon and Varadarajan (1992) conceptualised the action-oriented use that involves information that is 'demonstrated by changes in the user's activities, practices or policies'; and Arnett *et al* (2000) developed the congruous use of information, where information is used consistently with the intent and implications of the study. Further reflections into these dimensions reveal that they are akin to, and can be subsumed under, instrumental use.

In summary, while the anecdotal studies have provided some evidence of instrumental use of supermarket loyalty card data amongst SMEs; it is therefore expected that through this empirical study, detailed understanding and deeper insights would be generated on how the information is used amongst small agri-food.

3.6.2 Conceptual Use of Information

Conceptual use of information is more or less an indirect application of information. It is a situation where information is not directly applied to solve a particular problem, like that of the instrumental use; but where information is used to provide general enlightenment and considered for the purpose of broadening the managerial knowledge base of organisations (Diamantopoulos and Souchon 1999, Menon and Varadarajan 1992, Souchon and Diamantopoulos 1996).

Souchon and Diamantopoulos (1996) suggested that this process of information-use is subtle and may not be immediate; as such, it may be difficult for managers to track specific effects and observable influence. Yet, such dimension of information-use has a way of influencing the thought process of decision makers about an issue without any traceable or documented use and future planned use of information (Beyer and Trice 1982, Diamantopoulos and Souchon 1999, Menon and Varadarajan 1992, Rich 1997). Here the use of information is potentially delayed and the impact is diffused, and consequently less observable (Rich 1997).

The anecdotal study by Cacciolatti *et al* (2009) provides evidence of conceptual use of supermarket loyalty card data amongst agri-food SMEs. Some of the SME managers and entrepreneurs were reported to have expressed that the information helped them to understand their market better and to deepen their knowledge of how their customers behave (Cacciolatti *et al.* 2009). This finding was further affirmed in

Simmons *et al* (2008), which reported that the information provided the SMEs a clearer direction for exploring potential future business opportunities, enhanced the confidence of SME managers and highlighted the need for them to brand and differentiate their products.

Similar to the conceptual dimension of information-use, Menon and Varadarajan (1992:62) also conceptualised the knowledge-enhancing use of information, which 'results in changes in the user's knowledge and understanding of the issues and themes of the study'. Likewise, Arnett *et al* (2000:17) conceptualised process and product use. While product use relates to the type of information use where 'the result of the project are added to knowledge base'; process use relates to one where 'information learned from the process of conducting the study is added to the knowledge base' (Arnett, Menon and Wilcox 2000). Again, these dimensions of use can be categorised as sub-constructs of conceptual use.

To summarise, it is expected that small agri-food companies would also use supermarket loyalty data conceptually, as the anecdotal studies have indicated. Nonetheless, this study would help to generate deeper understanding and insights into how the companies use the information conceptually.

3.6.3   Symbolic Use of Information

Symbolic use of information occurs when information is distorted in order to support the decision maker's opinion in the eyes of his/her subordinates or superior' and 'to justify decisions already made (Diamantopoulos and Souchon 1999, Goodman 1993). According to Piercy (1983:116) information may be distorted by way of 'presentation, selectivity, safety margins, rounding up or down, and actually changing data – to influence decisions' (Piercy 1983). It more or less relates to when information is used in a manner not consistent with its declared purpose and to legitimise or sustain previously held positions or to justify actions taken for other reasons (Beyer and Trice 1982, Toften and Olsen 2003).

There has been no clear evidence that supermarket loyalty card data has been distorted by SMEs to support their decisions. However, there was evidence that the information proved symbolic for some SMEs who have been able to show

supermarket buyers that they had access to SLCD and it consequently influenced their ability to win supply contracts from the supermarkets (Cacciolatti *et al.* 2009, Simmons *et al.* 2008). Although this is not a "symbolic use" in the strict theoretical sense; nonetheless, the reality that access to SLCD can allow Agri-food SMEs to win supply contracts is in itself symbolic.

In summary, the anecdotal studies have shown no evidence of the symbolic use of supermarket loyalty card data. Notwithstanding, this does not preclude the existence of symbolic use. It is therefore expected that this study would generate detained findings as to whether or not small food companies have distorted the information to support their decisions.

Based on the above discussions on the dimensions of information-use, the following represents the first proposition for our study:

P1: small agri-food companies would be more likely to use supermarket loyalty card data instrumentally and conceptually, and less symbolically.

3.7   Factors Influencing the Use of Information

There are several factors that influence how organisations use information. The information-use literature reveals that these factors can be summarised into five core factors, vis-à-vis: Environmental factors, Organisational factors, Individual-related factors, Informational factors and Relationship factors (Diamantopoulos and Souchon 1999, Menon and Varadarajan 1992, White, Varadarajan and Dacin 2003).

Environmental factors refer to factors that are external to the organisation and over which the organisation has no direct control (Menon and Varadarajan 1992). Organisational factors refer to those factors that are within the control of the organisation and are dictated by the prevailing structure, culture and mode of operations (Diamantopoulos and Souchon 1999). Individual-related factors have to do with certain specific attributes of the managers and/or owners of the organisation that tend to influence how information is being sourced and used (Souchon and Diamantopoulos 1996). Information and relationship factors refer to those factors

that have to do with the quality and content of the information being provided; as well as the relationship and communication between the organisation and information providers (Van Birgelen, De Ruyter and Wetzels 2001). Table 3.4 presents a summary of the factors influencing information-use.

Table 3.4: Factors Influencing Information-Use

Factors/Influences	References/Illustrative Studies
Environmental Factors Environmental Stability/Turbulence/Volatility	Menon and Varadarajan (1992); Glazer and Weiss (1993); Bourgeois (1980); Bourgeois, McAllister an Mitchell (1978); Clark (1987)
Organisational Factors Organisational Structure (e.g. centralisation, formalisation and complexity – variability and reliability)	Deshpande and Zaltman (1982, 1987); Van De Ven and Ferry (1980); Glaser, Abelson and Garrison (1982); Piercy (1983); John and Martin (1984); Menon and Varadarajan (1992)
Sector of activity (consumer goods, versus industrial companies)	Deshpande and Zaltman (1982, 1987)
Internal and external communications flow	Menon and Varadarajan (1992)
Market experience	Goodman (1993); Sinkula (1994)
Organisational culture	Goldstein and Zack (1989); Moorman (1995)
Level of Analysis	Menon and Varadarajan (1992)
Information-Specific Factors Quality of information	Deshpande and Zaltman (1982, 1987); Barabba and Zaltman (1991)
Conformity of the information to managers' expectation (level of surprise)	Deshpande and Zaltman (1982, 1984, 1987)
Exploratory versus confirmatory objective	Deshpande and Zaltman (1982, 1987)
Political acceptability of findings	Deshpande and Zaltman (1982, 1984)
Actionabilty	Deshpande and Zaltman (1982, 1984)
Manager-researcher interaction and trust	Rich (1977); Deshpande and Zaltman (1982, 1984); Moorman et al. (1992)
Accessibility	Goodman (1993)
Perceived usefulness of information	Culnan (1983); John and Martin (1984); Menon and Varadarajan (1992)
Perceived credibility of information	Culnan (1983); John and Martin (1984); Menon and Varadarajan (1992)
Time Frame	Menon and Varadarajan (1992)
Relationship Factors Involvement, Credibility, Communication, Trust and Usefulness	Arnett, Menon and Wilcox (2000), Van Birgelen, De Ruyter and Wetzels (2001)
Individual Factors Prior Disposition Experience of manager	Menon and Varadarajan (1992) Perkins and Rao (1990)

Source: Updated from (Menon and Varadarajan 1992, Souchon and Diamantopoulos 1996)

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For the purpose of this current research, the attention would be focused on four of these broad factors – organisational, individual-related, informational, and relationship factors influencing the use of supermarket loyalty card data amongst small agri-food companies. The environmental factors have been left out because they are considered as factors over which organisations do not have control over. This is because the central focus of this study is to understand the information-use from an organisational perspective; it is concerned with factors over which the organisation has control such as the other four categories of factors discussed below.

3.7.1 Organisational Factors

In every organisation, certain dynamics tend to influence the way operations and processes are conducted. There exists an extensive body of literature on factors that influence organisational behaviour; and studies have shown that these factors also affect the way information is used in organisations. Traditionally, the broad construct of organisational factors have been investigated from the point of view of two sub-constructs: firm structure and firm culture (Diamantopoulos and Souchon 1999, Menon and Varadarajan 1992).

On one hand, firm structure is measured by the variables centralisation and formalisation. While centralisation refers to the extent to which decision making and authority is delegated throughout a firm; formalisation refers to the extent to which rules define roles, authority, relations, communications, norms, sanctions and procedures within a firm. In this regard, empirical evidence suggests that decentralised firms tend to make more use of information than centralised firms (Arnett, Menon and Wilcox 2000, Deshpande and Zaltman 1982). According to Deshpande and Zaltman (1987:24), "the more decentralised and less formalised firms are, the more likely they are to make greater use of research…"

However, because our focus is on how small agri-food companies use supermarket loyalty card data, we are more concerned with understanding the daily tasks of entrepreneurs and owner-managers of the small business, than to consider their formal nature as typified by an organisational chart. Similarly, Lybaert (1997) found that information-use in SMEs is more or less determined by the delegation of

decision-making; as it depends on how managers choose to delegate the information process as part of his or her daily tasks.

On the contrary, literature suggests that small firms are known for their rather centralised, informal and flexible mode of operation (McCartan-Quinn and Carson 2003); and it has been argued that many of the formal and structured approaches to operations would in fact limit the characteristic and advantageous flexibility enjoyed by small firms (Murray and O'Driscoll 1996). In order words, the unstructured nature of small firms is not necessarily a hindrance; rather, it is advantageous to their use of information. However, it is not clear if centralisation in small firms would also be enable higher degrees of the use of supermarket loyalty card data.

Also, organisational culture has been measured with three variables: speed culture, which places emphasis on quick response to market changes; innovative culture, which emphasises the introduction of new ideas into the decision-making process; and openness culture, which encourages free flow of communication within the organisation (Arnett, Menon and Wilcox 2000). Customer orientation, also appears to be relevant to our study as it refers to "the degree to which the organisation obtains and uses information from customers, develops a strategy which will meet customer needs, and implements that strategy by being responsive to customers' needs and wants" (Ruekert 1992).

This is relevant to our context because supermarket loyalty card data represents an example of detailed market or customer-oriented information as shown in literature (Cacciolatti *et al.* 2009, Leenheer and Bijmolt 2008, Simmons *et al.* 2008). The marketing literature is replete on the studies that have focused on the importance of market orientation in SMEs (Appiah-Adu and Singh 1998, Keh, Nguyen and Ng 2007, Spillan and Parnell 2006). Appiah-Adu and Singh (1998) reported a positive relationship between customer orientation in SMEs and performance in a UK study.

Furthermore, as it relates to speed culture, innovative culture and openness culture, Arnett *et al* (2000) found that while innovative companies had more thirst for information; firms with open and speed cultures were interested in accessing and using information quickly. Small companies are also known for their reactive stance

and flexibility, which gives them the ability to response swiftly to market demand; and this point has widely been discussed in small business literature (Blankson and Stokes 2002, Gilmore, Carson and Grant 2001, McCartan-Quinn and Carson 2003). In this regard we expect organisational culture to have some influence on how supermarket loyalty card data would be used in small food companies.

Planning has been observed to influence small firm operations and by extension, their use of information. Our focus on business and marketing planning here is distinguished from strategic planning, and it is concerned with the short-term analysis of business and marketing options, the attainment of short-term goals and functional level planning (Stonehouse and Pemberton 2002). The relationship between business planning and financial performance has long been established in small business literature (Cragg and King 1988, Cromie 1991, Gilmore, Carson and Grant 2001). Although business planning can be subsumed within strategic planning, it is important to understand that for the purpose of this study it should not be mistaken, as it is often confused by theorist and managers alike (Stonehouse and Pemberton 2002). In addition, while literature suggests difficulty in defining and measuring planning constructs; it has yet been found that the inability of small business to articulate their goals was due to their ignorance of the marketing concept and planning process (Mendelssohn 1991). Similarly we expect that small food companies who are keen on marketing planning would use loyalty card data more to help them direct their marketing activities.

The literature also suggests that small firms tend to be highly influenced by family interventions and that family intervention can influence the way in which information is sourced, accessed and used (Donckels and Mok 1990, Lybaert 1998). Similarly, Donkels and Elshout (1992) observed that it is common to see that a family-run small business will have its network restricted than a non-family-run small business (Donckels and Elshout 1992). Kets de Vries (1993) comments that: "80 percent of all businesses are family controlled, in the widest sense of the term, in that family has a significant say in the company's strategic direction"; and further concludes that family logic often supersedes business reasoning when it comes to defining organisational strategy (Burke and Jarratt 2004, Kets de Vries 1993). It

would be important to consider the influence of family intervention within the context of this research.

Based on the above discussions regarding organisational factors, the following proposition has been developed to guide the investigation:

P2A: Organisational factors would influence the use of supermarket loyalty card data in small agri-food companies.

3.7.2   Individual-Related Factors

Individual-related factors have to do with the personal prior dispositions of managers. Menon and Varadarajan (1992:67) referred to managers' prior disposition as 'differences such as level of experience, level of knowledge, cognitive styles and decision-making level.' They observed higher levels of information-use among managers who felt they had little prior knowledge than among managers who felt they had better prior knowledge; stressing that this finding can be said to be true, irrespective of whether or not the new information is supportive or non-supportive of the manager's prior position. Such managers with strong prior disposition, whether they negative or positive, are also less likely to source for additional information (Berg *et al.* 1978, Sternthal and Craig 1982).

In the small business literature the 'omnipresence' of entrepreneurs and owner-managers has been widely acknowledged (Dewhurst and Burns 1993, Hogarth-Scott, Watson and Wilson 1996, McCartan-Quinn and Carson 2003). Traditionally, this omnipresence refers to the inseparable nature between the owner-managers and their businesses. Therefore, the business may be susceptible to his or her limited (or expert) experience and limitations (Stokes 1995). Consequently it is expected that the owner-manager would have considerable influence on how small agri-food companies use supermarket loyalty card data (Jennings and Beaver 1995); and this would be worth investigating.

Although the literature reveals several individual-related factors which have been previously investigated to include: the owner-manager's sex, age, education, economic history, personality, professional background, occupation of parents,

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personal experiences, habits, goals and expectations amongst others; this current research has chosen to limit those factors to only eight. Similarly, this research would explore: the owner-manager's educational level, economic history, administrative familiarity, information-seeking personality, desire for growth, decision rationality, networking ability, and staff involvement.

The first five variables to be explored were tested in Lybaert (1998) with mixed findings on how SMEs use information; while the others were tested in Low and Mohr (2001) and Donkels and Lambrecht (1997) with appreciable influence on how information is used in evaluating marketing communications productivity.

The educational level, economic history and administrative familiarity of SME owner-managers are important considerations for their managerial competence, and by implication their use of information. Education in this instance refers to an owner-manager's academic background and educational attainment and economic history refers to his or her experience prior to joining the firm or prior to attaining this present position. Lybaert (1998) argues that the education of SME owner-managers, as well as their prior experience and administrative familiarity determines to a large extent how they decide to source and use information resources. It has also been suggested that when an entrepreneur is educated and experienced, it reduces the tendency to source one-sided information, and increases his or her willingness to attend seminars, engage in networking, use consultants and more importantly attach significant interest to accounting information (Donckels and Mok 1990, Donkels and Lambrecht 1997).

Similarly, Becherer, *et al* (2001:10) reported a significant relationship between entrepreneurs' education and marketing orientation, suggesting that "presidents with less education, led companies that exhibited significantly less marketing orientation" (Becherer, Halstead and Haynes 2001). In the same vein, Menon and Varadajaran (1992) argues that prior disposition of managers is a function of their individual differences such as education, experience and level of knowledge; pointing out that managers are likely to ignore new information that does not reflect previous beliefs.

On the contrary, anecdotal evidence from Cacciolatti *et al* (2009) reports that agri-food SMEs who were newly introduced to supermarket loyalty data did not ignore the information; instead they were enthusiastic about the opportunities the information portended for their businesses. Therefore, similar findings would be anticipated for educated owner-managers of small agri-food companies towards supermarket loyalty card data, as it is not expected to differ greatly from findings in the anecdotal studies.

Other constructs that make up the individual-related factors include the owner-manager's: desire for growth, information-seeking personality, decision rationality and networking ability. While desire for growth refers to an entrepreneur's willingness to grow his or her business beyond its present level; information-seeking personality refers to one's attitude towards seeking new information, and is a product of several factors such as upbringing, experience and education. In this regard, Lybaert (1998) found a significant relationship between the SME manager's desire for growth and information-use; and also reported that managers with information sensitive personalities or a higher inclination to look for information made more use of information. Likewise, it is expected that owner-managers with an inclination for information and the desire to grow would use more supermarket loyalty card data.

Also, while decision style has also refers to the owner-manager's personal approach to decision-making; decision-making rationality is viewed as "the degree to which a manager relies on deliberate calculations in making decisions (Hart, Stuart L. 1992, Nutt 1990). Similarly, Low and Mohr (2001) argue that managers who are rational decision-makers are expected to use more information because, unlike less rational managers who rely on their intuition and gut feeling, they have a controlled and structured approach that is conducive to sourcing, interpreting and using information. In the same manner, DeSantis (1982) suggested that there is a likelihood that managers who exhibit strong sense of analysis in their decision-making process would be more suited to use decision support systems (DeSantis 1982). In the same line of argument, it is anticipated that small food owner-managers who are rational in their decision-making style would make more use of supermarket loyalty data.

Networking ability is another variable that involves companies coming together with the common aim of working and cooperating together to exchange and share knowledge, ideas, experiences and technology (Dean, Holmes and Smith 1997, Jamsa *et al.* 2011). According to Burke and Jarratt, networks and networking were viewed by small business owner-managers as the most credible source of advice for their businesses. It was found that while networking tended to reduce risks and provided a platform for getting practical solutions to business problems, "networked businesses are the most profitable businesses in the world, and it's because its people helping people..." (Burke and Jarratt 2004). Similarly, it is anticipated that small food owner-managers who engage in more networking would be suited to use more supermarket loyalty card data. This thought follows the line of argument that small businesses tend to source for information through their personal and previous professional networks (Burke and Jarratt 2004, Jamsa *et al.* 2011).

Based on the above discussions regarding individual-related factors, the following proposition has developed to guide the investigation:

P2B: Individual-related factors would influence the use of supermarket loyalty card data in small agri-food companies.

3.7.3   Informational Factors

These refer to information-quality related factors, which have previously been investigated under four main sub-constructs: political acceptability of the information provided; actionability of the information, quality of content and quality of form of the information (Deshpande and Zaltman 1982, Souchon and Diamantopoulos 1996, Van Birgelen, De Ruyter and Wetzels 2001). Deshpande and Zaltman (1982) reported that while the technical quality of information influenced the use of the information; certain variables (like acceptability, actionability, content and form) make up the technical quality of information, and are also linked to information-use. Furthermore, the study by Van Birgelen *et al* (2001) affirmed this position; and they found that these variables determined the use of quality-related marketing research information in organisations.

Political acceptability of information refers to the compatibility of the information with an organisation's objectives (Van Birgelen, De Ruyter and Wetzels 2001). Studies have suggested that there is a tendency for the decision-maker's reaction to be determined by the political acceptability of the information within a particular organisational context. In other words, are findings of the information or research report challenging the status quo or are they consistent with the status quo (Kohli and Jaworski 1990). Deshpande and Zaltman (1982) and (1984) reported a positive relationship between political acceptability of market research information and the use of information.

Actionability of information refers to the extent to which the information user perceives the research report and consequent recommendations as readily practical and implementable in the organisation; and there is evidence that this tends to lead to higher levels of information use (Deshpande and Zaltman 1982, Deshpande and Zaltman 1984). This position was also confirmed by Van Birgelen *et al* (2001:526) who corroborated that "information is of value to decision makers if it can be acted upon". The findings of Deshpande and Zaltman (1982) reported a significant positive relationship between the perceived ability to take action on information recommendation and its subsequent use.

According to Menon and Varadarajan (1992), the perceived quality of a piece of information or research report is likely to influence the willingness to act upon the information. While quality of content refers to specific features of a research report that adds to the overall perceived quality or the research, quality of form has more to do with information format, its oral presentation, or a mix of both (Van Birgelen, De Ruyter and Wetzels 2001). The study by Burke and Jarratt (2004) also affirmed that the perceived value of the information to the firm was one of the two reasons that influence small business owners' decisions to use or not to use information; the other being the credibility of its source.

Literature also reveals a positive relationship between the quality of content and form, on one hand, and information use (Deshpande and Zaltman 1982, Deshpande and Zaltman 1984, Van Birgelen, De Ruyter and Wetzels 2001). Furthermore, while the result of Van Birgelen *et al* (2001:521) revealed distinctly that the use of quality-

related information is most strongly influenced by the quality of informational contents; Deshpande and Zaltman (1982) also found that the perceived technical adequacy and presentation of the research were positively related to the use of the research report. Based on the preceding discussions, it is anticipated that political acceptability, actionability, quality of content and quality of form would influence the use of supermarket loyalty card data amongst small agri-food businesses. Consequently, the following proposition has been developed to guide the study:

P2C: Informational factors would influence the use of supermarket loyalty card data in small agri-food companies.

3.7.4   Relationship Factors

Relationship factors are sometimes embedded in the organisational and information-related factors discussed above (Deshpande, Farley and Webster 1993, Deshpande and Zaltman 1984, Moorman 1995, Moorman, Deshpande and Zaltman 1993). They refer to certain factors involving the relationship and collaboration between the research providers and the users of the research report or information. Although they are sometimes embedded in organisational and informational factors, Arnett *et al* (2000) identified them within their framework on the use of competitive intelligence. Five variables were investigated with respect to the relationship between managers and information providers vis-à-vis: involvement, credibility, communication intensity, trust and usefulness (Arnett, Menon and Wilcox 2000). Their study found that involvement, communication intensity, credibility and trust had positive effects on perceived usefulness, which in turn had positive impact on the three dimensions of use investigated (Congruous, Product and Process Uses). However, they noted that credibility and trust were indirectly controllable through involvement and communication.

Involvement refers to the extent to which the information user interacts with the information provider during the preparation of the information or report (Arnett, Menon and Wilcox 2000, Deshpande and Zaltman 1982). In order words, regarding our case, involvement has to do with the degree of interaction between the owner-managers of small food companies and the researchers at Kent Business School providing the supermarket loyalty data. There is evidence in the literature regarding

the value of involvement, suggesting a positive relationship between involvement and information use (Arnett, Menon and Wilcox 2000, Deshpande and Zaltman 1982). In this line of reasoning, it is anticipated that higher involvement in preparing the SLCD reports would enhance its use.

Another variable worth exploring is the communication intensity. Although this is similar to involvement, communication intensity has to do with the frequency of interaction (not just the interaction, as in the case of involvement) between the providers and users of information, whether formally or informally. In this regard, Arnett *et al* (2000) reported that intensity of communication between the providers and users of competitive intelligence positively impacts on the perceived trustworthiness and consequently its use. Similarly, it is anticipated that the communication intensity and frequency between the small food companies and the researcher would help the researcher tailor the reports to meet the specific needs of the companies, thereby enhancing greater use of the information.

Credibility is also another important variable that has been found to influence the use of information. It relates to the extent to which from a research report of piece of information is perceived as being technically sound and accurate (Arnett, Menon and Wilcox 2000). While Arnett *et al* (2000) reported that credibility has on the use of competitive intelligence than trust; Menon and Varadarajan (1992) also suggested that credibility is a function of the source of the information. They posited that if the source of the information is trusted, information users would find the information credible; and this would enhance a positive relationship to the use of such information. Also, credibility has been affirmed as one of the two factors influencing the decision of managers to use information; the other being the perceived value of the information to the firm, mentioned above (Burke and Jarratt 2004).

Trust is also another variable measured under the relationship construct. According to Arnett *et al* (2000), trust refers to the extent to which the information user believes that the information provider is trustworthy. In order words, the extent to which owner-managers of small food companies believe that the Kent Business School researchers, providing supermarket loyalty card data, are trustworthy. Literature suggests that trust has been found to positively influence the use of information

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(Arnett, Menon and Wilcox 2000, Van Birgelen, De Ruyter and Wetzels 2001); and we expect this position to be validated within our research context.

The perceived usefulness of a research report of piece of information is the last variable to be considered. It relates to the degree to which the information user believes that the information, in this case supermarket loyalty card data, would improve their business (Van Birgelen, De Ruyter and Wetzels 2001). In the same line of argument, Menon and Varadarajan (1992:66) suggested that perceived usefulness of research or information is determined by its meaningfulness, goal relevance, operational validity, and innovativeness. They further stressed the importance of contextualising usefulness, noting that "usefulness has no meaning when it is considered outside a particular context." Literature suggests that there is significantly a positive relationship between the perceived usefulness of information and its use (Arnett, Menon and Wilcox 2000, Van Birgelen, De Ruyter and Wetzels 2001).

In summarising the above discussion we note the absence of literature focusing on our context of supermarket loyalty card data. While some studies considered information in its broad sense (Lybaert 1998, Rich 1997); other have investigated market or marketing information and research (Deshpande and Zaltman 1982, Deshpande and Zaltman 1984, Deshpande and Zaltman 1987, Menon and Varadarajan 1992, Moorman 1995). Moreover, most of the studies have focused on large organisations, and only few have focused on small companies, which are the focus of this current research.

Based on the above discussions regarding relationship factors, the following proposition has been developed:

P2D: Relationship factors would influence the use of supermarket loyalty card data in small agri-food companies.

In summary, amongst the four groups of factors discussed above, it is posited that the individual-related factors would influence the use of supermarket loyalty card data more than the organisational, informational and relationship factors. This assertion has been reached on three main grounds: (1) Given the characteristic nature of small

businesses, the literature describes the "omnipresence" of small business owners and/or managers over their businesses (Hogarth-Scott, Watson and Wilson 1996, McCartan-Quinn and Carson 2003). Similarly, it is expected that, to a large extent, the decision to source and use supermarket loyalty card data amongst the small agri-food companies would largely depend their owners and managers; thereby constituting an individual-related factor.

Secondly, it can be argued that, particularly within a small-firm-context, the three other groups of factors are likely to be linked to individual-related factors. For instance, the prevalent organisational culture and structure, which constitute organisational factors, are mainly determined by the small business owner and/or manager (Gilmore, Audrey, Carson and Rocks 2006, Reijonen and Komppula 2007). Similarly, the relationship and communication between the small firm and the information provider are also determined that owner/manager. Likewise the consideration of whether or not the information in a given piece of report would be considered as politically acceptable, actionable, and it a suitable quality and format for the company, rests upon the owners/managers (Jamsa et al. 2011, Lybaert 1998). All these factors constitute the relationship and informational factors.

Thirdly, previous studies have shown that the decision to use information in a small company resides on the entrepreneur and small business owner/manager (Jamsa et al. 2011, Lybaert 1998). Lybaert (1998) reported a significant relationship between the SME manager's desire for growth and information-use. Her study also found that managers with information sensitive personalities sought and made more use of information. Also, as it relates to small food companies, the recent study by Jamsa et al (2011) reveal that SMEs in the food industry utilise their networks to source for information and opportunities; and the networks are based on the contacts of their owner-managers (Burke and Jarratt 2004). Therefore to conclude our discussions on the factors influencing information use, the following proposition summarises the researcher's thoughts.

P2E: Individual-related factors would influence the use of supermarket loyalty card data in small agri-food companies, more than the organisational, informational and relationship factors.

3.8 Benefits of Information-Use

This research also seeks to examine the benefits derived from using supermarket loyalty card data amongst small agri-food companies. In this research benefits are considered as positive outcomes that the small companies derive on account of their use of the data. It is useful to note that benefits are distinct from performance; and this study does not intend to measure performance or success. Nonetheless, it is expected that the discussion on benefits would draw from the extant literature on performance.

In addition, while several performance indicators have previously been studied in the literature, this study does not assume that the use of supermarket loyalty card data in small agri-food companies will instantly transform their performance or success. Moreover, it would be difficult to ascertain how and in what ways the data has resulted into improved performance or success, because in most cases supermarket loyalty card data is not used alone, but as only one source of market information. Therefore, this study has chosen to focus strictly on "benefits". Despite the above distinction between benefits and performance or success, it is expected that, from the use of the data, small agri-food companies would accrue both financial and non-financial benefits.

3.8.1 Financial Benefits

With respect to financial benefits, these refer to positive outcomes that can be measured in financial terms and include profitability, sales growth, return on investment (ROI), reduced costs and overall improvement. The literature reveals that several studies that have previously investigated these financial benefits as performance measures, and found that the information-use is positively related to these financial performance measures (Barabba and Zaltman 1991, Becherer, Halstead and Haynes 2001, Deshpande and Webster 1989, Homburg and Pflesser 2000, Lybaert 1998, Moorman, Deshpande and Zaltman 1993). Homburg and Pflesser (2000) also investigated in the following performance measures in their model: financial performance (adopting average annual return on sales), market performance (customer satisfaction, customer value and customer retention) and market dynamism (changes in products and business processes).

3.8.2 Non-Financial Benefits

On the other hand, non-financial benefits are the opposite of financial benefits. They cannot be measured in monetary terms, and they include customer knowledge, decision-making ability, product improvement, process improvement, customer loyalty and satisfaction. While customer knowledge refers to understanding of the market, i.e. understanding the needs and wishes of customers on an individual or aggregated level (Campbell 2003, Leenheer and Bijmolt 2008); decision-making ability refers to the extent to which the use of supermarket loyalty data has enhanced the owner-manager's decision-making ability (Arnett, Menon and Wilcox 2000, Petersen, Ragatz and Monczka 2005). In order words, has the owner-manager been able to make more informed marketing decisions on account of his or her use of the data? In addition, product and process improvements have to do with the extent to which the use of information has improved the internal organisational process of a firm and enhanced the quality of products being offered to the market (Moorman 1995, Van Birgelen, De Ruyter and Wetzels 2001).

Also, customer loyalty involves a firm's ability to retain the loyalty of its customers. More specifically, it refers to the extent to which customers are deeply committed to re-buying and re-patronising the products of a firm, now and in the future (Oliver 1999); and evidence suggest that the establishment loyalty programmes are able to stimulate both behavioural and attitudinal loyalty (Leenheer and Bijmolt 2008). It is expected that the use of the data would present similar benefits.

Satisfaction is another benefit that has been described as the cognitive and affective evaluation by a customer on the product or service being offered by a firm (Oliver 1997, Van Birgelen, De Ruyter and Wetzels 2001). Although Van Birgelen *et al* (2001) investigated satisfaction as a mediating factor in their model, yet there finding revealed that satisfaction had a positive relationship with information-use and trust in the information provider.

In their study of marketing resources and firm performance in SMEs, Spillan and Parnell (2006) measured eight performance factors. Although their study did not distinguish between financial and non-financial performance, yet it is observed that the first three scales were financial measures, while the remaining eight were non-

financial (profit, sales and ROI, product quality, customer retention, better reputation, lower employee turnover and effectiveness in new product development). Their findings revealed the use of marketing resources in SMEs positively impacted these measures. In the same manner, Appiah-Adu and Singh (1998) tested the impact of customer orientation in small firms and found that there was a significant positive relationship between customer orientation, and firm profitability, sales growth, customer orientation and new product success.

On the contrary, Lybaert's (1998) study on "information-use in SMEs" tested strictly financial measures for success, by considering firms' reserves, owner equity, accumulated profits and overall success represented by the "bottom line of the business"; nonetheless, she reported a positive relationship between information use and the success. Similarly, we expect small agri-food companies to derive some positive outcomes on account of their use of supermarket loyalty card data. Therefore, we present the third proposition to guide our research:

P3: Small agri-food companies who use supermarket loyalty card data would derive both financial and non-financial benefits.

3.9 Chapter Summary

In conclusion, this chapter we have presented a review of relevant literature to guide this research. This has covered areas such as the nature of information, the definition of information-use, the dimensions of information, the factors influencing the use of information and benefits of information use. In addition, we have been able to derive propositions and theoretical linkages from the literature and represented it in a diagrammatic form to guide the fieldwork stage of this research. In chapter four, detailed discussion into the overall methodology for this research; encompassing the research philosophy, approach and strategies applied for data collection and analyses.

4 Research Methodology

4.1 Introduction

This chapter presents justifications for the methodological perspectives and techniques adopted in this research; and provide description of how the chosen research methods was applied in practice. The chapter commences with discussion into the research philosophy, orientation and paradigm. This is followed by justifications for the research approach, design and strategy, methods of collecting data, the techniques for analysing data and their methodological implications. It concludes with a discussion of the validity and reliability of the methods, as well as ethical considerations.

4.2 Research Philosophy, Orientation and Paradigm

Philosophy has often been described as "underpinning the craft of social research, being an arena where various attempts at providing foundations for judging truth claims have come and gone, yet present day opinion seems nowadays" (Seale 1999). At the level of philosophy, scholarly discussions into the problem of the foundations of knowledge remain inconclusive. Nonetheless, while philosophical positions are claimed as being in another sense "foundational" for the practice of research by "criteriologists," this has led empiricism to lay claim of being foundational for modernist paradigms. On the other hand, anti-empiricism is claimed as being foundational for constructivist and postmodernist considerations (Seale 1999). Furthermore, Seale (1999:19) argues that "with post-modernist perspectives in fashion, the whole issue of whether we ought to be trying to generate criteria for judging the quality of research has become controversial."

The literature suggest that marketing research has been "dominated by the logical empiricist paradigm stressing rationality, objectivity and measurement" (Arndt 1985); however, while this approach has allowed for significant breakthroughs and contributions to be made, this domination has resulted into the neglect of other

relevant aspects of marketing, and the paying of little attention to alternative approaches that may be useful to generating knowledge (Arndt 1985).

Scientific orientations refer to the "accepted role of the researcher and the objectives of the research" (Arndt 1985). The orientation prescribes the relationship existing amongst data, theories, and values of the researcher. Galtung (1972) formulated a framework called the "science triangle" (seen in Figure 4.1) describing the relationship of data, theories and values; and it assumes that the common purpose of all sciences is to establish what he termed *sentences*, which dichotomises their world space by including some world-views and excluding others (Galtung 1972).

Figure 4.1: Research Orientations - Triangle for Bilateral Scientific Activity
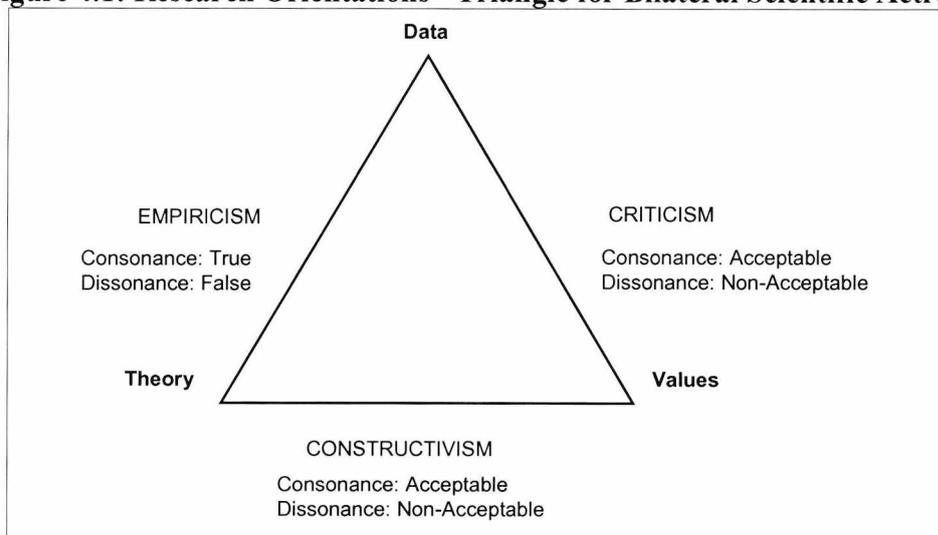
Source: (Galtung 1972)

In addition, Galtung (1972) suggest that "*data sentences* are reports defining the *empirical world* by including what is observed and what is non-observed"; "*Theory sentences* (hypotheses), on the other hand, define the *foreseen world*, including aspects that are predicted by the underlining theory. And "*value sentences* refer to the *preferred world*, including what is accepted and excluding what is rejected" (Arndt 1985). Thus, three scientific orientations were further considered vis-à-vis: empiricism, criticism and constructivism.

Arndt (1985) described *empiricism* as the research orientation which consists of comparing data sentences with theory sentences; and where dissonances exist, the

"Popperian falsification principle" requires priority to be given to data sentences in order to establish consonance by developing new theory sentences.

Criticism is viewed as the type of scientific activity where "data sentences are confronted with value sentences. Arndt (1985:13) further uses the analogy of a court of law to describe *criticism*, explaining that "where the police and testimonies provide the data sentences, the law the value sentences, and the judge, prosecutor, and defence struggle over the validity of either." By the principles of this orientation, consonance is derived by developing new data sentences by altering aspects of reality into an acceptable condition.

Constructivism is the type of scientific activity where theory sentences are compared with value sentences "to see to what extent the foreseen world is also the preferred world." Here the conclusions are in terms of adequacy and inadequacy. In situations where dissonances arise, theory and value sentences tend to be equal in priority and both may sometimes be altered. Arndt further alluded that marketing literature has been, and is still much dominated by empiricism.

With respect to paradigms, a paradigm has been viewed as "a set of basic beliefs (or metaphysics) that deals with ultimate or first principles. It represents a *worldview* that defines for its holder, the nature of the 'world,' the individual's place in it, and the range of possible relationships to that world and its parts" (Guba and Lincoln 1994). Bryman and Bell (2007:25), also defines a paradigm as "a cluster of beliefs and dictates which for scientists in a particular discipline influence what should be studied, how research should be done, [and] how results should be interpreted" (Bryman and Bell 2007). In the same vein, Arndt (1985:14) suggests that the paradigms serve a "normative and conserving" purpose; because when it exists in a discipline, what is often termed normal science is practiced as an activity of solving puzzles. Therefore, incremental bits of knowledge are produced by sharing existing categories and established procedures. Similarly, Guba and Lincoln (1994) also argue that the beliefs within paradigms are basic, because they must simply be accepted based on faith (however well argued) and "there is no way to establish their ultimate truthfulness."

However, the development of scientific paradigms tends to be summarised by the responses provided by the proponents of such paradigms to three "interconnected" fundamental questions vis-à-vis: the ontological question, the epistemological question and the methodological question. In explaining these three fundamental questions, Guba and Lincoln (1994108) stated:

"1. *The ontological question.* That is the form and nature of reality and, therefore, what is there that can be known about it? For example, if a 'real' world is assumed, then what can be known about it is 'how things really are' and 'how things really work.' Then only those questions that relate to matters of 'real' existence and 'real' action are admissible; other questions, such as those concerning matters of aesthetic or moral significance, fall outside the realm of legitimate scientific inquiry.

2. *The epistemological question.* What is the nature of the relationship between the knower or would-be knower and what can be known? The answer that can be given to this question is constrained by the answer already given to the ontological question; that is, not just *any* relationship can be postulated. So if, for example, a 'real' reality is assumed, then the posture of the knower must be one of objective detachment or value freedom in order to be able to discover 'how things really are' and 'how things really work.' (Conversely, assumption of an objectivist posture implies the existence of a 'real' world to be objective about.)

3. *The methodological question.* How can the inquirer (would-be knower) go about finding out whatever he or she believes can be known? Again, the answer that can be given to this question is constrained by answers already given to the first two questions; that is, not just *any* methodology is appropriate. For example, a 'real' reality pursued by an 'objective' inquirer mandates control of possible co-founding factors, whether the methods are qualitative (say, observational) or quantitative (say, analysis of covariance). (Conversely, selection of a manipulative methodology – the experiment, say – implies the ability to be objective and a real world to be objective about.) The methodological question cannot be reduced to a question of methods; methods must be fitted to a predetermined methodology" (Guba and Lincoln 1994).

Furthermore, Bryman and Bell (2007) highlighted that the understanding of epistemology and ontology within business research has been influenced by Burrell and Morgan's (1979) exposition of four paradigms, which they suggest reflect the assumptions made by researchers regarding the nature of organisations and how we investigate them.

Drawing from previous work on the 'notion of paradigm' (Kuhn 1970); Burrell and Morgan (1979) suggest that each paradigm contains set of assumptions that can be represented as either: objectivist – where there exits an external point of view from which the organisation can be viewed, comprising of "consistently real processes and structures"; or subjectivist – where an organisation is socially constructed; given that there is a label which individuals use to make sense of their social experience, so that

it can it can only be understood from the point of view of individuals who are directly associated with its activities.

Also, each paradigm makes assumptions regarding the function and purpose of scientific research in the business world as either: regulatory – "to describe what is going on in organisations, possibly to suggest minor changes that might improve it but not to make judgement of it;" or radical – "to make judgement about the way organisations ought to be and to make suggestions about how this could be achieved" (Burrell and Morgan 1979) as cited in (Bryman and Bell, 2007:26).

Therefore, the nexus of these assumptions provides a framework for identifying four possible paradigmatic positions for the research in organisations, vis-à-vis the functionalist, the interpretative, the radical humanist and the radical structuralist. The functionalist is considered the dominant framework applied in most organisational studies, and it is based on the orientation of problem-solving, leading to rational explanation. The interpretative researcher questions the existence of organisations in any real sense beyond the notion of social actors; hence understanding can only be based on the experience of those actors that work within such organisational contexts. The radical humanist considers the organisation as a social arrangement from which members need emancipation, and research is stimulated by the need for change. Radical structuralist considers the organisation as a product within structural power relationships, resulted by conflict (Bryman and Bell 2007).

In this regard, the deductive philosophy and interpretative paradigm fits better with the realities of small companies using information. Practically, this means that realities about how small agri-food companies use supermarket loyalty card data, their unique organisational characteristics, their evolutionary process and how their marketing planning and decisions are undertaken, are all assumed to be socially constructed by social actors constructed within the organisation, such as the entrepreneur, owner-manager, managing director, marketing manager and others members of staff. Therefore, the only way the researcher can understand new things regarding how these small agri-food companies use information, and what factors influence their use, is to immerse himself in the organisation in order to capture "the

experiences of those actors who work within" the small agri-food companies (Bryman and Bell 2007).

4.3 Research Strategy and Approach

In scientific inquiry, there are two broad strategies and approaches to reasoning which results in the acquisition and creation of new knowledge. At one end of the spectrum is the deductive approach to reasoning, which starts out with generalisations on existing works and seeks to query or test existing theory to see if they apply to specific situations. At the other end of the spectrum is the inductive approach to reasoning, which starts out with the observation of specific issues and seeks to build and establish generalisations (Hyde 2000). These two general approaches, deductive and inductive approaches, are also reflected in research discussions of quantitative versus qualitative strategies. According to Saunders *et al* (2003:86), the purist deductive approach, also known as hypothetico-deductive approach, "owes much to what we would think of as scientific research" because it is concerned with the development of theory that is subject to rigorous test and this is an approach dominant in the natural sciences where existing laws allow for explanation, permit the prediction of phenomena, anticipate their happening and therefore creates a controlled environment (Babbie 2008, Hussey and Hussey 1997).

Deductive research lends itself to empiricism (discussed above), where the researcher starts out by deducing hypotheses from existing theory; expresses the hypotheses in a way that proposes relationships between certain variables; tests the hypotheses; examines the outcomes of the inquiry to see if they confirm or dis-proof the theory; and modify the theory in the light of the findings (Robson 1993). Literature reveals that the characteristics of the deductive approach include: the search to 'explain causal relationships between variables'; the gathering of mainly quantitative data (and qualitative data where necessary); the operationalization of concepts that enable facts to be quantitatively measured; the application of controls to allow for hypotheses testing and to ensure validity; the use of a highly structure methodology to facilitate replication; the independence of the researcher from what is being studied; and the need to select sufficient samples of numeric size to allow for generalisation (Babbie 2008, Saunders, Lewis and Thornhill 2003).

On the other hand, the purist inductive approach to research emphasises theory building, and commences with the observation of the phenomenon being studied. In order words it starts with the gathering of data, and then moves on to generalise from the data (Ali and Birley 1999). As opposed to the deductive approach, under the inductive approach, data comes first before theory. The deductive approach has its origins emanating from the natural sciences and was faced with criticisms as social science research emerged and advanced in the 20th century (Jankowicz 2000).

Social scientists were critical about how the deductive approach allowed for cause-and-effect relationships to be made between two variables without a proper understanding into the way human beings interpreted their social world; and this gave rise to the inductive approach to research. Scholars have suggested that the need to understand the critical issues of phenomena is what culminates the main strength of inductive research. Inductive scholars have further criticised the deductive approach for its tendency to adopt rigid methodology that does not allows for deep understanding into what really going on within a particular context, neither does it provide an alternative explanation as to phenomena (Bonama 1985, Hyde 2000, Saunders, Lewis and Thornhill 2003, Yin 2003).

A classic inductive approach to research would be one in which its findings are "grounded" in the data (Glaser and Strauss 1967). As opposed to a situation where the researcher is "armed with a body of theory, and allowing that theory to colour the data" (Hyde, 2000:83), here he or she commences the research with an open mind that the data can produce any findings (Strauss and Corbin 1994). The important characteristics to note under the inductive approach are: the need to gain understanding of phenomena, that is, the meanings humans attach to issues; the need to provide a close understanding of the research context; the collection of qualitative data, and the flexibility in the methodology that allows changes as the research progresses; a realisation that the researcher is part of the process and less concern on the need to generalise (Saunders, Lewis and Thornhill 2003, Silverman 2005).

In addition to this discussion of deductive and inductive approaches, Blaikie (2007) provided an extended classification of the two traditional approaches into four research strategies in social science, which reflect unique combinations of ontology

and epistemology. As presented in Table 4.1, these classifications consist of the traditional inductive and deductive strategies, and extended to include retroductive and abductive. Having discussed inductive and deductive strategies above, only the two extended strategies would be discussed here.

According to Blaikie (2007:10) the retroductive research strategy commences also with an observed regularity; but seeks a different form of explanation. He further suggests that this is done by "locating the real underlining structure(s) or mechanism(s) that is (are) that is responsible for producing an observed regularity." Therefore, to discover a structure or mechanism that was previously unknown, the researcher first requires constructing a hypothetical model of it, before proceeding to try establishing its existence by observation and experiment. This research strategy may require the use of indirect methods, and it is "a process of working back from data, to an explanation, by the use of creative imagination and analogy." Additionally, while it serves as an alternative method of answering "why" questions it also adopts a social constructionist view (Blaikie 2000, Blaikie 2007).

On the other hand, the abductive research strategy falls within the paradigm of interpretivism, which this current study seeks to follow. Again, Blaikie (2007:10) suggests that its "starting point is the social world of the social actors being investigated. The aim is to discover their constructions of reality, their ways of conceptualisation and giving meaning to their social world, their tacit knowledge." In this situation, the researcher's main access to these constructions is "through the knowledge that social actors use in production, reproduction and interpretation of the phenomenon under investigation." Essentially their reality, how they construct and interpret their activities together, is entrenched in their everyday language. Consequently, Blaikie (2007) suggests that in order to discover the motives and reasons that influence their social actions, "the researcher has to enter their world."

Table 4.1: Features of the Four Research Strategies

	Research Strategies			
	Inductive	Deductive	Retroductive	Abductive
Aim	To establish universal generalisations to be used as pattern explanations	To test theories to eliminate false ones and corroborate the survivor	To discover underlying mechanisms to explain observed regularities	To describe and understand social life in terms of social actors' motives accounts
From	Accumulate observations or data	Borrow or construct a theory and express it as an argument	Document and model regularity	Discover everyday lay concepts, meanings and motives
	Produce generalisations	Deduce hypotheses	Construct a hypothetical model of a mechanism	Produce a technical account from lay accounts
To	Use these 'laws' as patterns to explain further observations	To test the hypotheses by matching them with data	Find the real mechanism by observation and/or experiment	To develop a theory and test it iteratively
Ontological Assumptions	Reality exists independently of humans. It can be represented by universal propositions. Only what is observed is real.	(the same as Inductive)	Instead of transitive theories and concepts, there are real structures and mechanisms that produce events which sometimes can be observed. Social reality is socially constructed or the product of the unobserved structures of social science.	Social reality does not exist independently of social actors, who together negotiate, construct the meanings for actions/situations. This mutual knowledge facilitates and structures social relationships. Multiple and changing interpretations of social reality can exist, which is pre-interpreted before begin their research.
Epistemological Assumptions	Knowledge (regularities/ patterns) can be experienced by human senses, producing observations through 'objective' procedures and means of experimental or comparative analysis.	Rather than waiting regularities to be revealed, the scientists impose theories, which they critically evaluate through a process of trial and error.	The underlying mechanisms can be only be known, by constructing models i.e. hypothetical descriptions of them. These structures and mechanisms represent only tendencies, rather universal laws and whether subjects act in the particular way depends on the existence of favourable circumstances.	Researchers re-describe in scientific language the socially constructed mutual knowledge of social actors, derived from their everyday concepts
Broad logic of social enquiry	Positivism	Critical Rationalism	Scientific Realism	Interpretivism

Source: Adapted from (Blaikie 2000)

In other words, it is the responsibility of the researcher to penetrate the world of the social actors, to be able capture their tacit and mutual knowledge through their everyday engagements, practices, beliefs and mental models that guide their social interactions and activities. The knowledge of the actors remains subjective, and is not

independent from their social relationships, which tend to facilitate and structure such knowledge (Blaikie 2000).

It is also the responsibility of the researcher to describe his or her discovery of the "inside" view in a scientific language, devoid of any preconceived notions from the "outside." Although, theories generated from these description of the "inside" view may "include conditions of which social actors may be unaware" (Blaikie, 2000:116). By and large, scholars that have tended towards qualitative studies and interpretivism have consistently argued that statistical calculations and correlations are inadequate to understand the motives and symbolic meanings that form the actions and patterns of behaviours attributed to human beings. Therefore the important role of individuals, as social actors, is recognised (Creswell 1998, Gummesson 1991, Mason 2002, Strauss and Corbin 1998, Van Maanen 1983).

Due to the nature and novelty of the phenomenon being studied – the use of supermarket loyalty card data in small agri-food companies – which is not well understood in the small business marketing literature, the study proposes to integrate: the integrated approach to research, which combines elements and processes of the two traditional paradigms of research discussed above (Hyde 2000); and the abductive research strategy, which represents the understanding that the starting point of every social research is in moving closer to the social world of the social actors. This research neither adopts a purist deductive nor inductive stance; because the literature has shown that in several studies, scholars have tended to adopt an integrated approach that combines both the deductive and inductive processes (Ali and Birley 1999, Hyde 2000).

Similarly, while acknowledging the adoption of deductive processes in qualitative research, Hyde (2000) argues that both qualitative and quantitative researches demonstrate deductive and inductive processes in their studies, but fail to recognise them. Again, with respect to the abductive strategy, it is important to explain how this strategy offers the most preferred method to addressing the objectives of this thesis. First, related to the integrated approach, the abductive research operates within the ontological and epistemological assumptions that clearly distinguish it from purist deductive and inductive strategies; and this fits perfectly with the realities

in the day-to-day life of small agri-food businesses and how they use market information to influence their marketing decisions. Second, the use of the abductive research strategy would be appropriate for this research because the researcher can dictate the distance to be kept between him and the social realities being investigated. This can help curtail the problem of "creating [external] 'sociological' realities that may not represent the 'social' realities they claim to be studying" (Blaikie, 2000:121); as a result of the research's 'coloured lenses' arising from his expectation, scientific knowledge and past experience in the industry.

The fundamental argument here is that since social realities cannot exist separately from the actor's knowledge regarding it, then the researcher may be able to learn, by coming close to this reality as another native actor. This therefore allows the research to adopt the role of a *dialogic facilitator* or *reflective partner*. Finally, the abductive strategy has been adopted in this study because it can satisfactorily address all the 'what', 'why' and 'how' questions (Blaikie 2000, Blaikie 2007).

In addition, Ali and Birley (1999:103) argues that the difference between inductive and deductive research lies on 'how' they draw upon existing research: "inductivist research theory can be used where it is composed of constructs while theory represented in form of variables is more appropriate in hypothetico-deductive research." Although they acknowledge that the use of existing theory to drive an inductive/qualitative research can limit the researcher's ability to pay attention to the participant's viewpoint and limit the pure inductive nature of the study; yet, these losses can be mitigated and compensated by the processes adopted by the researcher.

The implication is that researchers who choose to adopt deductive processes in their inductive research need not feel guilty, as "what matters is *how* they use it." Table 4.2 below provides a review of both approaches alongside the interactive approach.

Table 4.2: The Integrated Approach Compared to Purist Versions of the Deductive and Inductive Approaches to Research

Stage	Purist Deductive	Purist Inductive	Integrated Approach
1	Develop theoretical framework	Area of enquiry identified – but no theoretical framework	Develop theoretical framework based on constructs
2	Variables identified for relevant constructs	Respondents identify constructs and explain the relationship between them	Some variables identified for relevant constructs – others can be identified by respondents
3	Instrument development	Broad themes for discussion identified	Researcher converts the priori theoretical framework into atheoretical questions
4	Respondents give answers to specific questions	Respondents discuss general themes of interest	Respondents discuss the seemingly general questions and identified constructs which are meaningful to them and explain the relationships between the constructs
5	Answers analysed in terms of prior theoretical framework	Researcher develops theory on a purely inductive basis	Respondent data analysed according to existing theory. OR theory is developed on an inductive basis – without regard to existing theory
6	*Outcome* Theory tested according to whether hypotheses are accepted or rejected	*Outcome* Theory developed	*Outcome* Either Existing theory is adapted Or Alternative theoretical framework is presented

Source: (Ali and Birley 1999)

From the table above, we can see that the integrated approach provides what Hyde (2000) calls a balanced approach to research. He notes that a researcher can develop a theoretical framework based on the constructs identified in literature and can convert the theoretical framework into general or "atheoretical" questions that encourage a free flow of rich data from the respondent. In the same manner, Parke (1993) asserts that while extreme induction may deprive the researcher from gaining useful theoretical perspectives and concepts which can provide a reasonable guide to exploring the phenomenon; extreme deduction may also inhibit the researcher's ability to develop new theory; hence it is undesirable to make a case for the adoption of one extreme or the other (Parke 1993).

Similarly, Saunders *et al* (2003) suggest that while there is a clear distinction between the deductive and inductive approaches, to convey the impression that they are rigid and cannot be combined would be misleading. They further suggested that while it is not only perfectly possible to combine both approaches; it is more often

advantageous to do so, because of the detail, richness and reliability that can be derived from such combination which usually holds the ability to negate criticisms associated with individual approaches (Saunders, Lewis and Thornhill 2003).

Consequently, the approach adopted in this research is neither a classic inductivist nor deductive approach; rather it is a blend of the integrated and abductive strategies that starts out by first understanding existing theory about the phenomenon being studied, rather than gathering data. These mix of research perspective enables the researcher to develop a theoretical framework and research propositions, which do not aim to test theory from a hypothetico-deductive stance, but aims at providing guidance for the inquiry; and seeks to move closer to the social actors to understand what is actually happening in the "real" social world (Ali and Birley 1999, Hyde 2000, Parke 1993).

4.4 Research Design and Methods

The research design simply refers to the "framework for the collection and analysis of data" (Bryman and Bell 2007). In social research texts and scholarly articles, several techniques are discussed to how data is, on one hand, collected; and on the other, analysed. With respect to the collection of data, our discussion would focus on the techniques adopted in qualitative research. Literature suggests the preponderance of several techniques for collecting data, which include: interviews, oral history, documentary evidence and case studies. It has also been suggested that the mode of data collection ought to reflect the nature of the research being conducted (Bryman and Bell 2007). Therefore, considering that our current research falls within the interpretivist paradigm, the researcher chose to adopt the exploratory research design because it seeks to find out "what is happening; to seek new insights; to ask questions and to assess phenomena in a new light" (Saunders *et al*, 2003:96).

In this regard, this study adopts a two-phase qualitative research design to collecting data; with the case study method being the principal research method. The first phase of the fieldwork consists of a series of exploratory semi-structured interviews conducted with thirteen participants consisting of entrepreneurs, owner-managers and marketing executives of small agri-food companies. An interview guide was

used to explore the theoretical linkages developed from the literature. In addition, the interviews would assist in identifying suitable cases to be studied in the second phase of data collection, because it would give the researcher an opportunity to interact with key informants, in order to identify small agri-food companies that would be interested in further exploration of the phenomenon, via detailed case studies.

The second phase of data collection consists of two detailed case studies, was conducted with two small agri-food companies. This gave the researcher the opportunity to further explore the issues pertinent to this research, particularly those identified from the results of the semi-structured interviews. More so, case study method allows the researcher investigate the phenomena in greater depth, and allows for the gathering a vast amount of data on the two small agri-food companies (Hyde 2000, Patton 1991). Saunders *et al* (2003), suggests that case study research is useful for researchers wishing to clarify their understanding of a problem; and as it relates to this current research, there is need to: (1) understand how supermarket loyalty card data is used amongst small agri-food companies; and (2) explore the factors acting as enablers or barriers to their use of the data (Saunders, Lewis and Thornhill 2003).

In addition, while exploratory semi-structured interviews provides the researcher with large amounts of rich and fertile, but disorganised, data (Jankowicz 2005); the case study method is considered a good strategy that enables researcher to answer "how" and "why" questions (Yin 2003). Case study has also been described as an approach that successfully enhances the understanding of a complex issue and can further anchor what is previously known, while emphasising detailed contextual analyses of limited conditions and their relationships (Dooley 2002, Yin 2003). This research is concerned with "understanding the role of social actors" within the scientific paradigm of interpretivism, regarding the use of supermarket loyalty card data, rather than "hypothetico-deductive" theory testing. Therefore, the case study method, requiring mainly qualitative data sources, stands as the preferred methodology (Eisenhardt 1989, Jocumsen 2004).

According to Yin (2003), there are several methods of gathering data in case studies, such as documentation, archival records, interviews, direct observations, participant observation and physical artefacts. Similarly, the researcher collected data from the

cases through interviews, documentary evidence, and by engaging in participant observation. The second phase interviews focused strictly with the issues identified from the first stage interviews and the theoretical linkages.

The literature suggests that one of the criticisms of interviews is that respondents do not necessarily do what they say they do or act the way they think they act (Jankowicz 2005). Therefore it was necessary to include another method to verify the findings from the interviews, and this is where the participant observation and documentary evidence were used. The process of the participant observation involved the preparation of consumer insight report (using supermarket loyalty card data) for the case companies and then spending time, as a participant observer, helping them analyse and work through the report, while recording, first-hand, how they actually used it. In essence, the participant observation offered the researcher an opportunity to: (1) deeply explore the issues and concepts identified from the first phase interviews and theoretical linkages; and (2) provide the case companies with supermarket loyalty card data and observe how they use the data.

In support of participant observation, Saunders *et al* (2003) suggests that this technique does not rely on what people say or think, but draws direct evidence from an eye witness account of events by the researcher. It is based on the premise that, for certain purposes, it is best to observe what really happens (Saunders, Lewis and Thornhill 2003). Scholars have also suggested that although observation is an integral part of every research; yet, for it to qualify as a scientific technique it should: serve a formulated research purpose; be systematically planned; be recorded systematically; be related to more general propositions; and it must be subjected to checks and control for validity and reliability (Jankowicz 2005).

4.5 Case Study Methodology

As mentioned earlier, this research adopts the case study method as its main method of primary data collection and this section seeks to discuss the literature of case study research, and provide justification regarding why the method was deemed most appropriate for the study. The adoption of case study method for research purposes is "becoming increasing widespread" and in several countries, dissertations and

doctoral theses in the field of strategy, marketing, organisational development and so on, are increasing based on case studies (Gummesson 1991).

Yin (2003:13) defines case study as "an empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident." He further explained that the case study method is just one of several methods of conducting social research such as experiments, histories, surveys and analysis of archival information; with these methods having their own merits and demerits based on the nature of the research questions, the investigator's control over actual behavioural events, and the contemporary focus on the phenomenon, as opposed to its history. However, "case studies are the preferred strategy when "why" or "how" questions are being posed, when the investigator has little control over events, and when the focus is on contemporary phenomenon within some real-life context" (Yin 2003).

Traditionally, the case study methodology has been equated with exploratory and descriptive research (Bonoma 1985, Kitchenham, Pickard and Pfleeger 1995, Stake 1994); and much of marketing research adopting case studies have been exploratory in nature (Johnston, Leach and Liu 1999, Lewin and Johnston 1997). As a result, many researchers have been made to believe that the role of the qualitative investigator is that of an initial "exploratory" first step, before the "real" investigation – a quantitative – is conducted (Hyde 2000). And the case study methodology has often received criticisms as being less rigorous, and "belonging only to the realm of scientific discovery-not justification" (Johnston *et al* 1999:202).

On the contrary, while Denscomble (1998) posits that the case study method is appropriate for both "theory building" and "theory testing" (Denscombe 1998); Eisenhardt (1989:535) notes that case studies "can be used to accomplish various aims: to provide description, test theory, or generate theory." Of particular interest, Eisenhardt and Graebner (2007:25) comment that in recent years, scholars have tended to adopt case studies for theory building in areas as diverse as group process, internal organisations and strategy. Arguing that in fact "papers that build theory from cases are often regarded as the most interesting research" (Eisenhardt and Graebner 2007). They further explain that the process of building theory from case

studies involve the use of one or more cases to create theoretical constructs, propositions and/or midrange theory from case-based, empirical evidence (Eisenhardt 1989, Eisenhardt and Graebner 2007); and while case studies tend to focus on contemporary issues, they can also be used to study historical accounts. This is because the central idea is to use cases as a platform from which theory can be inductively developed; considering that the emergence of theory is embedded in the recognition of relationship patterns among constructs, within and across cases and their underlying logical arguments (Eisenhardt and Graebner 2007).

In an article dedicated to case research in marketing, Bonoma (1985) advocates that case research ought to be the acceptable method for conducting marketing research; stressing that case studies are particularly useful in situations where it is impossible for the phenomenon of interest to be studied outside its natural environment, and when the phenomenon is not readily quantifiable (Bonoma 1985). In the same vein, Yin (2003) points out that when studying a phenomenon that adopts the form of rich contexts, there are usually too many variables to be considered for the amount of observation to be made; hence, the application of standardised experiments and survey designs may not be tenable.

In addition, scholars have posited that although the case study methodology often takes the form qualitative enquiry, being that its data collection techniques would typically include qualitative techniques such as interviews, observations and documents (Hyde 2000); nonetheless, case studies are not limited to qualitative data and/or interpretative approach. They may also be involved in collecting quantitative data, within a deductive research framework, depending on the nature of the phenomenon being studied (Yin 2003). In fact, it has been suggested that although Yin (2003) is one of the most cited authors on case study methodology, he remains one scholar that has continued to make a case for the adoption of a deductive, rather than inductive, approach to case research (Ali and Birley 1999, Hyde 2000). In order to harmonise this dichotomy, Malterud (2001:483) have posited that "rather than thinking of qualitative and quantitative strategies as incompatible, they should be seen as complementary," for the purpose of enhancing the relevance, validity and reflexivity of the case study method (Malterud 2001).

With respect to conducting a case study, Bonoma (1985) argues that case studies would be most suited for conducting research based on a context dependent phenomenon, considering that case studies tend to triangulate by adopting multiple data sources; and this distinguishes case studies from other qualitative research methods that rely mainly on one data collection method. He further developed a four-stage process to help in guiding case study research projects in the field of marketing, termed: "drift", "design", "prediction" and "disconfirmation;" and argues that by progressing through these stages, the investigator potentially moves his or her research from an exploratory nature (drift and design), to a more confirmatory nature (prediction). Eventually, the investigator would be interested in taking a look at the extreme cases to determine the limitations to generalisation (disconfirmation) (Johnston, Leach and Liu 1999).

Additionally, Yin (2003:23), suggests that once a case researcher has finalised the "how" and "why" questions of his study, the next step is to develop propositions; arguing that propositions ought to direct the researcher's attention to the main issue that should be examined within the specific scope or context; stressing that while propositions are "needed to help identify the relevant information" about the case, without out which the researcher may be tempted to investigate "'everything' which is impossible to do"; they also ensure that researchers "stay within feasible limits." Consequently, in this current research, there are seven key rationales for the adoption of the case study methodology.

First, from the discussions offered above, the case methodology has offered itself as an appropriate method for handling of the intricacies and nuances of real life situation, which would be able to unravel the influence of factors acting as enablers and barriers to the use of supermarket loyalty card data amongst small agri-food companies (Denscombe 1998, Easterby-Smith, Thorpe and Lowe 2002, Yin 2003).

Second, this study is focused on the "meanings" of the phenomenon being study as opposed to "numbers"; and its interested in "understanding" the particular "social" issue which represents "the basic metaphysical assumptions" on which this research is based (Jankowicz 2000, Van Maanen 1983). In other words, the study is not interested in describing the "general" population; but in deeply understanding what is

really going on within this "particular" context (Bonama 1985, Hyde 2000, Saunders, Lewis and Thornhill 2003, Yin 2003); therefore, its strength is hinged on the in-depth knowledge of the particular and its variation within and across context (Stake 1995).

Third, by focusing on *enablers and barriers, and dimensions of information-use, rather than outcomes, performances and/or benefits*; and adopting a *holistic* approach instead of *isolated factors*, the case study methodology gave way for the explanation "how" and "why" certain factors act as enablers and some other act as barriers to information-use (Yin 2003). More so, the study of the role of "social actors," such as the entrepreneur, owner-manager, and small business consultants, in the process of information-use, also allowed for deeper contextualisation and interaction in the cases studied. This played an important role in capturing the unique characteristics associated with each individual case, and enabling a cross-case analyses of the features (Blaikie 2000, Blaikie 2007, Bonoma 1985).

Fourth, the case study method formed the basis for investigating the small agri-food companies in their *natural settings, rather than artificial setting*, considering that the use of market-based information amongst small agri-food is already taking and would continue to take place after the research, as natural occurring day-to-day phenomenon. In essence this process has saved the researcher the hurdle of having to replicate a social phenomenon under artificial environments, which tend to be difficult, considering the limited nature of control and knowledge of necessary conditions and components for information-use in small companies (Creswell 1998, Lamprinopoulou 2009, Strauss and Corbin 1998, Yin 2003).

Fifth, the case methodology is also preferred because it allows for multiple sources of data collection techniques to be adopted (i.e. triangulation); which enhances the overall validity, reliability and reflexivity of the study (Hyde 2000, Malterud 2001, Rich 1997). According to Jick (1983:138) triangulation "can be something other than scaling, reliability, and convergent validation. It can also capture a more complete, *holistic,* and contextual portrayal of the unit(s) under study (Jick 1983).

Sixth, the case study research was also adopted as a result of the heterogeneous nature of small businesses which require detailed investigation, as opposed to the

"one-size-fits-all" approach which some scholars erroneously try to associate with small firms (Carson 1990, McCartan-Quinn and Carson 2003, Wright, Mike, Robbie and Ennew 1997). As such, the case study method would help provide detailed contextual analysis of a limited number of conditions and their relationships.

Finally, case methodology was adopted because the information-use literature has identified case studies as one of the most effective research method which can be used to examine the *concept of information-use*; stressing that the "case study has the basic advantage of being able to cover an event, a program, or a policy from its initiation through the stage of implementation" (Rich 1997:22).

4.5.1   Case Study Selection

With respect to building theory from case studies, Eisenhardt (1989) developed a nine-stages model: getting started, selecting cases, crafting instruments and protocols, entering the field, analysing within-case data, searching for cross-case patterns, shaping hypotheses, enfolding literature, and reaching closure. However, of particular interest to his section is the second stage – selecting cases – in the model, as it is the responsibility of the researcher to select which cases to include in the investigation. Therefore, this section addresses the theory of case selection.

In social research, there are two broad categories of sampling techniques, vis-à-vis: probabilistic and non-probabilistic sampling. On one hand, probabilistic sampling involves "using a random selection so that each unit in the population has a known chance of being selected," thus adhering to the positivist principles of probability and randomisation; non-probabilistic sampling, on the other hand, involves a techniques that "has not been selected using a random selections method," and implying that some units within the population stand better chances of being selected than others (Bryman and Bell 2007). The discussion below presents the underpinning rationale for the choice of non-probabilistic sampling for this current research.

First, the literature reveals that non-probabilistic sampling techniques such as "purposive" or "theoretical" sampling, "key informant" investigations and "snowballing" tend to be generally adopted in small-scale and qualitative investigations where the central aim is not about generalising to the larger population

(Creswell 1998, Gummesson 1991, Patton 1991). As opposed to probabilistic sampling techniques that seek generalisation, randomisation, sameness and representativeness, the non-probabilistic investigator seeks to maximize variation, and even contradiction (Corbin and Strauss 2008, Denscombe 1998, Van Maanen 1983).

Purposive sampling, often termed *judgemental sampling* enables the researcher to use his or her judgement to select the cases that will best help to meet the research objectives and answer the research questions (Saunders, Lewis and Thornhill 2003). It constitutes of the deliberate choice of selecting "information-rich" cases on the basis of purpose and availability of resources (Patton 1991). Theoretical sampling refers to the method of selection of groups and categories based on their relevance to your research questions and theoretical position (Silverman 2005). It follows the discovery route of research, with the ultimate aim being the development of theory, and which is "grounded" in evidence (Glaser and Strauss 1967). Key informant investigation refers to sampling done by selecting people with specialised knowledge and selections by taking "slices through the organisation" is instances of purposeful sampling (Jankowicz 2005). Snow balling sampling is used when it is difficult to identify members in the sample frame. It starts by the researcher being able to identify one or two cases in the sampling frame and asking them to identify other members (Saunders, Lewis and Thornhill 2003).

According to Corbin and Strauss (2008:156), the importance of variation in theory building is highlighted by its ability to increase the "broadness of concepts and scope of the theory;" in essence non-probabilistic sampling tends to be stimulated by the logic of discovery (Corbin and Strauss 2008). In the same vein, Lincoln and Guba (1985) argue that it adopts an "emergent and sequential" process of decision making that places emphasis on the outcomes of earlier stages of the investigation and the discovery of certain special, rather than normal, phenomena. The process of using supermarket loyalty card data in small companies is a dynamic and novel concept, which can only be fully explored through such a "sequential" analytical process.

In addition, the decision by the researcher to adopt non-probabilistic sampling techniques allows him to benefit from "outliers", by adopting them to check the

generalisation of mainstream findings, preventing against the bias of self-selection, and developing better explanations. Considering that it is difficult to pre-determine the typical information-use pattern of small companies, the addition of "outliers" in the investigation can only offer more opportunities than threats (Lamprinopoulou 2009, Seale 1999, Silverman 2005).

Furthermore, non-probabilistic sampling techniques have been found to be appropriate in situations where either the population size and composition of the study are known or where the various features of the population cannot be part of a small sample (Denscombe 1998, Lamprinopoulou 2009). Having discussed the justifications for adopting the non-probabilistic sampling method; the following discussion is dedicated to explaining the researcher's reasons for specifically selecting case study method. Therefore we move on to provide discussions on the case study method, which offers further light on this choice.

It has been suggested that the central components of case study design are: (1) the "how" and "why" questions; (2) theoretical propositions, pointing attention to the limiting scope and suggesting possible links between the phenomena and theory; (3) the unit(s) of analysis, which should be at the same level with the research questions and typically comparable to those previously studied; (4) the logic linking data to theoretical propositions, by matching pieces of information against patterns derived from propositions; and (5) the criteria for interpreting findings, by iterating between data and propositions (Yin 2003).

Scholars have suggested that there are different types of cases (Creswell 1998, Stake 1995, Yin 2003). Silverman (2005:127) cited the work of Stake (2000), which identified three different types of cases, vis-à-vis: intrinsic case where the "case is of interest… in all its particularity and ordinariness"; instrumental case where the "case is examined mainly to provide insight into the issue or to revise a generalisation"; and collective case, where a number of "cases are studied in order to investigate some general phenomenon" (Silverman 2005). While *typical cases* are selected in situations where the vital features are similar with those not selected, and they can foster generalisation of findings; *extreme cases* are adopted in situations where the features differ considerably, and tend to reveal the influence of certain factors (Yin

2003). Furthermore, in relation to the component of case study design suggested by Yin (2000); Denscombe (1998:44) also suggests that cases studies need to be identified by clear boundaries. While he stressed that a case needs to be a "fairly self-contained entity... and have fairly distinct boundaries;" Creswell (1998:61) described a case as a "bounded system." And this is to be able to clearly understand what constitutes a case and what doesn't, in order to prevent the researcher from studying other phenomena (Yin 2003).

Therefore the starting point for selecting cases for a study would be to clearly identify the vital features and dimensions on which the phenomenon being studied varies from other phenomena, which would also allow for comparison to be undertaken across cases. Scholars have also argued that case studies can be used to test a theory, irrespective of whether or not the findings agree with theoretical expectations. Also, the selection of cases representing least likely instances can increase the credibility of a theory (Creswell 1998, Gummesson 1991, Van Maanen 1983). Gummesson (1991:84), suggests that in deciding the number and types of cases needed, researchers should adopt cases that represent "different aspects of reality;" a method which is termed *theoretical sampling* and allows researchers to "simultaneously collect, code, and analyse their data, and decide along this journey what to collect next and where it may be found."

4.5.2   Case Selection for the Current Research

In line with the considerations discussed above, the procedures adopted by the researcher to select the cases for this current study follow the principles highlighted in the qualitative case study methodology literature. Therefore, this section sets out to provide discussions into how the theoretical and purposive sampling methods considered above were applied to this current empirical research. Overall, the primary aims of this research is to understand and describe the use of supermarket loyalty card data (SLCD) in small agri-food companies, by identifying the factors influencing information-use, either as enablers or barriers to the use of the data in their marketing planning and decision-making process. Consequently, not all small agri-food companies were considered for this research, but only those that had been exposed to supermarket loyalty card data.

Given that the literature advises researchers to select cases that represent "different aspects of reality" (Creswell 1998, Gummesson 1991); this study was interested in identifying the factors that act as "enablers" and "barriers" to the use of SLCD in small agri-food companies. Therefore, the boundaries for selecting the cases was set around identifying companies that: on one hand, seemed to have successfully used the data, and then investigating the factors that influenced their successful use of the data; thereby identifying the *enablers*. On the other hand, companies that seemed not to have been successful in the use of the data, and then investigating the limiting factors that hindered their successful use of the data, hence identifying the *barriers*.

During the course of this research the researcher had the opportunity of working with over thirty small agri-food companies, providing them with consumer insight reports based on SLCD. During the period, spanning over two-and-half years, the researcher observed different information-seeking attributes amongst the companies supplied with SLCD. It was found that while some companies expressed considerable interest and enthusiasm, requesting additional information others made no comment and appeared to make little use of the information provided. Therefore, the first task was to identify companies within the sampling frame that were willing to be interviewed regarding what they did with the reports they received. as a result, ,thirteen semi-structured interviews were conducted with ten small agri-food companies; ranging from their entrepreneurs and owner-managers to managing directors, marketing managers, external consultants and the project managers. The aim of this process was a) to allow the researcher to identify potential cases to be further investigated; b) to provide preliminary insights into the characteristics of the different types of small agri-food companies that had used the data; and c) to provide initial insights into the phenomenon being studied (Yin 2003).

From the sample of ten businesses interviewed, two were selected as detailed case studies. As Yin (2003:46) advises, conducting multiple-case studies would strengthen the value of the study; because "the evidence from multiple cases is often considered more compelling", and the on the whole, multiple cases are "regarded as being more robust." Although conducting multiple case studies tend to require extensive resources and time, which may sometimes be beyond the means of a single

student or independent research investigator; nonetheless (Yin 2003:53) summarises the advantages of multiple-cases by providing the following advice to researchers:

> "The first word of advice is that all designs can lead to successful case studies, when you have the choice (and resources), multiple-case designs may be preferred over single-case designs. Even if you can only do a "two-case" case study, your chances of doing a good case study will be better than using a single-case design. Single-case designs are vulnerable if only because you will have to put "all your eggs in one basket." More importantly, the analytic benefits from having two (or more) cases may be substantial… analytical conclusions independently arising from two cases, as with two experiments, will be more powerful than those coming from a single case (or single experiment) alone" (Yin 2003).

The two cases provide individual representation of the two broad categorisation of the phenomenon being studied: on one hand, the first case-company represents companies that have made "successful" use of supermarket loyalty card data, through which the *enablers* of information-use was explored; and on the other hand, the second case-company provides a typical representation of companies that made very limited use of the data, and through which the *barriers* of information-use was investigated.

In addition, it has been suggested that when selecting the number and types of cases needed, researchers should adopt cases that represent "different aspects of reality;" because it allows them to "simultaneously collect, code, and analyse their data, and decide along this journey what to collect next and where it may be found" Gummesson (1991:84). Similarly, case study advocates the selecting of "typical" or "extreme" cases relevant to the phenomenon being studied (Denscombe 1998).

Therefore the selection of two extreme cases i.e. one "strong" case to study the factors acting as enablers and one "weak" case to study the factors acting as barriers of information-use amongst small agri-food companies deliberately allows the investigation the notion of relativity. This allows for comparison of the phenomena to be undertaken across the cases. Scholars have also suggested that the selection of cases representing least likely instances can increase the credibility of a theory (Creswell 1998, Gummesson 1991, Van Maanen 1983).

4.6   Techniques for Data Collection

Social research literature reveals that one of the strong points of case study methodology is the ability to gather data from multiple sources (Holliday 2002, Mason 2002, Strauss and Corbin 1994, Yin 2003). These sources include interviews, documents, observations and archival materials. Table 4.3, Yin (2003:86) summaries six of these sources of data collection in case studies, as well as their inherent strengths and weaknesses, which ought to be considered when researchers decide sources to adopt.

Table 4.3: Six Sources of Evidence in Case Studies - Strengths and Weaknesses

Source of Evidence	Strengths	Weaknesses
Documentation	• stable–can be reviewed repeatedly • unobtrusive–not created as a result of the case study • exact–contains exact names, references, and details of an event • broad coverage–long span of time, many events, and many settings	• retrievability–can be low • biased selectivity, if collection is incomplete • reporting bias–reflects (unknown) bias of author • access–may be deliberately blocked
Archival Records	• [same as above for documentation] • precise and quantitative	• [same as above for documentation] • accessibility due to privacy reasons
Interviews	• targeted–focuses directly on case study topic • insightful–provides perceived causal inferences	• bias due to poorly constructed questions • response bias • inaccuracies due to poor recall • reflexivity–interviewee gives what interviewer want to hear
Direct Observation	• reality–covers events in real time • contextual–covers context of event	• time-consuming • selectivity–unless broad coverage • reflexivity–events may proceed differently because it is being observed • cost–hours needed by human observers
Participant Observation	• [same as above for direct observations] • Insightful into interpersonal behaviour and motives	• [same as above for direct observations] • Bias due to investigator's manipulation of events
Physical Artifacts	• insightful into cultural features • insightful into technical operations	• selectivity • availability

Source: (Yin 2003)

Scholars have advocated for researchers to prepare case protocols (Stake 1994, Strauss and Corbin 1998, Yin 2003). This is because case protocols are meant to guide the conduct of case studies. Although they are similar to survey questionnaires, and are both directed at collecting data; yet case protocols are more important than survey questionnaires or interview guides, because they not only contain the research instruments (questionnaires and guides), they also contain the general rules to be adhered to in the study. Additionally, case protocols serve the purpose of increasing the reliability of case studies, because they are intended to guide the researcher's data collection process.

Furthermore, in suggested that a case protocol should be divided to contain the following sections: (a) introduction to the case study and the purpose of the protocol; (b) data collection procedures; (c) outline of the case report; (d) case study questions (instrument); and (e) evaluation procedure (Yin, 2003:68). Similarly, it has been suggested the case researcher need to be trained on how to prepare a case protocol and conduct the case study; because once the researcher commences data collection, he is considered as an independent investigator "who cannot rely on a rigid formula to guide your inquiry. Therefore, the researcher "must be able to make intelligent decisions about the data being collected" (Yin 2003: 63).

Consequently, the case study protocol was divided into four sections (See Appendix 3). The first section comprised general information regarding the study such as the name of the researcher, research topic and objectives. The second section comprised administrative features such as the names and addresses of the case company, name of the key contact within the company, general orientation of the study, and procedures for data collection. The third section consists of the participant observation guide; and finally the fourth section was made up of the interview guide.

4.6.1 Semi-Structured Interviews

As mentioned above, interviews are one of the common techniques that have long been adopted by qualitative researchers in the process of collecting data generally, or within a case study. Generally speaking, there is a sort of similarity between a conversation and an interview; however, interviews are more than mere conversations. They are "conversations with a purpose" (Saunders, Lewis and

Thornhill 2003). Literature describes an interview as involving a set of assumptions and understanding about the situation, which are not normally associated with casual conversations. Therefore, when a person accepts to participate in a research interview: there is consent to take part; the interviewee's word can be treated as "on the record" and "for the record"; and the agenda for the discussion is set by the researcher (Silverman 2005).

Saunders *et al* (2003:246) summarise the different typologies of interviews to include: structured, semi-structured and unstructured interviews; as well as standardised and un-standardised interviews. They explained that while structured interviews adopt "questionnaires based on a predetermined and *standardised* or identical set of questions… usually with pre-coded answers"; semi-structured interviews allows the researcher to "have a list of themes and questions to be covered," while having the discretion to omit some questions or asking them in varying order to suit his or her context. Unstructured interviews are simply described as interviews 'without form.'

Consequently, some scholars have considered the term "unstructured" a misnomer, "because no research interview can be completely lacking in some form of structure" (Mason 2002:64). Other types of interviews include *respondent* interviews and *informant* interviews; while the former refers to interviews with where the interviewer directs the interviewee (respondent), to respond to the questions; the latter is viewed as one where the interviewee is given the opportunity to freely speak about events, behaviour and beliefs regarding the research area, due to their depth of knowledge, expertise and/or experience within the field (Saunders, Lewis and Thornhill 2003).

In this current research, the semi-structured interview technique was adopted; with similitude for both 'respondent-based' and 'informant-based' styles, depending on who the researcher was interviewing. Mason (2002) suggests that interviews of this nature need to exhibit certain core features such as: its nature may involve one-to-one dialogue or interactional exchange between the researcher and a number of participants. It can be conducted face-to-face, over the telephone or via online communication tools like Skype. It adopts a relatively informal style of discussion,

rather than formal question-and-answer format, to allow for fluidity of ideas and opinions. There should be a 'thematic', 'topic-centred' or 'narrative' approach to the interview, where the researcher has the liberty to be flexible with the sequence of the questions and to omit certain questions in some circumstances (Mason 2002).

In terms of best practice, other scholars have also suggested that certain guidelines that are to be followed include: the researcher or interviewer has to be knowledgeable about the field of research; questions need to be simple, short and clear; the researcher needs to be gentle, open and sensitive to relevant issues, and should be able to properly steer the interview; he or she must be critical, seeking to probe concepts further in order to glean out embedded meanings; there should be provision for data retention; and opportunity for researchers to confirm and clarify certain statements made by the interviewee in future (Ihua 2006, Jankowicz 2000, Saunders, Lewis and Thornhill 2003).

4.6.2 Procedures for Semi-Structured Interviewing in the Current Research

Based on the above reasons, this current research adopted the semi-structured interview technique in the following ways: First, for the first phase of the data collection process, which consists of thirteen (13) interviews. This was made up of a mix of nine (9) *respondent* interviews with entrepreneurs, MDs, owner-managers, and marketing managers of small food companies; and four (4) *informant* interviews conducted with the SEEDA-project consultant and other consultants that have engaged with the companies in relation to using supermarket loyalty card data. Hence they were knowledgeable about the agri-food industry, small agri-food companies, and the use of supermarket loyalty card data.

Second, semi-structured interviews were adopted as 'one of the' techniques for data collection within the two case studies conducted to form the second phase of the data collection process. For the first case study, Natural Balance Foods Limited, nine (9) interviews were conducted with participants inside and outside (consultants) the company; while for the second case study, the Kent Potato Company (KPC), five (5) interviews were conducted with members of the company.

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In addition, prior to conducting the semi-structured interviews, the research developed an instrument – interview guide – which was first piloted with one participant, the MD of a small traditional Kent-based Cider manufacturing company, the Rough Old Wife Cider Company. Literature describes an interview guide as "the brief list of memory prompts of areas to be covered that is often employed in unstructured interviewing or to the somewhat more structured list of issues to be addressed or questions to be asked in semi-structured interviewing" (Bryman and Bell, 2007:728). It has also been suggested that, in the case of semi-structured interview, although the researcher has the liberty to be flexible with his or her questions; nonetheless, an interview guide would help a researcher to engage in a clearly focused discussion relating to the issues relevant to the research topic (Easterby-Smith, Thorpe and Lowe 2002, Robson 1993). The interview guide was crafted in an open manner, to encourage the participants to provide an "extensive and developmental answer," that may be used to reveal certain underlining facts and attitudes (Saunders *et al*, 2003:262).

In addition, piloting the interview guide gave the researcher an opportunity to ensure that the data to be collected would enable him answer the research questions, and achieve the aims and objectives of the study. In particular, findings from the pilot test provided needed pointers to the researcher on ways to refine the interview guide, fine-tune the questions, and get familiarised with the research setting (Saunders, Lewis and Thornhill 2003). For instance, the pilot interview lasted for about 50 minutes, giving the research the idea of the time to budget for individual interviews. Consequently, most of the other interviews conducted for the first phase of data collection lasted for between 45 minutes to 1 hour; while the interviews conducted during the second phase- case studies, lasted for between 30 minutes and 1hour 20 minutes, depending on the interviewee and the depth of information sought from that particular individual.

Furthermore, all the semi-structured interviews conducted were recorded for the following reasons: to allow the interviewer to concentrate on questioning and listening, rather than losing concentration by trying to take down notes; to allow the researcher the opportunity to glean-out direct quotes to be cited from the interviews; to allow for the interviews to be re-listened and provide verification for accuracy and

unbiased; and to serve as permanent records for others to access (Saunders, Lewis and Thornhill 2003). The researcher also tried to develop some trust and rapport between him and the interviewees in preparation for the interview, before they were eventually conducted. This was to make them feel secure and free to see the interview from the perspective of an informal discussion, instead of a rigid and formal discussion, where the participants would feel unnecessarily pressured and hindered to express their opinions.

The interview guide was divided into five sections (See Appendix 2). Section A comprised of introductory questions that sought to provide an overview of the case company and profile of the interviewee. Section B sought information about the market environment and how marketing decisions were taken in the small agri-food companies. Section C sought information regarding how the companies used supermarket loyalty card data to enhance their marketing decisions. Section D sought information about any benefits that the companies derived from their use of supermarket loyalty card data. Section E sought information about any enablers and/or barriers that may have enhanced or hindered their ability to use supermarket loyalty card data. While Sections A and B provide general information upon which further analysis can be built; Sections C, D and E are linked to the theoretical framework presented in Figure 3.2 in the preceding chapter.

Also, several ethical and political considerations were taken into consideration, during the conduct of the interviews, in conformity to the research guidelines, rules and regulations of the faculty of social sciences of the University of Kent. In this regard, the researcher sought to adopt an open and objective attitude to the interviews, in order to allow the participants speak freely. The consents of the participants were also sought, and the researcher explained the voluntary nature of the research and their right to withdraw at any time if the wanted. The participants were also assured of their privacy, and confidentiality of the data they provided (Jankowicz 2005). In the process, the researcher also identified himself as a PhD student of Kent Business School, University of Kent; and attempted to ensure that his dress code suited the surroundings where the case studies were to be conducted (e.g. a farm pack-house and barn).

4.6.3 Theory of Participant Observation

The second technique adopted by the research to collect data for the case studies was participant observation, referring to a method of "generating data which entail the researcher immersing herself or himself in a research 'setting' so that they can experience observe at first hand a range of dimensions in and of that setting" (Mason, 2002:84). Literature suggests that participant observation has its roots in social anthropology, and it was the Chicago school of social research that stimulated its widespread use in observing the changing social phenomena of Chicago in the 1920s and 1930s. Scholars were of the opinion that to have a better idea of what was going on; they needed to "participate fully in the lives and activities of subjects," thus becoming a member of the group, organisation or community. And by so doing, researcher would be able to "share their experiences by not merely observing what is happening but also feeling it" (Saunders *et al*, 2003:222). In essence, researchers would be able to unearth the "social actions, behaviour, interactions, relationships, events, as well as spatial, locational and temporal dimensions" (Mason 2002).

Furthermore, while some scholars suggest that *participant observation* is one element within a broader *ethnographic* approach to social research (Holliday 2002, Mason 2002), others opine that definitions of ethnography and participant observation are difficult to distinguish (Bryman and Bell 2007, Saunders, Lewis and Thornhill 2003). In attempting to summarize the distinction between participant observation and ethnography, Bryman and Bell (2007:442) stated:

> "Both draw attention to the fact that the participant observer/ethnographer immerses him- or herself in a group for an extended period of time, observing behaviour, listening to what is said in conversations both between others and with the fieldworker, and asking questions. It is possible that the term 'ethnography' is sometimes preferred because 'participant observation' seems to imply just observation, though in practice participant observers do more than simply observe. Typically, participant observers and ethnographers will gather further data through interviews and the collection of documents. It may be, therefore, that the apparent emphasis on observation in the term 'participant observation' has meant that an apparently more inclusive term would be preferable, even though in fact it is generally recognised that the method entails a wide range of methods of data collection and sources. Ethnography is also sometimes taken to refer to a study in which participant observation is the prevalent research method but that also has a specific focus on the culture of the group in which the ethnographer is immersed" (Bryman and Bell 2007).

Authors have also suggested that participant observation differs from the survey method, where the researcher would probably know very little regarding the interviewee's context, and where there is the tendency for the interviewee to colour the 'delicate nuances' and 'garnish their responses.' Therefore, participant observation allows the researcher the opportunity of discovering those delicate nuances and intricacies of meaning (Saunders, Lewis and Thornhill 2003). According to Gill and Johnson (1997) participant observers are sometimes caught up in the challenge of deciding how much participation or how much observation is required, and it is important to decide the required balance while preparing for the study. This challenge therefore results into the a fourfold categorisation of the role participant observers can adopt within their study, vis-à-vis: complete participant, complete observer, observer as participant, and participant as observer. The former two roles require the researcher to conceal his or her identity, and acts as either an active participant or active observer. This role has significant advantage of not conditioning the behaviour of participants in the study being observed. The latter two entails the researcher revealing his or her identity and explaining the purpose of the research to the participants. However, while the 'observer as participant' role allows the researcher to adopt an "outward bound course to assisting team building… to observe without taking part in the activities in the same way as the 'real' candidates," hence operating more like a 'spectator; the 'participant as observer' role refers to one where the researcher and the participants are aware of the fact that it is a fieldwork relationship, and the researcher is interested in gaining the trust of the group. These two roles are ethically less problematic (Gill and Johnson 1997).

In this current research, the researcher chose to adopt the role of 'participant as observer' because of the understanding between him and all the participants that he was in the company to collect data; hence "it is a fieldwork relationship." The researcher also sought to gain the trust of the participants in the two case studies conducted; and because "his identity as a researcher was clear, he could ask questions of his subjects to enhance understanding" (Saunders, Lewis and Thornhill 2003). Saunders *et al*, (2003) suggests that certain factors tend to determine the researcher choice to assume the role of participant observer, such as: the purpose of the research, the time to be devoted to the research; the researcher's personal suitability and aptitude for participant observation; access to the organisation; and

ethical considerations. In this regard, this current study seeks to understand the factors influencing the use of supermarket loyalty card data in small food companies, in order to identify those factors acting as enablers or barriers. Considering the intricacies, complexity and nuances associated with information-use, the researcher views participant observation as an appropriate technique useful for "understanding" these intricacies. In addition, being a 3-Year PhD study, the researcher considered that he would be able to provide considerable time for conducting the observation. Again, because the researcher is suited to interacting freely with people and tends to maintain a reflective attitude towards life, the techniques was an opportunity to allow him be himself; and ethically speaking, he felt fine identifying himself and explaining the purpose of his observation to the participants.

4.6.4   Procedures for Participant Observation in the Current Research

The researcher adopted participant observation for the collecting data in the two case studies that was conducted and during the period the researcher kept hand-written daily notes of his observations and the general proceedings of each day. Both the first and second case studies were conducted for two weeks each, from the 2nd August through to 13th August 2010, and the 6th through to the 17th of September 2010 respectively. During this period, the researcher had the opportunity of gathering data through semi-structured interviews, participant observation, documentary evidence, informal conversations, and merely watching and listening.

Similarly, since the approach of the researcher was to assume the role of the "participant as observer," he usually spent the first few days trying to mix freely with the participants in order to try and gain their trust, confidence and support, to allow him gain unhindered access to the intricacies, and complexity of the what distinguishes each company and make them unique. The researcher noticed that it was after he had managed to build this trust and rapport with the participants in the first couple of days that they were able to feel free with him and behave, act and speak as they would ordinarily do. Initially, the researcher saw that most participants saw him as an outsider, and tried to treat him in a very formal manner, and this hindered his ability to understand what was going on. However, as soon as he was able to break that barrier, the participants saw him like one of them, to the point that he also offered to make cups of tea in return for the ones earlier made for him.

In addition, the researcher tried to capture his observation in the daily field-notes as early as possible, to avoid forgetting them and to avoid missing the point that was made to be made from the observation. These daily field-notes included: general summary of daily activities; summary of key concerns and issues identified from the participants; the relationships and communication (verbal and non-verbal) that existed amongst participants; their reaction to any new information that was discussed or the dunnhumby data that was prepared for them during the period; issues that the researcher thought they were trying to hide, and the prevailing atmosphere under which the discussion was made or the issue was observed.

Also, the researcher participated in meetings that took place in the company during the period of the case study, to listen to their discussions, responses and reactions to the issues being discussed. In the first case study, the researcher participated in management meetings, as well as sales and marketing meetings; while in the second case study he participated in daily management meetings that where conducted almost every morning by the MD and the managers of the various departments. He also observed the extent to which the social actors communicated their ideas to other members of the meeting and, for instance, this provided the research an idea of the personality and decision-making logic of some of the key social actors.

Furthermore, the researcher selected the sites and events for the participant observation following the principles of theoretical sampling, that is, based on availability and convenience, which has been exhaustively discussed above. Principally, there were chosen events and activities that gave the researcher the opportunity to observe the unique characteristics of the companies and members – social actors – of the companies. Particularly in the first case study, while attendance at the management meetings gave the researcher the opportunity to really understand who does 'what, when and how' in the company; the sales and marketing meeting also enabled the researcher to listen to the CEO speak about what he thought was happening in the agri-food industry, where he thought the industry was headed and what role the believes the company should be playing in the industry. Similarly, the researcher's first-hand experience of interaction between the participants and other stakeholders such as their suppliers/farmers and distributors (Tesco); as well as the

"testing of potato" within the second case company gave him the opportunity to process, analyse, contextualise and compare issues relating to internal, as opposed to, external interactions and communication. Therefore, these threw more light on the use of information, by making the dimensions of "use" easily identifiable.

4.7 Execution of Data Collection and Analysis

4.7.1 Qualitative Data Analysis

According to Braun and Clarke (2006), qualitative analysis methods can be broadly grouped into two categories. Within the first category, there are methods that stem from particular theoretical or epistemological positions, such as conversation analysis (CA) (Hutchby and Wooffitt 1998) and interpretative phenomenological analysis (IPA) (Smith and Osborn 2004). To these, there is relatively limited variability in how the method is applied and the analysis is guided by certain procedures (Braun and Clarke 2006). Within this category, there are also other methods which manifest in different ways within the broad theoretical framework such: as grounded theory (Strauss and Corbin 1994, Strauss and Corbin 1998); discourse analysis (Coyle 1995, Wodak and Meyer 2001); or narrative analysis (Andrews, Corinne and Tamboukou 2008, Riessman 1993). Then there is the second category consisting of analysis methods that are independent from theory or epistemology, and can be applied across a range of theoretical and epistemological approaches. They tend to be framed as a realist/experiential method; and thematic analysis is well entrenched in this second category (Aronson 1994, Boyatzis 1998, Braun and Clarke 2006).

For this thesis, the thematic analysis method of qualitative data was considered most appropriate for the analysis. Despite its theoretical freedom, thematic analysis provides researchers with a flexible and useful research tool, which can potentially provide rich and detailed, yet complex account of data (Braun and Clarke 2006, Corbin and Strauss 2008). Although, as a technique for analysing qualitative data, thematic analysis is poorly defined and rarely acknowledged; yet it's a widely used qualitative analysis method in fields such as psychology, sociology, organisational behaviour and anthropology amongst other (Aronson 1994, Boyatzis 1998, Braun and Clarke 2006).

Thematic analysis has been defined as a method for identifying, analysing, and reporting patterns (themes) within data. It is used to organise and describe qualitative data in rich detail, and goes further to interpret various aspects of the research topic (Braun and Clarke 2006). According to Boyatzis (1998:4), thematic analysis has a number of overlapping or alternate purposes, and can be used as: a way of *seeing*; a way of *making sense* out of seemingly unrelated material; a way of *analysing* qualitative information; a way of *systematically* observing a person, an interaction, a group, a situation, an organisation, or a culture; and a way of *converting* qualitative information into quantitative data. He further suggested that thematic analysis enables researchers and observes to use a wide array of types of information in a systematic manner that enhances their accuracy or sensitivity in understanding and interpreting observations about people, events, situations and organisations (Braun and Clarke 2006, Fereday and Muir-Cochrane 2006).

Despite the diverse, complex and nuanced nature of qualitative approaches, the theoretical freedom associated with thematic analysis has severally been critiqued in within the qualitative analysis literature. There are some scholars who consider thematic analysis the foundational method for qualitative analysis; suggesting that it is the first qualitative method that researchers should learn and master, because it provides care skills that would be useful for undertaking other forms of qualitative analysis (Holloway and Todres 2003). There are other scholars who critique that the lack of clearly defined guidelines around thematic analysis because it allows for a situation where 'anything goes', and thereby lacking academic rigour (Antaki *et al.* 2003). Consequently, while some authors have characterised thematic analysis a tool that can be used across different methods (Boyatzis 1998), hence suggesting that thematic coding is a process performed within other 'major' traditional analytical methods such as grounded theory (Ryan and Bernard 2000); there are those who argue that it is, yet, a method in its own right (Braun and Clarke 2006).

Thematic analysis involves the process of identifying themes through reading and re-reading data (Rice and Ezzy 1999). Essentially, it is a form of pattern recognition within the data, where emerging themes become the categories for analysis (Braun and Clarke 2006); and as such it considers the emergence of themes and codes as

crucial to the description of the phenomenon under investigation (Daly, Kellehear and Gliksman 1997). Similarly, themes refer to "units derived from patterns such as conversation topics, vocabulary, recurring activities, meanings, feelings, or folk sayings and proverbs" (Aronson, 1994:1).

In addition, scholars have provided practical steps to guide researchers using thematic analysis. For instance, Aronson (1994) made the case for a simple four-step process to conducting thematic analysis:

(1) Collect the data, through interviews, focus groups and observation etc;

(2) Identify all that relate to the already classified patterns, in order words, all of the quotes that fit under specific patterns are identified and placed along with corresponding patterns;

(3) Combine and catalogue related patterns into sub-themes, i.e. themes are identified by bringing together components or fragments of ideas and experiences together, which are often meaningless when considered alone; and

(4) Build a valid argument for choosing the themes. This is done by relating the themes and findings to the literature (Aronson 1994).

Furthermore, Fereday and Muir-Cochrane (2006:84) synthesised the works of previous scholars (Boyatzis 1998, Crabtree and Miller 1999), to develop a six-stage process to conducting thematic analysis:

(a) Developing the code manual, which may be developed from the research questions or theoretical framework, and serves as a data management tool for organising segments of related texts for interpretation;

(b) Testing the reliability of the code. This is an essential stage in developing a useful framework for analysis, which would determine the applicability of the code to the data (Boyatzis 1998);

(c) Summarising data and identifying initial themes. This stage involves reading, listening to, and summarising the raw data;

(d) Applying template of codes and additional coding. This stage would involve entering the codes developed as nodes into the N-Vivo computerised data management programme;

(e) Connecting the codes and identifying themes, which involves discovering new themes and patterns from the data; and

(f) Corroborating and legitimating coded themes. This final stage involves confirming findings with the literature (Boyatzis 1998, Crabtree and Miller 1999, Fereday and Muir-Cochrane 2006). Figure 4.2 presents the six-stage processes developed by Fereday and Muir-Cochrane (2006).

Figure 4.2: Stages of Data Coding in Thematic Analysis
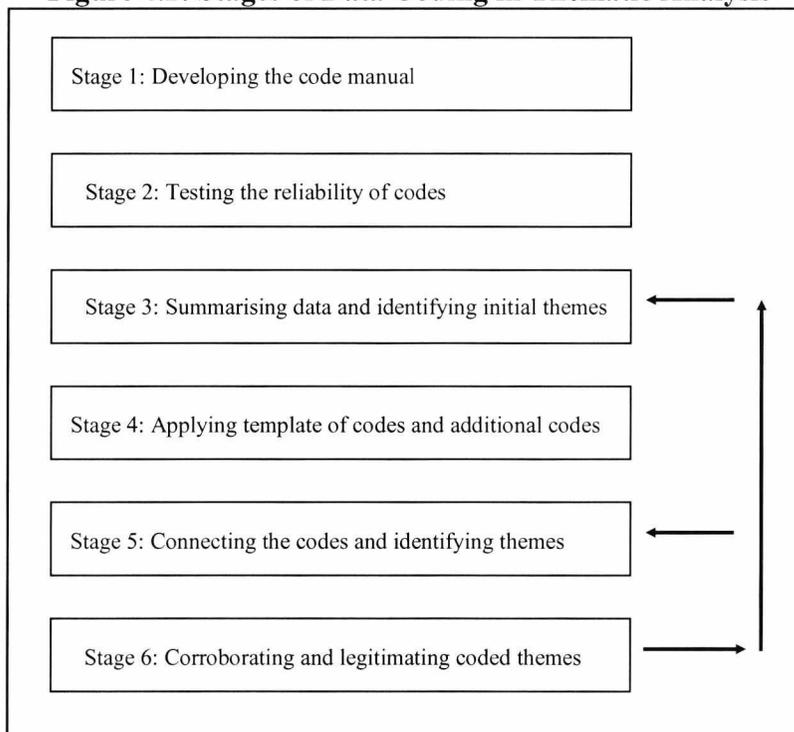
Source: *Fereday and Muir-Cochrane (2006:84)*

Similarly, Braun and Clarke (2006) also developed a six-phase process of thematic analysis, which include:

(1) Familiarising yourself with the data;

(2) Generate initial codes;

(3) Searching for themes;

(4) Reviewing themes;

(5) Defining and naming themes; and

(6) Producing the report.

Table 4.4 present a list of the phases and the description of each process.

Table 4.4: Phases of Thematic Analysis

Phase	Description of the process
1. Familiarising yourself with your data:	Transcribing data (if necessary), reading and re-reading the data, noting down initial ideas.
2. Generating initial codes:	Coding interesting features of the data in a systematic fashion across the entire data set, collating data relevant to each code.
3. Searching for themes:	Collating codes into potential themes, gathering all data relevant to each potential theme.
4. Reviewing themes:	Checking in the themes work in relation to the coded extracts (Level 1) and the entire data set (Level 2), generating a thematic 'map' of the analysis.
5. Defining and naming themes:	Ongoing analysis to refine the specifics of each them, and the overall story the analysis tells; generating clear definitions and names for each theme.
6. Producing the report	• The final opportunity for analysis. Selection of vivid, compelling extract examples, final analysis of selected extracts, relating back of the analysis to the research question and literature, producing a scholarly report of the analysis.

Source: *Braun and Clarke (2006:35)*

There are several advantages of thematic analysis, such as: its flexibility; relatively easy and quick method to learn, and do; accessible to researchers with little or no experience of qualitative research; results are generally accessible to educate the general public; useful method for working within participatory research paradigm, with participants as collaborators; can usefully summarise key features of a large body of data, and/or offer a 'thick' of data set; can highlight similarities and differences across the data set; can generate unanticipated insights; allows for social as well as psychological interpretations of data; and can be used for producing qualitative analyses suited to informing theory building (Braun and Clarke 2006).

On the other hand, like every other form of method, thematic analysis is not left without its own disadvantages. Braun and Clarke (2006:27) opine that most of the disadvantages associated with thematic analysis "depend more on poorly conducted analyses or inappropriate research questions, that on the method itself." In addition, while the advantage of flexibility allows for a wide range of analytic options, it also

means that it would be difficult to develop specific guidelines for higher-phase analysis. Also, thematic analysis has limited interpretative power beyond ordinary descriptions, if it is not used within existing theoretical or conceptual frameworks that can anchor the analytical claims that are being made. More so, when considered along other qualitative analysis techniques such as narrative and discourse analysis, thematic analysis is unable to retain a sense of continuity and contradiction through any one individual account (Braun and Clarke 2006). Nonetheless, the important point is in choosing a method that is appropriate to answering the research questions, rather than falling victim to 'methodolatry', where the researcher becomes more fixated on the method, instead of the research topic, objectives and questions (Holloway and Todres 2003).

4.7.2 Execution of Data Collection and Analysis in the Current Research

Thematic analysis was applied for data analysis in this research due to its appropriateness of flexibility and creativity in generating rich details from qualitative information. Following the phases of thematic analysis discussed above, the execution of data collection and analysis is discussed as follows.

From the 1st phase of data collection, consisting thirteen (13) semi-structured interviews, and the 2nd phase, consisting two in-depth case studies (with a total of fourteen (14) interviews); making a combined total of twenty-seven (27) semi-structured interviews. All the interviews were recorded and transcribed; and the N-Vivo qualitative data analysis software was used to support the analytical process of coding, categorisation and constant comparison. In particular, the N-Vivo software was used to store, code, and retrieve the data; and this allowed the researcher to speed up the analysis process by avoiding manual 'copying and pasting' of texts under the codes. The researcher also spent considerable time engaging in manual coding, as it seemed practically more suited for the research. Instead of spending long hours reading through his computer screen and coding on the N-Vivo software, the researcher printed out all the interview transcripts, and spent time reading and re-reading the texts, coding (by highlight certain statements and pointers) and categorising them into several related concepts, as suggested above (Boyatzis 1998, Crabtree and Miller 1999, Fereday and Muir-Cochrane 2006).

Essentially, the six-stage process for thematic analysis developed Fereday and Cochrane (2006) was considered more appropriate by the researcher. The development of themes and codes was based on the literature review and the theoretical linkages developed in chapter 3. Therefore, the codes developed manually were inputted into the N-Vivo database as nodes and used to analyse all the data gathered. The use of the N-Vivo software helped the researcher to enhance the rigour of the analysis required for the scientific output of the qualitative work. However, the researcher also engaged in manual analysis of the data in order to avoid over reliance on the software package (Creswell 1998, Easterby-Smith, Thorpe and Lowe 2002). As it has previously been suggested that while using computers to analyse qualitative data, researcher ought to be aware of four general points:

> "First, they always depend on the judgement of the researcher, and cannot substitute for this. Second, packages and programs need to be chosen for, and be appropriate to, the tasks required. Third, it may often be much easier to analyse qualitative data by hand; and finally, beware of the possibility that the availability of computer analysis may lead to an emphasis on counting frequency of categories, at the expense of understanding the *quality* of ideas and experiences" (Easterby-Smith *et al*, 2002:129).

In furtherance, while conducting the current research, the researcher first applied the technique *manual coding* (Braun and Clarke 2006), by spending time to read and re-read the interview transcripts, field-notes, and documentary evidence available, and attaching systematic code tabs on texts providing related ideas. During the analysis process, the researcher derived some codes (i.e. names given to the concepts) from the literature, while others were directly inspired from the actual words of the interviewees, which refer to "in-vivo" codes, instead of being named by the researcher. For instance, the following pieces of text drawn from the transcript of the interviews conducted with two small agri-food business owners provided the researcher with ideas and evidence relating to the value placed on local and regional affiliations by small food businesses:

> "over the last 3/4 years have gone into doing food and other leisure shows; the *Big Food, Good Food Show* and that kind of thing, and we probably do about 60 or 70 of those shows a year now... we have started to join a lot of the regional food groups... we belong to *Produced in Kent... Taste of Wessex, Taste of the West... Deliciously Yorkshire*, so we get a lot of marketing input from those local food groups. We belong to some food associations which also give us quite a lot of help in terms of trends, leads and specialist courses which can help in production, marketing...like the *Guild of Fine Food*, and we use some of their materials to help us identify new sales prospects.

And then we use trade shows... but they can be quite successful, it depends how you measure success, really... for the last year now, we've been building that market and attending trade shows, like the *Speciality Fine Food Fair*, we just did one in Glasgow about six weeks ago, we've got another one this weekend in Birmingham" **Sian**

"We did Speciality Fine Food for the first time the year before last and that is when we started actually advertising in magazines. But really going forward because it was the trade shows and there were consumer magazines, trade magazines we wanted to sort of have a presence people could see after the event... I can give you something we actually just submitted to *Produced in Kent*... the back of winning an award and also we had a thing with James Martin where he recommended us" **Sally**

In addition, as clearly relevant to the research objectives of identifying the enablers and barriers of information-use, and based on the literature, factors influencing information-use were investigated from four broad categorisations, having various sub-concepts. Therefore, this allowed for coding tabs to be developed for a category like "organisational factors", which include concepts such as 'centralisation', 'formalisation', 'speed culture', 'innovative culture', 'openness culture', 'customer orientation', 'business planning', 'information systems' and 'family intervention'; and another category like "individual-related factors", which featured coding tabs such as 'education of owner-manager', 'economic history', 'staff involvement', 'decision rationality', 'administrative familiarity', and 'networking ability'.

At this stage, the researcher could not identify which codes were 'higher' or 'lower'; so after this first process of *manual coding* he then engaged in testing the reliability of the codes, by summarising the data and identifying initial themes (Braun and Clarke 2006). This enabled the researcher to place the codes under scrutiny, with the view of identifying themes and/or new codes summarising the ideas and notions conveyed by a number of the integrated codes. In this regard, the literature suggests that in practice, researchers should be careful in crafting the hierarchy of codes through an analytical thinking process involving the drawing and revising of visual mental maps and matrices (Boyatzis 1998, Crabtree and Miller 1999, Fereday and Muir-Cochrane 2006). In addition, the researcher carefully considered the 15-point checklist of the criteria for good thematic analysis developed by Braun and Clarke (2006), and presented in Table 4.5 below:

Table 4.5: A 15-Point Checklist of Criteria for Good Thematic Analysis

Process	No. and Criteria
Transcription	1. The data have been transcribed to an appropriate level of detail, and the transcripts have been checked against the tapes for 'accuracy'.
Coding	2. Each data item has been given equal attention in the coding process. 3. Themes have not been generated from a few vivid examples (an anecdotal approach), but instead the coding process has been thorough, inclusive and comprehensive. 4. All relevant extracts for each theme have been collated 5. Themes have been checked against each other and back to the original data set. 6. Themes are internally coherent, consistent, and distinctive.
Analysis	7. Data have been analysed – interpreted, made sense of – rather than just paraphrased or described. 8. Analysis and data match each other – the extracts illustrate the analytic claims. 9. Analysis tells a convincing and well-organised story about the data and topic. 10. A good balance between analytic narrative and illustrative extracts is provided.
Overall	11. Enough time has been allocated to complete all phases of the analysis adequately, without rushing a phase or giving it a once-over-lightly.
Written report	12. The assumptions about, and specific approach to, thematic analysis are clearly explicated. 13. There is a good fit between what you claim you do, and what you show you have done – i.e., described method and reported analysis are consistent. 14. The language and concepts used in the report are consistent with the epistemological position of the analysis. 15. The researcher is positioned as *active* in the research process; themes do not use 'emerge'.

Source: *Braun and Clarke (2006:36)*

Finally, the analytical process involved connecting codes and identifying themes, as well as corroborating and legitimating the codes; where the researcher spent considerable time perusing and reflecting upon all the codes, properties, categories, dimensions and interrelationships that had been developed within and across the two case studies. This process was aimed at helping the researcher to construct, as far as possible, a meaningful and complete 'picture' of the unique characteristics of small agri-food business, the dimensions of information-use and the factors influencing their use of supermarket loyalty card data (Easterby-Smith, Thorpe and Lowe 2002, Easton 1992, Fielding, N. G. and Fielding 1986, Silverman 2005). This was based on the testimonies of the 'social actors' being investigated. It further entailed systematic

exploration of all possible dimensions of information-use implied from the data, as well as some contradictions emerging across the two case studies.

4.8   Chapter Summary

In this chapter, the researcher has provided detailed discussion into the specific methodological approaches, methods, and strategies that made up the empirical design of this current study. Given the exploratory nature of the research, the integrated approach, the abductive strategy and qualitative case methodology were deemed appropriate for the study. Primary data were collected through a mix of semi-structured interviews, participant observation and documentary evidence from secondary data sources. The researcher also adopted techniques such as purposeful and theoretical sampling.

The data analysis followed the principles of thematic analysis, and it was facilitated by the use of the N-Vivo qualitative research software. The researcher also took cognisance of issues of verification of the findings, in order to ensure reliability and validity of the research findings. The chapter also presented relevant theory, particular techniques selected, and justification for the choices made in the methodological design, in order to meet the research aims and answer the research questions. The thesis now moves on to presenting detailed analyses and discussions of the data collected for the research in chapters five, six and seven.

5 Data Analysis and Results: Semi-Structured Interviews

5.1 Introduction

In Chapter 4, the methodology applied in this research was presented. This included discussions into the research philosophy, approach, methods, and techniques used in the fieldwork to gather primary data. In this chapter, primary data gathered from the first phase of the fieldwork, through semi-structured interviews, are analysed and discussed. It commences with the analysis and discussion of the pilot interview, before going into the main semi-structured interviews conducted for the research. The analysis and discussion is divided into the following sections: Characteristics of Small Food Companies; Factors Influencing the Use of Supermarket Loyalty Card Data; Enablers and Barriers to the Use of Supermarket Loyalty Card Data; and finally, Benefits of the Use of Supermarket Loyalty Card Data.

5.2 Data Analysis and Results – Pilot Study

In order to refine the interview guide, fine tune the questions, and get familiarised with the research setting, a pilot interview was conducted (Blankson and Stokes 2002). This comprised a face-to-face semi-structured interview conducted with Mr. Simon Reed, Managing Director of the Rough Old Wife; producer of "Real" Kent Traditional Hand Pressed Apple Cider. The interview was conducted on the 2nd of April 2010, recorded with a digital voice recorder, and it last for about 50 minutes. The presentation and analysis of this pilot test would be conducted under three broad headings vis-à-vis: brief historical background; unique features of the company; and the use of supermarket loyalty card data.

5.2.1 Historical Background

The company, the Rough Old Wife Cider Company, is a limited liability company (LLP) established 4 years ago by two main partners, Simon and Andy, who have been friends for 15 years; and their wives, who are also partners in the business. In this regard, the business is made up of four permanent "part-time" staff (Simon, Andy and their wives). While Simon's wife works on new product development

(NPD); Andy's wife is involved with the companies "value-adding activities" (e.g. packaging) and deciding the promotions that may be included in the sales of the Cider, such as printing of T Shirts and drinking glasses.

Simon describes their work in the company as permanent "part-time" work, because he and his partner have other jobs that they do apart from owning the Cider Company. While Simon has over 15 years of experience working as a Marketing Director in the IT industry and now manages an independent IT consultancy firm; Andy has worked for many years, and still works, in logistics and distribution functions. In addition to the partners, the company also employs the services of some seasonal part-time employees (between 8 and 10) who help out during the harvest season to pick and press the Apples.

5.2.2 Unique Features of the Rough Old Wife Cider Company

From the interview conducted, certain unique features were gleaned about the company: firstly, although the partners have always liked to drink Apple Cider, Simon admitted that prior to establishing the business they knew nothing about producing Cider, and had to learn from the scratch. In this regard, they had to start by setting specific standards and distribution channel for their real Cider. They agreed not to add chemicals and not to pasteurise their Ciders. They also chose to supply the wholesale market, implying that pubs became their main customers, because they didn't require bottling the Ciders.

In the interview, the participant was asked about the strengths and weaknesses of his business; in terms of the strengths, Simon pointed out that the first strength of the company is the passion of the owners and workers of company that tend to drive the way things are done. He further suggested that this passion is always exhibited when they deal with customers. In addition, he noted that the Unique Selling Point (USP) of the company is that they are a Real "traditional hand pressed" Cider company and they own the entire process of the production. In his words:

> "...we own every part of the process. They are our own Apples, from our own Orchard, it's our own equipment, it's our own storage, it's our own press and it's our own distribution system. So we actually own every part of it. Lots of other people have to buy the Apples, or buy a press or contract it. So, when you drink our product and its 100 percent ours; that's a strength."

Furthermore, the organisation considers its visibility and participation in the regional food scene as another major strength. They are part of the *Produced in Kent* and *Visit Kent* schemes, which is a big day-out usually in March every year; and in the last two years the company has also been listed as one of the finalist for the *Taste of Kent Award*, which recognises successful small businesses in the Kent County. To buttress this point, Simon stresses that the company has successfully secured a publican licence which makes it possible for their Cidery to be open for visits and tasting sessions from members of the public and tourists.

On the other hand, Simon perceives its weaknesses to include: (1) the part-time nature of the business-owners; since the proprietors of the company only committed part of their time; and (2) their indecision to commit more money into the business. On one hand, the business has no permanent full-time staff because its owners are also engaged with other companies and its size is still very small. On the other hand, Simon confirmed that, from their other engagements, they actually have the funds to invest in expanding the business, but they have not yet decided to do that. Although it is suggested that it is an issue that has to do with prioritisation; yet it appears that the owners of the business are comfortable with the current small-size of the business and not necessarily interested in its growth. This is understandable, considering that small business literature has long established that not all small businesses desire to grow; nonetheless, there need for all businesses to adapt to environments and customer needs, which are constantly changing (Carson 1993, Hogarth-Scott, Watson and Wilson 1996).

Similarly, as regards to whether or not technological advancements in the industry acted as strength or weakness to the organisation, Simon was of the opinion that technology really makes no difference to their business; because the process of producing Cider is the same, irrespective of the size of the organisation. He emphasised the:

> "...actually this is a very old traditional process and in fact it hasn't changed very much... even the Magners and Bulmers of the world, although they are on a big scale, the machines that they use are just the scaled-up versions of what we use. The only

difference is that for a big commercial producer, they would accelerate the process of the fermentation of the Cider, and they would also extend the year period."

In addition, as it relates to opportunities emanating from the environment, Simon suggests that they spotted an opportunity in the market and had the needed resources to take advantage of; so they went ahead to establish the company. He posits that the opportunity is tied around several factors such as: increasing interest in local and regional food; impact of the recession, resulting into higher transport costs, higher fuel cost; increasing influence of environmental sustainability, resulting into people considering issues like where the products are produced, how they are produced and how much air/road miles the products take to get to where its consumed; increased knowledge of consumers; and increasing media coverage as well as advertisement from the big Cider producer like Bulmers and Magners. He noted in his words that:

"We are living in an age now, where people are starting to look more at where products are made, where food is made, what are the ingredients and locality as well... The recession has highlighted it in some respect, transport costs are higher, fuel prices are higher, and people are looking at whether they really need to travel so far... it's the increased education people now have... there's more people on TV talking about food... it was it was about creating a new brand, creating a customer awareness of real Cider... at the time when we were starting to get a real increase in Cider sales, with Magners and Bulmers, the larger companies putting a lot of money into advertising."

In addition, the company does not consider the limited market seasonality of Cider products as a challenge; instead, they view this seasonality an opportunity for them to extend the limited market space for their products by storing apples in cold stores to allow them to press continuously throughout the year. Although Simon suggested that they needed to exercise caution so that they would not find themselves in a situation where they have built up a market, and then suddenly cannot deliver. This is where it now becomes a threat to the business.

On the other hand, the threats faced by the company from the external environment are viewed mainly as three-fold: (1) the impact of government regulations; (2) increasing decline in the number of pubs around the UK; and (3) threat from large organisations. As it relates to government regulation, it was found that because Cider has some particular breaks in terms of customs and excise duties, government tend to tax Cider producers. In addition, there has been an increasing decline in the number

of pubs operating in the UK, as several pubs are closing down, "at a dramatic rate", as a result of the recession. Considering that the company supplies mainly to the pub market, this decline in the number of pubs is potential a major threat to the existence of the business.

Another unique feature about the organisation is that while competition from other businesses, particularly larger Cider producer ought to be considered as a threat to the business; on the contrary, the company perceives new entrants into the Cider market in a positive light. This is because their view is that the more new Cider companies are established, the more awareness is being created, and the more confidence it gives to consumers about Ciders, which should then translate into a higher willingness to buy Cider products.

Interestingly, despite the relatively small size of the business, it was found that the company used several sources to derive market information, in a bid to understand of the market. These sources include constantly keeping track of their website, scanning the internet for up-dated desk research regarding the Cider drinks sub-sector and the use of global analytics to conduct further analysis on market trends. In addition, the company retains membership with a number of food-based associations, such as the Campaign for Real Ale (CAMRA), which serves as "a very good conduit for information regarding where pubs are, whether they are free houses or freehold pubs", as well as general market trends and projections. Although this feature may be linked with the educational background, knowledge and professional experience of the owners of the business; notwithstanding, it is perhaps the reason why the company appears to be successful and have been doubling their turnover every year, over the last three years. Simons explains the reason for their growth this way:

> "… that's a lesson that a lot of businesses that are in this type of small businesses; if they adopt professional, almost corporate-typed stuff to a very small business, they will succeed. Those that think, 'I'll just shove some products on the table at the farmers market', without thinking about who I am, who are my customers, why are they buying from me, what's in my product, what's my USP... If you are not prepared to do these, then you will not succeed."

5.2.3 The Use of Supermarket Loyalty Card Data

Based on the pilot study, there was no evidence of instrumental and symbolic uses of supermarket loyalty card data. However, there was evidence of conceptual use of the data to gain a better understanding of the scale of the Cider market in the UK. Literature on information-use describes conceptual use of information as one of the traditional dimensions of information-use that is indirect. Although it is not directly applied to solve any problem, yet it is used to gain general enlightenment and used to broaden the knowledge of the organisation.

In the case of the Rough Old Wife, the data was used to assess the strength of the UK Cider market and to have a justification for why they should remain in business, in other words, why the company should continue producing their Cider. They believed that the Cider market was growing, and that it would continue to grow in the near future, but didn't have any data to back their hunch, and this was where the data proved to be useful. Simon noted that the data "showed me, still an increasing trend in purchasing Cider." Upon the back of this, they had the confidence to carry on with further product development and marketing efforts to get their Cider to more consumers. He further buttressed that the company has now developed Raspberry Cider, "which is a real value add… is unique, and it has got a lot of growth potentials"; and are also looking to develop new Beer and Cider products.

In addition to confirming what the company already thought or knew, the data also brought some new insights to the company, which they didn't know about before. In their opinion, they had thought that areas which experienced high sales of Cider were the areas near where the large Cider producing factories were situated. However, the data showed that this was not necessarily the case, but it's was more or less dependent on the extent of marketing associated with the products. According to Simon:

> It also showed me that it is [sales] very much dependent upon regional marketing. And I looked at stores; you would expect Somerset, or next to big Cider producing areas, the supermarket stock it, there customers are there… but it's not necessarily a demographic or it's not necessarily seen to be where people will drink it in the pubs, there's very little interest, but where it is marketed, I remember there was one specific area, somewhere in Lincolnshire, a supermarket had a real spike of Cider sales. And once you drilled down into it… the only thing that was realised was that it was right next to an Army base and what they were selling was cheap Cider

Furthermore, the insights gained from the data were used to appraise themselves examine market trends, in order to see how they are performing. Even though they didn't supply supermarkets, the data was very useful help feel the pulse of the general market trend for their category. The use of the data also gave the company potential ideas of how to increase their sales, and this had to do with linking their marketing efforts to people, i.e. their existing and potential customers, and not just based on regional demographics. Simon explained that this led the company to capitalise on word-of-mouth marketing of their products, as well as the adoption of "viral marketing" strategies such as the use social network sites like facebook and twitter to build their fan base and market their products.

Another variant of conceptual use of supermarket loyalty card data that was found from the pilot study was a situation of indirect use of the data, by doing opposite to what the data suggests. Simon explained that since the data related specifically to supermarkets and is useful to those businesses already supplying or seeking to supply the supermarkets; other businesses who do not intend to supply supermarkets still find the data valuable, because all they need to do is to turn the data around or act opposite to what the data suggests. In his words:

> "Do you really want to get into the supermarket… then you've got all that data there and you can make a judgement as to which path you want to go in? If you want to use it to benchmark yourself against the supermarket, which is in fact, I guess what I did; then it's equally interesting, but it's only interesting in the sense of you being able to interpret it in your own business. So, you know; if I was to go purely on that flavoured Ciders are going down, I have absolutely completely the reverse."

In terms of the enablers and barriers to using the data, it was observed that a certain level of knowledge is needed to benefit from the data. Businesses need knowledge to be able to first of all analyse the data, understand what it means and its implications to their own business. Simon was of the opinion that there are two points that will enable better use of the data:

(1) Training or seminar to teach businesses on the meaning of the data and how to analyse it would be useful. He suggested that the marketing seminar which was organised for businesses had only a very small portion focused on the use of

supermarket loyalty card data and how to interpret it; noting that this portion was tucked at the back of end bits of the seminar. He further advised that more time should be created for the discussion of the use of the data, and if possible, this should be brought to the front, instead of being left till the end of the seminar. Describing the portion left, during the marketing seminar, to explain the meaning of the data, how it should be analyse and how it should be used, Simon emphasised that:

> it's too small, it's too small... it's almost tacked on right at the end and, you know, suddenly, after all these talking about the 4Ps, and all the other stuff about marketing, it's like 'oh and by the way, here is this data at the end.' And this is this massive thing you're suddenly giving to people; it should be turned around the other way.

(2) The second point is that the presentation of the data should be as narrow as possible, and tailored specifically to meet the needs of individual businesses. Again, it was suggested that the amount of data given to the businesses was far too much; and this could result into a situation of information overload. Emphasising the need to narrow the data down to specific bits of information, Simon observed:

> "I think you are presenting somebody almost with the ocean. Here's 40 percent of the market place, this is all the data, it's everything, it's every store, it's every product, it's demographics, it's everything in one lump."

Although as far as Simon was concern, the presentation of the data was ok for him, because he has always been used to handling figures, spreadsheets and graphs; nonetheless, he suggested that for the average small business owner who had never seen the data before, the consideration of the two points above would drastically enhance how the data is used; while non-consideration of the points would act as barriers to information-use.

5.3 Data Analysis and Results – Main Study

The main study for the first phase of this research was a series of semi-structured interviews conducted with a total of Thirteen (13) participants. Three (3) interviews were conducted with key informants, who are experienced consultants within the UK agri-food industry. The remaining ten (10) interviews were conducted with a mix of small business owner-managers, marketing managers, commercial directors and marketing assistants. Table 5.1 presents profile of the participants.

Table 5.1: Profile of Participants in the First Phase of Data Collection

Interviewee No.	Main Products	Legal Status	Gender	Trading Status at Interview	Designation in Text
01	Organic Baby Food	Limited	Male/Female	Still trading	01A / 01B
02	Healthy Snack Bar	Limited	Male	Still trading	02
03	Drinking Chocolate	Limited	Male	Still trading	03
04	Luxury Ice Cream	Limited	Female X 2	Still trading	04A / 04B
05	Berry Products	Limited	Female	Still trading	05
06	Fudge Products	Limited	Female	Still trading	06
07	Asian Baby Food	Limited	Female	Not yet trading	07
08	Baby Snacks	Limited	Female	Not yet trading	08
09	Baby Cakes	Limited	Female	Began trading	09
10	Sales Consultant	Limited	Female	Still trading	10
11	Agri-Food Consultant	Limited	Male	Still trading	11
12	Consultant/Entrepreneur	Limited	Male	Still trading	12
13	SEEDA Consultant	RDA	Female	Ceased trading	13

Source: First Phase of Fieldwork

From Table 5.1, we can see that a total of 10 female and 5 male participants were interviewed. In addition, as at the dates of the interviews, while 6 of the companies were still trading, 2 of the companies had not yet commenced trading, due to the impact of the recession, and 1 company had only recently commenced trading. Furthermore, the entire 13 interviews were conducted between the 2nd April and the 26th of April 2010 in the offices of the participants or other suitable locations arranged by them. The following sub-sections present, analyses and discusses the findings from the semi-structured interviews.

5.4 Characteristics of Small Agri-Food Companies

Based on the semi-structured interviews conducted for the first phase of the research fieldwork, several findings were revealed. From the interview notes and recordings, some key themes, commonalities and critical characteristics that were found to be associated with, and compared across, the small agri-food companies that participated in the research. These associated characteristics are discussed below.

5.4.1 Traditional SME Constraints

There is evidence from the data suggesting that the participating small agri-food companies are also faced with the traditional constraints associated with SMEs.

According to small business literature, SMEs are faced with several constraints, such as size of the business, inadequacy of finance, lack of skilled personnel and time; which tend to influence how they operate (Gilmore, Carson and Grant 2001, Hogarth-Scott, Watson and Wilson 1996). In this regard, the data revealed that the traditional constraints of size and inadequate finance featured mostly as the main challenges cited by the participant. In the words of two of the participants:

> "Our weakness has been our size, has been our resource, has been the fact that we're coming in to a very mature market with lots of big players… so we've had to come in and be very smart about the fact that our products have to be better." **Interviewee 02**

> "The key factor is that we are very small, there are two of us inside the organisation and we don't have any resource. Our financial resource is very tight… we simply don't have enough capital in the business…" **Interview 03**

As **Interviewee 02** noted in the quotation above, the implication of the size and finance constraints facing small agri-food businesses is that they have to be more conscious of the way they spend, and think of creative and efficient ways to get things done. This finding on the constraints facing small agri-food companies was further buttressed by two of the consultants interviewed, who also stated that:

> "The biggest weakness they have… generally is the inherent constraints on resources they have in terms of finding good staff, keeping good staff, and the amount of time they have, to trying to keep all the balls in the air for a small business is quite difficult. So their ability to stand back and always look at what is happening in the market, they are usually very involved in the day-to-day maintenance tasks so their ability to generally stand back and look at the market is sometimes constraint. So people, money, resources, time, all the classic constraints of a SME business, I don't think food businesses are any particularly different in that respect from all of the SME business basically, so that makes them vulnerable…" **Interviewee 11**

> "I think small food companies are faced by the same threats that affect many small businesses, such as the constraints of finance, resources and time. You know small businesses do not have enough money; they are established mainly on the personal finance or borrowings of the entrepreneurs and rarely have enough resources to hire very qualified hands. And for food companies since they have lots of regulations, healthy and safety guidelines and quality assurance issues to face, because anything food has to do with life and death; this makes it more difficult for them…" **Interviewee 13**

On the other hand, one of the consultants, **Interviewee 12**, was of the opinion that while small businesses tend to think their greatest challenge is finance; this is not

necessarily the case. He noted that while small food companies may be able to get money if they have the right products; one of their greatest challenges they face is the difficulty of getting their products into the market. Also stressing that the problem is that many small businesses are not ready to put in as much research that is needed to understand where their market would be and where their products would be in that market. In the words:

"…one of the greatest problems that small businesses have is their ability to get their product to market, not the fact that it's a good product, not the fact that they can get people to make it for them, or the fact that they can get money, money is around for the right people with the right products, but what is not around is, you got to find a route to the market, how do you get the product to market and who will back you in the market place… I think in the small SME, for me, the biggest barrier is in truth, not what some say money might be, but I think it's finding an opportunity to sell your products in the market" **Interviewee 12**

Consequently, based on this difficulty of market entry faced by small agri-food companies, the consultant further suggested that:

"There is a very good job for someone who is extremely good to become a food broker for small SMEs. Someone that is extremely good in connecting with the multiple chains and the retail chains, who could make a name for themselves in representing companies…" **Interviewee 12**

In addition, despite the constraint of size, it was found that some small agri-food companies did not necessarily view their small size as a disadvantage. Instead, they saw their size as an asset, because they believe their size gives them the flexibility and speed to respond swiftly to market needs and changes. In buttressing this point, one consultant and one owner-manager stated that:

"…the main advantage of SMEs is their ability to act quickly to market circumstances because they obviously haven't got very complicated management structures and if they see an opportunity they can usually make a decision on what to do about it quite quickly." **Interviewee 11**

"…because we are a very small team, and because most of the time when it comes to the strategic development of either new markets or new products, it's basically me. It means that decisions can be taken very quickly and we can get the ball rolling…" **Interviewee 06**

This position is consistent with previous findings of researchers and re-enforces that small businesses benefit from their flexibility and ability to take decisions quickly (Heneman, Tansky and Camp 2000, Stokes and Wilson 2006).

5.4.2 Potential Threats from Larger Organisations

In addition, despite the opportunities available to small agri-food companies, and the passion displayed by their owner-managers, there was evidence from the study that most of the small businesses investigated still viewed large organisations as potential threats to their business. Most of the owner-managers interviewed felt that despite their innovativeness, creativity and passion, one of the large companies could come into the market with a similar product at a cheaper price and clear them off the market. Some of the participants put it this way:

> "…I didn't have money, there are big people out there, Heinz, Cow & Gate, Plum, there are many, many big companies that could just stamp on me. And they could come into my market quite easily, they could do it tomorrow. And it was about being able to sustain that that if they did come into my market could I still sustain my business and could I still grow…" **Interviewee 07**

> "…if a new by larger business moved in to our territory we would find it very hard to defend it, we have excellent products, we have award winning products and we are building the reputation slowly, but we haven't go enough money to go on a big market awareness campaign, so we are doing that on a small scale, kind of like economic PR based approach…" **Interviewee 03**

> "…unless I'm first into market and establish a strong trusted brand, then you know a threat is obviously that one of the very well established brands come in with a similar product range at lower prices can come and scoop the market away from me…" **Interviewee 09**

> "…but I think the biggest challenge is that there's a lot of big institutional players in there that are designed to make processed food in a low cost, are designed to market it in such a way that it is unclear, slightly misleading, in terms of it's true health…" **Interviewee 02**

This finding is linked to our earlier finding above, which suggests that financial constraints appeared to be the most challenging constraint faced by the small agri-food companies investigated. Furthermore, there is evidence that despite these perceived threats from large organisations, small agri-food companies appear not to be deterred, because they are of the opinion that they are playing an important role in

the society. This is explained by certain narratives or philosophy backing the idea of their companies and the products they produced.

5.4.3   Businesses Linked to Owner's Previous Experience

Although the small business literature argues that SME owner-managers tend to be generalists and not specialists (Gilmore, Carson and Grant 2001); another unique feature found amongst the small agri-food companies studied was that some of the businesses were strongly linked to the previous experience of the owner-managers. This was noticeable because of the deep insight with which they spoke about their business and products. Furthermore, it was found that this link, between the owner-manager's previous experience and their present business ventures, was also responsible for helping them identify the gaps that existed in the market and how they thought they could fill them with their own products.

This finding is consistent with the position of small business literature that argues that "generally those business owners who had prior work experience in their particular market sector tended to have much greater market awareness and understanding of buyer behaviour" (Hogarth-Scott, Watson and Wilson 1996). Based on the data, these links can also be identified from at least four of the small agri-food companies investigated:

1. **Interviewee 02** had been "in the fitness and health business from an early age", having worked as a fitness trainer, and later selling fitness equipment, and working in other management related positions before delving into the production of healthy snack bars.

2. **Interviewee 03** used to work at Mars, as a Cocoa taster, and was part of the team that took Galaxy and Maltesers into the hot chocolate channel; before leaving to set up his own company which produces premium drinking chocolate. He describes the link this way: "I'm using the experience from Mars in both Cocoa tasting and chocolate drinks to basically produce premium chocolate drinks…"

3. **Interviewee 09** trained as a Nutritionist, and "came out of the University with an MSc in Human Nutrition… and spent a good sort of 10/12 years working and practising as a Nutritionist…" After she had her first child, she started to get interested in children's nutrition. So when she began thinking of doing something different, she started to see some gaps that "there seemed to be a market for

healthier treats for children." This led her into the business of producing healthy cakes for children.

4. **Interviewee 04A** "did a City & Guild Chef qualification" and then went off to Australia to work as a Chef for 5 years. On her return to England, she joined her mother's catering business and later ran a pub of hers in Canterbury before deciding to go into the business of producing luxury Ice Cream.

This trend of having businesses start-ups linked to the entrepreneur's skills and previous experience has long been established in small business and entrepreneurship literature. Although factors influencing business start-ups fall along two broad lines vis-à-vis: personal characteristics or traits of the entrepreneur; and the influence of socio-cultural, economic and political environmental factors (Mazzarol *et al.* 1999); yet, certain background factors such as entrepreneur's personality and previous employment fall under the first broad category as factors influencing entrepreneur's choice to setting-up his/her business and the choice of the business (Stokes and Wilson 2006, Storey 1982).

Nonetheless, the interview further revealed that there were other small agri-food companies that had no clear links with the owner's previous experience. Instead, such companies seemed to have spotted certain gaps in the market, proceeded to conduct further research to prove the extent and viability of such gaps, and then established their businesses on the back of such gaps. This point also represents an environmental factor influencing business start-ups. Literature explains this factor under market emergence theory, that integrates the concepts of identifying market opportunities created by changes in consumer needs and market trends, as well as advancement in technology and innovation (Mazzarol *et al.* 1999).

5.4.4 Personality of SME Owners and Passion for their Businesses

Small business are often characterised by the personality and passion of the entrepreneur or owner/manager that founded the business; and the literature is replete with studies that have affirmed the dominance or "omnipresence" of SME managers (McCartan-Quinn and Carson 2003, Reijonen and Komppula 2007). This characteristic was further affirmed in this research, as there was evidence from the data that: (1) the owner-managers of the small agri-food companies were responsible

for making most of the key decisions, and that they justified it by their small size and lack of specialist hands; and (2) they were found to be very passionate about their businesses and the products they produced.

On the issue of taking most of the key decisions in the organisation, it was found that most the owner-managers interviewed saw this tendency as both their strength on one hand, because it meant they could be flexible and important take decisions quickly; and on the other hand, a weakness, because it meant that without them, their businesses would be affected. This is very evident from the interviews:

> "…because we are a very small team, and because most of the time, when it comes to the strategic development of either new markets or new products, it's basically me. It means that decisions can be taken very quickly, and we can get the ball rolling… on the weakness front, there's only so many hours in a day, which is very limiting. And that means I can't be doing fifty things at the same time…" **Interviewee 06**

> "…it is [the business] very much centred around me and whether I can work 24 hours a day, 7 days a week for rest of my life, I don't know… If I am ill then so the middle falls down a little bit…" **Interviewee 04A**

In terms of the passion, we observed that passion for the business was clearly evident from the way the participants spoke about their products. Good examples of passion in this regard would be how **Interviewee 02** described the cereal bars produced by his company; how **Interviewee 09** spoke about her healthy cakes; and how **Interviewee 03** described the unique qualities of his company's drinking chocolate:

> "…the same way that Fanta is significantly different from freshly squeezed Orange juice, we're different than most cereal bars…our products are so evidently simple… so you don't have to trust me as a producer, predictably it's so obvious… if you look at our products, no one has ever thought of how to make fruit taste like chocolate before… we're certainly creative, we're certainly innovative, we're certainly passionate; and I think that gives us certain advantages… that gives us an enormous amount of energy, power, confidence, the ability, the network that we know a lot about" **Interviewee 02**

> "…I've actually come up with a product range which, I regard as very innovative within the cake category in terms of the sugar levels and the saturated fat levels in my products are significantly lower than pretty much any other cakes out there…" **Interviewee 09**

> "…so we get the characteristic flavour of the original cocoa into the chocolates, and we sell those to make premium drinks. We have won 2 gold medals for chocolate drinks

which is obviously good; but the secondary benefit is that you can cook with it as well because it melts really easily, so it has a secondary usage... Our chocolate is better than theirs, it works better, it tastes better..." **Interviewee 03**

In addition, one of the consultants interviewed, remarked that in his many years of working in the food industry and consulting for small food companies, he never ceases to be amazed by the passion exhibited by the entrepreneurs for their products; and that this passion is one of the reasons why some supermarket buyers would give small businesses a try to stock their products on their shelves. He put it this way:

"... but some people do win... it's perseverance, [and] passion for the product... I've been selling for 40 years and I'm a good salesman... I think passion is a terribly important component of success in that sense... everybody to me gave me the impression that their product was the best thing since sliced bread, it's the best product you can eat, once you eat it, it's the best thing you've ever eaten..." **Interviewee 12**

Another consultant interviewed also supported this position that passion plays an important role in success, stating that:

"I think anybody who is passionate enough and has a real drive to succeed recognizes that they actually need that. They need to understand their market, because their markets are their future and their livelihood..." **Interviewee 13**

There was also evidence that the passion of the entrepreneurs and small business managers had a way of influencing the employees, to the extent that many of them not only become very passionate about the products, but also see themselves as part owners of the business. This finding also supports the position of the small business literature on the issue of the owner-manager's passion for the business (Heneman, Tansky and Camp 2000). In a study on human resource practices in SMEs, Heneman *et al* (2000) found that SME owner-managers are not only passionate, but they also seek potential employees who seem passionate about their company and who may fit with their personal lifestyle and organisational culture. They provided quotes from some entrepreneurs who stated that "passion for the business is a real key... by the time I talk to a person and they are technically qualified, I'm also interested in their passion... most of the time you see a person fail inside the organisation, it's because they're not being challenged. They have lost their passion for the work... " (Heneman, Tansky and Camp 2000:16).

5.4.5   Innovation Stimulated by Perceived Market Gaps

Another unique feature of the small agri-food companies investigated was that their owner-managers perceived to have spotted certain gaps in the market; and tended to rely on such perceived gaps to stimulate their innovativeness. In other words, the small agri-food businesses viewed the market gaps as opportunities and pointer to product development and innovation; and consequently, the products arising from such gaps invariably became their strength, source of difference, USP and competitive edge over already existing and/or established brands. Some of the participants described this phenomenon as follows:

> "…Paul first got the idea he wanted to make Baby and Kids food more interesting and cool and appealing to children; and at the same time as being tasty and healthy and nutritious. And if you look at most products in the market, they are one or the other. So either mum wants the child to eat it but the child doesn't like it, or the child likes it, but like chocolate and confectionaries, it's not particularly healthy… it's quite rare to find things that children really love, babies really love, and that mum really likes as well. So Ella's Kitchen was founded on that premise…" **Interviewee 01A**

> "…sort of a kitchen-table business back in 2007, when I spotted what felt I felt seemed to be a gap for healthier treats for young children… It was after my son was born that I realised there was a gap in the market because I was trying to feed him and I couldn't find things that I wanted and realised that there must be other mothers that can't find things that they want as well…I had a two year old who seemed to be pointing at every single large cake and unsuitable muffin in the coffee shops, and I decided that I'd have a go at creating a range of… treats aimed at young children…" **Interviewee 09**

> "…the strengths of the business were that there was a gap in the market that I was planning to fill… we just had unique selling points, you know, tastier food, more healthier, traditional… because it was Halal, so for Muslim babies as well, it included the Muslim population as well. And I think they're all strengths…" **Interviewee 07**

These findings are consistent with the findings of other researchers in the literature, such as Hogarth *et al* (1996:6) who concluded from their study that "in most cases, competitive advantage was based on the quality and service…Product differentiation was a source of competitive advantage for some of the businesses and also, there were attempts to find niche markets."

5.4.6   Philosophical Narratives about their Products

In relation to the owner-managers' passion for their products discussed above, another very distinctive trait that was clearly evident from the data was the tendency for the small agri-food companies to have a philosophical narrative or value

proposition backing up why their products were unique and extra-ordinary. Most of the companies told a sort of narrative about their products and why their products were the best thing to happen to the food industry; and these then became their value proposition as to the relevance and timeliness of their products.

In addition, while some of the narratives gained credence from the prevailing socio-economic and political considerations within the food industry; others tended to reflect certain: (1) ethical considerations such as fair-trade and charity; (2) health considerations like reduction in the in-take of saturated fat and cholesterol; and (3) sustainability considerations such as the need to cut carbon footprints, going green and eating organic etc. One particular participant spent considerable time explaining this narrative as follows:

"…there's a fundamental philosophic shift in terms of that. There's a tribe of people, I call it the holistic tribe; and the holistic tribe is people that basically look at the world and say hey, we are all part of one big thing, there's problems in the world, they're all connected, we need to centrally work together for answers that would help us all. And that means the environment that means better eating... That holistic group is growing, the interesting thing about it is that it only grows, it's only ever growing; and as the environmental problem grows, and as globalisation, and climate change issues take root, more and more people come... We are coming into an era where it's about simplicity and sensibility... if you look over time, the other issue is 10 years ago, it was all Coke and Pepsi, 7UP, and fizzy drinks; but if you look at that now, there's a lot of water, a lot of juice, a lot of *smoothies* available, all in the core shift towards simple, towards natural... no one has ever gone healthy eating processed food. You can go healthy eating fresh food, then you can tolerate a certain amount of processed food... so if you buy the idea that there's a pressure on the society to get to this clean, green future, where people are healthy, the environment is good, people are working good, there's a nice life and sustainable. How do you find it? We all want to get there for our kids, but there's no credible solution to getting there that doesn't involve the population eating a lot more natural whole-food. Because you can't have a clean, green future where people are eating junk food, because you get people who're Obese, you get a lot of strains on health care system which affects the budget, plus all the ingredients in the processed foods that also get thrown around everywhere... at a point in the future, a big chunk of the majority of the population has to be eating better and the only real definition of eating better is eating closer to what comes out of the ground. So, I make decisions that I feel comfortable that I'm in a bigger way helping out... so it's just up to me to articulate it right, position myself, and I'm on the side of the future basically…. if you want to be a part of this, I'm step one... a passionate owner of his business that actually has a product that is healthier, that is socially helpful, and the time is right for that... we certainly come from that point of view of we're not interested in doing anything but being part of the solution. And that gives us an enormous amount of energy, power, confidence, the ability, the network that we know a lot about..."
Interviewee 02

In addition to the detailed explanation above, other participants explained the philosophy behind their own products in the following manner:

> "I think that's something that I would definitely see as one of my strengths is that I've actually come up with a product range which, I regard as very innovative within the cake category in terms of the sugar levels and the saturated fat levels in my products are significantly lower than pretty much any other cakes out there…" **Interviewee 09**

> "…there was a consumer drive towards products having a story tell, it wasn't just about the fact that it was a chocolate drink great; actually chocolate drinks that had a story to tell, be it organic or fair trade or something else about them, like an origin, were actually making good sales and sales are increasing…" **Interviewee 03**

> "The idea was to actually create two brands within this particular company; one called 'Under One Sun' and the other is 'One Sun'. The aim of the company, the intention of the company was to take, to work, to bring in also a new model of business. One is so that fifty percent of all the profits of the company would be donated to charitable NGOs, or more particularly used to grow food in developing companies. So the ethos of the company was different from typical businesses…" **Interviewee 08**

Furthermore, on the consideration of sustainability, we found from one particular company that while they were interested in maintaining an environmentally sustainable business and helping the society to reduce carbon emission and greenhouse gases, the costs associated with sustainability seemed prohibitive for such a small company. Therefore, it appears the issue of sustainability may not necessarily be cost-beneficial to small businesses at the early stages in their business life circle; however, it may be an idea that small companies can keep and nurture for the future, until they begin to expand in size and generate more turnover and profits. In this regard, the owner-manager of the small Cake producing company explained:

> "Ideally I'd like to go further down that route in terms of sustainability, in terms of the packaging side of things… there are now companies that are supplying us materials of which a percentage of it is actually made from recycled material and it is recyclable, but the costs at the moment are just prohibitive and I'm hoping that perhaps as I obviously begin trading and … starting to deal with bigger and bigger quantities of sales… then actually that will give me an ability to be able to buy in and go further down that route of sustainability …the environmentally friendly products." **Interviewee 09**

Scholars observe that issues of sustainability and small business ethics emerged in the business literature in the United States of America during the 1970s and 1980s; and began mainly with moral issues concerning employer-employee relationships

and later, other aspects of social responsibility (Spence 1999, Tilley 2000). However, the late 1990s witnessed some investigation into small businesses sustainability and environmental ethics, and this interest has continued to increase over the last decade, as consumers have now become more aware about the effects of business activities on the environment (Tilley 2000).

5.4.7 Influence of Socio-Economic and Political Environment

Similar to the feature of telling a narrative around their products, it was found from the study that certain decisions of small agri-food companies, especially their innovation efforts also tended to be influenced by socio-economic and political factors. These factors range from increasing media awareness on healthy living, such as the need to eat healthy food with less sugar, saturated fat and oil; issues that have to do with health issues such as obesity and diabetes; ethical concerns like the need to buy fair-trade products in other to ensure that farmers in developing countries are getting a fair deal; the effects of the recession; and government regulation towards food standards and quality amongst others. In addition, it was interesting to observe the increasing attention given to celebrity cooks and their programmes; and how this had a way of also shaping the perceived gaps identified in the food market by owner-managers of small food companies. In the word of some participants:

"I would also say in terms of my strengths obviously my knowledge, the nutritional knowledge obviously is, I think, a very big strength, and how that then translates into the products, and my knowledge of the products and my knowledge of being able to make products healthier I think has been a real strength… I guess, to the political environment as well at the moment… where the government are looking at childhood obesity, there's obviously the School Food Trust that's been set up now which is obviously, on the back of people like Jamie Oliver who have raised big awareness for school lunches…the Government at the moment are working with the bakery industry to try and agree a general consensus on trying to reduce saturated fat in the baked products by 10% by the year 2012; you know, now I'm coming in here, 2010, and I've reduced it straightaway by 50%, you know, and that's just a start…" **Interviewee 09**

"We are very lucky in that chocolate is very much recession proof… Chocolate and confectionery largely are recession proof because people keep buying them for the families during a recession; it has to get really bad for people to actually stop buying chocolate. And couple with that we are a premium product and while the middle ground commodities seem to have been hit, people seem to have gone to the economy end, the premium food seems to not have been hit at all…" **Interviewee 03**

"So part of the whole problem is that we've got a country that's addicted to processed foods, and they are addicted to processed foods because that's mostly what's available, and that's all that gets promoted, and they have been successful in actively confusing

people about what is healthy and what isn't. And you make a lot of money that way, because you also make a society full of unhealthy, overweight people, and kids who don't know anything about nutrition..." **Interviewee 02**

It can be observed from the interviews that apart from relying on these socio-economic and political factors and trends to decide certain causes of action within their businesses, small business owners also appeared to use them to buttress their pitches to supermarket buyers, and other stakeholder, as well as using them to add credence to the timeliness and relevance of their products. They also consider their knowledge of these factors in terms of the strength of their businesses. In the same vein, scholars have argued that these socio-economic and political factors also serve as critical factors influencing business start-ups in the first place (Stokes and Wilson 2006, Storey 1982). These represent the second broad group of contextual factors influencing business start-ups, with the first group of factors being the personal characteristics and traits of entrepreneurs (Mazzarol *et al.* 1999).

5.4.8 Increasing Significance of Social Media in Marketing

Furthermore, another feature that was evident from the interviews was the increasing significance, and the use, of social media in the marketing and publicity efforts of small agri-food companies. Like the case of our pilot study, we found that some of the companies investigated used social media sites, particularly facebook and twitter in building a database of friends and followers, who may then be used as source of data for getting ideas for new product developments and testing new product designs and samples. From the data, we identified several attestations to the use of these sites in the following ways:

"…in terms of facebook, twitter and the social media, the mothers showed us a lot of support. I still have the database of mothers that have contacted me and said, you know, 'We want to do this, or if you can help me do this, or we'll give out your flyers, or we want to work for you or…'" **Interviewee 07**

"…it's more of an opportunity, and the more we can speak to them, and the more they can speak to us; because we encourage them to have a dialogue between us, rather than just, them say one thing and then we don't respond. We try and keep that up through facebook and twitter. So that kind of the social media aspect, that is taking off and it can do great things for us… in that side, it is just an opportunity, there's less risk with it…" **Interviewee 01B**

In addition, it was found that in these companies that made use of social networks, they had more interaction with the outside world, and they now have followers and fans that they do not necessarily know, but are still useful in answering the surveys they send out. One of the small agri-food companies confirmed that while they currently have over 7000 names and email addresses on their database/network, they find out that over 1000 people responding to their mails and filling their surveys, which represents over 10 percent response rate, and they find this approach a very useful source of data.

Unlike commissioning a professional research firm to conduct formal marketing research, the adoption of this type of survey still provides evidence to support the position of the literature that small businesses prefer to source information from informal sources, such as personal contacts and networks (Burke and Jarratt 2004, Johnson and Kuehn 1987). It has also been suggested that "networking occurs as a natural and inherent entrepreneurial activity... sometimes entrepreneurs will consciously seek out information from certain individuals believed to have a contribution to make; on other occasions, information will be gleaned subconsciously" (Gilmore, Carson and Grant 2001).

5.4.9   Participation in Regional Food Awards, Festivals and Fairs

There is also evidence from the data that most of the small agri-food companies investigated were part of one regional food award scheme or the other. In addition, we found that while most of them have been listed in one regional food award or the other, some of them have actually gone ahead to win a number of awards, as a result of the innovativeness of their products. There was evidence that companies valued these regional awards, because it is a sign of recognition of their efforts and tends to give them and their products certain credibility within the region where the awards are bestowed. The small food companies appear to always be proud of their achievement and willing to discuss the issue of how such awards were won.

Furthermore, we found that a number of the companies made it a point of duty to regularly attended food fairs and festivals around the country. There was also evidence that attendance in these food fairs and festivals gave small companies the opportunity to network and share ideas with their contemporaries and competitors. In

such events, some companies see the products of others that are succeeding in the market, which tends to give them first-hand information on how to model their own products to succeed. From the interviews, the following quotes from small business owner-managers buttress this finding:

"...I had a stand at the *Children's Food Festival*, which was based in Oxfordshire, last Summer, and we had a fantastic couple of days, and I had close to two thousand people who actually filled out, children and parents who filled out, feedback on... they tested our products; we basically got them to do a taste and tell them what they thought of the products and then give us a bit more information..." **Interviewee 09**

"over the last 3/4 years have gone into doing food and other leisure shows; the *Big Food, Good Food Show...* and we probably do about 60 or 70 of those shows a year now... we have started to join a lot of the regional food groups... we belong to *Produced in Kent... Taste of Wessex, Taste of the West... Deliciously Yorkshire*, so we get a lot of marketing input from those groups. We belong to some food associations which also give us quite a lot of help in terms of trends, leads and specialist courses which can help in production, marketing...like the *Guild of Fine Food*, and we use some of their materials to help us identify new sales prospects. And then we use trade shows... but they can be quite successful, it depends how you measure success, really... for the last year now, we've been building that market and attending trade shows, like the *Speciality Fine Food Fair*, we just did one in Glasgow about six weeks ago, we've got another one this weekend in Birmingham" **Interviewee 06**

"We did Speciality Fine Food for the first time the year before last and that is when we started actually advertising in magazines. But really going forward because it was the trade shows and there were consumer magazines, trade magazines we wanted to sort of have a presence people could see after the event... I can give you something we actually just submitted to *Produced in Kent...* the back of winning an award and also we had a thing with James Martin where he recommended us" **Interviewee 4A**

As observed from the quotes, attendance of food shows, festivals and fairs also provide that platform for some small food companies to conduct face-to-face surveys and/or interviews with actual and potential customers of their products; and to be able to test-out sample of their new products and get feedbacks from customers regarding the product taste, quality, ingredient, flavour, packaging etc. This finding supports the position of scholars that earlier suggested that small business owner-managers will prefer to adopt informal sources such as face-to-face contact in food fairs and festivals, to gain direct information from their potential customers (Hills, Hultman and Miles 2008, Hogarth-Scott, Watson and Wilson 1996).

5.4.10 Adoption of Several Sources of Market Information

Another set of characteristics that was found evident from the fieldwork were that the small agri-food companies adopted: (1) several sources of market information; and (2) several distribution channels. Firstly, there appeared to be an apparent consensus amongst all the small companies investigated, on the importance of market information to the success of their businesses, and they all acknowledged its role in enhancing their market knowledge and decision-making ability. Emphasising the importance of information, two of the participants stated:

> "I just can't see how any business can actually do anything in this day and age without data. I mean large companies use data, and it's absolutely essential, that all companies understand the importance of using the right data at the right time to run their business." **Interviewee 08**

> "…I tend to research things quite thoroughly, but two, I tend to find that through that, the decision becomes very clear, the decision forward, or what I'd like to do becomes very, very clear…" **Interviewee 09**

Furthermore, it was evident that while some small agri-food companies still relied on the residual knowledge and experience of the owner-manager, the majority of the small companies appeared to be seeking market information from a variety sources, because it helped them to understand what is happening in the market from different perspectives, get feedback about their products and markets, and take certain strategic, as well as day-to-day decisions about their businesses. It was also useful in supporting their previously held beliefs about happenings in the market. Some participants explained:

> "I think information and being able to use and scan information to make key decisions is critical… I think there are two levels of use of information; one is to actually test your decisions, and the other is to actually inform your decisions. On one level it is around assessing whether what you're achieving, or aiming to do, is achievable and realistic, but it is also a second level used to inform your day-to-day decisions, for example information used to manage the cost, manage your product cost, your product market…" **Interviewee 08**

> "…it was just lots of my own knowledge of the market and this narrative that we were building. You know, getting information, seeing what the scientific methods on our narrative were... you know, it wasn't so accurate... And so we would get the random piece of market data through some report that was online and we we're really dribbling in bits and bubs…" **Interviewee 02**

Secondly, although small business literature has tended to describe their information seeking process as informal, intuitive and reactive (Burke and Jarratt 2004, Johnson and Kuehn 1987); it was found that, in addition to informal sources of information such as the use of personal contacts by word-of-mouth information-seeking processes, a good number of the companies appeared to be adopting more semi-formal and formal approaches to seeking market information to help them size-up the scale of the market, in their marketing planning, and to make a case for why their products should be given a chance. These sources included conducting extensive desk research from both local and national libraries regarding the market they intend to enter or were already participating in; using formal data like Nielson, Keynote report, Mintel and IRI data; conducting personally prepared surveys and interviews.

It was evident from the study that none of the companies used supermarket loyalty card data alone; rather it was used to supplement the information that already existed in-house or that was still to be gotten from other sources. Some of the participants relayed their market information seeking sources and processes this way:

> "...I've spent a lot of time now researching, you know, doing market research, field research and really planning the business very, very carefully, and also the Dunnhumby was part of that research..." **Interviewee 09**

> "...we've got IRI, dunnhumby, and TNS... but we would love it to be; anything to better understand the market. So a lot of the decisions are being made with gut feel; people that have approached us or are working here for about 2 years now, know what's right and what's wrong; and just generally, has a good sense of the trend... TNS and IRI have been quite interesting with going into retailers, taking an argument to them saying like, we have 5 or 6 of the top 13 SKUs in the market, by value sales... to say well we're doing very well, these products aren't..." **Interviewee 01B**

> "...the market research was there. We went to the baby show and spoke to over 600 mothers in three days with the product with us to say 'Look, this is what we do, we're a new company, would you buy?' And overwhelmingly – overwhelmingly they said 'Yes, and that we need something like this'..." **Interviewee 07**

> "I just went to the British Library and I found every single thing that I could possibly find, whether it was done in Bradstreet, or Mintel, or, you know, Nelson, or any of those kind of things.... looking at trade press, your data, so I mostly desk researched, and then we also did the market research by the two different questionnaires, one to our members of staff, and then one to our existing mail order customers..." **Interviewee 06**

This finding refutes the position of literature that small business by-pass formal sources of information, and that their information seeking process "does not reflect exhaustive strategic analysis, but rather, a personality driven, opportunistic or instinctive approach, channelled through an emergent planning process" (Burke and Jarratt, 2004:126). In addition, it reveals that despite the small size and lack of finance associated with these small companies, many of them are beginning to understand the value of formal market information to their performance and sustainability.

Nonetheless, it can be argued from the data that there appears to be some association between those small agri-food companies adopting semi-formal and formal approaches to seeking market information, and certain influencing factors such as: the level of education and professional experience of the owner-manager; the support systems around the business, like the availability of business link advisers and consultants; as well as the structure of the companies and their mode of operations. In this regard, literature suggests that the tendency for some small companies to seek information may be associated with the level of education and experience of the owner-managers (Lybaert 1998). Consequently it is observed from our data, for instance, that while **Interviewee 09** trained and worked as a Nutritionist; **Interviewee 02** has had several years of experience working in the health and fitness industry, has an MBA and worked as a consultant before setting up his business that produces healthy snack bars; **Interviewee 06** is a Business Administration graduate, specialised in Marketing and worked for several years as a Marketing Consultant before moving on to establish her Fudge business; and **Interviewee 01B** previously worked with a Chartered Accounting Firm and later with IRI before joining Ella's Kitchen; they had all been used to analysing data in both their past and present professional careers, thereby making it normal for them to seek market information from more formal sources.

Thirdly, considering the small business perception that formal information is always expensive to get, and that good information costs a lot of money (Johnson and Kuehn 1987), thus warranting their adoption of informal and inexpensive sources of information (Curran and Blackburn 1994, Gilmore, Carson and Grant 2001); there was evidence to support the existence of this perception amongst the small agri-food

companies investigated. They were of the opinion that due to the prohibitive costs of accessing market information, it would not be part of their short term priorities, until their finances improved from favourable sales. Two of the participants stated:

> "…currently we are very tight for resources because we are very small, and so we don't have the resource to plough lots of money into research, actually all the research we have to do ourselves. We don't have enough money, spare money to do the market research that we were expected to do if we were bigger…" **Interviewee 03**

> "…we had this perception earlier on that good data is expensive; you know, good data is expensive, and it was on that long list of hey, when we've got some money, things we would do." **Interviewee 02**

In addition to acknowledging the value of information, and the need to seek market information from various sources, there was evidence that most of the small agri-food companies adopted several distribution channels for their products. As opposed to the large food producers which tended to concentrate the distribution of their products to mostly supermarkets and large retail chains, small agri-food companies tended to supply their products through various channels such as their companies' websites, farm shops, local shops, cafes, delis, gym shops, and farm markets; in addition to a few supplying supermarkets. They explained that: "…it in terms of just shelves, you've got grocery store, health-food shops, and convenience outlets primarily…" **Interviewee 02**; "I'm aiming them at multiple retailers, places like Waitrose, and also some of the independents as well, and the coffee shop chains." **Interviewee 09**; "…what we did instead was to create a wholesale market, where we supply delis, farm shops, food-halls and chocolate shops on the basis of small minimum orders, virtually of a weekly basis" **Interviewee 06**.

We found that the use of several distribution channels was a way of hedging their risks, and some of them were still suspicious of the possibility of only supplying supermarkets, because they risked being out of businesses if the supermarkets decided to "pulled the plugs." Another participant explained:

> "Another reason we have gone the route we have gone and built the dairy and farm shop base and will continue to do that is because we don't want to put all our eggs in one basket with the supermarkets, because obviously once you have done that and they pull the plug, that is a huge amount of business in one hit…" **Interviewee 04A**

In buttressing her point, she further narrated the ordeal of another business she knew, which started selling to supermarket; and lost all her other customers because the supermarket was selling far cheaper than the delis and cafes, and also lost the supermarket supply too, at the end of the day, because of pricing problems:

> "…I do know someone who was making chocolates who, she set a business up very successfully round the farm shop and delis, and went into Asda with their local supply range…but she then lost all her deli and farm shop business because Asda were selling it for less than the farm shops and delis. They were understandably a bit fed up with that and so she lost her business on that side of things and then Asda sort of said price is too high, you have got to drop it, she couldn't do that because she had already dropped her margins anyway, so she pulled out and started again and literally that was 3 years of work and she has built it back up again now." **Interviewee 04A**

Therefore, maintaining an even balance between supplying the supermarkets on one hand, and supplying other outlets like delis, farm shops, and cafes on the other hand, appeared to be a good way small agri-food companies could play smart in the market place and "cover your back."

Despite this perceived risk associated with supplying supermarkets, there was yet evidence that some of the small companies studied considered it an achievement to be supplying the supermarket. This is because supplying supermarkets represented the hallmark of getting your products to the final customers. In other words, their products had the opportunity of reaching far wider shopper coverage with the supermarkets than with the farm markets, delis or cafes. Particularly, since some of the small companies tended to pitch their products as premium products, as opposed to the cheap mass-produced products, they were very impressed with themselves if they manage to start supplying Waitrose. Similarly, one of the consultants explained that the increasing interest in local and regional foods has made it possible for small food companies with good products to be able to walk into the regional offices of one of the supermarket chains and request to be listed on a regional basis. In his words:

> "I must be honest and say a lot of the supermarkets like Tesco in particular, and Sainsbury's do have regional buying offices, where they allow small companies with their local produce to come and see them, there is a lot of opportunity… I think supermarkets have now reacted to buying local and they have now set up regional offices. You can go to Bristol now and .., go to the Sainsbury's or Morrison's local office and represent yourself and see if they will take your products just for the area, you won't get it nationally…" **Interviewee 12**

He further buttressed that the good thing about this idea of being able to supply locally to supermarkets is that small food companies would not be under undue pressure to supply a huge mass of their products for national consumption, since they are only restricted to a certain region, or even a certain number of supermarkets within a region. Instead, they would have the opportunity to experience an organic growth; because if their products is doing well in one region for instance, they can earn enough money to scale up their production and be able to extend the supply of their products to other regions, until a time when then they are big enough to cover the whole country. This position is consistent which earlier findings suggesting that small businesses are most suited to take advantage of the opportunities stimulated by the increasing interests for local and regional food (FDF 2008, SAC 2007) .

5.5 Dimensions of the Use of Supermarket Loyalty Card Data

From our review of the extant literature on information-use in chapter three of this document, three traditional dimensions of information-use were identified, vis-à-vis: the instrumental, conceptual and symbolic uses of information. The following sub-sections provide an overview of each of the traditional dimensions of information-use and finding relating to the marketing practice of small food companies.

5.5.1 Instrumental Use of Supermarket Loyalty Card Data

Instrumental use of information refers to the direct application of information to solve specific problems (Deshpande 1982), i.e. where a problem exists and information is used as a tool to solve the problem by filling the gap of what was previously unknown (Menon and Varadarajan 1992). This is an immediate and directly observable use (Rich 1997).

Therefore, based on the interviews conducted with owner-managers and marketing managers of 10 small food companies, only two companies showed some evidence of the instrumental use of supermarket loyalty card data. Our findings reveal that both companies instrumentally used the data in similar ways. In the first company, manufacturers of healthy cakes for children, they requested data to find out the pack size that sold more cakes in the market, amongst 4 pack, 5 pack and 6 pack cakes. On preparing the report, it showed that 5 pack cakes sold more and represented about 62

percent of the sales amongst the 3 different pack sizes. Despite this finding, it was revealed that the owner-manager of the food company still chose to go with her intuition by adopting 4 packs for her healthy cakes, which appeared to be the list pack purchased from the loyalty card data. She explained her decision this way:

"Yes, the pack sizes...obviously you were looking at 4 pack, 5 pack and 6 pack sizes, and 4-pack seemed to be sort of less popular, but actually I then decided actually that I'd still like to go with a 4 pack. I mean my initial thought maybe was that my product suited a 4 pack, and I've actually so far decided to hold true to my initial instinct on that and not go down the route of five or six pack; mainly because actually the more I thought about it, the more I thought well, (1) 4 pack enables me to keep my price point where I'd like it to be kept which I think will appeal to people; but (2) when I thought about it as a mum now as well, and you know I'm thinking about lunchboxes which obviously is the major, destination that I'm hoping that the cakes will sort of end up in lunchboxes. When I thought about it, actually 5 isn't necessarily, you know, well you've got to think well 5 well that's one for every day of the week, surely; but actually no child, really, actually does want the same cake in their lunchbox five days in a row..." **Interviewee 09**

Similarly, the second company had recently launched new packs of Blueberries and wanted to find out how the new packs are performing in the market, and whether or not it has encouraged first time buyers to the category. The findings from the supermarket loyalty card data revealed that there was some peak in the sales of blueberry and there were some first time buyers. Yet the company were still interested in finding out if the first time buyers were retained. The marketing manager of the company described the thinking that led to the request of that particular data and how they used it.

"...we were trying to increase penetration in Blueberries, really, that's one of our goals; because penetration is still quite low and Blueberries are a lovely product. Sales are increasing, increasing, increasing; they're one of the biggest increasing selling lines of soft fruits, so they're already doing really well. But we believe there's room for a lot more growth. So we're trying to look at ways of achieving that growth... we were looking at our Blueberry packs saying well, our packs of blueberries have got slightly bigger over the years, and now it's like a 225 gram or a 300 gram... for people that haven't tried them before, and perhaps we want to encourage to try them, perhaps that price point and that big pack is just too much... we offered the smaller blueberry pack, did it bring new consumers in to try the fruit?... we haven't really been able to make any definite conclusions..." **Interviewee 05**

Although there was evidence of instrumental use of supermarket loyalty card data found in only two of the companies investigated; nonetheless, this finding supports the assertion of Souchon and Diamantopoulos (1996), that where the decision to

introduce a new product is based on marketing information, it can be concluded that information has been used instrumentally. In addition, the finding is consistent with findings revealed from anecdotal evidence in the literature which suggested that supermarket loyalty card data may be used instrumentally within small food companies to decide specific pack size to adopt for their products (Cacciolatti *et al.* 2009, Simmons *et al.* 2008).

5.5.2 Conceptual Use of Supermarket Loyalty Card Data

Conceptual use of information refers to an indirect application of information. Unlike the instrumental use of information that is directly applied to solve a particular problem, conceptual use has to do with when information is used for the purpose of general enlightenment and considered for broadening the managerial knowledge base of organisations (Diamantopoulos and Souchon 1999, Menon and Varadarajan 1992, Souchon and Diamantopoulos 1996).

Based on our data, there is clear evidence to suggest that all the small companies investigated used the supermarket loyalty card data conceptually. We find from the semi-structured interviews that most of the small food companies suggest to have used the data conceptually in three ways: (1) to understand what is going on in the market; (2) to confirm what they actually thought was happening in the market; and (3) to support their value proposition or philosophy in regarding their products. According to some of the participants:

> "…The other thing that we have done is to get the Dunnhumby data and to have a look at… the type of products that people are buying, what type of people are buying the products, also what price products are, if they are price sensitive… what we found was that obviously when we are doing research which is on a rather small basis the Dunnhumby data is a much, much bigger basis and what we found is that a lot of what we are seeing when we talk to people who are going to taste or buying over the counter in front of us, has been backed up by the dunnhumby data as well, so it is excellent… identifying the majority of consumers who are buying the products, means that we focus a lot of our marketing on that group of consumers, and we done that deliberately and more so since we had confirmation from Dunnhumby data, that we were right to chase one particular group of consumers…" **Interviewee 03**

> "…I think what it showed me is the consumer buying habits so that you know where and how to segment your product; and (2), price the product and see and test all your assumptions and hypotheses as to whether the market and product positioning is aligned with a wider buying habits… So for example if it's Asian food then you know what the science of that market is, who are the people that buy it and what they actually

buy there... I think it confirmed my ideas on the segmentation. It also would have influenced me identifying if the segment that I wanted to enter..." **Interviewee 08**

"...we we're drawing a lot from people because the interest was about food. We had assumed it was more of health, health, health; yeah, it's still health, but also there's a big chunk that like it almost from a gourmet kind of side. So knowing that those two were the key drivers: young adults, young families and foodies; and then also, letting us know that mothers market that's buying for kids, makes you to look at the world in a different way..." **Interviewee 02**

The finding of this research affirms previous findings by Cacciolatti *et al* (2009) that SME managers use supermarket loyalty card data to help them gain better understanding of their markets and deepen their knowledge of how their customers behave (Cacciolatti *et al.* 2009). It also provides small businesses with a clearer direction for exploring potential future business opportunities and enhancing their confidence, as well as highlighting the need for them to brand and differentiate their products (Simmons *et al.* 2008). Therefore, it is consistent with the position of information-use literature that 'the result of the project are added to knowledge base' (Arnett, Menon and Wilcox 2000), and that it also 'results in changes in the user's knowledge' (Menon and Varadarajan 1992).

5.5.3 Symbolic Use of Supermarket Loyalty Card Data
Literature on information-use describes symbolic use of information as a situation that 'occurs when information is distorted in order to support the decision maker's opinion in the eyes of his/her subordinates or superior' and 'to justify decisions already made' (Diamantopoulos and Souchon 1999, Goodman 1993). Scholars have suggested that information may be distorted by way of 'presentation, selectivity, safety margins, rounding up or down, and actually changing data – to influence decisions' (Piercy, 1983:116).

Based on the data gathered for this research, there was no evidence to suggest that the companies used supermarket loyalty card data symbolically. This is understandable because no company would admit that they have "distorted" the data to justify the decisions they have already taken. Nevertheless, it can be argued that the desire to look for support or proof for their narrative or value proposition may tacitly or inadvertently inform the distortion or selective use of the data. There is evidence from the semi-structured interviews to suggest that several of the

companies had value propositions and always sought to justify them with some data. Some of the participants explained this phenomenon thus:

> "...I'm doing a sort of PowerPoint presentation which would be basically for my buyer meetings, and I'm just beginning to start planning that now, and so I think clearly it would be, you know, added value and it would add even greater credibility to the proposition..." **Interviewee 09**

> "...It's either I have a specific meeting with a specific buyer on a date and I'm trying to put together a presentation because I have some new products that I want to sell them or I want to defend my old products from not getting de-listed. And if you put yourselves in the person's shoe... the most important thing that I'm after is kind of a short term thing that I need to defend my position... it had to be that I need to take this dunnhumby data with some other data and weave it into a narrative for this other presentation..." **Interviewee 02**

5.5.4 Emblematic Use of Supermarket Loyalty Card Data

In addition, while it is difficult to either reinforce or refute previous findings relating to symbolic use of supermarket loyalty card data in the strict academic sense, there was another perspective of information-use that was identified from the data. There was evidence to suggest that the mere possession of SLCD helped some of the small food companies to pitch their products to supermarket buyers and also win supply contracts. While this does not clearly fall under any of the traditional dimensions of information-use, yet it represents what have been termed "emblematic use".

Emblematic use of supermarket loyalty card data is a new insight and dimension of information-use that has been unearthed from this study. It simply refers to the situation where companies may gain credibility and positive image from stakeholders such as supermarket buyers and industry experts by merely possessing supermarket loyalty card data and communicating their possession of such formal market information. In essence, SLCD is merely used as an emblem. In order words, the owner-manager of a small agri-food company can say to a supermarket by "based on the dunnhumby data we have recently received, I can tell you the trends in this category are ...", and by so doing they gain credibility and positive image in the eyes of buyers.

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This credibility and positive image comes from the knowledge the supermarket buyer has about "dunnhumby data". Many buyers and industry experts know that the SLCD is a formal and detailed type of market information, which is ordinarily accessed by large organisations with huge marketing research budgets and availability of expert personnel and skills to analyse the information. Therefore, the buyers were always impressed to find out that some small companies have actually gone the extra mile to access and apply supermarket loyalty card data into their marketing and planning process; as opposed to the usual SME reliance on informal market research sources. Consequently, the credibility and image of such small companies are heightened in the eyes of supermarket buyers. In the words of some of the participants, this phenomenon of "emblematic use" is exemplified thus:

> "…I went into the buyer armed with this information of course he already knew what dunnhumby data was about, so we had a very positive conversation around the fact that sales would grow when the weather comes down, and when it cools down again in September. And it did. So this heightened my credibility in the eyes of the buyer and we could discuss at a very cordial level because he knew I always bring new insights of market trends about his category whenever I come to see him … " **Interviewee 03**

> "…So it really allowed us to work with those guys on a whole different level… we had built a very good image from the buyer's perspective, so we're in a position where, and at the same time we're really trying to go to the retailers and say, 'hey, you need a new section called whole-foods; and since then, we've worked with Tesco to develop it, and since Tesco did it, everybody else did… So we're starting to carve out that, and the good thing is that they trust us and we sit down with some hard data. And I'm not just talking theory; I sit down with them and say, 'here's our plan and here's the data', and that makes all the difference..." **Interviewee 02**

To summarize this section in relation to Proposition 1, which states that "Small Agri-Food Companies would be more likely to use supermarket loyalty card data instrumentally and conceptually, and less symbolically"; the above discussions have provided evidence to support this proposition. While the semi-structured interviews revealed mainly instrumental and conceptual uses of supermarket loyalty card data; there wasn't enough evidence to suggest that the data was used symbolically i.e. deliberately distorted. However, the data supported the possibility of selective use of the data; as well as emblematic use of the data.

5.6 Factors Influencing the Use of Supermarket Loyalty Card Data

From the information-use literature, we identified several factors influencing the use of information in chapter three, and noted that these factors have been grouped under several sub-divisions, such as: environmental, organisational, individual-related, informational, and relationship factors (Diamantopoulos and Souchon 1999, Lybaert 1998, Menon and Varadarajan 1992, Souchon and Diamantopoulos 1996). As discussed earlier, while the four latter groups of factors represents those internal factors that tend to influence the use of information from within organisations themselves, and the information-provider; the first one (environmental factors) is made of up a group of external factors that tend to influence how organisations operate and invariably how they would use information. In this research, our investigation is focused on the latter four groups of factors, which the organisations and the information providers can influence. Based on this focus, the following discussions would present and discuss the findings from the first phase semi-structured interviews under the following subheadings:

5.6.1 Organisational Factors

From the literature, we identified several organisational factors that tend to influence the use of information; and several variables that have been used by researchers to measure the factors. These factors are made up of the organisational structure, and sector of activity (Deshpande 1982, Deshpande and Zaltman 1987), as well as the organisational culture, flow of communication, market experience and level of analysis (Menon and Varadarajan 1992, Moorman 1995, Sinkula 1994).

It was also found that certain factors tend to influence the use of supermarket loyalty card data within small agri-food companies. Firstly, the structure of the companies: most of the participants interviewed were owner-managers and marketing managers of small food companies employing less than 50 employees and turning over less than £10 million annually and there was evidence that their structure tended to influence their information seeking behaviour and use.

Apart from one of the companies that appeared particularly decentralised in structure and formalised in operation, most of the other small companies were found to be highly centralised and less formal. There was evidence to suggest that irrespective of

their highly centralised nature, they still made use of supermarket loyalty card data. This finding affirm previous findings that "the more centralised and less formalised firms are, the more likely they are to use of market research..." Deshpande and Zaltman (1987:24). Essentially, the study revealed that the centralised and less formal nature of the small food companies ensured that SLCD got to the right person and was shared with only individuals that needed to about the data; as opposed to large organisations where information may sometimes bear the risk of being sent to the wrong individual that does not have the responsibility to manage information (McCartan-Quinn and Carson 2003, Murray and O'Driscoll 1996).

In addition, as it relates to organisational culture, the literature suggests a higher likelihood of information-use in organisations that exhibit speed in responding to market changes, innovate and introduce new ideas, and encourage open and free flow of communication (Arnett, Menon and Wilcox 2000). Also, companies that were considered as market or customer oriented tended to seek more information about the market (Appiah-Adu and Singh 1998, Pelham 2000). There was evidence from the small agri-food companies that they considered themselves innovative, quick to take advantage of market opportunities, and keen to understand market trends. These factors tended to influence their information seeking behaviour and ultimately their use of supermarket loyalty card data. According to some of the participants:

> "...We are currently unique so it is difficult to identify direct competitors... we get the characteristic flavour of the original cocoa into the chocolates, and we sell those to make premium drinks. We have won 2 gold medals for chocolate drinks... the first tranche we got actually backed up what we had been seeing is that we weren't necessarily aiming for what the drinking chocolate companies are traditionally selling their products to, which is good for us because we had an opportunity to do something different..." **Interviewee 03**

> "if you put yourself in the position that we have, creativity comes up naturally. So I think we're certainly creative, we're certainly innovative, we're certainly passionate; and I think that gives us certain advantages... So knowing that those two were the key drivers: young adults, young families and foodies; and then also, letting us know that mothers market that's buying for kids, makes you to look at the world in a different way..." **Interviewee 02**

The above findings support previous empirical findings that the organisational culture of a firm is likely to influence information-use, vis-à-vis the organisation's speed culture, innovative culture and openness culture (Arnett, Menon and Wilcox

2000); as well as its customer and market orientation (Appiah-Adu and Singh 1998, Pelham 1997, Pelham and Wilson 1996).

Furthermore, we found from the data that out of the 10 companies studied, 7 had formal business plans and 3 others admitted to not having any formal plans; but confirmed that they had ways of tracking the performance of the business. We also observed a close link between those companies that had formal business plans and their possession of external help in the form of consultants and business link advisers. It appeared that most of their business plans were prepared for them by consultants; and they were mainly put together to seek funds for the businesses.

In addition, while it has been suggested in the literature that the absence of formal business plans or the inability for small companies to articulate their goals was due to ignorance of the market concept and planning process (Cromie 1991, Mendelssohn 1991); this study found a link between the use of market information and the possession of formal business plans. There was evidence from the data to suggest that the need to develop business plans, for the purpose of securing funding, influenced the decision of some small agri-food companies to seek market information. According to one of the participants:

> "… actually we were in the process of developing our business plan in order to secure some funding… so we were desperately in need of any market information we could lay our hands on, to help us understand the market and make a case to our potential financiers…" **Interviewee 07**

Therefore, this finding supports the position of the literature that small food companies who are keen on planning and developing business plans would tend to seek market information, such as supermarket loyalty card data (Mendelssohn 1991, Stonehouse and Pemberton 2002).

In addition, there was no evidence to support the suggestion that family intervention influenced the way in which the small companies used information. What we found however, was that even in situations where the businesses were registered by married couples, only one of the couples appeared to be responsible for running the business with very little input from his or her partner. According to two of the participants:

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"...It's a limited company and it's me, and actually my husband who are the Directors, but he's really I guess a non-Executive Director and doesn't work obviously on the business in any way..." **Interviewee 09;** "...It's a limited company. I'm the MD, my husband is the secretary but he has very little to do with the business at all..." **Interviewee 04A**

Therefore, irrespective of the suggestion that "80 percent of all small businesses are family controlled" and that family logic often supersedes business reasoning when it comes to defining organisational strategy (Burke and Jarratt 2004, Kets de Vries 1993); this position is not affirmed in this study.

In relation to Proposition 2A, which states that "Organisational Factors would influence the use of supermarket loyalty card data in Small Agri-food Companies"; the above discussions under section 5.6.1 have provided evidence from the semi-structured interviews to support this proposition.

5.6.2 Individual-Related Factors

Individual-related factors have been discussed in the literature as personal prior dispositions of entrepreneurs and owner-managers with respect to their level of knowledge, level of experience, cognitive styles and decision-making approach. Literature suggests higher levels of information-use amongst managers who felt they had little prior knowledge than amongst those who felt they had better knowledge (Berg *et al.* 1978, Menon and Varadarajan 1992, Sternthal and Craig 1982). However, our study does not support this position. Based on the data, out of the 10 owner-managers and marketing managers interviewed, we found that only one participant had prior knowledge of supermarket loyalty card data in their previous work experience, while the other 9 small food companies had never heard about the data before their contact with the Centre for Value Chain Research, where the data is prepared and presented in form of reports and workshops.

In addition, we observed that there was no significant difference in the way the 9 participants (who had no previous knowledge) responded to the data when compared with the one participant who had previous knowledge of the data. Consequently, our finding refutes the suggestion that managers with previous knowledge made less use

of the data. On the contrary, the small agri-food company whose owner-manager had previous knowledge of the data seemed very keen to access the data because he already knew what he was looking for from the data, and was surprised that the data was available free of charge because he knew that such data is usually expensive to access. In the words of one of the participants:

> "Because I have seen Dunnhumby data before at Mars, I kind of knew what I was looking at. I also had a conversation about some of the terminology because it wasn't quite how I would have termed it… you know this dunnhumby data is free, fantastic don't tell everybody else because it can be really powerful… we have been paying tens of thousands of pounds for it at Mars… It was useful and interesting but costs a lot of money… I have got all these data, and I still think we haven't made enough of it from the reports that we have got, there is probably more we could do…" **Interviewee 03**

The literature has also identified other factors such as the owner-managers gender, age, education, economic history, personality, professional background, occupation of parents, personal experiences, habits, goals and expectations, which have been previously investigated and reported mixed findings on how they influence the use of information amongst SMEs (Donkels and Lambrecht 1997, Low and Mohr 2001, Lybaert 1998). For instance, Lybaert (1998) argued that the education of owner-managers, prior experience and familiarity with administrative process tends to influence how they choose to source and use information. Similarly, the data revealed a strong link between owner-managers' prior experience and the businesses that they eventually establish (see section 5.4.3).

For example, the data showed that: **Interviewee 02** had been "in the fitness and health business from an early age" before delving into the production of healthy snack bars; **Interviewee 03** was an ex-Cocoa taster at Mars before leaving to set up his own company, which now produces premium drinking chocolate. In his words, "I'm using the experience from Mars in both Cocoa tasting and in chocolate drinks to basically produce these premium chocolate drinks…" In addition, **Interviewee 09** was trained as a Nutritionist, "came out of the University with an MSc in Human Nutrition… and spent a good sort of 10/12 years working and practising as a Nutritionist…" before going into the business of producing healthy cakes for children; and **Interviewee 04A** had worked for many years as a qualified Chef before deciding to go into the business of producing luxury Ice Cream. Therefore, our

finding is consistent with the findings in small business literature that "generally those business owners who had prior work experience in their particular market sector tended to have much greater market awareness and understanding of buyer behaviour" (Hogarth-Scott, Watson and Wilson 1996).

There was also evidence that the education of owner-managers tended to influence how they analysed information, as opposed to how they sourced and use information (Lybaert 1998). This is because while we found that those owner-managers who were educated and experienced in analysing charts, graphs and spreadsheets didn't have problems analysing the reports that was sent to them; it is difficult to conclude that their education or previous knowledge influenced them to source for the data in the first place and to use the data after it has been accessed.

In the case of one particular participant, **Interviewee 08**, a trained organisational psychologist who worked for several years as consultant with a number of large consulting firms, had absolutely no problems with analysing the report that was provided to her because she had vast analytical skills. Nonetheless, there was no evidence to confirm whether or not her decision to source and use supermarket loyalty card data was linked to her educational background and sound management consulting experience.

To summarise this section in relation to Proposition 2B, which states that "Individual-Related factors would influence the use of supermarket loyalty card data in Small Agri-Food Companies"; the above discussions under section 5.6.2 have provided evidence from the semi-structured interviews to support this proposition.

5.6.3 Informational Factors
Informational factors refer to a group of factors that are related with the quality of the information provided by the researcher or information provider. From the literature, four main sub-constructs have been used to measure informational factors, which are: (1) the political acceptability of the information; (2) actionability of the information; (3) quality of content and quality of form of the information (Deshpande and Zaltman 1982, Souchon and Diamantopoulos 1996, Van Birgelen, De Ruyter and Wetzels 2001). According to Deshpande and Zaltman (1982), while

the technical quality of information tended to influence information-use, it is made up of variables such as acceptability, actionability, content and form; and this position was supported by the study conducted by Van Birgelen *et al* (2001), which found that those variables determined the use of quality-related marketing research.

Based on the exploratory semi-structured interviews conducted for this research, there was evidence that the actionability of the report, as well as the quality of form and quality of content of the report influenced the use of supermarket loyalty card data. However, there was no evidence to confirm or disprove the political acceptance of the information, although it was found that the companies attached value to the SLCD reports because they were prepared from the Centre for Value Chain Research. The participants were of the opinion that the reports be specifically tailored to suit their peculiar needs, because when information is specific, it tends to increase its actionability and likelihood of use. In the words of the participants:

> "...If I was in your' shoes, there are a couple of different situations that can come up. It's either I have a specific meeting with a specific buyer on a date and I'm trying to put together a presentation because I have some new products that I want to sell them or I want to defend my old products from not getting de-listed. And if you put yourselves in the person's shoe that is getting the report, the most important thing that I'm after is kind of a short term thing that I need to defend my position. Then there's another demand which is, ok I'm doing bigger macro strategy or I'm doing product development and I need my data for that..." **Interviewee 02**

> "...In a presentation format, instead of having just a report; to say these are the key things from the report: this is what has changed; these are the gaps in the market; this is what you are doing that is good; other people are doing this that is good; could you do something similar or better than that? So it's kind of analysing the data for us, pulling key things out for us to go like, "Oh yeah, that's really obvious for the data"; than just having it in front of us. We need more of words than numbers I guess; so it actually describes what is going on..." **Interviewee 01B**

In addition, in terms of the quality of content and quality of form of the report, we found that these two factors tended to influence the use of supermarket loyalty card data, considering that most of the owner-managers of the small food companies investigated never had previous experience of the data prior to their contact with the Centre. Therefore, it is important that the content and form of the reports would be simple to allow for easy understanding by small business owners and other information users. In order to enhance the quality of content and form of the

supermarket loyalty card data used, it was also found that some owner-managers suggested that they ought to be given some audience with the person preparing the report so that they can make the person to understand what their companies are involved in and what they really require the information to achieve. In the word of one of the participants:

"…direct communication with the analyst, I know it might not make it easy, but also, so that you can explain where you're coming from, rather than just putting the hub of the data, unless it has a context, it actually becomes quite meaningless. And someone will do the best analysis they can do, but it may not necessarily be aligned to a wider context. I think sometimes, while you can document some of that, it's sometimes easier, you know, ten minute conversations to get your messages across… if you actually have a post-box between someone requesting information and someone giving information then it always causes a bit of confusion, time delays…" **Interviewee 08**

Therefore, these findings provide evidence to support the position of the literature that "information is of value to decision makers if it can be acted upon" (Van Birgelen *et al*, 2001:526); and is consistent with previous findings that actionability, quality of content and quality of form influence the use of information (Deshpande and Zaltman 1984, Van Birgelen, De Ruyter and Wetzels 2001).

To summarise this section in relation to Proposition 2C, which states that "Informational factors would influence the use of supermarket loyalty card data in Small Agri-food companies", the above discussions under section 5.6.3 provide evidence to support this proposition. Clearly, the data have shown that the constructs: acceptability, actionability, quality of form and quality of content, which constitute informational factors, have influenced the use of SLCD amongst the participating small agri-food companies.

5.6.4   Relationship Factors

Relationship factors refer to those factors involving the interface, relationship and communication between the information provider on one hand, and the information user, on the other. Although the factors and variables that make up this group have previously been embedded, and investigated, under organisational and informational factors (Deshpande, Farley and Webster 1993, Moorman 1995, Moorman, Deshpande and Zaltman 1993); in this study they have been grouped as relationship

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factors, as investigated in previous studies (Arnett, Menon and Wilcox 2000). They consist of involvement, communication intensity, credibility and trust.

As it relates to involvement, it was observed that, although the SEEDA food hub acted as an intermediary between the small agri-food companies and the researchers at CVCR, there was still involvement from the companies because they had to fill the information request forms used in preparing the report and some of the companies had to be rang up for the researcher to clarify certain areas that were not clear. Secondly, in terms of communication intensity, it was also observed that out of the 10 companies that participated in the research and had the opportunity to request for as much report as they wanted; only about 8 of the companies requested for 2nd sets of reports, and within those 8 companies, 4 of them still made extra requests. This was considering that the 1st reports were standard reports covering their broad market and they needed further reports to drill down to their specific market and areas of need. The companies were glad that they could access large amounts of data, free of charge and for as many times as they wanted; and this influenced their perception about the data, as well as its source. In the words of one participant:

> "…this Dunnhumby data is free? Fantastic, don't tell everybody else because it can be really powerful. Mars were spending, we did a promotion with Tesco, and it just come thousands of pounds to get the data back or as much of it in 4 weeks. It was useful and interesting but a lot of money. So when Andrew was saying it was all free, brilliant. Gary, he can't believe how much data we have had from you. He says I can't believe you got that, and I think we have had 3 reports now…" **Interviewee 03**

Furthermore, in terms of credibility and trust, the data showed that the owner-managers thought that the data was credible, given that was generated from Tesco loyalty scheme, which represented 40 percent of the entire grocery markets in the UK. Secondly, in terms of the source of the data, the evidence suggests that the companies believe that the data was technically sound. This position was further strengthened by the fact that the reports were prepared within a reputable institution, and the project was supported by the SEEDA food Hub.

Similarly, the findings suggest that these factors, when considered together, allowed the supermarket loyalty card data to be perceived as being useful by the companies; and this enhanced their decision to use the data. Respectively, we conclude that there

is evidence to suggest that involvement, communication intensity, credibility, trust and usefulness influence the use of supermarket loyalty card data amongst small food producers and farmers; which is consistent with previous findings in the literature (Arnett, Menon and Wilcox 2000, Moorman, Deshpande and Zaltman 1993, Van Birgelen, De Ruyter and Wetzels 2001).

To summarise this section in relation to Proposition 2D, which states that "Relationship factors would influence the use of supermarket loyalty card data in Small Agri-food companies", the above discussions under section 5.6.4 provide evidence to support this proposition. Data from the semi-structured interviews have shown that the constructs: trust, involvement, credibility, communication and usefulness, which constitute relationship factors, have influenced the use of SLCD amongst the small agri-food companies.

5.7 Enablers and Barriers to the Use of Supermarket Loyalty Card Data

This section discusses the factors influencing the use or non-use and acting as key enablers and/or barriers to the use of supermarket loyalty card data amongst small agri-food companies. The discussions are further linked to factors influencing information-use presented in the theoretical framework developed for the study.

5.7.1 The Role of Small Business Owner-Managers

The small food owner-manager may act as an enabler or barrier to the use of supermarket loyalty card data within small food companies. From the data, there was evidence to suggest that most of the managers tended to enable the use of the data. Firstly, this was reflected in their acceptance to participate in the SEEDA project, and the subsequent request for SLCD reports. Probably, this was because the project was sponsored by the regional development agency (SEEDA) and reports were provided free-of-charge to the companies and prepared by CVCR researchers. Secondly, it was found that despite the varying backgrounds of the owner-managers of the small companies, the general quest for business success appeared to motivate the owner-managers to accept and use the SLCD reports.

This discussion relates to the individual-related factors influencing information-use. Essentially, the data revealed that the small business owner/managers play a critical role in deciding whether or not the companies source for information, the type of information to be sourced, where the information would be sourced from, how the information would be used. As such, without the consent of the owner/managers the small agri-food company would neither have enlisted to be part of the SEEDA project, nor would they have accessed supermarket loyalty card data. In this regard, owner/managers may act as enablers or barriers to the use of information; and this position is consistent with previous studies that have described this overbearing or "omnipresent" nature of small business owner-managers over their businesses (Hogarth-Scott, Watson and Wilson 1996, McCartan-Quinn and Carson 2003).

5.7.2   The Role of Consultants and Business Advisers

Another interesting finding from the data was that out of 10 companies investigated, about 8 of them had consultants and business advisers that worked with them, and helped them to analyse of the SLCD reports. These consultants ranged from business link advisors and marketing consultants, to independent experts and employees of RDAs that worked with the small agri-food companies.

The data showed that most of the companies appreciate the support they receive from the consultants. This was reflected in the interviews, as most of the owner-managers mentioned the names of their consultants and eulogised their role in helping them analyse and interpret the reports, and take strategic decisions. Some of the participants relate their relationship with these external consultants thus:

> "... I guess one of the first things that I did was obviously to forward on the report to Wendy T. at the Innovation Growth team, and also my retail mentors that I have been working with through them as well that, and they helped obviously for me to analyse it as well, so you know they've been obviously a great resource to be able to call on when I get reports like that where I think I've sort of read it, but they've always got extra points of view or extra thoughts... so I think it's always good to get a number of opinions... because fresh, different eyes see differently... draw different things out of the data..." **Interviewee 09**

> "...we work also with Vanessa B. on our data; and that's what she does very well. And so she helps us do that. She would take the dunnhumby data and help work it into our greater narrative... Vanessa who's wonderful at switching it..." **Interviewee 02**

"...I was talking to my ex marketing colleague about it, so we would sit down and go through it. And of course he has handled Dunnhumby before... So I say Gary what do you think about these things... so he would review and come back saying I need these questions asked... I would go in and talk to Gary and say last time this is what we found out, which one shall I ask now and that was quite useful because it meant actually he might spot something that I have missed..." **Interviewee 03**

This finding is theoretically linked to the both the individual-related and relationship factors influencing information-use. On one hand, it relates to the individual-related factors because it has to do with the owner-manager's decision to seek external help. This can be for various reasons such as: the need to grow their business, the need to develop a business plan, and/or the need to analyse and interpret supermarket loyalty card data. On the other hand, the finding is also related to the relationship factors, because it also involves the relationship that has been developed between the owner-managers and the external consultants. The data revealed that these relations are based on expertise, trust and communication.

5.7.3 Attendance in Workshops and Training

In addition, there was evidence from the data to suggest that the attendance of owner-managers to the SEEDA workshop sessions enabled them to: first, learn about the nature of SLCD, how to analyse it, and how to apply the information from the reports to their businesses. It was observed that out of the 10 companies that signed-on to be part of the SEEDA project, only 7 companies attended the workshops. Consequently, the data revealed that companies whose owner-managers attended the SEEDA-organised workshops tended to request for and use more SLCD reports, than those companies whose owner-managers did not attend the workshops. Clearly, owner-managers who attended the workshop had learnt about the type of information that could be gotten from the dunnhumby database; as such they were able to request for several reports that allowed them to drill down to their interested product categories. Consequently, this enhanced the preparation of tailor-made reports for such companies; unlike those companies that were absent at the workshops, who were presented with mainly standard reports. One of the consultants interviewed shed more light on this phenomenon:

"...that it does have immense value, but to get this immense value out of it, it does have to be interpreted properly and I think it's very dangerous for the layman to read it, do you know what I mean?... I think it's got a lot of relevance, but I think it has to be handled properly, because I think that unless it's handled properly, it's a very difficult,

difficult thing to really interpret in that sense... without any question, if you want to get the best value out of it then a workshop is of immense value, because it quickly takes you through how the message is presented, the knowledge you can get from it and what to look for. Because one of the problems of the layman is, what to look for, it's all right this data, but how to interpret the damn stuff... I would go as far to say, I wouldn't let anybody have the research without a workshop..." **Interviewee 12**

In relation to the theoretical framework, this finding is linked to both the individual-related factors and the informational factors. Firstly, it should be considered that there were several workshops that were held and many small agri-food companies were invited. However, only seven owner-managers turned up at the workshops. In this regard, the decision to attend the workshops rested squarely on the owner-managers. Secondly, the data showed that those companies that made more use of the reports were those whose owner-managers attended the workshops, and vice versa. In the same line of argument, for the reports to have been understood, acceptable and actionable to the small agri-food companies (i.e. informational factors), the owner-managers needed to have understood what SLCD is all about, how to interpret the data, and how to apply the findings to their businesses.

5.7.4   Presentation Content and Format of the Report

The form, content and presentation format of the SLCD reports was also found to be another factor that could act as an enabler or barrier to the use of supermarket loyalty card data amongst small agri-food companies. There is evidence to suggest that most of the agri-food companies tended to make more use of SLCD where the contents of the reports were tailored to meet their specific needs and presented in a format that was easy for the owner-managers to understand.

This finding relates to the attendance of workshop, because evidence suggests that when the owner-managers attend the workshops, they are equipped to understand the content and format of the SLCD reports. The knowledge also helps the small business owners and managers to be able to make sense of subsequent reports. The data showed that most of the small agri-food companies required support to analyse and interpret the reports. In order words, instead of saying "here is what the data says and this are its implications", the owner-managers preferred the reports state clearly: "this is how you should use it." In the words of two participants:

"…In a presentation format, instead of having just a report; to say these are the key things from the report: this is what has changed; these are the gaps in the market; this is what you are doing that is good; other people are doing this that is good; could you do something similar or better than that? So it's kind of analysing the data for us, pulling key things out for us to go like, "Oh yeah, that's really obvious for the data"; than just having it in front of us. We need more of words than numbers I guess; so it actually describes what is going on, and having the opportunity to then delve into it through the report…" **Interviewee 01B**

"…just re-look at the interpretation of the data, how you write the data up and how it's interpreted… is the quality of the interpretations sufficient for the receiver to fully understand what sort of actions to take, what sort of decisions to take and I wouldn't know that without looking into more detail… I know a recipient of Dunnhumby data who got it, had difficulty in interpreting it and his comment to me was, I would like some more interpretation of the data to help me make decisions…" **Interviewee 12**

Similar to the previous subsection, these findings are linked to both the individual-related factors and the informational factors. On one hand, while the findings buttress the role of the owner-managers in analysing and using supermarket loyalty card data; it also, on the other hand, highlight the need for the SLCD reports to contain the relevant contents and be presented in a format that is easy to understand by the owner-managers. These considerations are informational factors.

5.7.5   Direct Access to the Information Provider

The lack of direct contact between the researcher preparing the SLCD reports and the small agri-food companies appeared to be a barrier to the use of information. The reason for this was because the project was managed by the SEEDA food hub, the regional development agency (RDA), which was responsible for coordinating the companies and acting as an intermediary between the researcher and the companies.

There was also evidence to suggest that the small food companies perceived that they would have fared better and used more of the information, if they had direct access to the researcher. This was because they would have ensured that the researcher properly understands their specific needs, in order to tailor the reports to meet their needs. Consequently, this would enhance the relevance, usefulness and acceptability of the reports prepared thereafter. One participant described the need for direct contact between the researcher and the company thus:

"…direct communication with the analyst, I know it might not make it easy, but also, so that you can explain where you're coming from, rather than just putting the hub of

the data, unless it has a context, it actually becomes quite meaningless… it's sometimes easier… ten minute conversations to get your messages across… because some of it was around the intermediary which seemed to be the full cup at the time, and in essence… if you actually have a post-box between someone requesting information and someone giving information then it always causes a bit of confusion, time delays, and so that would be the only thing…" **Interviewee 08**

This finding is linked to the relationship factors influencing the use of supermarket loyalty card data. In this regard, the above quote buttresses the point that direct involvement and communication between the information provider and information user would: (1) enhance the ability of the information provider to prepare more tailor-made reports to meet the needs of the information user; and (2) enhance the likelihood for the report findings to be used and applied in the business.

5.7.6   Perceived Trust and Credibility

In addition, it was found that the perceived trust and credibility ascribed to supermarket loyalty card data, and its source (the CVCR) played a key role in enhancing the decision of small agri-food owner-managers to use the data. There was evidence to suggest that the companies believed that the data would be useful to help them understand their market and the researcher providing the data are based in the university. Although it was not clear if this actually enabled the use of the data, because this was tied to other factors such as their ability to analyse and interpret the data; yet we can suggest that it influenced their decision to want to use the data. Trust and credibility are two of the five constructs that make up the relationship factors.

5.7.7   Representative Nature of the Data

Another issue that tended to act as a barrier to the use of supermarket loyalty card data amongst the small agri-food companies was the representative nature of the data. As earlier mentioned, supermarket loyalty card data is generated from the Tesco loyalty card scheme; hence, there appeared to be some form of resentment from other supermarket buyers regarding the use of the data, when it is being presented to them. This resentment is borne out of the consideration that some buyers feel "this is not our data; it belongs to another supermarket..."

Similarly, there is also the argument that the data does not represent the entire UK shoppers. Nonetheless, this argument is countered by the fact that Tesco controls about 40 percent of the UK grocery market and have successfully developed their

loyalty card scheme overtime (Dunnhumby 2007a, Humby, Hunt and Phillips 2003, Rowley 2003, Rowley 2005), so there is every reason to believe that the purchasing behaviour exhibited by the loyalty card data derived from their database is what is actually happening in the market. To support this view, one participant stated:

> "…Tesco's is bigger than anybody isn't it, one-third, what else do you want now? And that's regardless, and I would pitch it to Sainsbury's. And Sainsbury's would sit up and listen to me. These are Tesco's customers that you could potentially take if you listened to what I'm saying, with my product…" **Interviewee 07**

In summary, the discussions under this sub-section (5.7) have shown that the individual-related factors featured more than the other groups of factors (organisational, informational and relationship factors) influencing information use either as enablers or barriers. Therefore, these findings provide evidence to support Proposition 2E of this thesis, which states that "Individual-related factors would influence the use of supermarket loyalty card data in small agri-food companies, more than the other group of factors".

5.8   Benefits of Using Supermarket Loyalty Card Data in Small Agri-Food Companies

In chapter three benefit was defined as any positive outcome that small agri-food companies derive on account of their use of the data; it was also noted that this research does not seek to measure success performance or success as have previously been measured in the literature. This was mainly for two reasons: firstly, it was argued that the importance of market information to the performance and success of organisations have previously been affirmed in the literature (Barabba and Zaltman 1991, Deshpande and Zaltman 1987, Sinkula 1994); and secondly, it would be difficult to measure how and in what ways the use of the data has resulted in improved performance or success, as performance or success in organisations is a function of several factors.

Nonetheless, it is expected that the use of supermarket loyalty card data amongst small food companies would derive some benefits, both financial and non-financial. Based on the semi-structured interviews conducted for the first phase of the data

collection process, the following sections offer an overview of the benefits that small food companies can derived from their use of the data.

5.8.1 Financial Benefits

The literature identifies several financial variables for investigating financial performance such as growth in organisational turnover/sales, profitability, and return on investment (ROI), as well as reduction in costs and overall improvement (Becherer, Halstead and Haynes 2001, Homburg and Pflesser 2000, Lybaert 1998, Moorman, Deshpande and Zaltman 1993); and we expect that the small food companies will exhibit some of these variables. Similarly, the findings of the study reveal that most of the companies who were still trading at the time of the interview had experienced drastic financial improvement in their turnover, and profitability over the past three years. Two of the participants stated expressly:

> "We've been growing over 400% for the last two years, just under 500% to the year ending September 2009 and we have already surpassed our turnover for the last financial year... Our turnover is tiny compared to these, but its growing 400% and this year will be, but to be honest in 10 years' time the intention is our turnover will be in the millions..." **Interviewee 03**

> "...we've had a fantastic year, we started in 2005, came out of health foods mostly, we've doubled last year, so we had a 105 percent growth year on year... We've had triple digit growth last year... this wouldn't have been possible without your data... we are now going from just in health food shops, we are now in all the major retailers... " **Interviewee 02**

In addition to the basic financial measures of growth in turnover and profitability, we also observed that some of the companies have also experienced increase in their market share, the repeat rate of their products, frequency of purchase and their customer profiles. In addition, some of the companies have also experienced numerical growth, by employing new staff to join their teams. These are exemplified below, as some participants further expressed:

> "...we grew our number of customers by 62 percent; we grew our frequency of purchase by 23 percent in the same period, which is great... We've got a small but growing team here; we would be up to nearly 25 people. We're 18 people now and we would be 25 by July...we've got about 7 people joining between now and July" **Interviewee 01A**

> "...We increased our market share of what we supply to Sainsbury's, and then strawberry tonnage increased 26%, versus what we did the previous year. So a 26%

increase is huge. So that's brilliant. And then 50% of the blueberry business over 12 months…" **Interviewee 05**

Furthermore, although it is difficult to argue that these benefits and positive financial outcomes are a direct result of the use of supermarket loyalty card data, notwithstanding there is evidence from the interviews to suggest that the use of supermarket loyalty card is partly responsible for some of these financial benefits. Similarly, our study found that apart from the benefits of increased turnover, profitability and overall improvements, which the companies can directly identify via their own internal book keeping and accounting record; it would have been difficult and financially prohibitive for the small companies to discover other benefits such as their present market share, their customer return rates and frequency of product purchase without the use of the supermarket loyalty card data, and particularly for those small companies supplying their products to supermarkets. To buttress this point, an owner-manager remarked that:

> "And one of the key challenges with respect to what we are talking about is how we go from being small business, growing really wow; and sort of easy to like niche player to a medium business, where the supermarkets list us because it's in their financial interest to list us. The supermarkets list us because their customers are continuing to buy at such a growing rate and to do that properly, we need to make use of the data we're buying from IRI, from TNS, from dunnhumby… we need a more in-depth research story of what's going on. When a customer goes into a shop, what are they buying… why are they buying our products? What are they deciding not to buy? Or is this the first time they've come to buy baby food and its only us that they are buy, what do we need to do to increase, the number of customers we have, the frequency of purchase, and the average spent, as being the 3 sales variable…" **Interviewee 01A**

Therefore we argue based on our findings that there are some financial benefits that exist from the use of supermarket loyalty card data. The data has been found to help small food business acquire detailed understanding of their market, particularly those supplying supermarkets; and there is evidence to suggest that it also informs their product innovation and marketing decisions, which may result into improved financial outcomes. Likewise, despite the difficulty to conclude that these financial benefits are directly related with the use of the data; yet evidence reveals part linkage.

5.8.2 Non-Financial Benefits

Based on the literature, it is expected that small food companies would derive other benefits, which cannot be quantified in financial terms, from their use of supermarket loyalty card data. These non-financial benefits include: enhanced customer knowledge regarding what is happening in market. In other words, the ability to gain detailed understanding into the gaps in the market, as well as the needs of customers at an aggregated level (Campbell 2003, Leenheer and Bijmolt 2008). The use of the data is also expected to enhance the decision-making ability of the companies by helping them make more informed decisions (Arnett, Menon and Wilcox 2000, Petersen, Ragatz and Monczka 2005).

Literature also describes loyalty and satisfaction as other non-financial benefits that could be derived from the use of information. While loyalty, on one hand, has been described as the ability of companies to retain the loyalty of their customers (Oliver 1999); on the other hand, satisfaction has been described as the cognitive and affective evaluation by a customer on the product or service being offered by a firm (Oliver 1997, Van Birgelen, De Ruyter and Wetzels 2001).

Similarly, from the semi-structured interviews conducted, there is evidence to show that the bulk of the benefits that small food companies have derived from their use of supermarket loyalty card data cannot be quantified financially. In other words, there are more non-financial benefits, accruing to small food companies from their use of the data arising. The following subheadings present discussion into these non-financial benefits.

5.8.2.1 To Gain Market Knowledge

There is evidence from the data that the use of supermarket market loyalty card data has helped small food producers and farmers gain better knowledge regarding their market. Our study found three main ways in which entrepreneurs and owner managers of small food companies used the data to gain significant knowledge of the market. Firstly, it gave them a broad understanding of the size of the market and the category under which they operated. In addition, the use of supermarket loyalty card data also helped the companies to clarify their market profiles, in terms of who their actual customers are, and what are their demographic characteristics, like where are

they geographically located, what are their age ranges, what is their social status and so on. Secondly, it gave them knowledge regarding their competitors and contemporaries, by helping them to assess how those companies are performing in the market, particularly their competitors; and thirdly it helped them to identify potential gaps in the market that require to be filled, in the form of new products, thereby informing their ideas for innovation and product development. Some of the participants displayed evidence of their enhance market knowledge as follows:

"…I think for entering the market it would have given me enough information to know where my product should be placed, the shelf… not just the shelf, but which aisle; not just the aisle, which shelf; top shelf, middle shelf, the lower shelf… but also design the packaging so that it meets and attracts new people…" **Interviewee 08**

"…The reason for getting the data was really to see who is buying what because our ultimate aim is to go into retail… I wanted to see was who was buying what. Having come from Mars and having taken Galaxy and Maltesers into that same channel, there is a corporate understanding of who buys the products and when we started selling our products direct, it became evident it might not be true. So the corporate understanding of who is buying the products isn't necessarily what's happening in store… It was also showing you could exist as a premium product, there was space for premium product… yet the Dunnhumby data was saying that there was good market for premium products, not necessarily what we do but premium in organic and fair trade, that was coming through, people who were spending more than average for premium chocolate drinks…" **Interviewee 03**

"I guess in a number of ways; it's helped me look at I guess in particular, and I guess and probably the two things in terms of who were buying basically small cakes, you know, small individually wrapped cakes at the moment, you know, who are the sort of biggest buyers of that; and also I guess the sort of pack numbers, because there tends to be a range of between four up to six or more small cakes within a pack, and so that was something that I found very useful to see, you know who, which shoppers seemed to be more drawn to which products, and, you know, and pack sizes as things as well. Yeah. And you know I think your conclusions were that there definitely seem to be some clear… there were some areas where there seemed to be stronger sales of the small cakes…" **Interviewee 09**

"…we know what people are up to… ehm we've really got 4 or 5 main competitors. So we've got Heinz, who are doing poorly and conventional. And about a year ago, we overtook them in organic. So despite having a big brand name, their sales have been going backwards and they are not really doing much about it at the moment. I doubt if they will, they have launched a few new products that are not really working, they've got loads of new products and none of them really work. Probably, our most credible competitor is Organix, who have a slightly lower position than us in the market… So we have information about what they are doing. They are focusing more on the mass market, while we are mass premium, slightly higher positioning…" **Interviewee 01A**

In addition, there is evidence from the data that some of the small food companies used the data to assess the impact of economic situation on their category, and in some cases particular products, within the market. Considering that in the past 2 year, the UK economy has been faced with recession, and only just recovering from the impact of the recession, we found that the data provided useful insights to the companies to appraise the impact of the recession on the general market environment, as well as their particular product categories. In the words of some participants:

> "…we are able to demonstrate that actually that in comparison with some products in the Dunnhumby data we are ok, it is about the same level… also it was very useful to demonstrate that the recession hasn't had an impact because everyone in retail goes 'oh recession, you're selling premium product; they aren't going to work because we are in a recession.' Actually we can turn around and say wait a minute our sale are increasing and actually if you look at the Dunnhumby data, so there as if nothing is happening, it is chocolate, it is premium, it is not affected by recession…" **Interviewee 03**

> "one of the other things that came out from the Dunnhumby data was that there didn't seem to be... that most companies didn't seem to be necessarily suffering from a major decline in business, and actually there seemed to be quite... a very significant growth in small cakes even during the recession… I was able to draw from the Dunnhumby stuff is that actually the recession didn't seem to be having a big effect on the sale of cakes; in fact quite the opposite. Small cakes were growing in a very healthy way right throughout the recession…" **Interviewee 09**

5.8.2.2 Supporting Value Propositions

In addition to gaining better knowledge of the market, there is also evidence from the data to suggest that another way, by which small food companies benefit from their use of supermarket loyalty card data, is to support their product narratives, philosophy and value propositions. It can be noted that we had earlier found that one of the unique characteristics associated with the small food companies studied was their possession of certain value propositions and narratives aimed at giving credence to the relevance and timeliness of their product offerings (See 5.3.1.6). In other words, small companies needed to back up their intuitions and beliefs with logic, and the data presented them with the ability to do that. For instance, some of the particular participant stated:

> "…I would say that the role it has played is in terms of strengthening the proposition, would be probably the first role it has played in terms of, the fact that small cakes are popular with families and that was very strongly backed up by the research, the Dunnhumby data, very much so; and so I'd say that the first thing that it does is strengthen the proposition…" **Interviewee 09**

"…it's usually down to a specific presentation; and then if it wasn't just Tesco, it had to be that I need to take this dunnhumby data with some other data and weave it into a narrative for this other presentation…" **Interviewee 02**

"…I think it confirmed my ideas on the segmentation. It also would have influenced me identifying if the segment that I wanted to enter…" **Interviewee 08**

"…I've seen from Dunnhumby data for Twinnings and Sharmill and Walker demonstrated that the kind of prices we are looking at were achievable. So I price-pointed it slightly above Twinnings and we have held that price and we haven't changed our price since going into market… so therefore it is less money to buy our chocolate than it is to buy Sharmill and Walker. Ours is better chocolate…" **Interviewee 03**

Furthermore, there was evidence that some of the companies used the data to clarify their opinion on what they previously thought was happening in the market. The study found that some companies were able to clarify their thoughts on who they actually thought was buying their products and where they thought their customers resided.

5.8.2.3 Marketing Decision-Making

Another non-financial benefit of the data to small food companies was that the data was used to both inform and appraise their marketing strategies and decisions. For example, it was found that supermarket loyalty card data provided companies with the ability to rethink the best possible marketing strategies to adopt, such as deciding what type of promotion works in which market. On the other hand, the data also was also used to appraise the performance of those marketing decisions already taken, particularly price and packaging related decisions. Some of the participants commented thus:

"…Again it [the data] confirmed our pricing because when we first looked into the market, there were 2 products out there that were kind of closet to what we like consider a competitor… Sharmill and Walker, very, very expensive, ridiculously expensive for what it is and Twinnings who have just launched their luxury chocolates… I've seen from Dunnhumby data for Twinnings and Sharmill and Walker demonstrated that the kind of prices we are looking at were achievable… I actually deliberately use Twinnings as a price point, so I pitched up on it higher than Twinnings. Simply because Twinnings wasn't a pure chocolate drink, it was a blend, it was more of a fancy drinking chocolate than a pure hot chocolate, and they price pointed it to premium… we have held that price and we haven't changed our price since going into market…" **Interviewee 03**

"…, if that's the market I want to enter and if those are the consumer goods I want to target, what my pricing strategy, what my packaging, all of that would be, but I think if my product was going live it would give me a good idea as to if I went to supermarket exactly which regions I would approach them to get some kind of pilot going. So, you know, it would help me get access to well which, you know which stores, which type of stores, which areas, which regional locations and which particular stores would be the best for me to try…" **Interviewee 08**

"…We had assumed it was more of health, health, health; yeah, it's still health, but also there's a big chunk that like it almost from a gourmet kind of side… helped us clear out what it is; and then that informed a lot of our packaging decisions that informed a lot of our marketing efforts. You know our next product launches came out of that. And you really helped us take what was few radical demographic changes... because people want to look good, people want to feel good…" **Interviewee 02**

"…I would say is that the price point is important and that was obviously something, and again, that sort of helped me to really keep focusing on the price point, that however great a product is people aren't going to overpay for it, you know, so I think it's helped... in terms of who were buying basically small cakes, you know, small individually wrapped cakes at the moment, who are the sort of biggest buyers of that? And also… the sort of pack numbers, because there tends to be a range of between four up to six or more small cakes within a pack, and so that was something that I found very useful to see…" **Interviewee 09**

5.8.2.4   Product Development and Innovation Efforts

There was also evidence from the fieldwork that the use of supermarket loyalty card data amongst small food companies has informed their product development and innovation drive. We found for instance that the part of the data referred to as 'basket analyses' was used to scan the market, to check what products sold mostly with their own products, and this have shown pointers to the next products to be developed. In the words of some participants:

"…it gave me an idea as to who buys what and where, which would inform me: 1) of the type of product and the type of fillings in my products which would work in different regions. 2) it gave me an idea of generally the market that I want to enter; the consumers. It gave me an idea on segmentation of my customers…" **Interviewee 08**

"…I looked at my competitor first. I looked at Mumtaz, where are they selling, how well are they selling. I looked at the people that were buying Mumtaz, what else do they buy, when do they buy, what influences when they're buying Mumtaz and when they buy something else such as offers. And how volumes are required, you know what kind of flavours are they buying? I looked at everything that I could possibly look for in that data I looked for to strengthen my plan, to strengthen my product…" **Interviewee 07**

In addition, we found that some small agri-food companies used the data to look-up certain flavours and pack sizes that are selling more than others in the supermarkets.

According to two participants, "it was really crucial to checking what flavours would work in the market... not to mention the value of the information itself, which has then spurred up our development and targeting..." **Interviewee 02**; and "we were looking at 4 pack, 5 pack and 6 pack sizes, and 4-pack seemed to be sort of less popular, while 5-pack was the most popular..." **Interviewee 09**.

5.8.2.5   Pitching for Business

Furthermore, there was evidence from the data that some of the small food companies have been finding the data useful for helping them make pitches for their products, particularly pitches to supermarkets buyers. It was found from the entrepreneurs, owner-managers and marketing managers of the companies that whenever they were called upon to speak about their products, they would readily remember some points from the data and talk about it.

In the same vein, one particular participant explained that on the day he had a pitch to present a buyer with one of the supermarkets, he had prepared his presentations and memorized it to the point that he didn't even need to bring his presentation out of this bag before the meeting ended. Although he described it as one of the most bizarre meetings he had ever had because before he finished speaking, the buyer was already asking him for his starting price. Interestingly he won the contract and it was confirmed before he left the room, something which rarely happens; and he ascribes this knowledge to what he found from the supermarket loyalty card data prepared for him. In the case of another participant, he was able to negotiate favourable terms for his products with the supermarket buyer. He explains that on the back of the data he was able to convince the buyer that the downturn witnessed by his products was only a seasonal effect which would pick-up within a few months.

Additionally, another participant explained that whenever he gave a presentation to supermarket buyers regarding his products, they were quite impressed with him because they are always surprised to see a small company investing so much money in market information; noting that he didn't tell them that he got the data for free. Similarly, this point buttresses the "emblematic use" of the data earlier discussed.

5.8.2.6 <u>Enhancing Credibility in the Market Place</u>

There was also evidence to suggest that the use of supermarket loyalty card data enhanced the credibility of some of the small agri-food companies. It was observed that those companies who used more of the data tended to differentiate themselves from other small companies, because of their better knowledge of the market. More so, on the back of the knowledge gained from the use of the data, whenever they spoke about their market, and particularly their product categories, it is evident that they spoke from a more informed perspective. Some participants describe how the use of the data has boosted their credibility in the market:

> "…I'm doing a sort of PowerPoint presentation which would be basically for my buyer meetings, and I'm just beginning to start planning that now, and so I think clearly it would be, you know, added value and it would add even greater credibility to the proposition…" **Interviewee 09**

> "…it gave me confidence to go to speak to Sainsbury's or to Tesco's, you know, I'm confident and they will appreciate me more because I've done my homework… I understand their customers… I understand their stores and their customers and I can speak confidently about them…" **Interviewee 07**

> "…So it allowed us with Tesco, the leader in all of this, to walk in the door and get a lot more credibility, which is the Achilles Hill of small companies like this… But just the fact that we could come in and sit down with a buyer, and I knew more than he did, that's powerful… I know that I know more than he does, and I know that I've got his data, and I know his data better than he does, and I had it in a presentation that I've been practising…" **Interviewee 02**

> "…to establish credibility which is always important, because if you're taking something in a market you need to show, and if you enter it you need to show that you've considered all the risk implications for the buyer… demonstrating an understanding of the consumer, demonstrating your packaging, pricing, all of that is in line with the information that you've got, and where they're going which you're getting from your data makes it easier for them to take a chance on you…" **Interviewee 08**

In addition, while we observe that this point relates with the benefit of pitching for business; we note that these quotations have shown clear evidence that the use of supermarket loyalty card data gives small food companies the needed credibility, and the confidence to work with supermarkets and their regional buyers, particularly at a level where they are viewed as partners in progress for mutual success. Also, some of the companies have suggested that once this confidence has been developed, it tends

to create a multiplier effect, because it breeds more confidence and make it easier to penetrate new markets that they previously thought would be difficult to enter.

5.8.2.7 Boosting Internal Confidence

Furthermore, there is evidence to also suggest that apart from helping the companies gain external credibility in the market place and with supermarket buyers, it also helps them to boost the internal confidence of the company. One participant explained that there is a feeling within the organisation that now make them believe that they've got a fantastic product and can supply to any supermarket of their choice, despite their small size. In the word of some of the participants:

> "…it has led to a wonderful snowball effect; so not only because I've got now more credibility with the retailers; just internally too, internally we say 'oh our theory is building and here's numbers from Tesco', and then those things get to be used for other retailers, so that credibility spreads…" **Interviewee 02**

> "So we had taken some confidence from the facts that the Dunnhumby data at that point was indicating that we were right in targeting at a specific area of the consumers…" **Interviewee 03**

Similarly, it can therefore be argued that this internal confidence is linked to the passion that the small business-owner has for his business, which have been discussed above (see 5.4.4). This is because our finding also revealed that the passion exhibited by the entrepreneurs and owner managers were also likely to influence the employees of the company, and getting data to back their assertions and value propositions would further boost internal confidence.

5.8.2.8 Developing Business Plans

This study also found that some of the small food companies used their findings from the data as part of developing their business plans. Our findings suggest that small companies are able to use the data to justify the existence of a market for their products, and as evidence for the demographic profiling of products. In the words of two participants:

> "…the business plan, anything that I stated; so if I stated any of my unique selling points for instance, I was able to back it up by the data… dunnhumby showed that in the whole of England there are gaps in Asian populations that are not being tapped into full stop… in the business plan I'm trying to think of the different sections of the business plan. It came in every section, all my unique selling points. Well why is that a

unique selling point? Well because dunnhumby is telling me that people will go for organic stuff more than the processed stuff because they want organic food. So I'm going to make mine healthy…" **Interviewee 07**

"…I guess what I hadn't anticipated was some of the regional differences in terms of the geographical differences of where; that there are certain areas of the UK where actually they have a much stronger growth of sales of the small cakes than others, yeah, and that was sort of something that I hadn't really thought would come out as quite so different, and that obviously was one of the big, you know, so I guess that was something that did surprise me…" **Interviewee 09**

Finally, it is pertinent to note that in general, the use of supermarket loyalty card data has appeared to be beneficial to small food companies and there is evidence to suggest that all the companies appreciate the value of its data, and the project that has ensured that the data is provided free of charge to them. When asked what their advice would be to small food companies seeking to use the data in the future, some of the participants responded:

"…I just can't see how any business can actually do anything in this day and age without data. I mean large companies use data, and it's absolutely essential, that's all; companies understand the importance of using the right data at the right time to run their business. It's different when they're starting up, but you know market research is key in a variety of things when you're a new start-up because it, you know, it can actually help you make the right decisions so that they don't come out in debt, that you don't lose money and that you manage all your risks in terms of your company. So I think it's critical…" **Interviewee 08**

"…and the buyers know... the fact is that a small company walks through the door and says we have got dunnhumby data, then they go 'oh bloody hell, where did you get that from, from dunnhumby actually'; and I don't tell them it's free. It can do and it impresses them, they know the value of the data even the Sainsbury guys who knows his own stores, knows how valuable the data is. So I would advise small companies to use it…" **Interviewee 03**

"…Oh it's crucial. I think its crucial, one, prior to trading, two, if you are trading or looking into sort of growth areas. Obviously if things aren't going that well, to try and work out why and maybe you might be getting your market wrong, or aiming the wrong product at the wrong market… it's absolutely crucial for those start-ups and also established businesses to get research, to do very in-depth market research and particularly this type of research is definitely invaluable…" **Interviewee 09**

"And dunnhumby data? My god! I think we shouldn't tell too many people. If that was me, I think in one way I wouldn't want to tell too many people, that don't… you can't be as good as the companies that have access to this data. That was my edge, dunnhumby was my edge… Invaluable, invaluable, and I'm very grateful… my advice to small businesses seeking this data is: Do it and you'll be grateful, very, very grateful to the people who have done it for you." **Interviewee 07**

To summarise this section in relation to Proposition 3, which states that "Small agri-food companies who use supermarket loyalty card data would derive both financial and non-financial benefits", findings from the semi-structured interviews revealed that there are both financial and non-financial benefits from the use of SLCD, thereby supporting this proposition. Although it was difficult to clearly ascertain the financial benefits, due to other factors that may enhance financial growth; nonetheless, there was considerable non-financial benefits that the study revealed.

5.9 Chapter Summary

In this chapter we have provided detailed discussion and analysis on the semi-structured interviews conducted for the first phase of the data collection. It commenced with the discussion and analysis of the pilot study, and later the main study, which was divided into the following sections: associated characteristics of small food companies; factors influencing the use of supermarket loyalty card data; enablers and barriers to the use of supermarket loyalty card data; and benefits of the use of supermarket loyalty card data.

The findings of this research revealed the existence of certain associated characteristics amongst the small food companies investigated, such as: the traditional constraints of inadequate resources, personnel and time; threats of large organisation, passion for their businesses, increasing influence of social media and philosophical narratives their regarding products. In addition, there was also evidence that small food companies used supermarket loyalty card data from a more conceptual dimension as opposed to the instrumental and symbolic dimensions of information-use. In the next chapter we commence the discussion and analyses of the second phase stages of data collection. There we present, analyse and discuss data from an in-depth case study.

6 Alpha Foods Limited: Case Description and Analysis

6.1 Introduction

This case description and analysis is centred on a small agri-food company, named Alpha Foods Limited (for the purpose of confidentiality) involved in the production and marketing of healthy snack bars and raisins. The selection of the case was based on three methodological criteria: (i) the company represents a small food company, turning over less than £10 million annually; (ii) the company exhibited apparent success in the use of supermarket loyalty card data; and (iii) the company indicated interest to participate in the further empirical exploration.

The company would be used to further explore the factors acting as enablers to the use of supermarket loyalty card data. The case study was conducted for a two-week period, from the 2nd August through to 13th August 2010. During this period, the researcher had the opportunity of gathering empirical data through semi-structured interviews and participant observation. The semi-structured interviews were conducted with six members of the company's staff team, and spread during the time there. In addition, details of the researcher's observations during the study were captured, written down in long-hand.

The chapter commences with an historical background of the case company and brief profiles of the participants. Using the theoretical linkages, it then presents detailed analysis and discussions into the dimensions of information use; the contextual factors influencing the use of information, with particular reference to the enablers and barriers. Table 6.1 below presents a summary of how each day was spent.

Table 6.1: Summary of Case Study Activities in Alpha Foods Limited

Day	Summary of Activities
1	• Arrival at the company. • Getting introduced to the members of staff and participants in the study. • Getting to familiarise myself with the participants and to ease-off any formalities. • Requested for company's historical documents, management reports and articles. • Having general observations into the mode of operation, organisational culture, approach to communication, management-staff relationship and general work ethics.
2	• Had my first interview with the Chief Operating Officer. • Mailed new request for supermarket loyalty card data. • Spent time preparing the report they requested. • Spending more time observing their mode of operations and making notes. • Still gathering more company documents and familiarising myself with staff members.
3	• Studying the company documents, observing and making notes of activities. • Interviewed the Operations Manager. • Interviewed the Customer Service officer. • Engaging in informal chats with staff members; getting to know them better with their official responsibilities.
4	• I got introduced to the Finance Director, and conducted an interview with her regarding are role in the organisation. • Participated in the company's management meeting; recording my observations in the process.
5	• Spent most of the day downstairs, preparing some reports and observing staff members carry on their activities. • Sent the completed reports to the management staff and observing what they were doing with the reports. • Engaging in informal chats with both management and staff on how they make use of the report.
6	• Spent the day, asking questions from management staff. • Transcribing some interviews earlier conducted, observing the use of the reports prepared for them, and taking notes. • Analysing some of the company documents and feature articles in industry magazines.
7	• Interview with the MD. • Reflecting over the data gathered so far and comparing what I've observed to what I heard from the interviews and informal discussions. • Participated in a meeting between the COO and an exhibition sales man; taking down notes in the process.
8	• It was a full house today, as there was a major Marketing and Sales meeting today, with internal and external attendants. • I got introduced to the PR Account Manager. • Participated in the long and deep meeting; observing and taking noted of the discussions. • Listened to the MD, bare his mind on the current state of the healthy food market, and explaining the role I felt the company should be playing in the market i.e. laying his vision for the organisation.

	• Also listened to presentation from the Sales Director/Consultant analysing the current EPOS data of the company and setting in motion a strategy for the future. • Later interviewed PR Account Manager.
9	• Spent the day transcribing and studying more company documents. • Going through my interview guide and conceptual framework to check if all areas and points have been appropriately covered.
10	• Engaging in more transcription, observing and taking my final notes. • Winding down the study, expressing my appreciation to management & staff of the company, and taking permission to make future contacts in case there were any areas requiring clarification.

Source: The researcher's field notes from the case study

6.2 Historical Evolution of Natural Balance Foods

6.2.1 The Business of Healthy Snack Bars and Raisins

Alpha Foods Limited was established in 2004, with their flagship brand, launched with several flavours of its popular raw wholefood snack bars. The business was founded by two American brothers – Managing Director (MD) and Chief Operating Officer (COO); who both saw the need to offer the UK market healthier, natural and unprocessed food products, in replacement for the high number of processed foods that dominated supermarket shelves. When asked why they chose to venture into the UK market, they explained that it was because of the gap they identified in the market, created by the inadequacy of healthier alternatives to cereal bars and snacking options. In the words of the COO: "I had noticed that England didn't have very much health food. Holland, America and Japan probably, in my opinion, were leaders in the health food, other than some of the countries that just don't need it because their diets are so healthy."

Five years after its establishment, the company has over eight flavours of the wholefood snack bars, including the new range of four gluten-free bars, informally termed "Nudies." All their bars are: 100 percent natural and unprocessed; made from raw ingredients; wheat- and dairy-free; and suitable for vegetarians and vegan. In addition to their main brand, the company also manufactures products under the another brand, which also offers a range of "natural, high-protein wholefood bars with a balance of nutrients for active people looking for sustained energy, nourishment and appetite control" (Symonds 2010). On the company's website, it is stated that "Trek bars have added protein in the form of soya as well as added maize

starch, Ginkgo Biloba and Ginseng. These are added to further steady the body's blood sugar response and provide long lasting energy while supporting lean muscle mass, metabolism and mental clarity". The company also markets a "delightfully innovative" range of naturally infused raisins, in four flavours: pineapple, lemon, orange and cherry flavours (Farrell 2009).

The company currently supplies its range of healthy snack bars and raisins to the major supermarket chains and health-food stores such as: Tesco, Sainsbury's, Asda, Morrisons, Waitrose, Boots, Wholefoods Market, Holland and Barret, Fresh & Wild, Wild Oat, Planet Organic, and Julian Graves, amongst others. The company also operates a model of outsourcing its production to Wholebake, one of the top food manufacturers in the UK and is solely responsible for the sales, marketing and promotion of the products into the UK market and across Europe and America. In the last couple of years, the company has continued to experience tremendous growth, turning over £3 million in the last business year, with indications that this figure would be doubled in the present year. They have doubled their staff strength, and currently employ a total of 10 members of staff, responsible for running its day-to-day activities.

6.2.2   Building a Company Responsive to Societal Needs

According to the founders, Alpha Foods was built on the principle of being responsive to the consumer needs, by providing a healthy alternative to the societal challenge of declining health, resulting in part from highly processed foods. It was this genuine concern that gave the company's MD the conviction to be part of the solution. He explained that on returning to the US from Eastern Europe, he observed that the prevailing high levels of obesity, inactivity, depression and addiction for junk food in America was alarming. Consequently, having previously worked as a fitness coach, he felt obliged to "help people simplify things and take control of their health." He also reasoned that the "clean, green future wouldn't happen without a fundamental shift, off processed foods to wholefoods;" and this was the gap that he saw and subsequently sought to fill. More so, having watched the fierce competition between wholefoods and processed foods in the United States, and observed the struggle faced by the wholefood movement, he was convinced that the UK had a lot

to learn from the nutritional mistakes of America. In an interview with food and lifestyle magazine, *Health Food Business*, the MD explained:

> "After finishing business school, I was uninspired by the corporate model, so I volunteered for the MBA Enterprise Corps and was sent to Ukraine and Moldova to help turn around businesses and rejuvenate the region… it impressed me in a profound way just how much positive impact, socially responsible group of people can have. Businesses are a huge engine for social change. The realisation of that responsibility had a big impact on me" (Symonds 2010).

Consequently, the co-founders sought to provide a healthy alternative to snacking by developing their range of healthy snack bars. They were of the opinion that the addiction to processed food, occasioned by massive media campaigns, was a major part of the modern social problems; and responsible for the sharp increase in incidents of obesity amongst children, environmental degradation and rising cost of medical care. As a result, the products they offer were developed with 100 percent natural ingredients; "all-natural spices and extracts from things like strawberries, raspberries, bananas, apples, nuts, cocoa, cinnamon, nutmeg". According to the MD, "we won't launch something that's not healthy, as the message has to make sense, taste good, and look good to sell off the shelves"; stressing that:

> "Everyone knows that processing is doubtful, everyone has a suspicion that the big companies are trying to screw them; because they remember just a few years ago, yeah they took the fat out, but they added sugar. Or they talk about this little ingredient, but they don't talk about that, or it's all in small prints… in the same way that a fizzy drink is significantly different from freshly squeezed Orange juice, we're different than most cereal bars" (Symonds 2010).

He further explained that their healthy snack bars help to fill the needs of certain categories of consumers with health conditions limiting their dietary choice. For instance their products have been found suitable for diabetic consumers and vegans. Similarly, the COO explained that the company's products represent a break away from previously held myths that healthy wholefoods suitable for vegans and diabetics cannot be tasty and enjoyable like processed foods. On the contrary, their products ticked all the boxes because they are healthy, natural and they taste great, all at the same time. In his words:

> "We're committed to creating innovative, nourishing, wholefood solutions that taste good and do good… all N. products are 100 percent natural, 100 percent vegan, free

from wheat, diary, GMO and added sugar. All products rely on only a handful of natural, raw ingredients and simple, heat-free production to ensure products are both wholesome and delicious" (Farrell 2009).

6.2.3   Small Company Attempting to Lead the Wholefoods Revolution

In a featured article, Alpha Foods was described as "an idealistic company passionate about tempting the world away from processed diet, and towards wholefoods" (Symonds 2010); and this impacts the way the company operates and the type of products they offer to the market. According to the article in *Food and Drink Magazine*, Susan Farrell suggested that the company "is rapidly expanding mainstream retailers by offering, wholefood bars and snacks once thought 'too healthy' for the average shopper." Emphasising that with the company's focus on health, sustainability and authenticity, "the brand is the quintessential, well-positioned challenger brand, worth investigating further" (Farrell 2009).

To highlight this point, the company's sales consultant suggested that recent market information showed that the healthy-snacking market has continued to experience significant growth as consumers connect to the message of "naturalness, health, appearance and social responsibility." Stating further that consequently, these brands would be expected to drive the growth in that category (Farrell 2009).

This revolutionary ethos of the company is further exhibited in its support for related charity organisations, events, and exhibitions; and they have long standing partnerships with UK charities like *Care International* and *Do-it.org*; as well as *Animal Aid*, whose logo is printed on all the company's product packaging materials. Perhaps, this explains the reason for the organic growth, and the loyalty enjoyed by the 'N' and 'T' brands. As the MD explained in an interview to *Health Food Business* magazine:

> "We slowly built this network of people who heard about us but they were from different perspectives; some came from a wholefoods view, others were vegans and others were from an animal rights perspective. They all had different voices but when you boil it down they all get to the same place with our products... it has created this network who are really loyal to the brand... we have an intensely loyal group of customers and our data tells us that we have a lot of repeat purchase customers. And these are a type of customer that haven't gone into health food stores so much, as we seem to pull in a more mainstream consumer" **(Symonds 2010).**

It is therefore not surprising to observe that despite its small size, the company is considered "UK's first mainstream 'raw' range and their flagship brand has earned a valuable first-mover advantage" within the wholefoods segment. Similarly, their rapidly growing brands, 'N' and 'T', have within five years attracted significant interest from a broad range of advocates such as passionate foodies, beauticians, nutritionists, coaches, athletes and adventurers. The company has also been reported to gain high-profile support from the likes of Gok Wan to Miss England and from the NHS to The British Athletic Commission.

6.3 Profile of Study Participants

6.3.1 Internal Participants

1. **Managing Director (MD)**: He started his career in the fitness and health industry at an early age; and paid his way through college as a fitness coach. From then he moved on to selling fitness equipment and gym machines; after which he decided to return to the business school to study for an MBA. Thereafter, he volunteered to join the MBA Corps to Eastern Europe (Ukraine and Moldova), where he worked for a venture capital company involved in the "strategic re-engineering of former communist companies." He is responsible for strategic decisions in the company and also undertakes NPD tasks.

2. **Chief Operating Officer (COO)**: He is the older brother to MD. He holds a Masters in International Business, with over 22 years' experience in the food and drinks industry, working with companies such as Allied Domecq, Baskin Robbins and Kinkos; mainly internationally in countries like Mexico, Korea, Australia, China and the Caribbean. Before founding the company, he served as Vice President of Sunkist, "the world's largest grower and distributor of Citrus products – Lemon, Lime and Oranges mainly." During this 22-year period he had handled several responsibilities ranging from sales and marketing to designing and implementing strategy, to import and export management, logistics and chain supply management. As the company's COO, he is responsible for the overall management and day-to-day operations.

3. **Sales Director:** She has over 15 years' experience working in sales and marketing roles for organisations such as Rank Hovis McDougall (RHM) Plc,

Coca Cola Plc, and Feel Good Limited. She holds a degree in Hotel Management and Catering, and has been with the company for about 2 years; with responsibility for developing the company's sales and brand development strategy, as well as market penetration strategy.

4. **Operations Manager:** She is a graduate of History and Politics. She joined the company straight from the University in 2007. She started out as an Operations Assistant and helped with administrative and operations responsibilities, assisting the former brand manager, who left shortly after her appointment. This meant she had to step-up pretty fast to handle more operations responsibilities. As Operations Manager, her roles have now widened into processing orders, dealing with in coming mails, handling sales inquiries and stock management.

5. **Marketing Manager**: She is a graduate of Marketing and Advertising. Prior to joining the company, she had over 7 years' industry experience handling PR and marketing responsibilities. She recently joined the company as Marketing Manager, and is expected to further the development of their brands.

6. **Customer Service Officer (CSO)**: With an interest in nutrition, she joined the company in March 2010; engaging in customer service and operations responsibilities such as invoicing, managing internet trade and mail orders.

7. **Warehouse Assistant**: She is a full time staff of a sister company, and works for the company on part-time basis. She is mainly responsible for packing internet orders and assisting in the warehousing of products.

6.3.2 External Participants

1. **Sales Consultant**: She manages an independent sales consultancy firm and provides her services to the company. Her firm has been in operation for about five years and she gained experience in sales, account management, custom marketing, telemarketing and commercial management roles, working in FMCGs such as Pepsi and Nestle, for about thirteen years. She is hired on retainer as an external sales consultant, and her responsibilities involve participating in the development of sales strategy and providing monthly up-to-date market analysis, as well as providing timely feedback from Electronic Point of Sale (EPOS) data.

2. **PR Consultant**: She is an Account Manager with the company's PR consultants. She came in from London for the Marketing meeting held during the period of the study. She undertakes PR functions such as developing trade press for the

company in food and other industry-related magazines such as the Grocer, Natural Products, Health Food Business and others; as well as in targeted consumer press like Men's Health, Women's Health and GQ Magazines.

6.4   Use of Supermarket Loyalty Card Data

6.4.1   Instrumental Use

6.4.1.1   <u>Marketing Decision-Making</u>

From the case study, it was observed that supermarket loyalty card data (SLCD) prepared for the company was used instrumentally. The researcher prepared the SLCD report and sent it to the company's management; and observed what they did with the report. It was found that the data was used to inform their marketing decisions in the following ways: (1) clarify its perception on the actual profile of the shoppers who are buying their products; (2) served as a tool for the managers to assess their marketing efforts, particularly recent promotions; and (3) re-think their marketing process, in order to enhance the development of more effective marketing strategies in the future. According to the MD:

> "…We had assumed it was more of health, health, health; yeah, it's still health, but also there's a big chunk that like it almost from a gourmet kind of side… it helped us clear out what it is; and then that informed a lot of our packaging decisions that informed a lot of our marketing efforts. You know our next product launches came out of that. And you really helped us take what were few radical demographic changes... because people want to look good; people want to feel good…" **MD**

One particular situation observed was the use of the data to identify demographic gaps in the market. This was evident in the discussion between the COO and the Sales Director, as they identified from the regions that were under-indexed from the report. This therefore led to further discussions on what penetration strategy to embark upon in order to improve the sales of their products in such regions. One of such strategies discussed was the need to speak with the supermarket buyer in that region for the financing of possible promotions in that region in order to attract first-time buyers.

However, it was also observed that the SLCD reports represented only one of the several sources of data used in the marketing planning and decision-making. It was

revealed that other sources of data used by the company include: Supermarket electronic point of sale (EPOS) data, Nielson data, TNS data, IRI data, Mintel and Keynote reports, Family Food Panel, Kantar reports, Scientific studies, trade and consumer magazines like the Grocer and Health Food Business, as well as information sourced from both in-house and commissioned surveys, focus groups and case studies

6.4.1.2   Innovation and Product Development Leads

There was also observed from the study that the company used SLCD to inform their new product development initiatives. For instance, the researcher observed that from the report prepared, they took keen interest in the 'basket analysis,' which investigated the types of fresh fruits that were bought alongside their products. And this was used to either test that their existing fruit flavours are performing well or to scan the market in search of fruits that could be developed into new flavours for their flagship brand.

The basket analysis conducted by the researcher showed that their bars sold well with Apples; however, the company already had apple in some of its bars. Hence, this affirmed their choice to develop the apple-flavoured bars. Therefore, the use of the data in this manner also represents an effective way to search for future fruits-flavours which could be further investigated and possibly developed into new products in the future.

In this regard, the MD expressed that the use of the data was "really crucial… not to mention the value of the information itself, which has then spurred up our product development and targeting". This statement was further highlighted by the company's Sales Consultant, who explained that the data "helped them [the company] to identify potential gaps in the market that require to be filled, in the form of new products, thereby informing their ideas for innovation and product development;" and this constitutes instrumental use of supermarket loyalty card data.

6.4.2   Conceptual Use

6.4.2.1   Appraising Overall Market Performance

From the case study, it was also observed that the company also used SLCD to appraise the overall performance within their food sub-category. The researcher

found that the initial data requested by the company sought market information regarding their broad category. Therefore, the first set of reports prepared by the researcher and sent to the company provided data in that regards. Despite the fact that the company is into the manufacturing of healthy snack bars, the categories investigated included: cereals and raisons, as well as dried fruits and nuts. Thereafter, it was confirmed from the interview that they used the data to undertake an overall appraisal of their category.

Similarly, when asked about how the company used the first set of reports they received, the MD explained that it was used to give them a broad understanding of the size of the market and the category under which they operated. It was also used to clarify their market profiles; in terms their actual and potential customers, and their demographic characteristics. Product rankings were also conducted by the researcher to help them evaluate what products within each sub-category were over-indexing in the supermarkets. In his words:

> "…it [the data] did a couple of things. Your first one I think brought out a few things. One, young adults and young families; it really clarified age spectrums for us, younger and older; and also, what really surprised us was the foodies… there was the fine food group, and we hadn't really thought of it from that angle, but it made perfect sense. Here are the foodies; those premium ingredients pressed together, you could look at it from that point of view. And we we're drawing a lot from people because the interest was about food…" **MD**

From the participant observation, the researcher also found that it was common practice for the company to constantly seek updated data on their category; in order to keep track of market trends. For instance, from the marketing meeting which the researcher attended while conducting the study, it was observed that ample time was allocated to discuss what was currently going on in the market; and when the researcher sought to find out why that was done, the COO noted: "it's our regular practice; we like to review the state of our broad category." Interestingly, they seemed to rely on SLCD to back some of the assertions they made on what they thought was going on. Although in this situation, supermarket loyalty card data was not allied or used to solve any specific problems, or directly linked to any marketing-decision; yet it was used to enrich the knowledge base of the company, and may be very handy in making future decisions.

6.4.2.2 <u>Assessing the Specific Performance of Its Products</u>

It was also observed that, apart from using the data to appraise their broad category, the company used SLCD to appraise the performance of their own products in the market. The researcher observed that after the first set of requests aimed at their broad category, all subsequent requests focused more its products. The request form revealed that specific data was requested to investigate the performance of the company's raisons – *Raisoncherry, Raisonlemon* and *Raisonorgange* – and other products under their flagship brand. This was because the owner-managers were interested in the performance of their newly launched products (the gluten free-from range); and they made use of the SLCD key measures, which includes customer penetration, rate of return, frequency of purchase and stores selling. Therefore, it was found from the participant observation that the appraisal of their performance, gave them the opportunity to engage in two main activities:

1. It allowed the company to be able to assess the effectiveness of their sales and marketing efforts. While conducting the case study, the researcher was asked to run some reports to assess the impact of their latest promotion. Apparently, they had just completed a buy-one-get-one-free (BOGOF) promotion with Tesco, and they were keen to investigate how effective it had been. In particular, the owner-managers, sales director and external sales consultant were interested in assessing the extent to which first-time buyers were attracted to the products, and if they were retained after the promotions.

2. Results from the reports were also used to plan for future marketing activities. In order words, SLCD was to be used to determine future actions relating to promotion planning, market penetration, and product innovation.

It is important to note that the situations discussed above exhibit some semblance of both conceptual and instrumental use of information. However, since the data would be used, in this instance, to plan future activities, it is not immediate and would not be considered as instrumental use. It may therefore be considered as conceptual use because, for now, it only adds to the knowledge base and general enlightenment of the company.

6.4.2.3 Benchmarking the Performance of Competitors

In addition to the performance of the company's products, SLCD was also used to benchmark the performance of the company's competitors. The researcher observed that benchmarking gave them the opportunity to gain insight into how their competitors were performing in the market, in order to compare such with their own performance.

It was observed that the company's Sales Director requested for a further report specifically to assess the performance of companies manufacturing snack bars, which were deemed as competitors such as: Eat Natural, Fruit Bowl, Ocean Spray, Sun-Maid, Whitworths, Lime Regis, and Food Doctor amongst others. According to the COO, "any of the data that comes in is about what is going on in the market or with us; it is all the same in a way. How are we doing versus others?" This position was further anchored by the Sales Consultant, who emphasised that the reports were used:

> "We also used it for… the majority is actually in sales presentations in terms of being able to benchmark their performances versus the competition to show how they are driving growth. So, looking for trends, looking for patterns to actually show the rate of sale has been growing over a period of time and why that rate of sale has been growing." **Sales Consultant**

Again, the appraising competitors' performance may not constitute instrumental use of the data, because it was not applied to resolve any particular problem. Nonetheless, it amounted to enhancing the company's knowledge base and enlightenment regarding the market; and this is akin to conceptual information-use.

6.4.2.4 Strengthening the Value Propositions and Sales Pitches

The company also used the data to strengthen their value proposition, which argued strongly that the market was currently experiencing a growing shift from highly processed foods to unprocessed and wholefoods. The owner-managers suggested that the data was used to give credence to their *healthier, happier and helpful* strap-line, which shows that there is a growing movement of people now concerned about the environment and making the world a better place by seeking healthier and more natural alternatives to processed foods that dominate supermarket shelves. And they were excited to see that this was reflected in the data.

In addition, the company used the data to support their sales pitches, particularly those made to supermarkets buyers. It was revealed that based on their enhanced knowledge gained from SLCD, the owner-managers and sales director were willing to speak about the performance of their products in the market, in comparison with competing brands. Whenever they were making presentations to supermarket buyers or speaking at a food-related event, they would readily pick on some points from the SLCD report and speak about it, in the context of their performance in the market. According to the MD:

> "…it's usually down to a specific presentation; and then if it wasn't just Tesco, it had to be that I need to take this dunnhumby data with some other data and weave it into a narrative for this other presentation…" **MD**

Similarly, their ability to cite SLCD as their source gives them the confidence to speak about the market and product categories, from a more informed perspective. Therefore, the use of SLCD gives them credibility in the eyes of supermarket buyers and other industry stakeholders, because they provide scientific evidence i.e. the data to back their claims. It was also found that apart from boosting external credibility, the data has also helped to boost their internal confidence, and this serves as a form of motivation to staff members. Again, the MD elaborated that:

> "…it allowed us with Tesco, the leader in all of this, to walk in the door and get a lot more credibility, which is the Achilles Hill of small companies like this… But just the fact that we could come in and sit down with a buyer, and I knew more than he did, that's powerful… I know that I know more than he does, and I know that I've got his data, and I know his data better than he does, and I had it in a presentation that I've been practising… So it really allowed us to do that, which allowed us to work with those guys on a whole different level… we're in a position where, and at the same time we're really trying to go to the retailers and say, 'hey, you need a new section called whole-foods; and since then, we've worked with Tesco to develop it, and since Tesco did it, everybody else did… So we're starting to carve out that, and the good thing is that they trust us and we sit down with some hard data. And I'm not just talking theory; I sit down with them and say, 'here's our plan and here's the data', and that makes all the difference... it has led to a wonderful snowball effect; so not only because I've got now more credibility with the retailers; just internally too, internally we say 'oh our theory is building and here's numbers from Tesco', and then those things get to be used for other retailers, so that credibility spreads…" **MD**

Buttressing this point of credibility, the company's PR Account Manager, stated that "*…it's nice for me to say it; it's nice for the MD to say it… But when we've got raw*

data from an independent source saying it, then it gives the company credibility in the eyes of the trade community, as well as the consumers."

6.4.3 Symbolic Use

Based on this case study conducted, there wasn't sufficient evidence to suggest that the data was used in a symbolic dimension. In other words, the study did not provide enough evidence to suggest that it might have been altered or distorted in any way to support the decisions of the company or 'justify decisions already made'. However, it was observed that the company constantly sought data from several sources to support their value proposition that consumers were shifting from processed to unprocessed food. This may therefore give rise to a situation where they may be tempted to subjectively interpret or mis-interpret the data in a manner that supports the position they may be trying to convey. Although this could not be substantiated, yet the following quote suggests the possibility of having this kind of scenario.

"...it's usually down to a specific presentation; and then if it wasn't just Tesco, it had to be that I need to take this dunnhumby data with some other data and weave it into a narrative for this other presentation. And that's how we work also with Vanessa on our data; and that's what she does very well... She would take the dunnhumby data and help work it into our greater narrative." **MD**

In addition, the issue of "symbolic" brings another issue to light, which is distinct from how information-use literature discusses symbolic use. It was found that supermarket loyalty card data was in itself used as a "symbol"; because as the MD confirmed in his interview, the mere fact that they had the data gave them the confidence to walk into a meeting with the supermarket buyer and say "look we've got this data, this is what it says and you've got to believe it." Hence the data was used more as an emblem for boosting their confidence, and it opened doors for them, that could have been open without access to supermarket loyalty card data.

"... it allowed us with Tesco, the leader in all of this, to walk in the door and get a lot more credibility, which is the Achilles Hill of small companies like this... But just the fact that we could come in and sit down with a buyer, and I knew more than he did, that's powerful... I know that I know more than he does, and I know that I've got his data, and I know his data better than he does, and I had it in a presentation that I've been practising..." **MD**

This quote highlights the new dimension of information-use identified from the first phase of the data collection process, termed "emblematic use" of supermarket loyalty card data (See section 5.5.4). It is a situation where owner-managers of small agri-food companies gain some form of credibility and positive image from supermarket buyers by merely communicating that they have access to market information of this nature (dunnhumby data also known as supermarket loyalty card data).

6.5 Factors Influencing Information-Use

6.5.1 Organisational Factors

Organisational factors are discussed along the broad lines of organisational structure and culture (see section 3.6.2). Under firm structure, the factors discussed were centralisation and formalisation; while under firm culture the factors include speed, innovativeness, openness and customer orientation. Other factors discussed under organisational factors include business planning and family intervention.

6.5.1.1 Organisational Structure and Mode of Operations

The study revealed that the company operates a flat organisational structure; constituting a centralised, less formalised and flexible mode of operation. The researcher observed that there was no formally documented organisational structure in the company; nonetheless, the organogram in Figure 6.1 depicts the researcher's observation of the company's line of authority.

Figure 6.1: Organisational Structure of Alpha Limited
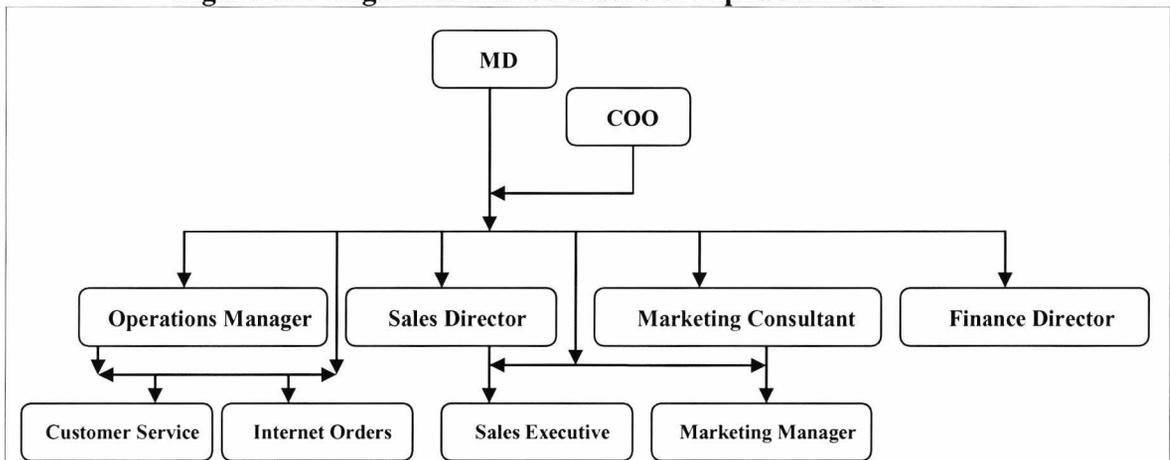
Source: Observation from Case Study One

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Similarly, it was observed that the company operates a fast communication line, with less degree of formalisation, and a quicker process decision-making and implementation; explained possibly by its small size. On one occasion, the researcher observed that the Operations Manager walked into the office and simply asked the COO, do you have a minute? He replied "oh yes, come in", and she started telling him about her plan of adjusting her work hours to commence work in the mornings at 8.30am, slightly early, so that she could close earlier by 4.30pm. They deliberated over the issue for a few minutes and the COO responded, "ok that's fine"; and the decision appeared to have taken immediate effect, as the researcher observed in subsequent days. The decision did not have to go through any lengthy process. This is not surprising, considering that the company is a small company.

On another occasion, the COO received an email from an overseas prospect and needed a second opinion on what his reply should be. He simply picked up his phone and asked the Marketing Manager to come upstairs for few minutes and discussed the issue with her. Thereafter, he sent off the reply. When questioned about the nature of communication between management and staff, the COO explained:

> "…we do this all the time, we share knowledge here. Sometimes I'm looking for someone to bounce-off my ideas on, so I just ask one of the ladies to come in here and we discuss. The same way, if they've got something to discuss, they can just come in here and ask me for a minute..."**COO**

However, the researcher also discovered that strategic decisions took longer time and were strictly the responsibilities of the owner-managers. The COO mentioned that the company's strategic decisions are mainly taken by the MD and himself. Despite this remark, the researcher observed that in the area of strategic decisions, the owner-managers tended to take cognisance of relevant information, and sought the opinions of other team members, particularly the Sales Director and Sales Consultant.

Therefore, in spite of the company's seemingly centralised mode of operation, collaboration and knowledge sharing was still observed. In other words, while strategic decision-making responsibilities may fall upon the shoulders of the MD and COO, they still sought for the opinions of others and relevant information to logically back-up their decisions. Additionally, the company operates a model that

outsources of a number of its core services such as production, public relations, and analysis of marketing and sales information. The company also benefits from the services of an investment banker, who provides advice on the implications of proposed financial investments, particularly in the area of developing new products, marketing and brand building. According to the COO:

> "…we are small and make use of outside services on retainer. A PR agency, a brand design agency, a data collection and analysis firm… every month she analyses our store numbers and brings good and bad news to our attention on a monthly basis about what is going on, on the shelves, rate of sale… and we've got a nice small paid core here… that's scalable, so we're pretty well positioned." **COO**

Justifying their choice to outsource, the MD explained that, bearing in mind the quality and standard of work they require, the company would not have been be able to afford the services of fulltime experts, unlike large organisations who have huge budgets to spend.

6.5.1.2 Organisational Culture

Organisational culture is discussed along the lines of: speed, which places emphasis on quick response to market changes; innovativeness, which emphasises the introduction of new ideas into the decision-making process; and openness, which encourages free flow of communication within the organisation (Arnett, Menon and Wilcox 2000). The researcher found that speed, innovativeness and openness existed in the company, and these attributes appeared to have enhanced the company's use of supermarket loyalty card data. With respect to innovation, it was observed that during the process of developing their recently launched products – the new gluten free range of bars, called *Nudies* – the company made several requests for SLCD reports on their product category; and the reports were used to identify competing products, assess the performance of such products; and identify existing gaps that could be explored by them.

Marketing documents studied by the researcher also showed that the company keeps up-to-date information about market trends and changes by seeking regular updates from TNS, dunnhumby and other sources. Consequently, it was confirmed by the COO that their recent product launches in the company were informed by gaps they identified in the market.

The researcher also observed that the company maintains an open and informal approach to its operations, which encourages free communication, exchanges and flow of ideas, as was evident in the exchanges observed between the owner-managers and the employees. The researcher took daily notes of the dress code of the team members and it was observed that they all dressed in a less formal manner. For instance, the COO mostly wore Jean trousers and T-Shirts, and the Operations Manager often wore Jean trousers and Jumpers. To emphasise this observation, before the study commenced, the COO jokingly told the researcher on the telephone; "Bell, please take note, we don't wear suits and ties here. We wear Jeans and T-Shirts"; and this was the casual mode of dressing observed throughout the study.

Similarly, the office environment of the company looked very simple and relatively laid-back, and the flooring had a green-grassy look, that gave the office a very informal outlook. When asked about why the company had such a less formal outlook, the COO explained:

> "We are trying to make it work… you have to work at work. We can't make it as much fun as not working, but we are trying to make it very light hearted. We are trying to approach the idea from a couple of points of view. One, we are not selling nuclear weapons here or anything too terribly serious. We are selling health food. Let's keep our perspective that we are trying to have a little fun… at Baskin Robbins, they were a very serious British company. It always bothered me; there we were just selling ice cream to kids and families…can't we have a little more fun doing this? So we certainly try and approach it that way. We've had such a small staff from beginning… we are trying to make it some fun… so everyone has a nice time while they are at work; everyone learns new skills so they are worth more in the marketplace. They are doing something that sort of makes them proud at the end of the day. We have goofy carpeting and a crazy little office…" **COO**

In this regard, it was observed that the members of staff appreciated this less formal atmosphere, and were willing to offer more of their time and effort to the organisation. They further pointed out that a less formal organisational culture did not mean that the work would be hindered; on the contrary, they were motivated to achieve more, because the environment is fun to work. For instance, there was a radio in the office and staff members listened to music and news on local stations. Although the volume of the radio was always tuned down to avoid distraction; it

added to the relaxed and easy-going ambience in the company. Some staff members comment of their work environment thus:

> "The culture here is quite laid back, I guess, and flexible. But definitely, you are expected to get the work done and fulfil your job role, but it is quite laid back in the sense that we do have deadlines and timelines, but everyone works towards them. There is a mutual sort of laid back understanding, as you know from the dress code. There is not a dress code, you know; we all get on. We have the radio on. It is a laid back culture with the company, but we definitely still get the work done." **Operations Manager**

> "…yeah I think it's quite a laid back culture. I think there's a lot of kind of trust here; you know, they trust you to come-in in the morning and get on with it, people are not hovering over your neck and seeing what you're doing all the time. And there's a lot of trust here I think. And it's a small team, everybody pulls together, everybody knows what they've got to do. I think it's quite flexible as well, if you need to shoot off, or come in later, it seems quite flexible… you could wear jeans within creative environments… I think we're a small little team that we can see what we do and what value we add to the business, we don't need to gain respect from people by wearing smart trousers, whereas you might in a larger organisation where you need to gain respect from people, where you're trying to convince them about a particular project or something… so actually, to just dress comfortably for what you're doing that day works for me." **Marketing Manager**

> "Very laid back and I don't know how else to say it. It's not a stressful place to work and I like it… one of the things, when I came for my interview they said to me don't dress up smart and things like that. It's a chilled-out attitude, like we've got the grass down here. You're allowed to wear jean, flip-flops, and things like that. Other companies you have to dress to dress up… I love that, yeah. That is the culture. We are pretty laid back about that. It is not business suits and things like that. For me this is very nice. I like that. You can always go and talk to them about anything." **Customer Service Officer**

From the three quotes made above, it appears that a terminology that resonates is the use of the word "laid back" to describe the less formal and easy-going atmosphere that exists in the company. Marina also noted a couple of other important points that speaks about the company's culture. She stated that "there's a lot of trust here" and "it seems quite flexible."

The company also operates a "save the world" policy that allows all staff members to take a day off in the month to do something that they care about and be of help to the society. The COO explained that only he and MD often took time off to "save the world"; it is funny that others prefer not to go, because it may affect their workloads when they return to work. Noting, for instance, that "the Operations Manager knows

that if she took a day off to go look after the horses or do whatever she wants, she knows she would come back to more work... so that's the kind of fault in that little plan". Nonetheless, the existence of such a policy affirms the company's commitment to making a positive contribution to the society.

6.5.1.3 Organisational Philosophy: Small Company Changing the World

Another variable often associated with organisational culture is customer orientation, which refers to "the degree to which the organisation obtains and uses information from customers, develops a strategy which will meet customer needs, and implements that strategy by being responsive to customers' needs and wants" (Ruekert 1992). It was observed that the company is a customer-oriented company. From the interviews with the owner-managers, it appears that the company perceives itself as a small company looking to explore market gaps, while changing the world in its own little way. The owner-managers are of the opinion that they are not just in the business of selling healthy snack bars; but their company imbibes a deeper sense of value, and it is this value that the company seeks to provide to its customers. According to the founders, the company was built on the foundation of enhancing a healthier, happier and more helpful way to live, and that comes back to trying to change the way people eat. It was observed that the strap words *healthier, happier and helpful,* were frequently used by managers and staff members in their conversation as a sort of "mantra".

To further buttress their relevance and timeliness in the market, the researcher observed that the owner-managers applied the dual theories of spiral dynamics and integral theory to support their conjecture of what is happening in the society and the role the company is playing within that big picture. For instance, the researcher had the opportunity of participating in the company's marketing meeting (11th August 2010), and listened to the MD share his thoughts regarding the current trend in market and what he believed was happening in the society. He also provided all the participants with copies of the Spiral Dynamics model, as presented in Figure 6.2; and drew a representation of the wholefoods evolution on a board, as presented in Figure 6.3.

Figure 6.2: The Concept of Spiral Dynamics

tier[1]	#[1]	meme[1]	popular name[1]	structure[1]	motives[1,2]	charcteristics[1,2]	% of pop.[1]	% of power[2]
2nd being	8	Turquoise	GlobalView	global	compassion, harmony	holistic, global	0.1	1
	7	Yellow	FlexFlow	interactive	adaptability, integration	systemic, conceptual, ecological, flexible	1	5
1st subsistence	6	Green	HumanBond	egalitarian	approval, equality, community	relativistic, personalistic, sensitive, pluralistic	10	15
	5	Orange	StriveDrive	delegative	autonomy, achievement	materialistic, strategic, ambitious, individualistic	30	50
	4	Blue	TruthForce	pyramidal	order, right & wrong	absolutistic, obedient, purposeful, authoritarian	40	30
	3	Red	PowerGods	empires	power, dominance	egocentric, exploitative, impulsive, rebellious	20	5
	2	Purple	KinSpirits	tribes	magic, safety	animistic, tribalistic, magical, mystical	10	1
	1	Beige	SurvivalSense	loose bands	survival	archaic, instinctive, basic, automatic	0.1	0

Source: (Beck and Cowan 2006)

Figure 6.3: The Company's Wholefood Evolution
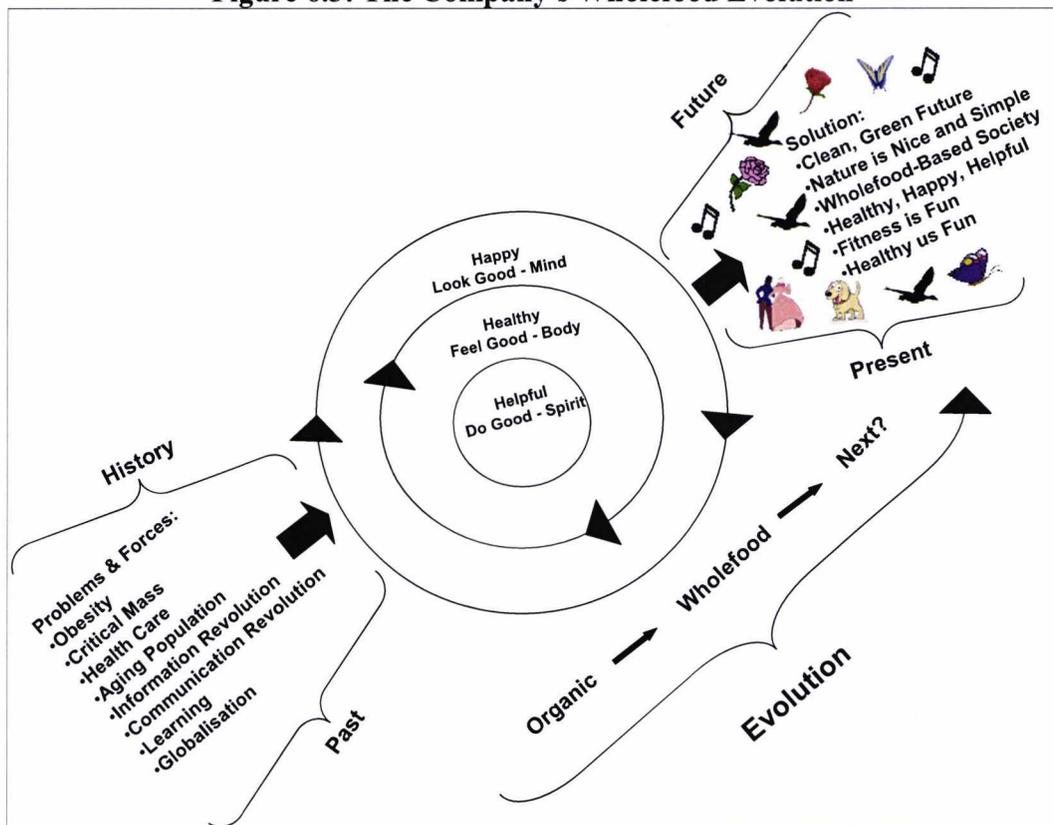
Using these diagrams, he explained the philosophy behind the company; stating that there is a greater story to the idea of the company and its brands. He started out by using the concept of Spiral Dynamics to explain the wholefoods evolution and the shift that he thinks is currently going on in the world.

Spiral Dynamics is a concept from the field of psychology developed by Don Edward Beck and Christopher C. Cowan, in their book, *Spiral Dynamics*. The book uses colours, terminologies and eight MEMEs (genetic or cultural codes) to describe the changes that psychologists believe has been taking place in the world since existence. The MD explained that Natural Balance Foods was positioned in colour Yellow, the systemic Meme of *FlexFlow*, which focused on the flexible adaptation to change and sought the big picture to contributing to find solutions to common problems. He further emphasised that this Meme was not concerned about whose fault it is that the world is the way it is now, but is one that understands and accepts that irrespective of how the problems came about, we are all in it together and should solutions together to solve the problems.

Adopting this points of view, the MD went ahead to discuss about the company's wholefoods framework (Figure 6.3). He explained that on the left hand-side of the diagram, the developed world faced several health-related challenges and forces that are driving the change that is now taking place. These problems include obesity, aging population, and increase in health care costs; while the forces that drive change include information and communications revolution, increased knowledge and globalisation. He further suggested that "yesterday it was organic, but we all know what has happened to the organic market. However, the world is now moving towards wholefoods."

Consequently, the company's brands come in the middle of the framework (Figure 6.3); because they were developed on the premise of enhancing a healthier, happier and more helpful way to live. Also, this premise is linked to the way people eat; and their flagship brand has been developed to provide healthier alternatives to the unhealthy processed foods available to shoppers today. The MD elaborated:

"...part of the whole problem is that we've got a country that's addicted to processed foods, and they are addicted to processed foods because that's mostly what's available, and that's all that gets promoted, and they have been successful in actively confusing people about what is healthy and what isn't. And you make a lot of money that way, because you also make a society full of unhealthy, overweight people, and kids who don't know anything about nutrition... there's a fundamental philosophic shift in terms of that. There's a tribe of people, I call it the holistic tribe; and the holistic tribe is people that basically look at the world and say hey, we are all part of one big thing, there's problems in the world, they're all connected, we need to centrally work together for answers that would help us all. And that means the environment that means better eating... That holistic group is growing, the interesting thing about it is that it only grows, it's only ever growing; and as the environmental problem grows, and as globalisation, and climate change issues take root, more and more people come... so if you buy the idea that there's a pressure on the society to get to this clean, green future, where people are healthy, the environment is good, people are working good, there's a nice life and sustainable... at a point in the future, a big chunk of the majority of the population has to be eating better and the only real definition of eating better is eating closer to what comes out of the ground... " **MD**

It can therefore be suggested that the various sources of marketing information was used to support and give credence to this philosophy. Furthermore, as a sign of commitment to this organisational ethos, the COO explained that the company provides support to a wide network of ethical groups, charities and non-governmental organisations, by providing free supplies of their bars and gift bags. Notable amongst the list are the long standing partnerships that they have with renowned UK charities such as *Animal Care, British Lung Foundation* and *The British Athletes Commission*. Also, the researcher had the opportunity of going through several appreciation letters written to the company by such charity organisations that they've supported in the past. Two of such letters read as follows:

"Dear COO, I just wanted to thank you for your generous donation of **T and N bars** for UNICEF's goody bags at the Royal Parks Foundation Marathon last month. The event was a great success, which has raised over £200,000 so far for UNICEF's Unite For Children, Unite Against AIDS Campaign and is supporting our work with orphans and vulnerable children affected by the disease... *"Stumbling into your marquee at the end to be greeted with a smile and a goody bag was the icing on the cake. Thank you!"*..." **UNICEF UK Fundraising Initiatives Team**

"Dear CSO, On behalf of the Capital to Coast Team I am writing to say a huge thank you for the very generous donation of your lemon raisins which Natural Balance Foods very kindly donated to us for the Capital to Coast Cycle Ride... Our riders were delighted to see them at the refreshment stops as this is just what they needed to help them to complete their challenge and we are extremely grateful to your company for organising this for us. ..." **Capital to Coast Co-ordinator**

The above quotes from letters sent in by charity organisations attest to the support the company provides as part of its corporate ethos and social responsibility. The owner-managers explained that they are always happy supporting these charities, because apart from the fact that it fits with their ethos of *happy, healthy, and helpful*, it is also a costless opportunity for them to market and expose their brands further. They believe that such gestures give more people the opportunity to try their products, and lead to potential regular shoppers.

Similarly, the company recently supported Plymtree Primary School in Devon, with free samples of its N and T bars during the school's Design and Technology learning project. As part of the project, pupils of the school were taught about how to develop food products and also given the opportunity to develop a standard recipe for a new healthy snack bar. Figure 6.4 presents the sample pack of the new product designed by the pupils.

Figure 6.4   Sample Product Designed by Pupils of Plymtree Primary School
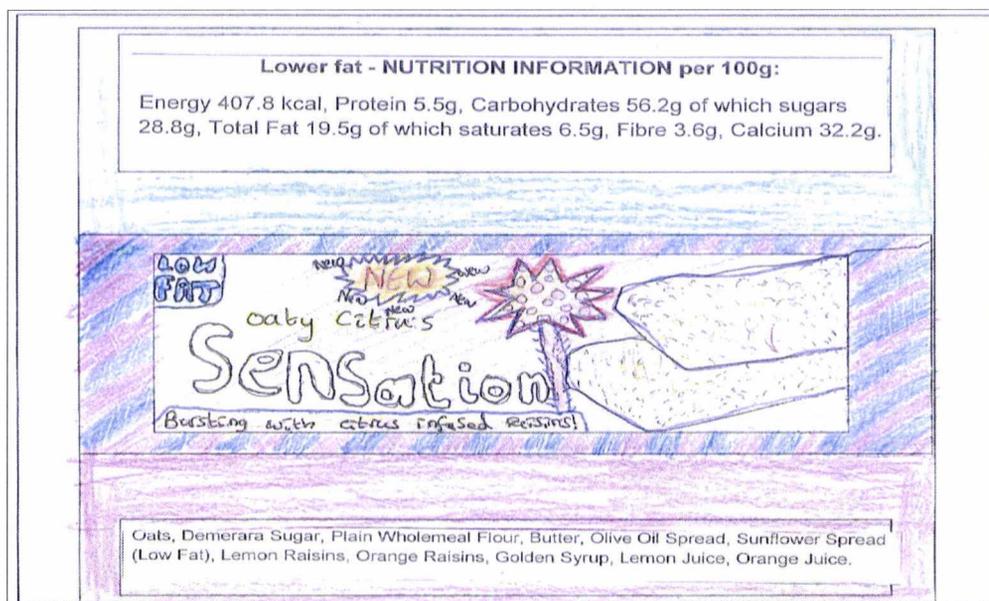
In addition the pupils provided detailed recipe of the newly designed products, and results from the 'N' bar tasting sessions were attached in a letter, which read the following:

> "Dear MD
> Earlier this year you were kind enough to send us some 'N' products to be used in school. The Key Stage 2 children have now completed their Design and Technology

project learning about the process of new product design. The Children also learnt a considerable amount about food groups, healthy eating and how to pack a healthy lunchbox.

We held a tasting of various snack bars and the children were very keen on N bars, with the Berry Cheeky bar being their favourite. They also really enjoyed tasting the fruity raisins and some children included them in their recipes. They went on to design their own bars, adjusting a standard flapjack recipe to make it more nutritious and designing a new wrapper. I have enclosed some examples of their work for your interest. We greatly appreciate your support with our project. Many thanks. **Parent Helper, The Friends of Plymtree School**

The COO further explained that when the SLCD reports show clearly that their philosophy is being upheld, it gives them the joy to know that the society is truly shifting from processed food to unprocessed and healthy foods. Consequently, they are always willing to support activities in the community to further strengthen their commitment. Interestingly, this also serve the purpose of helping their potential customers to test and assess their products in a way that gives them direct access to the feedback, such as the school project.

6.5.1.4   Marketing and Business Planning
In the conceptual framework, another organisational factor that was identified to positively influence the use of information is Business Planning. As it relates to the company, it was found that, despite its small size, the business engaged in planning, particularly marketing planning. Notably, it was observed that, business planning was a combined effort of the company's team – MD, COO, Sales Director, Marketing Manager and Operations Manager. This was observed from the marketing meeting that the researcher attended.

From the meeting, it was observed that all team members were able to contribute in an open atmosphere and marketing planning involved a long rigorous process of market information analyses; and that strategic decisions were made after intense deliberations by the team. Although the meeting seemed to be very intense, yet it was also observed that this approach to marketing planning and decision-making was previously less formal and only beginning to take a more formal dimension as the business developed over time.

The study revealed that the company had no formal business or marketing plan as at the time of the study. They had only recently employed a full marketing executive to develop their marketing plan. When asked the question of whether the company had a formal marketing plan, the founders replied thus in different interviews:

"No. we are about to have that… we just hired Marina who you will interview later. She is our first true marketing executive, if you will… we haven't been able to afford one till just recently, honestly. My brother and I have been doing it, doing it sort of poorly probably. We are spending great time and care on our number one marketing is our packaging and talking our way into buyers. But no, we are going to get our first marketing plan soon. We have our broad marketing goals. That is different than a marketing plan. So no, Marina here in the next few weeks is going to be putting together our first proper marketing plan." **COO**

"Ehmm, not like the kind of one written in Business School, you know, where we wrote business plans; but I've kind of pinned that down as to my experience now. If I've got the key, I wanted to release this point and every year I know I'm going to add, that's the process we're going through now with the budget, which is yeah where's my marketing plan, where's my strategy, my business plan, what are my key resources, what am I going to fund? So I don't quite structure it the way I structured old formal business plans when I used to write them that way. But effectively the core information is given consideration and then delegated out and then watched. So our format is different but the effect is the same." **MD**

Although the above quotes suggest that the company does not have any formal marketing plan; the researcher observed that the owner-managers knew exactly what plans they had for the future. The plans were in their heads, which is typical of many small businesses. For instance, when asked about the future direction of the business, the COO responded:

"Well the plan is… we are well on our way to the second or third phase that we hoped. We have got some good flavours behind us; Cocoa Orange being the best flavour so far. We think we have a couple of new flavours in front of us, which are exciting. We feel like we've sort of cracked a major flavour hurdle. Now the plan is simple. We need more distribution. More distribution! ... There is now that classic problem of how quickly can you get on the shelves? … How do you go from 400 stores in Tesco's to 2,000? How do you make it available in three spots in the store? How do you do your promotional strategy the smartest way? … That is the phase we are in. How do you go from £4 to £10 million a year? …and that is all about distribution… You know, we got a lot of loyal fans. How do we communicate more amongst themselves? How do we get our word out and how do we get on more shelves?" **COO**

This also suggests that despite the less formal and unstructured approach to planning; as the company developed over the five years since its inception, they have started to

considering the need to adopt a more formal, planned and structured approach to marketing planning and strategy development.

6.5.1.5 Family Business by Nature

Family intervention was also one of the factors discussed under the organisational factors influencing information-use. Alpha Limited is a family business; considering that the company was established by two brothers, who own the controlling shares and handle the bulk of the day-to-day management of the organisation.

The researcher observed that trust exists between the brothers who founded the business; and they were of the opinion that neither of them would do anything to jeopardise the progress of the business. For instance, the COO explained: "…working with your brother is fantastic because you have got a unique person that you know and trust. You know really well, you trust 100 percent and they are always looking out for you, so it's so nice."

This familiness that existed in the business was further exhibited in commitment and sacrifice made by the owner-managers in order to make the business succeed. From conversations with staff members, the researcher found that often, the COO starts his day in the office as early as 5am; while the MD frequently works late into the night, until about 10pm. He sometimes spends the night in the office, designing new packages, brainstorming on the next product development idea, or preparing a sales pitch. Attesting to this commitment, the COO recounted a past incident:

> "My brother got injured at the beginning of, or was it the end of last year, and had to take a lot of time off to get healed. I think it gave him comfort to know I was here working more, covering his back and it is nice to know too that if that happens to me or I need something… I mean I have three kids, I'm married. If I have something that has to happen, I have to do, my brother will step up. He will work more hours and he will do the best that he can. That is very nice in a family environment. It is hard to get that, at least in the business I'm in." **COO**

In addition, when the researcher attempted to probe further by asking it the owner-managers often disagree over managerial decisions, it was found that there had been some arguments in the past resulting from stress, but they later took a decision not to allow such a situation to repeat itself again. In the words of the COO:

"...there isn't much of that... we've been working together for four years. We had one horrible argument and we both said 'okay, never again will we do that.' We haven't till date, and that was two years ago. That was just stress from trying to create a business and it wasn't yet going well. You know, we were both under stress. It had to work. We invested time, money and energy into it and we were both stressed at the time... lots of family scenarios don't work out, but ours works out well for us. We both try and make it so we can do what we want to do. We sort of try to give ourselves a lot of time personal stuff and what else us going on in life." **COO**

Furthermore, with respect to how familiness influenced the company's ability to use supermarket loyalty card data, it was observed that the brothers have tried to share the managerial duties around their interests and areas of expertise. In a magazine interview, the MD remarked about his brother thus: "He is a great action-oriented operations guy who knows how to get the right things quickly. His global experience and perspective is invaluable and his focus has been instrumental in our growth" (Symonds 2010).

To summarise this section in relation to Proposition 2A, which states that "Organisational factors would influence the use of supermarket loyalty card data in Small Agri-food companies", the above discussions have provided evidence to support this proposition. In particular, the prevalent loose organisational structure, less formal culture and customer orientation in the company, marked by openness, innovativeness and speed have positively impacted on the use of SLCD. This may be linked to the personal attitudes and orientation of the founders and owner-managers, discussed under individual-related factors.

6.5.2 Individual-Related Factors

6.5.2.1 Education, Economic History and Administrative Familiarity of the Owner-Managers

Based on the case study, it was observed that education, economic history and administrative familiarity tended to influence how supermarket loyalty card data was used in the company. In terms of education and economic history, it was found that both founders of the company had previously held jobs in the private sector and possessed MBA degrees. This was also reflected in company, as the study showed that all, but one of, the staff members had at least undergraduate degrees. When asked about how educational qualification influenced their recruitment decision, the COO remarked that, although it is an unwritten organisational policy, at the inception

of the business, he and the MD made a decision to only employ people who had at least an undergraduate education. In his words:

> "The first hurdle is everyone has to have a college education. That makes a lot of things happen. Even Owen, the warehouse guy… he has got a college education. I've had a couple of contract people who didn't have that and that just created a whole bunch of problems. The little bit of money savings you think you are saving, you don't save a thing. So that is just our first criteria right away. That is a little unusual. When I came here, our partner who runs the other business laughed at that. He said 'You don't need that. People here before university are perfectly fine.' Well I said I don't think so… I'm convinced now it is worth a little bit extra. We need more people that are really trying to better themselves, so they are always looking for more I guess." **COO**

Apart from the educational qualifications of the owner-managers and employees, the study also showed that the owner-managers had an appreciable level of administrative familiarity. As mentioned above (Section 6.3), the interviews revealed that the MD spent considerable time as part of the MBA Corps to Eastern Europe (Ukraine and Moldova), where he worked for a venture capital firm and was part of a team charged with the responsibility of strategically re-engineering of former communist companies.

Similarly, the COO spent over 22 years working in the food and drinks industry, with companies like Allied Domecq, Baskin Robbins and Kinkos; and his last position was one where he served as Vice President of Sunkist, "the world's largest grower and distributor of Citrus products – Lemon, Lime and Oranges mainly." According to him, he had during these periods handled several responsibilities in sales and marketing, designing and implementing strategy, import and export management, logistics and chain supply management. In addition, when the COO was asked about how their previous professional experiences and interests influenced their current roles in the company he stated that:

> "He and I spilt our duties up into the things we like to do. He likes to sell, he likes to go in and talk to buyers. He likes to create strategy of the sales argument and he likes to do the creativity. All the packaging, everything and the voice of the two brands are his creations... He's a really gifted graphic designer… He would do that and I would do the other stuff of trying to run the businesses smoothly and efficiently. I am more the day-to-day guy." **COO**

In addition, to the administrative familiarity of the owner-managers, the study also showed that all the members of the management staff had previous professional experience which they brought to the company, either in a full time or part time capacity, and this impacted on their capacity to analyse and interpret market information, such as supermarket loyalty card data. For instance, the Sales Director joined the business with over 15 years of sales and marketing experience working for renowned companies such as Rank Hovis McDougall (RHM) Plc, Coca Cola Plc, and Feel Good Limited. Likewise, the Marketing Manager joined the business with over 7 years of professional experience, handling PR and marketing assignments.

6.5.2.2 Decision-Making Rationality, Personality of the Owner-Manager and Feedback from Customers

The study suggests that the owner-managers seemed to be rational in their decision making. Perhaps this may be linked to their education and experience; however, the researcher observed that there was always a tendency for the owner-managers to always look for market-based data or some form of logical evidence to back their value proposition and to make strategic decisions. From conversations with the owner-managers, it was observed that they constantly sought and used market information to help update their knowledge of the market and improve the quality of their decisions. This suggests that the owner-managers possessed "information sensitive personalities." According to the MD:

> "…it was just lots of my own knowledge of the market and this narrative that we were building. You know, getting information, seeing what the scientific methods on our narrative were... you know, it wasn't so accurate... And so we would get the random piece of market data through some report that was online and we we're really dribbling in bits and bubs... It's either I have a specific meeting with a specific buyer on a date and I'm trying to put together a presentation because I have some new products that I want to sell them or I want to defend my old products from not getting de-listed... I need to defend my position. Then there's another demand which is, ok I'm doing bigger macro strategy or I'm doing product development and I need my data for that..." **MD**

In addition to the decision-making rationality and information personality, the researcher observed that the company was made of people who are passionate about their work, making the company to seem very passionate. From the moment you walk into the company, there seems to be a lot of positive energy exhibited. Although, initially, it did not seem clear why the team were as motivated and

passionate as they did; but on closer observation (through informal conversations), it was found that, their passion was inspired by the consciousness that they are not just in the business of producing bars, but that they are also helping to create a better society (as already mentioned). The owner-managers explain that this consciousness also guides the decisions they make towards how to develop their brand further and extend their product lines. The MD stated in his interview that:

"… I make decisions that I feel comfortable that I'm in a bigger way helping out… so it's just up to me to articulate it right, position myself, and I'm on the side of the future basically…. if you want to be a part of this, I'm step one… a passionate owner of his business that actually has a product that is healthier, that is socially helpful, and the time is right for that… we certainly come from that point of view of we're not interested in doing anything but being part of the solution. And that gives us an enormous amount of energy, power, confidence, the ability, the network that we know a lot about…" **MD**

Secondly, it was observed that the passion exhibited by the employees was also inspired by the passion displayed by the owners-managers, particularly the MD. Hence it seemed to have rubbed-off on the staff members. Apparently, the MD exhibits so much passion for the business that staff members tend to be motivated by his positive energy. To buttress this point, the COO and two staff members stated in their interviews that:

"Oh sure, sure he inspires me. I was much more ignorant about health food when I started this. I had 3-4 years at Sunkist getting involved in health food. I am not a lifelong fitness fan. I am a lifelong sportsman, you know? I eat reasonably well, but you know, he has inspired me to eat a little bit better. Certainly to eat better, exercise more, learn a lot more about health food, certainly, certainly." **COO**

"Yeah, the MD is definitely very passionate about the business. He is the creative mind behind it all… behind all the ideas and type of products we have launched and everything, he is sort of the mastermind behind it… I think it helps; him being very passionate about the brand and being creative about it. When he explains it to you, it really does make sense… having the MD here, we have learnt more and more about health food business. Because I didn't particularly know a lot about it when I started the job; he definitely gives you insights into it and soon you realise that you've caught the passion for it and that is why I stay passionate about it…" **Operations Manager**

"… very passionate, yeah, about the company, especially the MD, because of the kind of person he is. He believes in what he's doing… because I get all the customer emails and people emailing, they are also passionate about the products and enjoy the products and want us to succeed… I mean, he is very passionate about it… their attitude goes back on you… we are all passionate about it and want to succeed." **Customer Service Office**

Similarly, it was also found that the company also tried to recruit people who are naturally passionate; so that they can bring their passion with them to the company. To this end, every new employee was first offered a short contract, which would then be extended or terminated, depending on whether or not the employee was deemed to fit perfectly with the organisational culture.

The researcher also observed that positive energy exhibited in the company seemed to have been spurred by the positive feedbacks they received from shoppers of their products, who sent them mails and letters to inform them that they enjoyed their products. The researcher read through several of such letters:

> "Dear Sir/Madam, I would like to say thank you for putting such a great product on supermarket shelfs. I've been eating your N bars now for a while and I love them. It's good having a natural product on the shelfs; I've been recommending them to family and friends and they also love them so keep up the good work and I will look forward to future products" **Customer from Watford**

When asked how they felt about such appreciation letters they received from members of the public, the owner-managers and employees expressed delight that their efforts were being appreciated by customers and it motivates them to work harder and always to consider the interest of the customer first. The company's Sales Consultant threw more light on the issue:

> "I think it keeps them going, because as with all these things, it takes a huge amount of time and effort. I think if they are passionate then it feeds through to the buyers as well… it is passion for the genuine consumer need… so like Natural Balance, their mission is to improve people's diet, for people to be healthier and happier. That's a genuine value that runs all the way through the company, which translates all the way through. It is back to that start off with what are you trying to do, how are you trying to add value to the consumer? If the company genuinely has that at the heart of what they are doing, then everything else follows and if not, that is when it all starts to go pear-shaped." **Sales Consultant**

Similarly, the documents studied suggested that apart from building a network of loyal customers, it appeared that the letters served as necessary pointers for the company to hear what the public think about their products and to find out the spread of their distribution (i.e. which stores were not stocking their products). This then

informs their market penetration and distribution efforts. To illustrate this point, a letter from a customer read as follows:

> "Dear MD, I have tried to buy some for 'N' 100% natural ingredients bars which I liked your coco loco bars raw goodness. But I was rather disappointed because I could not get any of your other 'N' bars Cashew Cookie, Coco Orange, Ginger bread raw wholefoods bars. I have tried nutria-centre, Holland Barrett and Sainsbury's, but they don't stock any of your other bars like these. So please could you send me some free samples of these 'N' raw goodness bars." **Customer from Slough**

On the contrary, the researcher also observed that the company also received a few letters from aggrieved customers who write in to complain about their products; although this was minimal. One of such letters read:

> "Dear MD, I have been enjoying your delicious snack bars for a couple of years now, and have been delighted with the new varieties that have recently been introduced. However I was most disappointed to find a whole batch of Cashew cookies that have gone rancid, even though they were recently purchased... Also I have found a mealworm in a Berry Cheeky bar which is rather distressing, especially as this is not the first occasion that this has happened. Yours disgruntled and left hungry at inopportune moments." **Customer from Hertfordshire**

In this regard, the Customer Service Officer explained that such letters are acted upon promptly. Firstly, they would commence investigation into the batch involved; and she would usually reply to the customer, apologising for the inconvenience and providing them with new bars in replacement. She further emphasised that although these complaint letters are seldom received; nonetheless, every complaint is handled speedily, in the most professional manner, to protect the loyalty and trust of their customers.

6.5.2.3 Networking Ability: Small Company versus Global Outlook

It was also observed that, despite its small size, the company was beginning to launch out to international markets. The COO explained that although they were advised by their investors to focus their efforts and resources on servicing the big UK retailers and independent stores; the company was beginning to use its networks to have global presence, with orders from countries such as Ireland, China, France, Netherland, Bahrain, Belgium, Sweden, Japan, Spain, Germany, Iceland, Hungary and Hong Kong. For instance, the supply contract with a retail chain in China came through word-of-mouth introduction from a personal contact of the owner-managers,

who had been a life-long fan of the 'N' bars. He was on a business trip to China, when he serendipitously ran into a Chinese buyer for one of the leading retail chains in China; who at the time was seriously seeking healthy snack bars to stock in his supermarkets.

Furthermore, the COO was of the opinion that despite their size, the company is part of a growing global network of people and organisations who wish to make the world a better place. The network was devoid of location, race, religion, gender, age or any other socio-cultural and demographic barriers, but was unified by the singular aim of making the world better than they met it. He recounted a recent phone he received from a friend, who rang him "out of the blues" and said:

> "Hello G, can you guess where I am? I am in Singapore and I've just bought one of your bar now, and I said in where? And he answered in Singapore... and I shared the news with the team and we were all elated... so you see, I don't even know how the products got there, I don't know who supplied them, but they have them there... isn't that interesting?"

It was also observed that in recent times, the company has been engaged in networking and partnerships with several organisations, within the big picture of making the world a better place. The company recently partnered with the organisers of the *TEDGlobal* conference, one of the world's leading intellectual gatherings devoted to propagating *ideas worth spreading*. They supplied their products for the *TEDGlobal* 2010 conference hosted in Oxford, UK. Again, the COO gave a detailed description of how this partnership came about:

> "One day we got a call one day from a guy in Vancouver saying 'Hey, the second Ted global conference, is coming to Oxford. We bought your bars last year. Would you like to give us your bars this year?' Hell Yes! The story was that last year when they did the ted conference they used a hotel catering service and the hotel bought 'N' bars from somebody, I don't know who, from some distributor. They had some at the Ted conference last year... and this year they wanted more, and contacted us directly. So we supplied them with about 6,000 bars. They put them in about 3 or 4 cafes in the Ted conference over the four days and our bars were there. We specially made little gift boxes for each of the sixty speakers. What are we trying to do? We are trying to change the world in our little way, you know. They are trying to change the world in their big ways, so we said 'Hey man, here are some bars. Thank you very much for all you are doing, hope you like them.' It was the coolest thing, you know? The thing that we thought was cool too was that was a global conference so they had speakers from all over the world coming and attendees eating our bars from all over. We were just wondering what the seeds are going to be. You take that back to Nigeria or to Algeria,

you never know what is going to happen. Those are at least a group of people that are like minded in what we are trying to do. We are just selling health food, sure, but we are trying to make a difference in a little way… So we were just thrilled by it…"**COO**

Apart from being fans of the *Ted* brand, the owner-managers were more than happy to support the event, because they felt this was an opportunity to get their products exposed to a global market, and what better place to do it than a conference of the world leading thinkers. To this end, it was observed that the company's website now bears a message on its news page with the heading: "Smart Thinkers love our brand." Similarly, the COO noted that although there has been no spin-off business from the partnership; nonetheless they were than delighted to network with an organisation like *Ted*. Interestingly, while the case study was still going on, an email was received from someone who had attended the Ted conference and had the opportunity to taste their bars. The fellow was now seeking to order more of their products and it read:

"Dear Sir/Madam,
I experienced your product at TEDGlobal and would love to order more of your products for our office staff in Chicago. We stock our break room with natural and organic food and your 'N' bars would fit in perfectly. Please advise regarding how we can obtain your product here. Thank you."

When the news was spread to the team members, the researcher observed that they were all delighted to get some positive feedback from at least one participant, which is now leading to a prospective business partnership. And this buttressed the point made earlier about how positive feedback motivated the staff and spurred their passion for the business.

6.5.2.4 Participation in Food and Health-Related Events

Linked to the issue of networking ability discussed in the above sub-section, it was observed that another opportunity for the company to build its network-base was through the participation in fairs, exhibitions, festivals and events. The company prides itself in its frequent participation at several food industry and health-related events, which include the IFE (UK's largest international food and drink trade event); SIAL (one of the world's largest bi-annual international festivals for food industry stakeholders); and IPA (the annual world food process exhibition). The interviews suggest that participation in such food festivals and events provided the

company the opportunity to build its networks, and also gain industry recognition. In addition, it affords the company the following opportunities:

1. To meet face-to-face with current and prospective customers; to sample their products directly with consumers; and to receive instant feedbacks that can inform new brand extension, new product development and market penetration.

2. To network with other manufacturers and competitors operating within the same industry. It allows them to seek and develop possible leads, alliances and collaborations that might be useful further developing the business. For instance, the MD remarked that the company was searching for a new manufacturer for their raison lines, and they felt that such gatherings of industry stakeholders could provide them the leads to manufacturers, which may prove useful.

3. Gives the company a broad platform to communicate their brand message to a wider audience of food industry stakeholders, which include customers, food experts/critics, policy makers, and the media, who may be able to cover stories on their *healthier, happier and helpful* philosophy to the society.

   According to the COO:

   > "…we have gone to fairs specifically… because that is where our core audience is… people that have already identified that they are only on various healthy diets… it you are vegan as opposed to vegetarian, you've got a very limited choice, you know? They are delighted to have some new flavours, you know? They are a passionate group; so we knew that as we designed these bars and came up with flavours, that their feedback is most helpful to us… so that really helped us create our products, original products, as best as we could satisfy them… and that also generates a huge amount of credibility and word-of-mouth communication amongst them." **COO**

4. To gain recognition from the industry in form of awards and commendations. For instance, "N", the company's flagship brand have twice been voted Best Natural Products of the Year in Harrogate (2006) and Brighton (2007) Natural Trade Shows; and also won top prizes at both 2008 IFE and SIAL, two of the world's largest international food shows.

However, the owner-managers explained that sometimes, there are smaller food fairs which they are not able to attend, due to time constraints; but they make use of independent sales agents, who attend such events on their behalf. Typically, these small independent agents hold sales account with them, and are able to solicit for events like open days, church bazaars and summer parties, where they can go and market the company's products. To highlight the effectiveness of this approach, the

COO stated that "recently, the use of an independent agent at an event led to £12,000 worth of orders the next day"; an amount which can go a long way to boost the bottom-line of a small company.

In relation to Proposition 2B, which states that "Individual-related factors would influence the use of supermarket loyalty card data in Small Agri-food companies", the above discussions have provided evidence to support this proposition. In particular, the education, economic history, administrative familiarity, personality and networking ability of the owner managers have positively impacted on the use of supermarket loyalty card data.

6.5.3 Informational Factors

6.5.3.1 Acceptability and Actionability

As it relates to the "acceptability" of supermarket loyalty card data, it was observed from the study that the data was politically acceptable from the study. The evidence for this observation was derived from the interview conducted with the owner-manager, and it was found that the data was accepted for three main reasons.

First, the data was accepted because it helped the owner-managers to clarify their thoughts regarding what thought was going on in the market. This point was highlighted in the MD's interview:

> "…We had assumed it was more of health, health, health; yeah, it's still health, but also there's a big chunk that like it almost from a gourmet kind of side… it helped us clear out what it is… It just came at exactly the right time, and it helped from different levels. One, it just gave us a lot of clarity, because it helped reinforce what we thought was going on, and then also brought in some new pieces. But it gave us a huge amount of confidence because this theory that we think is happening, is really happening…" **MD**

Secondly, the data was accepted because it also helped to inform the company about aspects of the market that they didn't know about. Again the MD stated that:

> "…it did a couple of things. One, young adults, and young families; it really clarified age spectrums for us, younger and older; and also, what really surprised us was the foodies… So knowing that those two were the key drivers: young adults, young families and foodies… and then also, letting us know that mothers market that's buying for kids, makes you to look at the world in a different way…" **MD**

Thirdly, the data was accepted by the company because it could be used the data to support their value proposition and it came in very handy for their sales pitch in meetings with supermarket buyers.

> "...it had to be that I need to take this dunnhumby data with some other data and weave it into a narrative for this other presentation... So it really allowed us to work with those guys on a whole different level..." **MD**

However, despite these reasons for the observed acceptability of supermarket loyalty card data; there was no evidence to suggest that the data would not have been accepted if, for instance, the data did not support their value proposition or if it didn't help to clarify their thoughts on what was happening in the market.

Furthermore, as it relates to actionability, the researcher observed the recommendations from supermarket loyalty card data has resulted into the implementation of certain decisions in the company. For instance, the MD noted that the use of the data helped the company to inform decisions regarding the packing of their products; and this amounted to actionability. On the other hand, it was observed that the data was mostly used to gain enlightenment and improve the knowledge base of the company.

6.5.3.2 Quality of Content and Form

From the conversations with the owner-managers, it was observed that the content and form of the reports was easy for them to understand. Perhaps this ease can be linked to their education and administrative familiarity. It would be recalled that both owner-managers had masters degrees and they had previously held corporate positions were they had to analyse marketing reports and information. Moreover, the owner-managers were also surrounded by a team of internal and external experts who have had previous experience of handling the data; so it was not difficult for them to analyse its content.

To buttress this point, the researcher observed that during the study, he was told by the owner-managers not to bother presenting the data in the usual power-point format; instead they requested for the raw data on the spread sheets, which gave them

the opportunity to query and crunch the data the way they wanted. They noted that he would have preferred the reports to not only be tailored to their specific needs, but to also be sharp and precise so that they could easily identify the key results.

In relation to Proposition 2C, which states that "Informational factors would influence the use of supermarket loyalty card data in Small Agri-food companies", the above discussions have provided evidence to support this proposition. In particular, the acceptability and actionability of the findings, as well as the quality of form and content of the SLCD reports were found to have positively impacted on the use of supermarket loyalty card data.

6.5.4 Relationship Factors

6.5.4.1 Involvement and Communication Intensity

It was observed that there was some measure of involvement and communication intensity between the researcher and the owner-managers of the company. The evidence for this assertion was based what transpired between the researcher (information provider) and the owner-managers (information user) before and during the period of the case study. The following was observed by the researcher: firstly, apart from the 1st standard set of reports sent to the company, subsequent request were tailored to meet the specific information needs of the company. Secondly, while the report was being prepared, the owner-managers, sales director and external consultant made several communications with the researcher, and this helped him to clarify what information they were really wanted and to tailor the reports to specifically suit them.

6.5.4.2 Credibility, Trust and Usefulness

These variables are related to acceptability, which has been discussed above (see section 6.5.3.1), and it was observed that supermarket loyalty card data was considered to be credible, trustworthy and of use to the company. This is because, on one hand, the data was generated from Tesco Clubcard data, which is represents 40 percent of the entire grocery markets, and managed by dunnhumby. On the other hand, the reports were prepared by academics based at the Centre for Value Chain Research (CVCR), within a reputable university; therefore, the owner-managers did not question the credibility of its source, trustworthiness and usefulness. Moreover, the reports we provided free of charge as support to the small food companies, and

the university would not jeopardize its name in any way. In fact, their use of the data attest to their trust for the data and its usefulness to them, because if they do not trust the data, or if it is not useful to them, they won't continue to request for it, neither would they be using it to inform their marketing decisions.

Similar to Propositions 2A, 2B and 2C, the above discussions have provided evidence to support Proposition 2D, which states that "relationship factors would influence the use of supermarket loyalty card data in Small Agri-food companies". Based on the case study, all the variables consisting relationship factors – trust, involvement, credibility, communication and usefulness – appeared to have influenced the use of supermarket loyalty card data.

6.6   Key Enablers to the Use of Supermarket Loyalty Card Data

6.6.1   Support from Top Management

The study revealed that one important factor that enabled the use of supermarket loyalty card data in the company was the interest and support for the data displayed by its owner-managers. Simply put, if owner-managers are not interested in the data or did not show interest in the data, it would not have been sought after or used; as such, every effort at providing the data to the company would have been wasted.

The researcher observed that the interest displayed by the owner-managers' towards the data elicited from the value of the data, its source and the expectation that knowledge gained from using the data would be beneficial to the business. The researcher observed the unflinching commitment from the owner-managers towards seeking and using market information that has the potentials to: (1) help them gain better understanding of the market; (2) logically support their value proposition; and (3) improve their performance.

Similarly, the researcher observed that the owner-managers were willing to learn new things about what was going on in the market; how it impacted upon their performance, and what opportunities and gaps exist. For instance during period of the study, the MD took the opportunity to ask the researcher questions to clarify his thoughts on results of the data. In relation to the factors influencing information-use,

this key enabler – support from top management – falls within the individual-related factors. In essence the owner-managers are responsible for accessing and using the various types of market information, of which SLCD happens to be one of them.

6.6.2 Owner-Managers' Education and Management Experience

Another group of factors that were found to enable the use of supermarket loyalty card data in the company are the level of education and previous managerial experience of the owner-managers. Both founders – the MD and COO – possess advanced degrees and they had previous experience working in the corporate world, before establishing the company. In this regard, it was observed that that their advanced education and experience influenced their decision and capability seek, analyse and use market information, derived from different sources, particularly supermarket loyalty card data. Similar to section 6.6.1, this key enabler – education and management experience of the owner-managers – constitutes part of the individual-related factors influencing the use of supermarket loyalty card data.

6.6.3 Experienced Marketing Team

In addition, the study revealed that the company had an experienced team responsible for its marketing planning and strategy development. This comprised of individuals who had gained corporate marketing and sales experience from large multinational corporations such as Rank Hovis McDougall (RHM) Plc, Coca Cola Plc, Pepsi and Nestle. Apart from the MD and COO of the company, members of the team include the Sales Director, Marketing Manager, External Sales & Marketing Consultant, and they have had previous experience handling different types of market-based information. In this regard, the researcher observed that the availability of this crop to experts positively influenced the capacity of the firm to seek and use information to inform their decisions. In addition, this possession of an experienced marketing team was found to be one of the key enablers to the company's use of supermarket loyalty card data; and it is encapsulated in the variable, "staff involvement", which is part of the individual-related factors.

6.6.4 Trust, Credibility and Usefulness of the Data

The researcher also found that trust, credibility and usefulness also influenced the company's decision to use supermarket loyalty card data. This assertion is based on the interviews conducted and the documents studied during the case study. The data

showed that the owner-managers considered the data trustworthy, credible, and very useful because it is emanated from a credible source. Similarly, this group of variables constitute the relationship factors influencing the use of supermarket loyalty card data in small agri-food companies.

6.6.5 Data Presentation Content, Style and Format

Another enabling factor found to positively influence the use of supermarket loyalty card data is the presentation and content of the reports. The data suggests that the owner-managers and other members of the marketing team found the content, form and format of the data simple and easy to understand. Consequently, this enabled them to make use of data, because it was tailored to meet their specific needs and presented in a format that was easy to understand. However, the researcher observed that their ability to easily analyse and use the data may be attributed to the education; previous experience and administrative familiarity of the members of the company's marketing team. Also, this group of enablers constitute the informational factors influencing the use of supermarket loyalty card data in small agri-food companies.

In summary, the discussions under this section (6.6) have shown that the individual-related factors were the more prominent enablers to the use of supermarket loyalty card data in the case company. Therefore, these key enablers provide evidence to support Proposition 2E of this thesis, which states that "Individual-related factors would influence the use of supermarket loyalty card data in small agri-food companies, more than the other group of factors".

6.7 Chapter Summary

This chapter has provided case description and analyses on the case study conducted with Alpha Foods limited. It also reported findings from the study regarding the dimensions of information-use, factors influencing the use of supermarket loyalty card data and enablers to the use of the data. The study revealed that supermarket loyalty card data was used mainly instrumentally, conceptually and "emblematically". The next chapter provides case description and analysis for the 2nd case study conducted with Bravo Farms Limited.

7 Bravo Farms Limited: Case Description and Analysis

7.1 Introduction

This case description and analysis is centred on a small agri-food company, named Bravo Farms Limited (for the purpose of confidentiality), involved in the processing, packaging and supply of fresh potatoes. The selection of the company as the second case was based on three methodological criteria:

(i)   The company represents a small food company, being a potato processing, packing and supply company; and turning over less than £10 million annually;

(ii)   Based on the company's engagement with the Centre for Value Chain Research (CVCR), the company has shown evidence of very limited use of supermarket loyalty card data (SLCD) in its marketing decision-making process; and

(iii)   The company indicated interest in taking part in the study and to further explore the barriers to making more effective use of supermarket loyalty card data, to which it has free access.

The participant observation and interviews were conducted during a two-week period, from the 6th through to the 17th of September 2010. During this period semi-structured interviews were conducted with five members of the company's staff team, and details of the researcher's participant observations were captured daily. The case study begins with an historical overview of the business before providing brief profiles of all the participants. It then moves on to present, analyse and discuss the distinct characteristics of the company and the factors influencing its ability to use the data. The chapter ends with a summary of the points and issues discussed.

Table 7.1: Summary of Case Study Activities in Bravo Farms Limited

Day	Summary of Activities
1	• General introduction to the company and participants in the study. • Requested for company's historical documents, management reports and articles. • Studying the company documents provided by my contact – Eddie.
2	• Had my first interview with the Managing Director. • Participated in the daily meeting with members of the management staff. • Familiarise myself with staff members and to ease-off any formalities • Given a comprehensive guided tour of the Pack House and entire processing plant from the delivery of harvested produce to storage, grading, packaging, through to when it was supplied to supermarkets.
3	• Interviewed the Sales and Marketing Manager. • Getting to know staff better with their official responsibilities. • Spent time during lunch in the dining room chatting with factory employees. • Having general observations into the mode of operation, organisational culture, approach to communication, management-staff relationship and general work ethics.
4	• Witnessed an unannounced audit to the farm house by Tesco staff. • Participated in the daily management meeting and recording my observations. • Started preparing some dunnhumby reports for the company. • Participated in potato testing for newly delivered batch of fresh produce.
5	• Interviewed the Procurement Manager. • Spent more time preparing dunnhumby reports, listening-in on staff discussions, observing and making notes. • Visited the factory and observed the operations and how staff interacted with one another and with their line managers. • Spent time studying the featured articles and newspaper cut-outs on the company's engagement with the community, observing and making notes.
6	• Sent the completed reports and mailed them to the Sales & Marketing and Procurement Managers. • Observing what the staff did with the reports I prepared for them and engaging in informal chats on how they make use of the report. • Transcribing some interviews earlier conducted, observing and taking notes.
7	• Participated in the daily management meeting and recording my observations. • Spent time analysing the company documents and feature articles collected.
8	• Had an informal conversation with the MD on his engagement with the company's new owners. • Joined the marketing team in analysing the reports prepared; observing them in the process. • Visiting some of the food-related websites to which the company subscribed and reading featured articles published on the company.
9	• Participated in the daily management meeting and recording my observations. • Spent more time interacting with factory staff in the dining room. • Participated in potato testing for new batch of fresh potatoes delivered. • Having informal conversations with members of the admin staff and taking notes.
10	• Managed to secure an interview with the Technical Manager. • Spent time during lunch in the dining room chatting with factory employees. • Reflecting over the data gathered so far and checking to see if all areas have been covered.

Source: The researcher's field notes from the case study

7.2 Historical Evolution of Bravo Limited

7.2.1 Family-Owned Potato Pack-House – The Humble Beginnings

Bravo Farms Limited commenced operation as a family business in 1933. According to Sherer (2010), of the *Vegetable Farmer* magazine, the Tapp family is synonymous with the evolution, development and expansion of the farm to its present state. In 1933, after returning from World War I, Colonel Arthur Griffin Tapp took on the farm's present site on leasehold, from Queen's College Cambridge, and later purchasing it in the 1950s. In 1959, his son Dick Tapp, who joined his father from the outset, fresh from university, decided to commence the packing aspect of the business, by building a pack-house in its present location. This therefore created two distinct aspects of the business, vis-à-vis: the farm, where potatoes were planted and harvested; and the pack house, where the harvested produce were processed, packaged and distributed from (FPJ 2009, Sherer 2010).

After this full purchase in the 50s, this local family owned business began gaining significance in the Kent and South East of England region for their expertise in the farming, processing, packaging and supply of fresh Kentish potatoes to the grocery stores, farm markets, hotels, restaurants and other outlets. On the back of its success in the late 50s and early 60s, the company spearheaded the establishment of the local co-operative called Kent-Veg Limited in 1961, which witnessed seventeen member-farms coming together to grow about 1100 acres of potatoes and committing to processing, package and supply them through the pack house. This co-operative has continued to blossom over the last four decades, and according to the company's procurement manager, "there is a strong commitment between the company and the producers based on mutual trust, transparency, and shared values" (Sherer 2010).

The company's working relationship with two major supermarkets - Tesco and Safeway - started in the 1990s, when the company started packaging fresh potatoes for their stores in the Kent and Southern regions; and at its peak, it packed more than 25,000 tons of potatoes annually, supplying via grocery stores and other channels. During this period, the company worked with Albert Fisher, a potato marketing agency that served as its conduit to the market. Albert Fisher was later transferred to Saphir, who took over the marketing and sales activities for the farm and other

members of the Kent-Veg Cooperative. However, the sales and marketing relationship between Saphir and Bravo Farms had to be reviewed in the mid-2000s due to the dwindling fortunes of the farm. This witnessed the transfer of the sales and marketing activities back to the company, with key marketing staff moving over to the company as full time staff members under the new arrangement.

The company's fortunes began to dwindle in 2004 when Morrisons, who owned their own potato pack house, took over Safeway. This meant that the company lost a sizeable amount of its business. The company's Sales and Marketing Manager explained the impact of the Safeway takeover on the business thus: "With our Morrisons contract lost, we were faced with the decision to carry on and size down or pack up completely" (Sherer 2010). Consequently, the farm's management at the time chose to downsize its activities instead of packing-up completely. This meant that tough decisions had to be taken and some staff members had to take early retirement, while some were made redundant. In addition, the two-shift operation of the pack house was cut down to a single shift a day. Coming out of this situation was tough for the company, explained the MD (who was then a non-executive director); and new ways and strategies had to be devised to gain new supply contracts. Fortunately, this was about the same period that Tesco decided to "go local" and this decision was its saving-grace; marking the company's road to a positive trading future. Since then, the company has supplied fresh Kentish potatoes to Tesco's 29 key stores in Kent. Similarly, with the Tesco account being the company's main supply contract to date; it earns an annual turnover of about £6 million.

7.2.2 Moving from Family-Owned to Privately-Owned

On the 20th of October 2009, the most important and far reaching change in its 51 year history took place when Bravo Farms was taken over by the prestigious potato grower and packer, JRC Limited (Sherer 2010). The takeover resulted in a change in the company's name to KPC Limited. The company's Managing Director spoke in his interview regarding how this takeover came about. He explained that in early 2008, the ownership of Bravo Farms, consisting of 35 family-shareholders, agreed to consolidate its ownership and sell the company to an independent privately owned company, and thereby relinquishing the family ownership of the business. He

explained that the MD, at the time, sought to buy the company, but his offer was turned down by other family members, who offered a stronger counter bid.

Eventually, out of an acrimonious situation, the former MD left the company, leaving the current MD, who was previously a non-executive director, to take the helm in order to provide the needed stability to see the company through its takeover. After intense deliberations and negotiations, the company was taken-over by JRC. After the successful takeover, the following were amongst the immediate actions taken by the farm's new owners: (1) the name of the company was changed to the KPC Limited; (2) new packaging was introduced to reflect the company's new name; and (3) they decided to retain the MD, first in acting capacity, and later confirmed to give the business some sense of stability after the takeover.

About one year after the company's takeover, and its re-christening as KPC Limited, the MD explains the relationship that exists between the farm and its new owners thus: "both companies share similar grower and consumer synergies, ethos and attitudes… things have gone really well in the first nine months." In the same vein, the company's Production Manager also stated that "we are already seeing the benefits in working with and through JRC" (Sherer 2010). In addition, over the last year, the business has witnessed a major investment of £1.6 million for the upgrade of production and grading facilities, and the building of a new on-site potato cold store, for the purpose of providing over 2,000 tonnes of high quality and high efficiency storage of fresh Kentish potatoes. Speaking on the importance of the recent investment, the company's Engineering Manager explained that:

> "…utilises the very latest equipment including a floor cold air convention potato storage system giving a reduction of electricity running cost to 15 percent. It is also estimated that stored potatoes will retain up to 3 percent more of their original weight through the new technology… ultimately, we are installing sophisticated potato storage equipment which mean better quality potatoes for consumer with associated benefits, including financial, for growers and the St. Nicholas Court Farm business" **(Sherer 2010).**

Similarly, the MD explained that it is expected that this relationship between the business and JRC, two companies that are comparable in many ways, would enhance the future success of this Kent business with genuine confidence. Further stating that

the company has so many inherent advantages over its competitors because their pack house is so close geographically to their potato growers and this is their "trump card" for a strong relationship with Tesco. It is a company committed to local food provenance and the most important segment of the whole chain, the consumers, are engendered to their produce as a result of this (Sherer 2010). However, the company's sales and marketing manager noted that they are currently seeking ways to add value to their present offerings to the market, and that "at the moment, about 2,000 tonnes of potatoes are wasted and go into animal feed, so there is need to think creatively about how we can add value, reduce costs and make money."

Considering the company's long family history, strong ties to the community and new ownership, it is imperative that they engage in these strategic changes in order to thrive and surmount the challenges of the future. Despite the considerable periods of uncertainty and decline experienced in the past, the business is beginning to recover under its recent JRC ownership. Nonetheless, the crucial challenge remains where their growth is going to come from, if they continue to operate merely as a local Kentish Potato supplier to Tesco.

This kind of history is not uncommon to small agri-food businesses, which experience rapid growth for during certain periods of their life cycle, and later face stagnated growth and stiff competition. More so, given their roots in farming, it is not surprising that they are production-orientated; however, to face the challenges to the future, the business needs to become more market-orientated. To this end, the effective use of market information, such as supermarket loyalty card data, would be expected to form a crucial part of the need to: (1) gain better understanding of the market; (2) identify the market gaps; and (3) develop appropriate strategies to explore the viable options.

7.3 Profile of Study Participants

This section provides a brief profile into the educational background, work experience and present responsibilities of the participants of the case study conducted with the KPC. It is also establishes the level of marketing knowledge within the business and the role of different people in the marketing decision-making process.

1. **Managing Director (MD)**: He's a farmer by profession and studied B.Sc. in Agriculture at the University of Newcastle. Since 1983 he has been running the family farm in Kent. In 2000, he joined the board of Bravo Farms as a non-Executive Director and remained in that position until he was appointed the Managing Director of the company in April 2008. Speaking on his background and how he assumed the mantle of the company's leadership, he noted that "my background is purely farming. I've been growing potatoes since 1983, and the reason for taking over as Managing Director was really to provide stability at a time when the business was going through a lot of change."

2. **Sales & Marketing (S&M) Manager**: He has worked with the company for over 25 years, and is easily referred to as the company's *Fire Fighter*. He started his career as a Sales Trainee with Tesco in 1975. He later moved from Tesco to Saphir Produce in 1982. However in 1999, the marketing and technical teams of Saphir moved to Bravo Farms. He knows everybody that needs to be known in and outside the company, from farmers to suppliers, supermarket buyers, retailers etc. He is responsible for managing the company's sales and marketing accounts with Tesco, as well as engaging in store visits and managing the relationship with supermarket buyers. He also liaises with the public and represents the company in almost all marketing and promotion related events.

3. **Technical Manager:** He was previously employed by Albert Fisher and Saphir (marketing agents previously responsible for marketing the company's potatoes) before transferring to Bravo Farm, due to an organisational restructuring. Since the transfer to the company, his role as Technical Manager has involved diverse functions spanning quality control, quality assurance, and technical liaison with several stakeholders.

4. **Procurement Manager:** She graduated with a degree in Food Marketing and Management from the University of Bath, and gained several years of experience working in the agri-food industry before joining Bravo Farms. Her present role involves sourcing potatoes from Kent growers and managing the relationship between the farms and the company. She explained: "in our grower group we have a cooperative that we deal with. And they commit to us certain acreage. So I manage them and all the pricing with them, just the general relationship with them, so that it's mutually beneficial, as much as possible."

5. **Stock Control Manager:** He is a Qualified Chef and Silver Service Waiter. He was introduced to the Farms by his mother-in-law who previously worked there as a potato sorter. In 1990 he started working in the company part-time to earn himself some extra income. He started working on the floor, doing a bit of sorting, stacking and grading; and later progressed into operating machines and driving forklifts. It was in 1998 that he joined the company full-time and applied for one of the production manager jobs that were being advertised at the time.

From the composition of the company's core marketing/administrative team, it is clear that there isn't sufficient marketing expertise in the business; and this has negative influences on the company's ability and capacity to effectively seek, analyse and use market information. While the MD is a farmer, the Technical is an Agronomist, and the Stock Control Manager is a trained Chef; only the S&M Manager and the Procurement Manager seemed to have some marketing experience. Yet, as the researcher observed, the S&M Manager seemed to be more of a salesman than a marketer. To buttress this point, he personally admitted that his knowledge of marketing was pretty outdated and required upgrading. In his words: "… I blame myself for probably the lack of skills and time… while I have the passion and knowledge of the business, I lack certain skills."

Similarly, despite the Procurement Manager's degree in Food Marketing and Management, her responsibilities majorly revolved around her engagements with potato farmers and suppliers that make up the Kent-Veg cooperative. Consequently, most marketing decisions in the company are taken by the S&M Manager (that's why he's considered the *fire fighter*), with his limited knowledge. For instance, when asked about the details of a recent marketing campaign, the *Schools Programme*, the Procurement Manager simply replied: "I don't know much about that, I think the Marketing Manager is the best man to ask." Therefore, considering the limited marketing knowledge of the company's S&M Manager, it is not surprising that the company lacks the ability and capacity to effectively seek, analyse, and make use of relevant market-based information.

7.4   Use of Supermarket Loyalty Card Data

7.4.1   Instrumental Use

Based on the study, there was very little evidence to suggest that the company used supermarket loyalty card data from an instrumental dimension. In the first place, the business lacks trained marketing personnel and its existing employees lacked the capacity and expertise to analyse the SLCD reports provided to them.

The researcher observed that KPC did not necessarily lack access to market information, because they were regularly provided with industry magazines and monthly potato reports from the Potato Council, which is prepared by AHDB Market Intelligence Limited. This is in addition to the free supply of supermarket loyalty card data from the Centre for Value Chain Research (CVCR); but they simply lack the technical capacity to analyse and use the information. Therefore this lack of capacity has hindered the company's ability to leverage existing market gaps. For instance, when asked what they had done with earlier SLCD reports they were provided with, they simply explained:

> "...we've had it, and looked at it, but we didn't know where to carry it on from there... the data looked good, but we didn't know what next to do."
> **Procurement Manager**

> "...honestly, we have not been doing very much with the information and the monthly potato reports that we receive ... when the company changed 4 years ago to promoting Kent and reducing cost, we thought we would be making more use of information to sharpen our insight into the market, but that hasn't been the case... the company needs to be more productive with the use of information." **Sales & Marketing Manager**

Interestingly, the Procurement Manager remarked that the company was in the process of launching a new potato line into Tesco. When probed further, it was found that their decision to develop the new potato line was not backed up by any form of market-based information. It appeared that the decision was taken by intuition of the S&M Manager. She further requested that to ensure continuity of the relationship they enjoyed with Tesco they would need some data "to support and justify the need for the line to the Tesco buyer..." This example highlights the company's production-orientated approach to business that needs to be changed if the company would remain in business.

7.4.2 Conceptual Use

The observation for the conceptual use of supermarket loyalty card was similar to that of instrumental use discussed above. There was very little evidence to suggest that the company used the data conceptually, to gain enlightenment and improve its knowledge base of the potato market. Despite the engagement of an external consultant (an ex-Tesco Potato Buyer) that engaged in some PR and marketing projects for them, the interviews revealed that their engagement with the consultant has yielded very minimal benefits. As the S&M Manager emphasised:

> "Yes some of the points he raised were understood, but the question remains – how do we take it forward? …we have a 99.7 percent service record with Tesco, but how do we capitalise on this?" **Sales & Marketing Manager**

Similarly, the researcher observed that the inexperience of the company to gain market insights from the SLCD reports may be linked to the company's history of previously having all their marketing and sales activities managed by independent marketing agents – Albert Fisher and Saphir. Consequently, after almost 20 years of moving those specialised services back to Bravo Farm, the business still suffered from the lack of those vital services, which was previously outsourced. To buttress this point, the Technical Manager alluded:

> "…bear in mind that Saphir at that stage was marketing all the produce from this company. They were the marketing agent, so this company here, then, wasn't exposed to the customers…" **Technical Manager**

Therefore, while the above quote suggests that the marketing-disconnect between the company and its customers may have impacted its ability to effectively use supermarket loyalty card data. However, this is unlikely, considering that over the last 20 years, the company has constantly engaged in marketing campaigns like *Local Heroes* and *"Its-a-Spuds-Life Competition"*. These campaigns have also earned the company enormous goodwill within the region; with award nominations from regional organisations like *Produced in Kent* and *Taste of Kent*, which nominated the company for the award of "Kent Food Producer of the Year" in 2008.

7.4.3 Symbolic Use

Again, there isn't sufficient evidence to suggest whether or not supermarket loyalty card data was used in a symbolic manner. In other words, it is difficult to tell whether

data might have been altered or distorted in any way to support the decisions of the company or 'justify decisions already made'. Nonetheless, mis-interpretation of the data cannot be ruled out, given that the company's marketing team lacked the requisite skills and knowledge to analyse and use the data. Therefore, there's a possibility that the data may have been distorted; though not on purpose, but due to their inherent limited knowledge and lack of analytical skills.

7.5   Factors Influencing Information-Use

This section provides a review of certain characteristics that are uniquely associated with Bravo Farms/KPC Limited. These characteristics were identified via the semi-structured interviews; featured articles in magazines such as *The Vegetable Farmer* and *Fresh Produce Journal (FPJ)*; and recorded participant observation of the researcher. The discussion is structured in line with the conceptual framework.

7.5.1   Organisational Factors

7.5.1.1   Organisational Structure

Bravo Limited presently employs about 60 employees working in the pack house and office. Despite its size, the researcher was observed that the company practices a functional organisational structure, with several middle level managers managing different aspects of the business. It was observed that the company had no formal organisational chart. Nonetheless, Figure 7.1 depicts the researcher's observation of the company's structure.

Figure 7.1: Organisational Structure of Bravo Limited
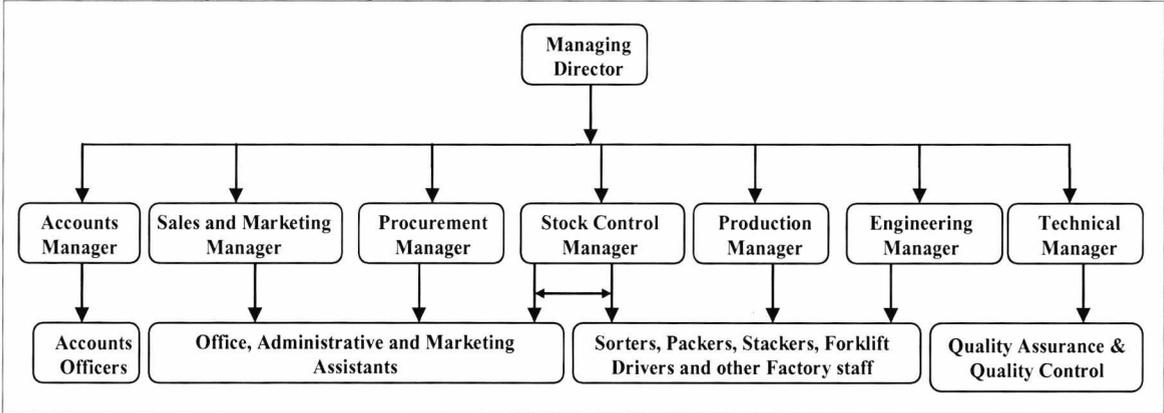
Source: Observation from Case Study Two

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The researcher also observed considerable formality in the company's mode of operations. Factory workers were managed by their line managers, who reported to directly to the MD or management team, at their regular morning briefings. Likewise, there was very little contact and communication between factory workers, such as the potato sorters or forklift drivers, and the top management such as the MD. As such, the researcher observed very little contact and/or communication between factory workers and administrative staff. For instance, there are two main dining rooms where the all staff members are expected to have lunch; however, during the entire period of the study, the researcher observed that only the factory workers made use of the dining rooms, while the admin staff remained in their offices or went out of the building during break periods. Perhaps, this is because the break system for factory workers is different from that of admin staff. Nonetheless, very limited contact was observed between admin and factory staff.

Unlike the case of typical small businesses where there exists strong interpersonal communication amongst management and staff, the KPC's top management seemed detached from the bottom employees. Consequently, it was found that the MD based his knowledge of the factory operations, like how many tonnes of potatoes were processed in a particular week or month (for instance) on the briefing or report he receives from the factory manager.

Despite this perceived disconnection between the top and bottom staff, the researcher also observed that there were a few factory employees that had access to the administrative part of the building, and could walk in to have a brief discussion with the MD. It was found that these were staff members who had worked for about 30 to 40 years with the company and were considered a core part of its existence to date. From an informal conversation with one of the forklift drivers, he remarked that he had been with the pack house for about 38 years, stating that "*I know everybody and everybody knows me, so I can sometime come here for a chat...*"

7.5.1.2 Organisational Culture

Based on the data gathered from the case study, there isn't substantial evidence to suggest that the company imbibed the culture of innovative, speed and customer orientation. For example, the launching of a new potato line without the support or

backing of any market-based information confirms a more production-orientated and less customer-orientated company. Secondly, on the issue of why the company exhibited very limited speed, innovativeness and consumer orientation, the data suggests that this may be due to lack of time, often associated with small businesses. To buttress the lack of innovation and creativity in the company, the Marketing Manager stated that, "*at the moment, our innovation is using 20-year-old packaging and hoping people buy locally.*"

It was also observed that everyone in the company (admin and factory staff alike) seemed very busy, carrying on with their daily activities; and there was little time to reflect about what was going on in the market and possibly consider new ideas on how to serve their customers better. The Technical Manager, remarked that:

> "I think we are quite insular, in terms of our experiences, and therefore that tends to affect our viewpoint. Our viewpoints tend to come based on an insular type; almost as if we were a very small island down here, and the world goes round us… I think it's because we're a small company, where everyone's quite busy. So they have their heads down in their day-to-day roles." **Technical Manager**

Therefore, very little creativity and innovation is taking place in the company. Although the lack of creativity may be related to the sector in which the company operates. Being potato farmers and packer, supplying the largest UK supermarket chain; their ability to innovate may have been overshadowed by the need to satisfy their sole customer. More so, any strategic efforts had to be approved by JRC, the company's new owners.

7.5.1.3 Business Planning and Managerial Expertise

There is very limited business planning and management taking place in the company. The study revealed that in the last few years before its takeover, the company operated without any formal (or informally thought-about) business plan or marketing plan, and this limited planning tended to have affected its performance.

Given its long history of farming and packing of fresh potatoes, it appeared the company were comfortably engaging in the routine, and gave very little consideration to business planning. When asked if the company had a formally

written business or marketing plan, Tracy's response was "No, there's not a marketing plan. No." The same response was given by the MD, "No"; however, he took considerable time to explain that at the time he took helm of running the company, his main task was to bring stability to the business. He attributed this to the crises brewing in the family-owned business at the time:

> "… I think, because of the uncertainty, and because the family has had various different opinions about what should happen… the reason for taking over as Managing Director was really to provide stability at a time when the business was going through a lot of change… so we had to deal with that instability, first of all, which didn't really lead to any changes in the way the business was run, but there was an awful lot of uncertainty amongst the staff about what the future would be… we've had a big problem there, because I was an emergency Managing Director. It was unclear how long I would be there for. The main brief was to try and get the sale of the business… so drawing up a plan beyond that seemed to be rather pointless…" **MD**

This was before the takeover of Bravo Farms by JRC. Therefore, when probed further about what strategic plans have been put in place since the successful takeover of the business, it was observed that not very much have been done to develop a business plan and decide the strategic future of the company. The MD admitted that this was a weakness on the part of the new board, and beyond his control. Further suggesting that, at the moment, the only strategy the company has is to rely on the access that JRC has to penetrate other supermarkets. In his words:

> "Since the sale to JRC in October [2009], we haven't been able to sit down as a board to try and draw up a formal business plan either; which is a bit of a weakness. So that's something that I regret, but it's more a reflection of circumstances beyond my control… The only strategy and safeguard we've got in place now is the superior access that the Jersey Royal Company has to the multiples" **MD**

In the same vein, the Technical Manager emphasised that he believes JRC has strategic plans for the company, but they do not communicate those plans with them. In his opinion, JRC may have some plans for them, but it appears those plans remain "in their heads" and the challenge KPC currently faces is that of poor communications regarding their future strategic direction. He further explained that although there are often video-conference-meetings which take place occasionally between KPC and JRC. However, they tend to be unplanned and undefined:

"We have new ownership at the moment from Jersey; who probably does have a plan, but they seem to be... it sounds very critical, it doesn't mean to be that way... but they have it in their heads, not written down in a development plan that outlines where the direction, where it is and you're clear in what your goal is within that. No, that's down to a few key individuals who are very much entrepreneurs, I suppose. But not necessarily seeing a five year plan going forward and it laid out in stages... it's incoherent. It's communication when they need to communicate, if that makes sense... so for example, if they are developing an objective with Tesco, my key thoughts are... they would be developing that with the account manager here, which would have been the S&M Manager, and if there were technical issues arising from supplying that, he would be asking me...You tend to get the feeling that the phone rings, and someone will tell him the end result. Like, we are doing this next Friday. Well, people don't go with you when you just get end results... you don't get most out of that... why are we doing this? We don't understand the objective necessarily, because it hasn't been really explained what the strategic position behind all this." **Technical Manager**

Similarly, it was observed that this lack of business planning and strategic direction is critical to the company's future success. For instance, the company currently faces the imminent threat from operating as a sole supplier to Tesco in the Kent region; and there exists no strategy in place to protect them from the unexpected. Although, it was expected that the takeover by JRC would create new opportunities for market penetration; yet, after about a year of the takeover, KPC still has only Tesco as its main supply contract, which poses a serious threat to its operations.

The severity of this threat is not far-fetched, considering that an unexpected end to the Tesco contract would have serious implications for KPC's continued existence. To buttress the gravity of this threat, the MD reflected back to when they lost their supply contract with Safeway. He recounted that, at the time, they were also under notice from Tesco, and at the brink of closure. Everyone in the company was under pressure. The Stock Control Manager elaborated further on this point, citing the example of another closed potato pack-house:

"...that's always the case when you're a sole supplier, as we are to Tesco, there is always that at the back of your mind, that, tomorrow somebody could come along and say, here you go, here's X amount of thousand pounds Mr Tesco, we'd like to do your business. And away they go. Obviously, Romney Marsh is a classic example... they invested in the business, and then it all went pear-shaped when they had their customer pull out, and there was nowhere else to go, they had no other outlet... maybe expanding into other supermarkets may be the way forward... probably getting new businesses is the right way to go, but it's always quite difficult to get new business... it would be nice if we could get to new customers... because at the end of the day, if you put all your eggs in one basket, you could end up in today's world." **Stock Control Manager**

Although he was quick to point out that he does not believe KPC "would necessarily suffer the same fate if Tesco pulled out"; because the company had loyal suppliers within the Kent-Veg cooperative, who would be ready to continue supporting them. On the part of the MD, he appeared optimistic that the future holds better prospects for the company; because their current relationship with the JRC would still yield positive results that would favour the company. He remarked:

> "…what we've got in place now is the superior access that JRC has to multiples. The fact is that there are only two suppliers of JRC Potatoes to the multiples. One is a supplier to Sainsbury, and to a lesser extent to Asda, which has about a third of the market volume; and JRC itself, which has the other two-third of the market. Doors can be open to the supermarkets that were previously shut to us. They can use their brand as a lever to try to secure us business, which is what they've been trying to do…" **MD**

It can therefore be suggested that the company critically requires business planning, because its absence has been one of the barriers to effectively accessing and making use of market information, such as supermarket loyalty card data. Simply put, without any strategic direction, there would be absolutely no need to go out in search of information.

7.5.1.4 Family Business Heritage and Involvement

KPC is presently a privately owned company, with its historical roots deeply entrenched in family-owned management (Sherer 2010). Although, while a member of the Tapp family still manages the business to date, its current strategic direction is decided by its new owners, the JRC Limited. To that extent, it was observed that, despite its new private-ownership status, the company's *modus operandi* still exhibits traits of family-owned management.

Furthermore, data from the interviews suggests that the Tapp family possesses immense social capital within the Kent region; and it was revealed that the business has contributed to boosting the local economy, because over 90 percent of its employees live within the Thanet region. It was observed that a family atmosphere still permeates the pack-house; and there are several husbands working in the fields, while their wives are packers, and their other relatives from the village also work side by side (FPJ 2009). The Stock Control Manager threw more light to this issue,

by explaining that the company's family history was greatly responsible for its high employee retention. In his words:

> "When it was owned by the Tapps, it was very friendly, very low, family oriented. They look after their employees; they're very good at that. There are people that have been here for sort of 20, 30, 40 years, or even their whole working life. So they're obviously doing something right by looking after their workers, for people to be here that long." **Stock Control Manager**

Even most of the previous directors live locally, and they still have very strong attachment to the company despite its new ownership. According to the MD, "the interface between the previous directors and me is quite straightforward; they live in the village here, and are always looking out for the company." Similarly, an informal discussion with one of the factory workers revealed that he lives in Margate, and it takes him just about 15 minutes to drive down to the pack-house every morning.

Additionally, it was observed that the social capital possessed by the Tapp family was also strengthened by their decision to carry on with the business, during the mid-2000s when the business experienced major losses due to losing their contract with Safeway, which was taken over by Morrisons. The MD explained that they had to take the decision to remain in business, because the consequences of a closure would have been grave for the local economy. He elaborated on this point:

> "Now, at that time we were doing Safeway and Tesco; Safeway sold its business to Morrisons. Morrisons do all their packing, so we were under notice from Morrisons, and we, at the same time as Tesco pulled the plug on Romney Marsh, we were under notice from Tesco as well. So we were facing the mid-2000s with the possibility that we'd have no supermarket customers for our potatoes. And that combined with the fact that the only executive director here was N. Tapp, the only one of my generation that had an interest in keeping the business going, meant that there was quite some pressure to shut down the pack house; because it's very difficult to find new supermarket customers. But we decided, as a board, to just try and keep muddling through. I think partly because D. Tapp, and his brother Martin, didn't like the idea of shutting the pack house down. And partly because I suppose we just hoped that something might, perhaps Tesco would relent from their decision to serve us notice. And our rescue came through the invention of local, or the rediscovery of local, through Tesco." **MD**

Another feature highlighting family management in KPC was the role of conflicts in its evolutionary process. It was observed that conflicts played a crucial part of the company's eventual takeover by JRC. In this regard, the MD alluded that his appointment resulted from a family feud amongst the board of directors, which led to

the exit of his predecessor. However, as it relates to the involvement or intervention of family member regarding the company's strategic direction and influences on information use, there was insufficient evidence to suggest that the family members were influential in any way.

7.5.2 Individual-Related Factors

Individual related factors are discussed along the lines of education, economic history, administrative familiarity, personality, decision-making rationality, and networking.

7.5.2.1 Education, Economic History and Administrative Familiarity

During the period of the study, the researcher attempted to investigate if the variables education, economic history and administrative familiarity of the management team influenced their use of information. It was observed that the three variables influenced the very limited use of supermarket loyalty card data in the company. The data revealed that, despite the fact that some of the members of the management team had university degrees, they still lacked the managerial familiarity, particularly in the area of marketing. For instance, the data showed that the MD is a farmer by profession, and he has limited knowledge of business management. He personally admitted his managerial inadequacy; stressing that this was the reason why he initially refused the offer to be MD; and he only accepted to take up the offer on the condition that his sister joined him on the company's board, so that she would be able to support his limited managerial expertise. In his words:

> "...coming in here, I refused to take on the job as Managing Director unless my sister, R. Tapp, also came in, which she did as director until roughly June-July last year. She provided me with marketing experience through her working with Gees, who are salad growers in East Anglia with a turnover of 100 million pounds, I should think... so, recognising my weakness there, I bolstered it with my sister..." **MD**

Similarly, other members of the management team comment on the managerial inadequacy of the Managing Director. Although they justified his inadequacy by the fact that he is a farmer and that he took helm of running the company at a very difficult period when the company was in dire need of stability; which he has successfully achieved. They commented as follows:

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"Our current MD is fantastic, but he's like myself, he's from a farming background… and I am who I am, in my opinion. So, he will do what he can to the best of his ability. As well as other responsibilities he has with his own farm." **Technical Manager**

"…because the MD is quite logical in his thought. And I've had discussions with him, if you've got data to back up and argument that you've got… I think he's quite open. But then he doesn't quite know what's out there… yeah, so marketing for him has always probably been handed over to a third party. So yeah, his experience of it is quite limited." **Procurement Manager**

Apart from the MD's lack of managerial expertise, the study revealed that other members of the management team also lacked the technical expertise to analyse market information and this influenced the company's limited ability to use supermarket loyalty card data.

7.5.2.2   Personality, Decision-Making Rationality and Networking Ability

The observation on personality and decision-making rationality was similar to that of education and administrative familiarity. The data suggests that the MD did not possess an information-seeking personality and his decisions were not made based on his rational analysis of any set of market-based information. In terms of decision, it has already been emphasised above that most of the strategic decisions of the company were currently being taken by the Jersey Royal Company.

However, despite the MD's little input in the company's strategic decision, he appeared to have considerable contacts and networks amongst the potato farmers, who remain key stakeholders to the company's continued existence. For instance, the researcher found that the MD has a close relationship with the owner of Quex Farm, who is the largest potato supplier in Kent and Chairman of the Kent Veg. Cooperative. Similarly, it was observed that the decision of JRC to retain the MD was because of his networks amongst Kent potato suppliers, with him being a farmer himself. It was also mentioned that the decision by JRC to retain him as MD was because they knew that the only way to continue enjoying the support of members of the Kent-Veg co-operative was by retaining a member of the Tapp family as MD. Although this statement couldn't be substantiated; yet, it appeared the social capital of the Tapps stood in their favour.

Furthermore, from the study of company documents, feature articles in industry magazines and old newspaper cut-outs; it was found that the company's network base has been built over the years by several events and marketing campaigns organised in the past. The data reveals that the company has for long been considered a champion of the local food project. One of such campaigns was the *Local Heroes* campaign, which focused on bringing potato growers within the Kent-Veg cooperative closer to their customers, and creating awareness on the need for shoppers to buy local food. Figure 7.2 presents a pictorial reference of the *Local Heroes* campaign, on one of the events organised by company, before its takeover.

Figure 7.2: Bravo Farm's Local Heroes Campaign

Source: (FPJ 2008)

This campaign witnessed wide regional appeal and one of such growers, Great Brooksend Farm, who had been a supplier to Bravo Farms for over 30 years, had the opportunity to meet and interact with the consumers of his fresh potatoes for the first time. The campaign featured the strap-line *"Grown in Kent, sold in Kent, our local potatoes are the pick of the crop"*, and set a new standard in the region's food marketing initiative of Tesco.

Consequently, it was suggested that this innovative approach to marketing Kentish White and Kentish Desire variety of potatoes helped to: (1) create awareness about

the potato varieties; (2) increase sales in the local Tesco stores; (3) increase the commitment of shoppers towards buying local food; and (4) bring the potato growers closer to customers (Sherer 2010).

Nonetheless, there was little evidence to suggest that the company leveraged on its contacts and networks as an effective tool to source market information. More so, it was not clear how their networks influenced the decision and capacity to seek, analyse and use such market information. Probably, their decision to develop new potato lines was spurred by the face-to-face feedbacks that the *Local Heroes* campaign afforded the company. Yet, the researcher observed that there were no documents that clearly spelt-out the objectives of the campaign or list of feedbacks from the event.

7.5.3 Informational Factors

Informational factors are discussed along the lines of acceptability, actionability, quality of content and quality of form.

7.5.3.1 Acceptability and Actionability

Based on the study, there was evidence to suggest that the supermarket loyalty card data prepared for the company were acceptable; however, it wasn't actionable. This evidence was based on the interviews conducted with the participant, and it was not peculiar to the data alone, but all other sources of market information accessed by the company, such as the monthly retail reports from the Potato Council and the EPOS data from Tesco. Both the S&M and Procurement Managers admitted that the reports were acceptable, but their lack of analytical capacity hindered the actionability of the report findings. As the Procurement Manager puts it: "we had it, and looked at it, but we didn't know where to carry it on from there..." The implication of this is that it is difficult to ascertain whether the supermarket loyalty card data was actionable or not. This is because interpretation of the data is meant to precede its application. Hence, the company's inability to interpret the data, in the first place, averts the likelihood of actionability or use.

7.5.3.2 Quality of Content and Form

The researcher observed that the quality of content and form of the reports prepared for the company constituted a negative influence on the non-use of supermarket

loyalty card data. Although the researcher's engagements with other small businesses shows that the reports are quite straight-forward and easy to understand; however, the S&M and Procurement Managers confirmed that they found it difficult to analyse and fully appreciate what the findings of the reports. However, this is not surprising, given that, as previously discussed, the company lacked the managerial and marketing expertise required to analyse all the market information it receives. As evidenced by the S&M Manager's statement that: "… I blame myself for probably the lack of skills and time… while I have the passion and knowledge of the business, I lack certain skills."

7.5.4 Relationship Factors
Relationship factors are discussed along the lines of involvement, communication intensity, credibility, trust and usefulness.

7.5.4.1 Involvement and Communication Intensity
During the period of the study, the researcher observed that MD made absolutely no contact with him as he prepared the SLCD reports for the company. Similarly, S&M and Procurement Managers exhibited very minimal involvement in the process as well. From the researcher's interaction with them, it appeared that they neither understood the nature of data, nor the insights that could be derived from the dunnhumby database; hence, they didn't really know what to ask the researcher.

It was also observed that S&M Manager had some idea of what he wanted the company look like, but lacked the knowledge of what was needed to get to the company to that point. According to him, "I want this business to be something special… I believe it can grow and I want to be able to ask Jersey 'can you invest some amount in this business' and be able to back it up with data." The implication of this is that without the appropriate data, the company would not be able to convince the new owners that they know the type to investments that ought to be made in the business.

7.5.4.2 Credibility, Trust and Usefulness
Credibility, trust and usefulness of information are related to the source of the information. Despite their inability to effectively analyse and use SLCD and other market-based information at the disposal of the company; there is evidence to

suggest that they considered the data credible, trustworthy and useful. In the words of the S&M Manager, "we know the data is powerful and credible because it comes from you guys. We trust it too, but just lack the skills to make sense from it." Similarly, the MD explained that the company previously hired the services of external consultants who came in at intervals to look into the managerial and financial issues of the business; but their service was terminated by his predecessor, who didn't see the need to retain their services. Consequently, this lack of external help has critically hindered the company's ability to manage certain areas of the business, because they could no longer benefit from the external managerial expertise, which they previously enjoyed.

7.6 Barriers to the Use of Supermarket Loyalty Card Data

It is worth noting that the company had shown evidence of very limited use of supermarket loyalty card data, and was contacted to further explore the factors acting as barriers to the use of the data in small food companies. Therefore, based on the study, and the above discussions, the following factors were found to have barred the use of supermarket loyalty card in Bravo Farms/KPC Limited.

7.6.1 Lack of Strategic Direction and Business Planning

This has extensively been discussed above (see section 7.5.1.3) and is linked to both the organisational and individual factors influencing information use. It was observed that the company had no written business or marketing plan, and the current MD took charge of the affairs of the company at a time the when it needed stability. As such, there has been no concrete strategic plan for the company; apart from the need for the company to remain alive until it was sold out to new owners. The implications of this was that the company didn't place and value in the need to seek and use market information. Even when the company had free access to supermarket loyalty card data, the lack of strategic direction hindered its ability to make the best use of the data.

7.6.2 Limited Managerial and Marketing Expertise

This is related to the lack of business planning discussed under the organisational factors influencing information-use. It was found that the management team of the company had limited managerial and marketing expertise; therefore, they could not

effectively harness the value of the SLCD reports prepared for them. This was also linked to the education and administrative familiarity of the management team (individual-related factors influencing information-use); and it was found that the MD was a farmer; the Technical Manager, an Agronomist; the Stock Controller, a trained Chef; and even the Sales & Marketing Manager had a very dated knowledge of marketing. More so, he is more of a sales man than a marketer. To buttress this point, Procurement Manager remarked that:

> "No. It's quite easy, we don't. I think we're very inexperienced in that, and really ignorant of what it can do. We know that it's there; we know that it could be very powerful, but I think we don't have the expertise… yeah training would be essential and I think the managers would allow us to do that. Because I think they would be able to see the benefit in it." **Tracy**

7.6.3 Lack of Marketing Training and Development

This barrier is related to the above barrier and also relates with the organisational factors influencing information-use. The study also revealed that another barrier hindering the use of supermarket loyalty card data was the lack of marketing training and development. It was observed that they company's Marketing and Procurement Managers had not attended any training to update his knowledge in a very long time. Clearly, this is an organisational issue, which can be linked to the managerial inability of the management team. The S&M Manager should have been sent on a number of short courses and training programmes to upgrade his marketing knowledge. This lack of training and development has negatively influenced the company's capacity to seek, analyse and appreciate the full value of supermarket loyalty card data; neither has it allowed them to be able to use the data effectively.

7.6.4 The Challenge of Limited Time

Another barrier hindering the use of the data in the company was the challenge of inadequate time on the part of the S&M Manager. Again, this barrier is linked with the organisational and individual-related factors influencing information-use. It was found, for instance, that the Sales & Marketing Manager spends more of his time engaging in sales activities, while allowing marketing functions to suffer. This may be related with his background as a salesman, which commenced in 1975 as a Sales trainee with Tesco, where he was tutored on the rubrics of how to be a salesman. He alluded that he thinks it's high time he got a Marketing Assistant to take over marketing functions of the business from him. Although the challenge of lack of time

is not uncommon to small businesses; yet the company's Procurement Manager emphasised that in this case, the challenge is:

> "We're a very close knit team, and very loyal. People have various roles, because it's such a small organisation. So, a lot of people are stretched. So, you can find there's a lot of blending between roles. So, I help him out on some of the marketing just because he's answering phones or sorting out bits and pieces. So, we're all very time restricted." **Procurement Manager**

7.6.5 Slow Pace of innovation and Creativity

Another factor that acting as barrier to the use of supermarket loyalty card data is the company's slow pace of innovation and creativity. This barrier falls under the organisational factors influencing information-use. It appeared that the company the company's production-orientation meant that they were more focused on what was happening in the factory and less on what was happening in the market; hence they didn't see the need to access or use market information, even when it was provided free of charge. From the interviews, the company's Technical Manager threw more light on this issue thus:

> "...there was no real replacement plan going forward, looking at things... we would wait until we were almost forced to change the pack type by the customer. We weren't necessarily coming forward with a new pack type. We weren't necessarily looking at what is the next more efficient new equipment to actually use. We weren't there, we were following, and it was often, look, you need to change. So, Tesco may say, you need to change, and then we would have to change... Without a formal process, we were milking the asset and keeping this equipment going." **Technical Manager**

7.6.6 Inadequate Investment in Research and Development

In addition to the slow pace of creativity and innovation, data from the case study suggests that the company had in the recent times experienced periods neglected its investment in research and development. This barrier can be linked to the company's lack of innovative culture, which falls under the organisational factors influencing information-use. Although the company seemed not to have any major debt profile, as the business was risk averse and tried to manage its meagre resources for many years, without seeking any form of debt capital. Nonetheless, the Procurement Manager explained that "being a small company, they lacked the financial wherewithal to innovate and seek external help", which includes its ability to seek and use market information.

7.6.7 Presentation Format of the Data

Finally, data from the case study revealed that the format in which the SLCD reports were presented tended to act as barrier to their use of the data. Although the researcher observed that S&M and Procurement Managers seemed to understand the data prepared for them during the period of the case study. However, it appeared the previous sets of report sent to them were not fully understood. Perhaps, the reason why the data seemed to be easily understood during the study was because the researcher was on ground, so they could ask him any questions directly. In addition, it is worth noting that, in the first place, the company lacked the expertise to handle the SLCD reports and engage in marketing planning; therefore, their perception regarding the report format being a barrier may not necessarily be the case, since they actually lacked the skills to handle the data.

7.7 Chapter Summary

This chapter has presented case description and analysis of the second case study, KPC Limited, formerly known as Bravo Farms. This commenced with an historical evolution of the company and brief profiles of the study participants. The discussions on the dimensions of information-use and factors influencing the use of supermarket loyalty card data were in line with the conceptual framework.

To summarise, the data revealed that several factors that formed barriers to the company's ability to make effective use of supermarket loyalty card data to influence its marketing decisions, such as: lack of strategic direction; inadequate managerial expertise; limited skills for analysing market information; limited innovation and creative efforts; and lack of internal or external training activities. The next chapter provides a cross-case analysis of the case studies conducted with Alpha Foods Limited and Bravo Farms Limited. Thereafter the concluding chapter would be presented in chapter nine.

8 Cross Case Analysis of Findings

8.1 Introduction

This chapter presents cross case analyses of the empirical findings from the two in-depth cases studies presented in chapters 6 and 7. The aim of this chapter is to identify the key theoretical insights that can be drawn from the empirical evidence gathered. Therefore, the chapter presents a synthesis of the dimensions of information-use, factors influencing the use of SLCD and benefits of using supermarket loyalty card data in the marketing planning and decision-making process of small agri-food businesses, based on the theoretical linkages.

8.2 Cross Case Analysis of Small Business Characteristics

In chapter two of this document, the discussions on small businesses drew considerably from the SME literature; and the definition of a *small business* adopted in this thesis was in line with the European Commission definition as "any company with turnover of less than 10 million pounds and having less than 50 employees". This definition also formed part of the criteria used in selecting the cases; and both companies reasonably fulfilled the criteria. Although the second case had a total of between about 60 employees; nonetheless, it was overlooked because the company had earlier shown evidence of limited use of supermarket loyalty card data. It was also considered suitable to explore the factors acting as barriers to their use of SLCD. More so, its managers had indicated willingness to be part of the further investigation, after the initial interview phase.

8.2.1 Performance Related Issues: Inadequate Resources - Finances, Time and Skilled Staff

Literature suggests that while small businesses possess unique characteristics, they also tend to face certain performance-related issues, that distinguish them from large organisations (Carson and Cromie 1989, Stokes 1995, Stokes and Wilson 2006). Small businesses have been found to suffer from the lack of scale (Hogarth-Scott, Watson and Wilson 1996). They also experience resource constraints, particularly of time, finance (Hudson, Smart and Bourne 2001, Lu and Beamish 2001) and human

resource, which tends to limit their ability to seek expert hands in the business (Carson 1990, Weinrauch *et al.* 1991). Similarly, these resource constraints are likely to influence their investment in marketing (Hogarth-Scott, Watson and Wilson 1996). For instance, the lack of finance, may hinder small businesses from: (1) conducting their marketing tasks, (2) seeking alternative marketing efforts; (3) entering markets where they would not be able to compete if they do not have sufficient resources; and (4) seeking specialised marketing advice from consultants (Oakey 1991, Weinrauch *et al.* 1991).

Based on the case studies, there was evidence to suggest that both companies presented mixed findings in relation to the positions espoused in the literature. In some instances, the findings affirmed the position of the literature, while in others, they were found to be inconsistent. As it relates to the constraints of time and finance, it was found that both companies experienced these constraints. However, in the area of human resource needs, while Bravo Farms provided evidence that tend to affirm the position of literature that financial constraint hinders the ability of small businesses to attract and retain experienced personnel; the findings from Alpha Foods Limited did not support the position.

Despite its apparent financial constraint, there was evidence to suggest that Alpha Foods adopted a creative approach to resolving its human resource needs, by employing some of their key staff on a part-time basis (like the Finance Director) and several external services on retainer, such as their Sales Consultant and PR Agency. This approach appeared to have enhanced the company's ability to thrive, irrespective of its resource constraints. Consequently, the company has been able to penetrate mass markets by supplying its products to over 400 Tesco stores across the country; and this finding did not support the position of the small business literature that lack of resources tend to limit the ability of small firms to penetrate certain markets (Carter and Jones-Evans 2006).

Furthermore, literature suggests that while small businesses appear to be tied to the cycles of their local economies (Carter and Jones-Evans 2006), they also tend to have limited product portfolios, limited customer base, and operate within restricted geographical areas (Curran and Blackburn 1994, Keeble, Bryson and Wood 1991).

Again, this position was affirmed in Bravo Farms, as the company currently supplies its variety of Potatoes to almost 30 Tesco stores, specifically within the Kent region. On the other hand, Alpha Foods supplies its healthy snack bars and fruit-infused raisins, though with a limited but growing product portfolio, to Tesco stores around the country. Thus negating the positions of having 'limited customer base' and operating within 'restricted geographical areas'.

8.2.2 Traits and Behaviours of Small Business Owner-Managers

Scholars have also suggested that entrepreneurs and small business owners tend to exert dominant influence, a sort of "omnipresence" over their businesses (Carter and Jones-Evans 2006). This is further related to their practice of a personalised approach to management, where the owner-manager knows and relates with all employees personally, and singularly makes all key decisions (McCartan-Quinn and Carson 2003, Reijonen and Komppula 2007). To these positions the case studies show mixed findings. In the case of Alpha Foods, there was evidence to affirm the owner-manager's "omnipresence" over the business and his personalised approach to management. In fact the owner-manager was found to be very passionate about the business, and his passion appeared to have inspired the employees.

The study also found that personal passion was an attribute that the owner-managers looked for when recruiting new employees. They explained that they thought personal passion was important because if a passionate person joined the business and keys into the company's passion, it would generate more passion that would enhance the success of the business. Consequently, this trait affirms the findings of previous scholars who found that most of the entrepreneurs they interviewed suggested that "passion for the business is a real key... by the time I talk to a person and they are technically qualified, I'm also interested in their passion..." (Heneman, Tansky and Camp 2000).

However, contrary to the position of the literature, the study revealed that the owner-managers do not make all the key decisions in the business. It was found that key decisions were made after thorough deliberations and consideration by the company's management team consisting of the two owner-managers, operations

manager, marketing manager, finance director, sales director and sometimes their investment banker, depending on the nature of the decision.

On the other hand, in Bravo Farms the Managing Direct did not appear to exert dominant influence over the organisation and his management approach did not seem personalised. This may be related to the fact that he only assumed office a few years ago and the potato pack-house is made up of almost 60 employees, which are supervised by departmental heads. Therefore this limits the personal contact between the employees and MD; unlike Alpha Foods, which consists of only about 12 employees and is managed centrally. Nonetheless, the MD admitted that he lacked the managerial skills needed to really manage the business, owning to his background and experience as a farmer. This finding supports earlier findings which suggested that SME managers tend to expose their businesses to greater uncertainty and higher fixed cost associated with management, because they may lack the requisite "skill set" to manage the business (Carter and Jones-Evans 2006).

8.2.3   Family Business Characteristics of Small Businesses

Another unique characteristic of small businesses is their tendency to be family owned. The literature describes family business as "the world's most common form of economic organisation" (Schulze and Gedajlovic 2010) and suggests that family-controlled firms dominate the global economic spectrum (La Porta, Lopez-de-Silanes and Shleifer 1999). Similarly, family business has been defined as "a business governed and/or managed with the intention to shape and pursue the vision of the business held by a dominant coalition controlled by members of the same family or a small number of families in a manner that is potentially sustainable across generations of the family or families" (Chua, Chrisman and Sharma 1999). Based on this definition, the evidence in Alpha Foods Limited suggests that it is a family business; because it is owned and managed by two American brothers who own controlling shares of the business. On the other hand, Bravo Farms has a long family history and heritage; however, the business was recently taken-over by a privately-owned company, JRC Limited.

Similarly, Schulze and Gedajlovic (2010:192) suggest that family businesses are "typically, though not always, characterised by trust and affection, open-ended

reciprocity, and the sense of fairness and justice are those practices engendered." They also tend to display the principle of "familiness", which enhances the prospects of business survival (Sirmon and Hitt 2003). This is because it helps in the creation and sustenance of trust and identity, as well as reciprocal and/or obligatory norms (Miller and Le Breton-Miller 2007, Pearson, Carr and Shaw 2008). This point is affirmed in how Alpha Foods operate. There was evidence to suggest that trust exists between the brothers, and they believe that neither of them would do anything to jeopardise the success of the business. Similarly, despite the current private ownership of Bravo Farms, there was evidence to suggest that the company's long family heritage still permeates how it does business. The study revealed that the company appears to have benefitted from high employee retention due to its family heritage, with many of its employees having worked there for several years.

Furthermore, this principle of "familiness" is exhibited in the form of commitment by family members to make the business work and to sustain the family influence and control (Colli 2002); and the tendency for members to be willing to sacrifice their time, salary and other compensations to support the firm in difficult times (Pearson, Carr and Shaw 2008). In the case of Alpha Foods, this commitment is clearly evident in how the business is managed and it was observed that the owner-managers start their day in the office as early as by 5am, stay up as late as 10pm, and sometimes pass the night in the office. In the case of Bravo Farms, there appears to remain some employee commitment to the organisation that has been developed over its long years as a family-owned and managed business. A summary of the characteristics of the small agri-food cases investigated is presented in Table 8.1.

It was evident from the study that both companies still possess a strong family atmosphere, despite the recent takeover of the second case. Both companies also experience the inherent resources constraints usually associated with small businesses. However, while the first case appeared to have adopted some creative and innovative measures to limit the impact of the resource constraints, the second case company seemed to be struggling.

Table 8.1: Summary of Small Business Characteristics in the Case Studies

Small Business Characteristics	Summary of Findings
Defining a small business - < £10 Million Turnover - <50 Employees	• Both cases met the turnover criteria of earning less than £10 million per annum. • The 1st case met the criteria of less than 50 employees; however the 2nd case had about 60 employees. Nonetheless it was accepted because it provided a good case to investigate the barriers to information-use and the owner-managers expressed willingness to be part of the further investigation.
Performance-related issues	• The 1st case experienced resource constraints in the area of time, finances and human resources. However, the company adopted several creative and innovative strategies to limits the impact. These include hiring some key personnel on part-time basis, outsourcing some key services such as marketing and sales analysis, PR and financial/investment advice. • The 2nd case experienced resource constraints in the same areas, and have continued to struggle as a result.
Family Business Characteristics	• The 1st case represents an ideal family business. It is owned and managed by two brothers, who own controlling shares of the company. However, the study found that business was managed professionally, with decisions taken in a structured manner. • The 2nd case has been developed from a long family history and heritage. Although they were recently taken-over by a private company, yet there exists some aura of family orientation in the way the business is managed.

8.3 Marketing and the Use of Supermarket Loyalty Card Data

In this thesis, the word 'use' is adopted loosely to mean that 'supermarket loyalty card data was taking into consideration when making decision'. This definition was derived from the work of Diamantopoulos and Souchon (1992:2), where "use" was defined as taking information to account when making decisions (Moorman, Deshpande and Zaltman 1993, Weiss 1982, Weiss and Bucuvalas 1980).

In small business marketing literature, scholars have argued that the lack of marketing expertise or proper market information tend to make small businesses reliant on the marketing competences of their owner-managers (Carson and Gilmore 2000, Rocks, Gilmore and Carson 2005); and this often explains the mixed performance associated with small businesses. Nonetheless, there is consensus

amongst scholars that a positive relationship exists between the use of market information and small business performance (Appiah-Adu and Singh 1998, Becherer, Halstead and Haynes 2001, Lybaert 1998). Lybaert (1998), for instance, found that SMEs whose managers used more market information achieved better results, and were also more optimistic about the future.

Scholars have also described their marketing process and use of information as rather informal, intuitive and unstructured (Blankson and Stokes 2002, Fann and Smeltzer 1989, Jocumsen 2004, Johnson and Kuehn 1987). According to Blankson and Stokes (2002:49), "the small business deliberation involves informal, unplanned activity that relies on the intuition and energy of an individual (e.g. the owner-manager) to make things happen." To these positions of the literature, the cases investigated provide mixed findings that are consistent, in some instances, and inconsistent, in other instances, to the positions in the literature.

From the study conducted at Bravo Farms, there was evidence to suggest that their approach to marketing was unstructured, intuitive and informal. Firstly, it was found that, despite the several sources of market information available to the company, the company relied more on informal sources to help understand what was happening in the market. Secondly, it was found that marketing decisions in Bravo Farms were taken intuitively, and with very little regard to formal market information. These findings are therefore consistent with the position of the literature that small businesses tend to adopt informal sources of formation and take decisions intuitively (Blankson and Stokes 2002, Gilmore, Audrey, Carson and Rocks 2006); where intuition has been described as the ability to know something immediately, without consciously considering information (Vaghely and Julien). Furthermore, it supports the assertion that the nature or type of informal sources of information depends on the decision maker, usually the small business owner (Simmons *et al.* 2008); although in this case, the informal sources of information depend on the marketing manager's personal associations and contacts.

On the other hand, the study on Alpha Foods found that owner-managers sought market information from several formal sources which included: supermarket electronic point of sale (EPOS) data; Nielson data; SLCD, TNS data, IRI reports,

IGD reports, Mintel and Keynote reports, Family Food Panel, and Kantar reports. They also sought market information from trade and consumer-related magazines like the Grocer, Health Food Business magazine; as well as in-house or commissioned surveys, focus groups and case studies.

In essence, this finding is not consistent with earlier works that suggested that small businesses prefer to use informal sources like their personal contacts, and networks with suppliers and customers to seek market information (Blankson and Stokes 2002, Fann and Smeltzer 1989, Gilmore, Audrey, Carson and Rocks 2006, Johnson and Kuehn 1987). Scholars have also suggested that this preference for informal information sources and networks is understandable, given that "small firms have a weak resource base" (Boter and Lundström 2005), and "resource limitations are likely to affect investment in marketing" (Hogarth-Scott, Watson and Wilson 1996).

Additionally, there was no evidence to suggest that the owner-managers of Alpha Foods took key decisions intuitively. The researcher found that key marketing decisions were taken after thorough deliberation and consideration from the company's management team. As mentioned above, this team was made of the MD, COO, marketing manager, operations manager, finance director and sales consultant. Again, this finding does not support earlier finding that "small business deliberation involves informal, unplanned activity…" (Blankson and Stokes 2002: 49).

A summary of the marketing and information-use process in the small agri-food companies investigated is presented in Table 8.2.

Table 8.2: Summary of Information-Use and Marketing in the Case Studies

Summary of Findings
The 1st Case   • The findings from this case did not support the position of the literature.   • The owner-managers were found to have sought and used formal market information from several sources in order to gain better understanding of the market, and in their marketing planning and decision-making process.   • Market information was gotten from several sources which included: SLCD, Nielson Data, Kantar reports, IGD, IRI and Keynote reports, amongst others.   • Marketing decisions were not taken intuitively. Rather, they were taken after thorough deliberations by the company's management team.

> **The 2ⁿᵈ Case**
> - The findings from this case affirmed the position of the literature.
> - Despite access to various sources of formal data such as the monthly potato report, Tesco EPOS data and free supply of SLCD, the marketing manager appeared to rely more on market information gained from informal sources, such as store visits and informal conversations with supermarket buyers.
> - Also, the marketing manager appeared to rely strongly on his intuition in taking several decisions, because he had gained long years of experience on the job, and it was believed that he has seen it all before and always knows what is happening in the market.

It is evident that the case companies exhibited contrary findings with respect to their marketing planning process and use of information. While the findings from 1ˢᵗ case weren't consistent with the position of literature, the findings from the 2ⁿᵈ case appeared to support the works of earlier scholars.

8.4 Dimensions of the Use of Supermarket Loyalty Card Data

Although several dimensions of information-use exist, this thesis has been framed conceptually on the three traditional dimensions, vis-à-vis: instrumental, conceptual and symbolic use of information. These dimensions are then related to how the case companies use of supermarket loyalty data. It is worth noting that the phrase 'information-use' is defined loosely to mean that 'supermarket loyalty card data was taking into consideration when making decisions'. This definition was justified by the complexities surrounding the concept of *use*, and it was selected because of its simplification, in order suit the research context of small agri-food companies.

8.4.1 Instrumental Use

Instrumental use of information refers to its direct application to solving specific problems (i.e. where a problem exists and information is used as a tool to solve the problem by filling the gap in the unknown) (Deshpande and Zaltman 1982, Menon and Varadarajan 1992). It has been suggested that the use of information in this dimension is immediate and directly observable (Rich 1997).

From the study on Alpha Foods, there was evidence to suggest that supermarket loyalty card data was used instrumentally in several ways. The researcher found that the data was used to inform Alpha's marketing decisions in different ways. First, it helped the owner-managers to clarify on their previously held opinions and

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perceptions regarding the market. Second, SLCD was used by the owner-managers to evaluate their marketing efforts, particularly recent promotions; and third, it helped the company to inform its packaging decisions, future product innovation and marketing activities. These findings affirm earlier findings that supermarket loyalty data was used instrumentally by small food companies to "specifically decide the retail packs to sell in and to target certain supermarkets and convenience stores. It also helped them to rethink their packaging design" (Simmons *et al* 2008).

In the case of Bravo Farms, there wasn't sufficient evidence to suggest that the company used SLCD instrumentally. The study found that despite receiving SLCD free of charge and having access to other sources of market information such as the monthly potato reports and Tesco EPOS data, the company's management team lacked the technical capacity to analyse and use the data. Hence they missed the opportunity to use the data directly to solve any specific problems. This shows that the lack of technical know-how to analyse and make sense of the data hindered the company's ability to use the data instrumentally.

8.4.2 Conceptual Use

Conceptual use of information is more or less an indirect application of information. It is a situation where information is not directly applied to solve a particular problem, unlike instrumental use; but where it is used to provide general enlightenment and to broaden the managerial knowledge base of organisations (Diamantopoulos and Souchon 1999, Menon and Varadarajan 1992, Souchon and Diamantopoulos 1996). Here the use of information is potentially delayed and its impact is diffused. Consequently it is less observable (Rich 1997).

In the case of Alpha Foods, there was evidence to suggest that SLCD was mostly used conceptually. The study found four clear conceptual uses of the data by the company: (1) to appraise the overall market; (2) to specifically assess the performance of its products in the market; (3) to benchmark the performance of competitors and; (4) to strengthen their value proposition and support their sales pitches. While these various uses of SLCD cannot be tied-down to solving any specific problems, yet they represent an improved knowledge and general enlightenment regarding the state of the market. For instance, the ability to

benchmark their performance against those of competitors means that Alpha Foods can understand the market better, analyse the market trends and effectively plan for the future. These finding are consistent with earlier studies where SME owners admitted that supermarket loyalty card data helped them to understand their market better (Cacciolatti *et al.* 2009), provided them with clearer direction for exploring potential future business opportunities, enhanced the confidence of owner-managers, and highlighted the need branding and product differentiation (Simmons *et al.* 2008). On the contrary, as it relates to Bravo Farms, there wasn't sufficient evidence to suggest that the company used the supermarket loyalty card data conceptually. However, their seeming lack of technical expertise tended to remain a hindrance on the company's ability to leverage on the conceptual knowledge gained from the data.

8.4.3 Symbolic Use

Symbolic use of information 'occurs when information is distorted in order to support the decision maker's opinion in the eyes of his/her subordinates or superior' and 'to justify decisions already made' (Diamantopoulos and Souchon 1999, Goodman 1993). In the case of Alpha Foods, there wasn't sufficient evidence to suggest that the data was used symbolically. In essence, the study did not provide enough evidence to suggest that SLCD may have been purposely altered or distorted to support the company's decisions or 'justify decisions already made'. However, given that the company displayed a constant desire to seek data from various sources to justify their value proposition, there was the danger of the data might be mis-interpreted or selectively presented to support their value proposition, particularly to supermarket buyers and other agri-food stakeholders. As explained by the owner-manager, "...*we work with our Sales Consultant on the data; and that's what she does very well. And so she helps us to do that. She would take the dunnhumby data and help work it into our greater narrative... she's wonderful at switching it...*" Therefore, the idea of "switching" this may be akin to earlier findings that information may be distorted by way of 'presentation, selectivity *[in this case]*, safety margins, rounding up or down, and actually changing data – to influence decisions' (Piercy 1983).

Similarly, there wasn't sufficient evidence to suggest that Bravo Farms used supermarket loyalty card data symbolically. While this was difficult to ascertain, it

may be argued that the company's lack of technical expertise could lead to the possibility of distorting or misinterpreting the data. Moreover, the expression by the Procurement Manager, that the company was in the process of launching a new potato line into Tesco, and *"we would need some data back up to support and justify the need for the line to the Tesco buyer"*, suggests that the decision to launch a new potato line had already been taken. This therefore raises the danger that SLCD reports supplied to the company may be misinterpreted, distorted or altered to support the decision of the new launch, which has already been taken intuitively.

8.4.4 Emblematic Use

In addition to the three traditional dimensions of information-use discussed above, the evidence from the case studies, particularly the Alpha Foods case have reaffirmed the dimension of "emblematic use" identified from the first phase of the data collection process (i.e. the semi-structured interview phase). As mentioned earlier (see Section 5.5.4), the emblematic use of supermarket loyalty card data refers to the situation where companies may gain credibility and positive image from stakeholders such as supermarket buyers and industry experts by merely possessing supermarket loyalty card data and communicating their possession of such formal market information. In the case of Alpha Foods Limited, there was evidence to suggest the existence of emblematic use. The following statement by the MD demonstrates this:

> "...So it really allowed us to work with those guys on a whole different level... we had built a very good image from the buyer's perspective ... So we're starting to carve out that, and the good thing is that they trust us and we sit down with some hard data. And I'm not just talking theory; I sit down with them and say, 'here's our plan and here's the data', and that makes all the difference..." **MD, Alpha Foods**

A summary of the cross case findings have been presented in Table 8.3.

Table 8.3: Summary of the Dimensions of Information-Use in the Case Studies

Summary of Findings
Instrumental Use • In the 1st case, there was evidence of instrumental use of supermarket loyalty card data in the following ways: (1) To clarify the owner-managers opinions and perception on what they thought was happening in the market; (2) To evaluate their marketing efforts, particularly recent promotions; and (3) It was also used to inform further innovations in product development and packaging. • In the 2nd case, there wasn't sufficient evidence to suggest that the data was used instrumentally. Rather, it was found that the company lack the technical expertise to

analyse and make sense from the data; thus limiting their ability to make instrumental use of it.

Conceptual Use

- The 1st case also presented evidence of conceptual use of supermarket loyalty card data in the following ways: (1) To have an overall appraisal of the market; (2) To specifically appraise the performance of its own products in the market; (3) To benchmark the performance of competitors; (4) To support their value proposition that consumer are shifting their loyalty from highly processed to less process and more natural products.
- In the 2nd case, there was some evidence of conceptual use of the data, but the company's lack of technical expertise in handling formal market information remained a hindrance on its ability to leverage on the conceptual knowledge gained from the data.

Symbolic Use

- In the 1st case, there wasn't evidence that SLCD was used symbolically – deliberately altered or distorted – however, there is the danger that the company's constant need to justify its value proposition may result to a situation where the data is mis-interpreted or selectively presented to suit the position they may be seeking to advance, particularly to supermarket buyers and other industry stakeholders.
- Similarly, in the 2nd case, there wasn't clear evidence of symbolic use of the data, but there is also the danger that the company's lack of technical expertise may lead to "unconscious" misinterpretation or distortion of the data. More so, there was evidence to suggest that the data may be used to justify decisions already taken intuitively.

It is evident from Table 8.3 that in the 1st case, there was clear evidence of instrumental and conceptual use of the data; while in the 2nd case there wasn't clear evidence of the use of data in these dimensions. Additionally, both cases did not present substantial evidence to suggest symbolic use of the data, but they both displayed some dangers of the possibility. Finally, to summarize this section in relation to Proposition 1, which states that "Small Agri-Food Companies would be more likely to use supermarket loyalty card data instrumentally and conceptually, and less symbolically"; the above discussions have provided evidence to partially support this proposition. While the study on Alpha Foods revealed mainly instrumental and conceptual uses of supermarket loyalty card data; there wasn't enough evidence to suggest symbolic use. On the contrary, there wasn't sufficient evidence from Bravo Farms to suggest that the data was used instrumentally or conceptually. However, the findings suggested the possibility of selective use, as well as emblematic use of the data in Alpha Foods; while the possibility of data misinterpretation was suggested in Bravo Farms, given their limited knowledge.

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8.5 Factors Influencing the Use of Supermarket Loyalty Card Data

The cross case analysis of the factors influencing supermarket loyalty data would be structured according to the theoretical linkages developed in the conceptual framework (see Figure 3.2). This thesis conceptualised that four groups of factors influenced the use of supermarket loyalty card data amongst small agri-food companies. These groups of factors include organisational factors, individual-related factors, informational factors and relationship factors.

8.5.1 Organisational Factors

Organisational factors refer to those factors within the small agri-food companies that tend to influence the way operations and processes are undertaken. According to information-use scholars, the broad construct of organisational factors have been investigated with two organisational sub-constructs: structure and culture (Diamantopoulos and Souchon 1999, Menon and Varadarajan 1992). Therefore under this factor, the following variables were investigated: structure (centralisation and formalisation), culture (speed, innovativeness, openness and customer orientation), business planning, and family intervention.

8.5.1.1 Organisational Structure: Centralisation and Formalisation

In the first case, it was found that Alpha Foods operated a centralised, flat and flexible mode of operation. This finding as consistent with earlier scholarly work, which described small business structure as being flat, with very few layers of management, close to the point of delivery, and with less delegation (Stokes and Wilson 2006, Yusof and Aspinwall 2000). Although there wasn't any organisational chart detailing the line of command in the organisation, yet the company was found to have operated with less degree of formalisation, perhaps due to its small size. This affirms previous findings that the advantages of the approach adopted by small businesses include: faster communication line; quick decision-making process; faster implementation; and short decision-making chain (Yusof and Aspinwall 2000).

Furthermore, contrary to previous findings in information-use literature that "the more decentralised and less formalised firms are, the more likely they are to make greater use of research" (Deshpande and Zaltman 1987); in the Alpha case it appeared that "centralisation" and "less formalisation" influenced their better use of SLCD. Perhaps, it was the "less formalisation" bit that was more responsible for their

use of the data, than their centralised approach. Nonetheless, the evidence supported the position of small business literature that "small firms are known for their rather centralised, informal and flexible mode of operation" (McCartan-Quinn and Carson 2003).

On the other hand, there was evidence from Bravo Farms to suggest that company operated a hierarchical organisational structure, with several middle level managers managing different aspects and departments of the potato packing business and reporting to the MD. This hierarchical structure presupposes a very formal approach to operations, where employees are strictly supervised by their head of departments and/or team leaders. Furthermore, it was found that most of the key decisions to be taken in the company were taken by the new owners to the business, and there was little autonomy on the part of management to make decisions. This is perhaps responsible for the company's limited use of supermarket loyalty card data; and it affirms earlier findings that "reduced flexibility, lack of autonomy, and isolation in organisational system" characterising companies with greater degree of structure could result in the reduced use of information (Menon and Varadarajan 1992).

8.5.1.2 Organisational Culture: Speed, Innovativeness, Openness and Customer Orientation

Scholars have suggested that speed culture in terms of "an emphasis on responding quickly to changes in the market"; openness in terms of encouraging "open communication between co-workers; and innovative culture in terms of placing value on the "introduction of new ideas into the decision-making process" (Arnett, Menon and Wilcox 2000). In addition, customer orientation refers to the extent to which organisations seek and use information regarding their customers to develop and implement strategies to meet their needs and wants (Appiah-Adu and Singh 1998, Kohli and Jaworski 1990).

In the case of Alpha Foods, there was evidence to suggest that the company imbibed an organisational culture that exhibited attributes of speed, innovativeness, openness and customer orientation. It was found that the company constantly sought and used market information to help them gain a better understanding of the market, and identify the potential gaps which could be exploited. The implication of this attribute

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was that: (1) it made the business more customer-oriented and less product-oriented, because all their products had to be tailored to fill the gap in the market. This position is further crystalized in the company's strap-phrase of "*happy, healthy, helpful*", because as the owner-managers noted, the company was established to help consumers by making them happier and healthier through the offering of their range of natural and unprocessed products. (2) It also meant the company had to think innovatively and creatively on how to fill the gaps identified from the market information, and (3) consequently; they were quick in developing and launching new products in the market to fill those gaps.

These findings are consistent with the earlier works in small business literature which suggests that they tend to "respond to current opportunities and circumstances, and so decision-making occurs in a haphazard and apparently chaotic way..." (Gilmore, Carson and Grant 2001). Although in this case there was no evidence to support 'haphazard decision-making', yet the company was quick to respond to market opportunities. Thus affirming the position that small companies are known for their reactive stance and flexibility, which gives them the ability to respond swiftly to market demand (Blankson and Stokes 2002, McCartan-Quinn and Carson 2003). In a related manner, there was evidence to suggest that, due to the small size of the company, the company's approach to management was quite open and "laid back", and it exhibited trust between the owner-managers and employees. The researcher observed that the owner-managers relate with the staff members on a personal, but professional, level. Again, this finding affirms earlier findings in the small business literature that owner-managers tend to know and relate with all their employees personally in an atmosphere of trust (Reijonen and Komppula 2007).

In the case of Bravo Farms, there wasn't substantial evidence to suggest that the company exhibited attributes of innovativeness, speed and customer orientation. However, some level of openness was observed in the way staff members communicate with one another. In addition, it was observed that the lack of speed, innovativeness and consumer orientation may be associated with the company's long history of production-orientation.

Additionally, the researcher observed that most of the staff members (administrative and factory staff alike) seemed pretty be busy, carrying on with their daily activities, that there was practically no time to consider new innovations or market information that would help them understand customers' needs better. Therefore these findings are not consistent with the position of the literature that small businesses tend to respond quickly to market opportunities {Carson, 2000 #490; Gilmore, 2001 #613}; and are considerably more creative and innovative than their larger counterparts (McCartan-Quinn and Carson 2003).

8.5.1.3 Business Planning and Family Intervention

Literature suggests that business planning enhances the ability of small businesses to succeed; and by inference their desire to seek and use market information (Gilmore, Carson and Grant 2001, Rich 1997). In addition, scholars have suggested that small firms tend to be highly influenced by family interventions and that it tends to influence the way in which information is sourced, accessed and used (Donckels and Mok 1990, Lybaert 1998).

In the case of Alpha Foods, there is evidence to suggest that business planning has influenced its use of market information, and its favourable performance. Although the company did not have a formally written business or marketing plan, which is not uncommon to small businesses; yet, it was found that the company had developed an effective business model of outsourcing some of its key services. From the researcher's observation, it appears this model works well for the business because, it gives them the opportunity to enjoy the quality of work handled by experts, at reduced operational costs. This finding partially supports the position of literature that "…the strategy definition process of small firms is increasingly being influenced by the decision to outsource a range of capabilities and activities not considered core to the firm" (Burke and Jarratt 2004). Although in this case, some of the services outsourced are key services to the company such as production, public relations, investment advice and sales analysis.

As discussed earlier, it was found that despite the lack of a formal business plan, the company still undertook rigorous business and marketing planning by its management team. This team is also responsible for taking key decisions in the

business. However, the researcher observed that this seemingly rigorous approach to planning is something that appears to have developed over time. In other words, Alpha Foods may have commenced its planning in a rather less formal and unstructured manner; but, five down its life cycle, the business has evolved into adopting a more formal, planned and structured approach to business and marketing planning. This observation affirms the position in small business literature that small firms tend to start out with simple strategy process in their early stages; but later transit to more advanced processes, as they moved into advanced stages of the business cycle (Churchill and Lewis 1983, Levy, Powell and Yetton 2002).

Furthermore, the study found that despite being owned by two brothers, family intervention did not influence the use of market information in the business. On the contrary, their desire to seek and use market information was driven by the need to gain better understanding of the market and to support their value proposition. In this regard, literature suggests that family-run small businesses tend to have their networks restricted than those that are non-family-run (Donckels and Elshout 1992). This position was not affirmed in the study because despite being a family-run business, the approach to management was observed to be quite professional.

In the case of Bravo Foods, it was revealed that very limited business planning took place in the company. Similar to Alpha Foods, the study revealed the absence of any formal (or informally thought-about) business plan or marketing plan, and this appeared to have negative implications on its performance and, by inference, its desire to seek and use supermarket loyalty card data. For example, the study showed that the company currently faces a severe threat from having Tesco as its sole customer and there has been no strategy in place to prevent the unexpected loss that may result from "putting all its eggs in one basket". Furthermore, it was found that the lack of planning was linked to the limited managerial skills and ability of the company's MD. The study revealed that the MD is a farmer by profession; and he justified the lack of business planning by emphasising that he was only appointed to help out as an "emergency MD" to provide short-term stability. Consequently, these findings affirm the position of earlier scholars that poor performance in small businesses were often a result of the lack of managerial skills and commitment of its

owner/managers (Smallbone 1991); which tends to be associated with lack of planning and implementation of marketing strategies (Bruno and Leidecker 1988).

However, this finding does not suggest that there are currently no strategic plans taking place in the company; on the contrary, the study revealed on-going plans, which happens to be the sole responsibility of its new owners. Furthermore, as it relates to whether or not family intervention influences Bravo's desire to seek and use market information, there wasn't any substantial evidence to affirm or negate this. This was because the company's key decisions are currently taken by its new owners. In other words, the new owners are responsible for business planning and inference their use of market information. Therefore, this finding was unable to support or refute earlier finding that family influence on managerial decisions tend to appear more in trade and service sectors and less in industry (Lybaert 1998); since the business was no longer family-owned.

In relation to Proposition 2A, which states that "Organisational factors would influence the use of supermarket loyalty card data in small agri-food companies", the above discussions from the case studies provide evidence to support this proposition. In the case of Alpha Foods, organisational factors such as its centralisation structure and its culture of speed, innovativeness and openness influenced their ability to make use of the data. Similarly, in the case of Bravo Farms, their formalised nature, lack of business planning and production orientation limited their ability to make use of the data. Therefore, both cases provide evidence to support the assertion that organisational factors may influence the use or "non-use" of supermarket loyalty card data amongst small agri-food companies.

8.5.2 Individual-Related Factors
Although literature has mainly focused on the managers; individual-related factors refer to the personal prior dispositions of the owners, managers and employees, and how they influence the company's ability to use market information. According to Menon and Varadarajan (1992:67), prior disposition of managers include their 'level of experience, level of knowledge, cognitive styles and decision-making level.' Their study observed higher levels of information-use among managers who felt they had little prior knowledge than among managers who felt they had better prior

knowledge. In this thesis, individual related factors were investigated through the variables: education, economic history, personality, staff involvement, decision rationality, desire for growth, administrative familiarity and networking ability.

8.5.2.1 Managers Education, Economic History, Personality and Administrative Familiarity

According to Gilmore, Carson and Grant (2001), the unique traits of small business marketing tend to be determined by the inherent characteristics of their size, stage of development, personal attributes and behaviours of the entrepreneur or owner/manager, and resource constraints {Gilmore, 2001 #613}. Our focus here is on the personal attributes and behaviours of the owner/managers.

In the case of Alpha Foods, it was found that the owner-managers were both holders of masters' degrees; gained experience and administrative familiarity working and handling several managerial responsibilities prior to setting up their business (see section 6.3.1). Furthermore, the study revealed that despite their educational background and managerial experience, the owner-managers appeared to possess an information-seeking personality, which was evident in their consistent and continuous desire to seek and use market information to inform their marketing planning and decision-making process. This affirms earlier findings that managers with information sensitive personalities or a higher inclination to look for information made more use of information (Lybaert, 1998). In essence, despite their prior managerial knowledge, the Alpha case showed that the owner-managers were very receptive to supermarket loyalty card data. Therefore this finding affirms the position of literature that Agri-food SMEs who were newly introduced to supermarket loyalty data did not ignore the information; instead they were enthusiastic about the opportunities the information portended for their businesses (Cacciolatti *et al* 2009; Simmons *et al* 2008).

On the other hand, the finding was not consistent with previous studies that observed higher levels of information-use managers amongst managers with little prior managerial knowledge, than amongst managers who felt they had better prior knowledge (Lybaert 1998, Menon and Varadarajan). Nonetheless, it affirms the relationship between managers' education and marketing orientation, which had

previously been reported in the literature. Becherer *et al* (2001) reported from their study that "presidents with less education led companies that exhibited significantly less marketing orientation" and vice versa (Becherer, Halstead and Haynes 2001). Hence, in the case of Alpha Foods, higher education resulted into higher marketing orientation.

In the case of Bravo Farms, it was found that the MD had a degree in Agriculture. Yet the study revealed that most of his experience was in farming; and he neither possessed the managerial experience nor the information-seeking personality to influence the company's desire to seek and use market information. Also, the company lacked marketing orientation and, unlike the managers of the 1st case who both had masters' degrees and had previously gained vast managerial experience, the Bravo study further affirmed the finding of Bercherer *et al* (2001) that less educated managers exhibited significantly less marketing orientation. On the other hand, it didn't affirm the position that managers with less prior managerial knowledge tend to seek and use more information (Menon and Varadarajan); because in this case, less prior managerial knowledge of Bravo's MD resulted into limited use of supermarket loyalty card data.

8.5.2.2 Staff Involvement, Decision Rationality, Desire for Growth and Networking Ability

Staff involvement refers to the delegation of responsibility to staff members and their participation in decision-making. Decision-making rationality refers to "the degree to which a manager relies on deliberate information and calculations in making decisions" (Nutt 1990). Desire for growth refers to an entrepreneur's willingness to grow his or her business beyond its present level (Lybaert 1998). Networking involves companies coming together with the common aim of cooperating to exchange and share knowledge, ideas, experiences and technology (Dean, Holmes and Smith 1997). Scholars have suggested that small business owner-managers view networks and networking as the most credible source of advice for their businesses; and that networking tends to reduce risks and provides a platform for getting practical solutions to business problems (Burke and Jarratt 2004).

In the Alpha case, it was evidence to suggest that staff members were involved in the company's decision-making, particularly members of the management team. In section 6.3.1 above, the profile of members of the management team was provided and it can be recalled that together they have garnered vast years of work experience in different areas of management from logistics and strategy, to finance, sales marketing and public relations. It was found that they brought in these skills and knowledge together to make the business work. For instance, the Sales Director and the marketing manager had previously had experience handling supermarket loyalty card data (dunnhumby data) and this influenced the company's ability to seek and analyse more of the data along with those gotten from other sources such as Kantar, Nielson, IGD and IRI. Also, they had their own personal, social and professional networks, which they have built over the years; and it was observed that their networks were used to help the business achieve its objectives. This has been evidenced by the company's positive performance and profitability; thus affirming the position of literature that "networked businesses are the most profitable businesses in the world, and this is because it is about people helping people..." (Burke and Jarratt 2004).

In addition, the owner-managers were very rational in their decision making. As mentioned earlier, the study found that marketing decisions were taken after intense deliberations by the company's management team and informed by a range of formal market information derived from various sources. They also ensure that key decisions are not delayed, but are taken quickly rather than slowly. This finding is consistent with earlier finding suggesting the likelihood that managers who exhibit strong sense of analysis in their decision-making process would be more suited to use decision support systems (DeSantis 1982). It also affirms earlier findings that managers who are rational decision-makers tend to use more information because, unlike less-rational managers who rely on their intuition and gut feeling, they have a structured approach that is conducive to sourcing, interpreting and using information (Low and Mohr 2001).

Similarly, the Alpha case study revealed that the owner-managers had the desire to grow the business, and it appeared that this desire influenced their decision to seek and use market information. As such, this finding supports earlier studies that

reported a significant relationship between the SME manager's desire for growth and their desire for information-use (Lybaert 1998).

In relation to the company's networking ability, there was evidence to suggest that the owner-managers of Alpha Foods appeared to make good use of its networks. It was found that despite its small size, the company was beginning to launch out to international markets, and this was made possible through the personal contacts of its owner-managers and key employees. Particularly, one of the owner-managers recounted two incidents of how the company was able to supply its products to the recent *TedGlobal* conference in Oxford and how they started supplying their products to China, through a personal contact that linked them to a buyer with one of the country's main retail chains.

The researcher also observed that the contacts and networks of the owner-managers have been built over time from their personal social contacts, to professional contacts gained from previous work experience, attendance of food fairs, festivals and stakeholder events. Therefore, this observation supports the position in small business literature that "word of mouth marketing communications were thought to be appropriate for their businesses and far superior to other forms of communication" (Hogarth-Scott, Watson and Wilson 1996); and that "networking is a naturally inherent aspect of SME owner-manager decision making, particularly those decisions relating to marketing" (Gilmore, Carson and Grant 2001) . Furthermore, it affirms previous studies that have suggested that the networks of owner-managers are those built around their previous and present day-to-day activities and interactions like personal contacts (Konke and Kuklinksi 1982), social contacts (Starr and Macmillan 1990), business contacts (Donkels and Lambrecht 1997), and other industry contacts; while engaging in marketing activities (Gilmore, Carson and Grant 2001). Overall, this case has provided findings to support the position that small business marketing tend to be built around their owner-managers' existing networks (Jamsa *et al.* 2011).

In the case of Bravo Foods, again, the MD's lack of managerial expertise meant that the rationality of his decision-making was influenced. It was found that marketing decisions were left to the marketing manager, who has had many years of experience working in this position and was more of an intuitive decision-maker, because his

decisions were not made based on his rational analysis of any set of market-based information. Although in terms of strategic decisions, it was evident that those were left to the new owners of the company. In addition, despite the MD's minimal input in the company's strategic decision, it was found that he had considerable contacts and networks amongst the regional potato farmers, who remain a key stakeholder to the company's continued existence. Also, company documents revealed that the company's network-base has been built over the years by several events and marketing campaigns organised in the past. The company has for long been considered a champion of the local food project. However, despite the managers' desire for the business to grow and the company's vast network, there wasn't significant evidence to suggest that these resulted into the ability to use supermarket loyalty card data. In essence, the desire to seek and use market information still came down to managerial expertise. As previously suggested, limited education resulted into limited marketing orientation (Becherer, Halstead and Haynes 2001).

In relation to Proposition 2B, which states that "individual-related factors would influence the use of supermarket loyalty card data in small agri-food companies", the discussions from the case studies provide evidence to support this proposition. In the case of Alpha Foods, individual-related factors such as the founders' education, administrative familiarity, information seeking personality and networking ability influenced the company's use of SLCD. Furthermore, the company's desire to grow and the involvement of several experienced staff, which constitute its management team, greatly enhanced the company's decision to strategically seek, analyse and make use of market information. Similarly, in the case of Bravo Farms, the management inability of its MD, limited marketing knowledge of its management team, and intuitive orientation towards decision-making tended to influence their limited use of SLCD. In essence, both cases provide evidence to support the assertion that individual-related factors may influence the use or "non-use" of supermarket loyalty card data amongst small agri-food companies.

8.5.3   Informational Factors

Information factors have to do with the technical quality of the information. They have previously been investigated under four sub-constructs: political acceptability of the information provided; actionability of the information, quality of content and

quality of form of the information (Deshpande and Zaltman 1982, Souchon and Diamantopoulos 1996, Van Birgelen, De Ruyter and Wetzels 2001).

8.5.3.1 Acceptability, Actionability, Quality of Content and Form

Acceptability of information refers to the compatibility of the information with an organisation's objectives or the previously held opinions and thoughts of the managers (Van Birgelen, De Ruyter and Wetzels 2001). Studies have suggested that there is a tendency for the decision-maker's reaction to be determined by the political acceptability of the information within a particular organisational context. In other words, are findings of the information or research report challenging the status quo or are they consistent with the status quo (Kohli and Jaworski 1990). Actionability involves the refers to the extent to which the information user perceives the research report and consequent recommendations as readily practical and implementable in the organisation (Deshpande and Zaltman 1982, Deshpande and Zaltman 1984). Quality of content and form has to do with the quality of the report content and its presentation (Van Birgelen, De Ruyter and Wetzels 2001).

In the Alpha Foods case, it was found that SLCD reports were politically accepted in the company because it helped them clarify their thoughts on the market and provided them with new information on what they didn't know was happening in the market. Consequently, this influenced their decision to seek and use more of the data, and the researcher observed that they have continued to ask for the data to update them on market trends. This finding supports earlier findings that reported a positive relationship between political acceptability of market research information and information-use (Deshpande and Zaltman 1982, Deshpande and Zaltman 1984).

Similarly, SLCD was found to be actionable, because the owner-managers perceived that the data was readily practical and implementable. Again, this finding is consistent with the works of earlier scholars who reported significant positive relationship between the perceived ability to take action on information and its subsequent use (Deshpande and Zaltman 1982, Deshpande and Zaltman 1984); as well as those who corroborated that "information is of value to decision makers if it can be acted upon" (Van Birgelen *et al*, 2001:526). In addition, the Alpha Foods study found that the owner-managers perceived that the content and form of the

supermarket loyalty card data reports were suitable to allow them analyse and use the data. In fact, they once asked the researcher to provide the raw data on the excel spread-sheet, instead of presenting it in the usual power-point slide format. Perhaps, this may be linked to their high levels of management education and experience, and possibly the team of experts working with the company, who have had previous experience in handling the data. Similarly, this finding affirms previous findings that the perceived quality of a piece of information or research report is likely to influence the willingness to act upon the information (Menon and Varadarajan 1992).

On the other hand, the Bravo Farms study revealed mixed findings. On the issues of acceptability and actionability, the data suggested that while SLCD was considered acceptable because it gave them an insight into the market, it wasn't found to be actionable. This was because they didn't know what to do with the data. Moreover, in terms of quality of content and form, the managers of Bravo Farms found the data unsuitable because they weren't skilled enough and possessed very limited technical knowledge to handle such formal market information. Consequently, this finding still affirms previous works that suggested that limited knowledge would result into limited use of market information and marketing orientation (Becherer, Halstead and Haynes 2001).

In addition, with regards to Proposition 2C, which states that "Informational factors would influence the use of supermarket loyalty card data in small agri-food companies", the above discussions provide partial evidence from both case studies to support this proposition. In the case of Alpha Foods, there was evidence to suggest that all the informational factors (acceptability, actionability, quality of form and content) influenced the company's ability to make use of the SLCD. On the other hand, the study on Bravo Farms showed that while the SLCD reports were considered to be acceptable by the company (due of its source); they were neither viewed to be actionable, nor in the right form and content. This therefore influenced the company's inability to make use of the data. However, given the marketing inexperience and the limited technical knowledge available in the company to handle this type of market information, their position is not farfetched.

8.5.4 Relationship Factors

Relationship factors refer to those factors involving the relationship and collaboration between the research providers and the users of the research report or information. They are often embedded in the organisational and information-related factors discussed above (Deshpande, Farley and Webster 1993, Deshpande and Zaltman 1984, Moorman 1995, Moorman, Deshpande and Zaltman 1993). They consist of involvement, communication intensity, credibility, trust and perceived usefulness (Arnett, Menon and Wilcox 2000).

8.5.4.1 Involvement and Communication Intensity

Involvement relates to the extent to which the information user interacts with the information provider during the preparation of the information or report (Arnett, Menon and Wilcox 2000, Deshpande and Zaltman 1982). Communication intensity has to do with the frequency of interaction (not just the interaction, as in the case of involvement) between the providers and users of information, whether formally or informally (Arnett, Menon and Wilcox 2000).

In the case of Alpha Foods there was interaction between the researcher and the owner-managers during the period of preparing the supermarket loyalty card data report; at other times the interaction was with the company's sales director, because she was the one that undertook most of the analysis on the data. In addition, depending on the particular report being prepared, the interaction tended to be frequent. This was because in some instances, the researcher sought to clarify some questions with the sales director, while at other times, the sales director needed to specify with it was they were wanted from the data. The mode of communication was mainly via email and telephone calls. Consequently, these interactions assisted the researcher to specifically tailor the reports to meet the needs of the company, and this enhanced the value and use of the data.

In the case of Bravo Farms, there was very limited interaction between the researcher and the marketing manager who was responsible for receiving the data. It was evident that he didn't know what to expect and what potential the data held, because he lacked the technical expertise to handle to data. Therefore, the findings from both case studies were consistent with earlier studies that suggested that there exists a

positive relationship between involvement and information use; and that communication intensity positively impacts on perceived trustworthiness and information-use (Arnett, Menon and Wilcox 2000, Deshpande and Zaltman 1982).

8.5.4.2 Credibility, Trust and Perceived Usefulness

Credibility relates to the extent to which from a research report of piece of information is perceived as being technically sound and accurate. Trust refers to the extent to which the information user believes that the information provider is trustworthy (Arnett, Menon and Wilcox 2000). The perceived usefulness of a research report of piece of information relates to the degree to which the information user believes that the information is useful to help improve their business (Van Birgelen, De Ruyter and Wetzels 2001).

In the case of Alpha Foods, the researcher observed that the owner-managers believed that the supermarket loyalty card data was technically sound and accurate, because it emanated from an independent credible source. They also believed that the researchers providing the data were trustworthy because they were based at a reputable institution, the Centre for Value Chain Research; and that the insights gained from the data was very useful to help them understand the state of the market, improve their business and enhance their credibility. Also, they were glad the SLCD reports were supplied to them free-of-charge and it was appreciated.

Similarly, the study showed that the managers of Bravo Farms also considered the data credible, trustworthy and useful; but their lack of technical skills hindered their ability to maximize the value of the data. Consequently, only the findings from Alpha Foods were able to support previous findings that reported significant positive relationships between the credibility, trust, and perceived usefulness of information; and information-use (Arnett, Menon and Wilcox 2000, Van Birgelen, De Ruyter and Wetzels 2001).

In relation to Proposition 2D, which states that "relationship factors would influence the use of supermarket loyalty card data in small agri-food companies", the above discussions have provided partial evidence from the two case studies to support this proposition. In the case of Alpha Foods, there was evidence to suggest that all the

relationship factors (trust, involvement, credibility, communication and usefulness) influenced the company's ability to make use of the data. On the contrary, the Bravo Farms case study showed that despite the credibility and usefulness of the SLCD reports; the company still lacked the capacity to make the best use of them.

A summary of the cross case findings relating to the factors influencing the use of supermarket loyalty card data is presented in Table 8.4.

Table 8.4: Summary of Factors Influencing the Use of Supermarket Loyalty Card Data

Factors	1st Case	2nd Case
Organisational Factors		
• Centralisation	✓	X
• Formalisation	X	✓
• Speed Culture	✓	X
• Innovative Culture	✓	X
• Openness Culture	✓	X
• Business Planning	✓	X
• Family Intervention	X	X
Individual-Related Factors		
• Education	✓	✓
• Economic History	✓	✓
• Administrative Familiarity	✓	X
• Information-Seeking Personality	✓	X
• Staff Involvement	✓	✓
• Decision Rationality	✓	X
• Desire for Growth	✓	✓
• Networking Ability	✓	✓
Informational Factors		
• Political Acceptability	✓	✓
• Actionability	✓	X
• Quality of Form	✓	X
• Quality of Content	✓	X
Relationship Factors		
• Involvement	✓	X
• Communication Intensity	✓	X
• Credibility	✓	✓
• Trust	✓	✓
• Usefulness	✓	✓

Where √ represents the existence, and **X** represents the absence, of the above factors.

Table 8.4 above provides a comparative summary of the factors that influenced the use of supermarket loyalty card data amongst the small agri-food companies studied.

As can be observed from the first case, there were several factors influencing the use of the data, justifying the selection of this case to investigate the enablers to the use of the data. On the other hand, despite the free exposure to supermarket loyalty card data, the second case exhibited very limited use. This was why the case was selected to investigate the barriers to using SLCD.

Finally, to summarise Section 8.5 in relation to Proposition 2E, which states that "Individual-related factors would influence the use of supermarket loyalty card data in small agri-food companies, more than the other group of factors (organisational, informational and relationship factors)", the discussions above have provided some evidence from both case studies to support this proposition. Clearly, from both the Alpha Foods and Bravo Farms case studies, the individual-related factors have mostly influenced the use and non-use of the data respectively. In fact, the studies revealed that all other factors hinged on the individual-related factors.

8.6   Benefits of the Use of Supermarket Loyalty Card Data

The third objective of this thesis is to explore the benefits of using supermarket loyalty card data amongst small agri-food companies. As opposed to measuring performance, success or effectiveness, this study only sought to explore the "benefits" of the data, where the word *benefit* was considered as any positive outcome that small agri-food companies derive on account of their use of the data.

Moreover, it would be difficult to directly measure how the data resulted into improved performance, success or effectiveness, because in most cases, SLCD was used as just one of the sources of market information used by the companies; hence the researcher's preferred use of the term "benefits". To emphasise this point, literature suggests that the measurement of organisational achievements through performance or effectiveness tend to be faced with loads of difficulties (Haber and Reichel 2005). Similarly, the traditional approach to measuring performance has continued to be challenged, particularly within the small business context (Walker and Brown 2004); while recent studies have also acknowledged the need for better understanding of what constitutes success in the eyes of small business owner-managers (Gorgievski, Ascalon and Stephan).

There was evidence from the study conducted with Alpha Foods to suggest that the use of supermarket loyalty card data has enhanced both financial and non-financial benefits. On the financial side, there was some part evidence to suggest that the company partly benefitted from enhanced profitability and increased sales turnover. Although, as earlier mentioned, it was difficult to directly link these financial benefits to the specific use of SLCD; hence the use of the phrase "partly benefitted". In relation to the non-financial benefits, the Alpha case revealed that the use of SLCD resulted into following benefits and relevant quotes from the owner-managers: (1) it has improved the company's knowledge of their customers and market; (2) it has enhanced the customer loyalty for their products; (3) it has improved the company's marketing decision-making ability, by informing future innovations and product development; (4) it enhanced the ability of the owner-managers to pitch for their products, secure new business and gain credibility in the eyes of relevant stakeholders; and (5) it has also led to a boost in their internal confidence.

Consequently, these findings provide evidence to support earlier findings in the literature that marketing orientation and the use of market information can enhance improved market knowledge (Campbell 2003, Leenheer and Bijmolt 2008); enhanced decision-making ability (Arnett, Menon and Wilcox 2000, Petersen, Ragatz and Monczka 2005); customer loyalty (Oliver 1997, Van Birgelen, De Ruyter and Wetzels 2001); and improved internal organisational process, which can enhance the quality of products being offered to the market (Moorman 1995, Van Birgelen, De Ruyter and Wetzels 2001).

A summary of the benefits of using supermarket loyalty card data in a small-agri-food company have been captured below.

Table 8.5: Summary of Benefits Derived from the Use of Supermarket Loyalty Card Data

Summary of Findings
Financial Benefits Although it was difficult to ascertain the financial benefits; yet the study provided evidence from the owner-managers to suggest the following financial benefits derived partly from using supermarket loyalty card data: • Increased sales turnover on the company's products; • Increased profitability from the previous year's figures.

Non-Financial Benefits

There was evidence to suggest the existence of the following non-financial benefits:

- Enhanced knowledge of customers and market.
- Improved customer loyalty for their products.
- Improved marketing decision-making ability.
- Enhanced their ability to pitch more effectively and win new business.
- Enhanced the company's credibility, and
- Boosted internal confidence.

To summarise Section 8.6 in relation to Proposition 3, which states that "Small agri-food companies who use supermarket loyalty card data would derive both financial and non-financial benefits", the findings from the case studies (particularly the Alpha Case Study) revealed that there are both financial and non-financial benefits derivable from the use of supermarket loyalty card data amongst small agri-food companies. This therefore supports the proposition.

8.7 Chapter Summary

This chapter has presented cross case analysis of the findings of chapters six and seven of this. This has been based on a case company that exhibited successful use of supermarket loyalty card data versus a case study that showed very limited use of the data. The first case was used to explore enabler to the use of the data; on the contrary, while the second case was used to explore barriers to the use of the data. It commenced with a review of the small-firm characteristics associated with the case companies. This was followed by analysis into the dimensions of information-use and the factors influencing information use. Additionally, the chapter provided analysis into the benefits of using supermarket loyalty card data amongst small agri-food companies; while linking the entire discussions with the theoretical framework and research propositions. Finally, the next chapter presents the summary of findings, conclusions, limitations and implications for further research.

9 Conclusions

9.1 Introduction

Chapter 8 presented a synthesis of the case findings from chapters 6 and 7, which pertain to the dimensions of information-use, factors influencing the use of supermarket loyalty card data and benefits derived from using the data. This chapter concludes the thesis by summarising the findings from the fieldwork and encapsulating the main contributions. The chapter closes by stating the limitations of the study and outlining potential areas for further research.

9.2 Factors Influencing the Use of Supermarket Loyalty Card Data: The Research Context

Research into the role of market information in the marketing process has long been established in the literature (Grewal and Tansuhaj 2001, Ottum and Moore 1997, Parry and Song 2010, Troy, Szymanski and Varadarajan 2001). However, most studies are limited by the broad categorisation of market information, without specifying what exactly is being studied. While market information in its broad term is considered useful for marketing purposes; supermarket loyalty card data has been identified as a detailed form of market information which can enable organisations to gain better understanding of their markets, particularly in relation to customer shopping patterns, consumer profiling and targeting (Dunnhumby 2007a, Humby, Hunt and Phillips 2003). Indeed, while there exists some anecdotal studies (Cacciolatti *et al.* 2009, Simmons *et al.* 2008); there is a paucity of empirical studies focusing on the use of supermarket loyalty card data amongst small businesses, and particularly within the agri-food sector. Therefore, this thesis reports the findings from thirteen exploratory semi-structured interviews and two in-depth case studies designed to explore the factors influencing the use of supermarket loyalty card data amongst small agri-food companies.

9.3 Summary, Findings and Conclusions

This thesis has attempted to address three objectives: (1) to understand how supermarket loyalty card data is used amongst small agri-food companies; (2) to explore the factors influencing their use of the data; and (3) to investigate the benefits resulting from their use of the data. Similarly, three theoretical propositions were developed from the literature, which synthesized studies from the field of small business and marketing, with those in information-use. The following discussions present a summary of the findings and conclusion.

9.3.1 Proposition One

The first proposition was developed based on the discussion on the dimensions of information-use, and it sought to address the first objective of understanding how supermarket loyalty card data is used. The thesis adopted a multi-dimensional approach to the investigation and proposition one was stated that "Small agri-food companies would be more likely to use supermarket loyalty card data instrumentally and conceptually, and less symbolically."

Based on the semi-structured interviews and two in-depth case studies conducted there was evidence to support this proposition. From the semi-structured interviews, there was evidence to suggest that nine out of the thirteen small agri-food companies interviewed made use of supermarket loyalty card data instrumentally and conceptual. Also, there was no single company found to have used the data symbolically; although there were signs of the data being used selectively. Nonetheless, the semi-structured interview phase of the data collection process unearthed a new dimension of information-use, referred to as "emblematic use". This dimension refers to the situation where a small agri-food company gains positive image and credibility from supermarket buyers by merely possessing SLCD.

Similarly, with respect to the case studies, it was found from the Alpha Foods case study that the company used supermarket loyalty card data mainly instrumentally and conceptually. As earlier discussed, the data was used instrumentally to: (1) clarify the owner-managers opinions and perception on what they thought was happening in the market; (2) evaluate their marketing efforts, particularly recent promotions; and (3) inform further innovations in product development and packaging. Also, it was used

conceptually to: (a) appraise the overall market; (b) appraise the performance of the company's products in the market; (c) benchmark the company's performance against competitors; (d) justify their value proposition that consumer are shifting their loyalty from highly processed to less process and more natural products.

In addition, as it relates to symbolic use the data, there wasn't substantial evidence to suggest that the data was purposefully misinterpreted or distorted to "support the decision maker's opinion in the eyes of his/her subordinates or superior" and "to justify decisions already made" (Diamantopoulos and Souchon 1999, Goodman 1993). Nonetheless, the findings revealed the danger of 'selective' use of the data, considering that the company was always interested in seeking data to justify their value proposition. This case further affirms the "emblematic use" of information revealed from the semi-structured interviews.

On the other hand, the 2nd case study conducted on Bravo Farms did not provide substantial evidence to suggest that supermarket loyalty card data was used instrumentally and conceptually. However, there was the possibility that the data may have been misinterpreted, given the marketing inability of the company's marketing team and the limited technical knowledge available in the company to analyse market information of this nature.

9.3.2 Proposition Two

Proposition Two was divided into five sub-propositions to enable detailed analyses. Propositions 2A – 2D stated that each of the four groups of factor (organisational, individual-related, informational, and relationship factors) would influence the use of supermarket loyalty card data in small agri-food companies.

Based on the semi-structured interviews, there was sufficient evidence to support each of the propositions (2A-2D). The researcher found that ten of the thirteen small agri-food revealed that these factors influenced the way in which the companies generally sought and made use of market information, which included supermarket loyalty card data. For instance, while organisational factors like centralisation, innovativeness, openness, speed culture and customer orientation influenced the use of the data; individual factors such as the owner-managers' education, past

employment, desire for growth and networking ability enhanced the ability of market information to be analysed, and subsequently used. In addition, most of the small agri-food companies found the SLCD reports to be acceptable, trustworthy, credible and useful, given that it came from a reputable source. This therefore enhanced their ability make use of the information therein. Although some of the found the data not to be quite actionable, because they were expecting the SLCD reports to specifically tell them what to do with the findings of the reports.

As it relates to the case studies, the Alpha Foods study revealed that most of these factors influenced the company's decision to seek and make use of supermarket loyalty card data. The company had a centralised and less formal operational structure and its culture was characterised by customer orientation, speed, openness, and innovativeness. In the area of the individual factors, the two owner-managers of the Alpha Foods were found to be educated to masters' degree level. They have had experience working in the corporate world and possessed decision-making rationality, information seeking personality and networking ability. The company's management team was also comprised of individuals who had previously held marketing, sales and management positions in FMCGs such as Coca-Cola, Nestle and Pepsi amongst others and they were all involved in the process of analysing market information and how it was to be used in planning their marketing and sales strategies. Similarly, the owner-managers of Alpha Foods also found the SLCD reports to be acceptable, actionable, of the right form and content, trustworthy, credible and highly useful; and all these culminated into why the company was found to have made successful use of supermarket loyalty card data.

On the other hand, Bravo Farms case study revealed mixed responses in relation to the four groups of factors influencing the use of supermarket loyalty card data. As it relates to organisational factors, the company was found to possess a centralised and formalised mode of operation; as well as production orientation, as opposed to customer orientation. This meant that the managers focused more on their production process and less on their customers. There was also the tendency for decisions to be taken intuitively, and the company lacked innovativeness and speed. In the area of individual-related factors, the study revealed that the company's management team lacked the requisite marketing and technical knowledge to handle supermarket

loyalty card data. It was found that the company received market information from various sources such as the potato council and EPOS data from Tesco, yet their lack of skilled personnel hindered their ability to neither appreciate the information, nor make sensible use of the information to improve their marketing planning process.

Furthermore, Proposition 2E was developed to compare the strength of the four individual groups of factors influencing information-use. Given that the thesis focused on four groups of factors – organisational, individual-related, informational, and relationship factors – the small business literature argued that the individual-related factors would mainly influence the use of market information within the small firms (McCartan-Quinn and Carson 2003, Reijonen and Komppula 2007). Therefore, proposition 2E stated that "Individual-related factors would influence the use of supermarket loyalty card data in small agri-food companies, more than the organisational, informational and relationship factors."

Based on the exploratory interviews, there was evidence to support this proposition that individual-related factors influenced the use of supermarket loyalty card data beyond the other groups. Similarly, there was evidence from the case studies to support the proposition as well, particularly from the Alpha Foods study. This is not to suggest that the other groups of factors (organisational, informational and relationship) did not influence the company's ability to use the data; however, from the evidence it may be concluded that individual-related factors had the most influence on the company's use of the data.

As extensively discussed in chapter six, the Alpha Foods study revealed that the following individual-related factors influenced the use of SLCD: (1) the owner-managers possessed advanced educational qualifications of masters' degrees; (2) they had gained vast administrative familiarity and managerial experience working in several companies prior to founding the company; (3) they possessed an information-seeking personality, which stimulated their continuous desire to seek market information from various sources; (4) they had developed a technically sound management team, made up of individuals with vast previous managerial experience; (5) they exhibited a rational approach to decision-making through the deliberations of the management team and considerations for several sources of market

information; (6) they showed desire for the company to grow over the coming future; and (7) the company made good use of the networks and personal contacts of the owner-managers, as well as those of staff members.

Also, it may be concluded that the other groups of factors – organisational, informational and relationship – were influenced by the individual-related factors. For instance, the prevalent structure and culture of the company (organisational factors) were determined by the owner-managers; whom small business literature describe as dominant and "omnipresent" over their businesses (McCartan-Quinn and Carson 2003, Reijonen and Komppula 2007). Similarly, the ability of the report findings to be considered acceptable, actionable and in suitable form and content (informational factors) was determined by the competence of the owner-managers and members of the management team. In the Alpha case, its management team constituted individuals who are technically skilled in analysing and interpreting formal market information. Hence, the involvement and communication between the company and the researcher preparing the SLCD reports was determined by the owner-managers' desire to gain better understanding of the market. Also, the credibility, trustworthiness and usefulness (relationship factors) ascribed to the data was based on the knowledge of the team members who had previous experience handling the data, and understood the insights that such market information could bring to the business. Overall, all the other factors hinged on the individual-related factors to further influence the use of supermarket loyalty card data.

9.3.3 Proposition Three

Proposition three was developed based on discussions regarding the potential benefits of the use of supermarket loyalty card data amongst small agri-food companies. Similarly, the discussion on benefits was based on the performance literature. As such, proposition three stated that "Small agri-food companies would derive both financial and non-financial benefits from their use of supermarket loyalty card data".

Again, there was evidence from the semi-structured interviews and the case studies to support this proposition. Although the fieldwork revealed that there were more non-financial benefits, than financial benefits, gained from the use of supermarket

loyalty card data. In other words, while there was evidence to suggest some form of financial benefits, it was difficult to ascertain a direct relationship between the use of the data and financial benefits such as increased turnover and profitability. Also, it was found that supermarket loyalty card data was only one source of market information used by the companies. However, on the other hand, the entire fieldwork revealed several non-financial benefits such as: improved market knowledge, enhanced credibility in the market, enhanced planning and strategic decision-making, customer loyalty, and the boosting of internal confidence.

Scholars have suggested that small business owners do not always view financial gain as their primary or sole motivation; rather, non-financial measures tend to be considered as better indicators for success and achievement (Reijonen and Komppula 2007:690). The non-financial benefits were more distinctly identifiable from the investigations, and were capable of being easily linked to the company's exposure to supermarket loyalty card data. For instance, it was evident that the company benefitted by gaining improved knowledge of the market, which has helped to inform further product developments and innovations and enhanced more informed marketing decisions. A summary of the review of theoretical propositions has been presented in Table 9.1:

Table 9.1: Summary of the Review of Theoretical Propositions

Summary of Conclusion
1st Proposition

| **1st Proposition**
- It was proposed that there are different dimensions to the use of supermarket loyalty card data amongst small agri-food companies.
- The study revealed evidence to support the existence of both instrumental and conceptual dimensions of information-use.
- Although there wasn't clear evidence of symbolic use; the study revealed the danger of selective use of the data, which may be akin to distortion or misinterpretation.
2nd Proposition
- It was proposed that the individual-related factors would influence the use of supermarket loyalty card data more than the organisational, informational and relationship group of factors.
- There was evidence to support this proposition as the study found that factors such as the owner-managers education, economic history, administrative familiarity, staff involvement, decision rationality and networking ability, which all constitute individual-related factors, were the dominate enablers to the company's use of the data.
3rd Proposition
- It was proposed that the use of supermarket loyalty card data would derive both financial and non-financial benefits. |

- Again, there was evidence to partly support this proposition; given that it was difficult to ascertain the direct financial benefits. But several non-financial benefits were revealed, such as improved customer and market knowledge, enhanced customer loyalty, enhanced credibility and boost of internal confidence amongst others.

To summarise Section 9.3, a revised conceptual framework has been developed in Figure 9.1 based on the findings discussed above.

Figure 9.1: Revised Conceptual Framework
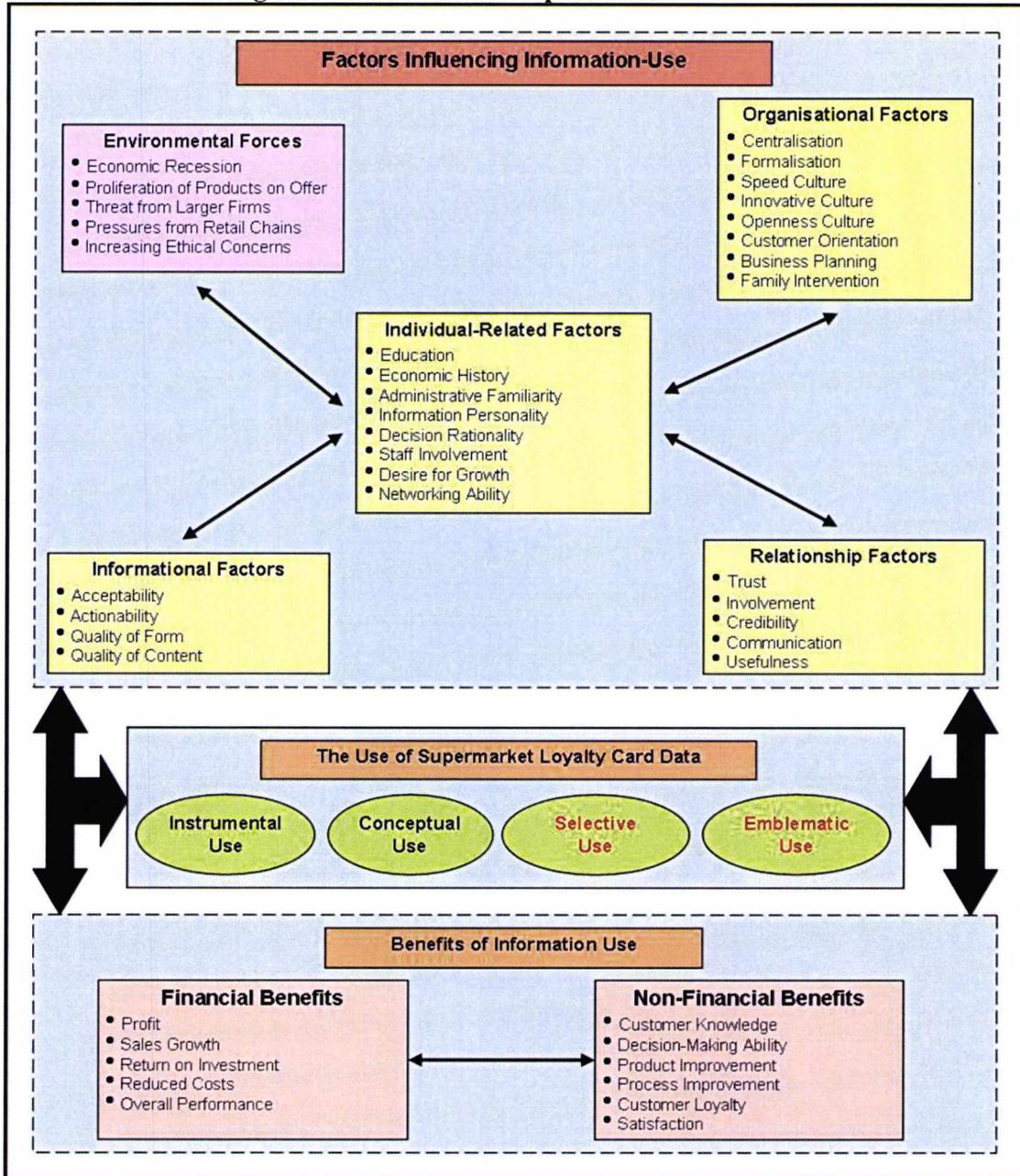
The revised conceptual framework presented in Figure 9.1 was based on the findings and conclusions made from this thesis. In summary, four main changes were undertaken to revise the model:

1. **The Inclusion of Environmental Forces:** this inclusion has been necessitated by the findings from both the semi-structured interviews and the case studies. The study revealed that apart from the four groups of factors investigated factors, external forces such as the effect of the recession, proliferation of products on offer, threats from larger organisations, pressures from supermarkets/retail chains, and increasing ethical concerns. As it concerns the recession, it was revealed that a number of the small agri-food companies were impacted due to recline in consumer incomes and inability to secure credit facilities. It therefore meant that the limited resources available had to be channelled appropriately. In this regard, market information provided the companies a clear direction of how to channel their investments towards the most potentially profitable food product. Similarly, the proliferation of food products offered to consumers, threat from larger organisations and pressures from the supermarkets also meant that for small agri-food companies to thrive they need to have a proper understanding of their market, by seeking and making effective use of several sources of market information. Also, dues to increasing ethical concerns regarding issues such as local and regional foods, fair trade, and environmental sustainability; small agri-food companies require proper market knowledge to thrive.

2. **Linking of Other Factors to Individual-Related Factors:** The study revealed, in support of Proposition 2E, that the individual-related factors influenced the use of supermarket loyalty card data more than the other factors examined (organisational, informational and relationship factors). It was found that all the other factors were linked to individual-related factors in one way or another. For instance, the company's mode of operations and prevalent organisational culture, which make up the organisational factors were all decided by the owner-managers of the small agri-food companies. Similarly, the decision to communicate with the information provider and to be involved in the process of preparing the SLCD reports; along with the consideration of the reports to either be politically acceptable or not, all rested

on the owner-managers. Even the environmental forces, would be considered an influencing factor to the extent by which the owner-managers consider it necessary. Therefore, all the other factors are related with the individual-related factors.

3. **The Replacement of "Symbolic Use" with "Selective Use":** Also revealed from the study was the difficulty in identifying the symbolic use of information in its strict theoretical sense. This was because none of the small agri-food companies was willing to readily admit that they distorted or misinterpreted the information for their own reasons. However, there was clear evidence that in most of the companies, supermarket loyalty card data was used selectively. In other words, when the small agri-food companies receive the SLCD reports, they only "cherry-pick" areas that are relevant to them or that would help them justify their positions, opinions, decision and strategic direction. In so doing, they leave out other aspects of the report that does not help them meet their objective at the time.

4. **The Inclusions of "Emblematic Use" of Information:** The study also discovered a new dimension of information-use that had not previously been considered in the literature. The emblematic use of supermarket loyalty card data was identified from the semi-structured interviews and further strengthened in one of the case studies. It simply refers to the situation where small agri-food companies gained a positive image and credibility from supermarket buyers by merely possessing supermarket loyalty card data.

9.4 Contributions

9.4.1 Empirical Contributions

9.4.1.1 Specification of Market Information

This thesis has also contributed empirically by investigating a specific type of market information – supermarket loyalty card data. Unlike previous studies that have been criticised for using rather amorphous terms to describe the type of information being studied, such as: information (Fann and Smeltzer, 1989; Lybaert, 1998), external information (Johnson and Kuehn, 1987), market information (Moorman, 1995; Souchon and Diamantopoulos, 1996), market knowledge (Menon and Varadarajan, 1997), market research information (Moorman, Deshpande and Zaltman, 1993) and

competitive intelligence (Arnett, Menon and Wilcox, 2000), which may all have different meanings to different group of people. However, thesis has clearly delineated what is being studied as 'supermarket loyalty card data', which represents a specific type of market information derived from the Tesco loyalty scheme.

In addition, although earlier studies have suggested that small business deliberation involves informal, unplanned activity that relies on the intuition and energy of the owner-manager to make things happen (Blankson and Stokes 2002, McCartan-Quinn and Carson 2003) , and that they tend to only consider the short-term, due to their survival mentality (Hankinson, Bartlett and Ducheneaut 1997). On the contrary, this thesis has provided evidence to suggest that some small companies are now tending to adopt a more structured and formalised approach to marketing and search for market information. Although it can be argued that this evidence was observed within the context of a small business which has educated and managerially experienced owner-manager amongst others.

9.4.1.2 Multi-Dimensionality in Exploring Information-Use

This thesis has also contributed empirically by adopting a multi-dimensional approach to investigating the use of supermarket loyalty card data within the context of small agri-food companies (i.e. the decision to investigate information-use from the instrumental, conceptual and symbolic dimensions). Whilst it has been suggested that the adoption of a multi-dimensional approach is more complex and generates more robust findings (Menon and Varadarajan 1992); there has been a paucity of studies that have used this multi-dimensional approach to investigate the use of supermarket loyalty card data within the small business context.

9.4.1.3 Joint Use of Interviews and Participant Observations for the Case Studies

Although the use of interviews have long been established as a viable technique for conducting exploratory research within small business; nonetheless, there has been a paucity in studies that have adopted participant observations to investigating information-use, generally, and particularly within the small business context, in particular. Therefore, both techniques served complimentary purposes for collecting data from the case studies. This is because while participant observation offered further insights into what was really happening in the organisation, as opposed to what the owner-managers said is happening; the interviews also helped to look into

issues that wouldn't have been unearthed otherwise, by observation. In addition, although some elements of subjectivity exist in designing and conducting an interview, and also in what the researcher may choose to observe; nonetheless, measures were taken to minimise them.

9.4.2 Theoretical Contributions

9.4.2.1 Emblematic Use of Market Information

This thesis has contributed theoretically by unearthing a new dimension of information, which has not previously been identified in the literature. This has been termed the "emblematic use" of information, and it refers to a situation where organisations gain any form of positive image, attraction or credibility from stakeholders by merely possessing information, and making the stakeholder aware of the fact that they are in possession of such information. Although it can be argued that this may relate only to small businesses; yet there was some evidence from this study to suggest that several companies seemed to gain some form of positive image, credibility, trust and respect from stakeholders, like supermarket buyers, who knew they have had access to, and are making use of, supermarket loyalty card data.

For instance, in the first case study, the owner-manager explained that their possession and use of SLCD created a positive rapport between him and the supermarket buyer, because once the supermarket buyer saw him, he knew he would be armed with new information and insights about what was happening in his category, something that he has not found the time to look-up for himself. In his words:

> "…So the data really allowed us to work with those guys [supermarket buyers] on a whole different level… So we're starting to carve out a niche for ourselves, and the good thing is that they trust us and we sit down with some hard data. And I'm not just talking theory; I sit down with them and say, 'here's our plan and here's the data', and that makes all the difference."

Although this evidence is based on one case study, yet the interviews conducted for the first phase of the data collection process provide some more evidence to further highlight "emblematic use". Another participant remarked that whenever he gave a presentation to supermarket buyers about his products, they always seemed quite impressed and surprised to see a small company go out of its way to look for highly

formalised information such as SLCD. Therefore, the "emblematic use" is a dimension of information that can be further investigated by further researchers.

9.4.3   Methodological Contributions

9.4.3.1   Free Access to Supermarket Loyalty Card Data

Methodologically, this thesis has also made some contributions. Firstly, while prohibitive costs and lack of technical expertise have been considered the major barriers to small businesses seeking formalised market information; the project on which this thesis was based sought from the beginning to eliminate these major barriers. Consequently, supermarket loyalty card data was provided to the companies free of charge and the researcher was responsible for analysing the data sets and preparing the reports.

Secondly, while previous studies merely go to companies to investigate their use of information, this research then sought to investigate how the companies provided with the reports fared and what they did with them. Although this process tended to limit the sample frame of the researcher to only those companies that benefitted from the free supply of supermarket loyalty card data; yet it represents a methodological contribution for which there is dearth in the literature.

9.4.4   Practical Contributions

9.4.4.1   Implications for Small Agri-Food Companies

The results of this study revealed that individual-related factors seemed to influence the use of supermarket loyalty card data, more than the other group of factors (organisational, informational and relationship factors). Essentially, this thesis has contributed by providing evidence to suggest that owner-managers' education, previous experience and administrative familiarity tended to influence their use of the market information. In this regard, the study highlights the need for prospective small business owners to establish businesses around their areas of strength and previous knowledge. This was a common trend identified from the first phase of data collection; as two-thirds of the owner-managers had their businesses established in areas of their prior expertise. For instance there was: the Chocolate drink producer who was an ex-cocoa taster for Mars; the City & Guild qualified Chef who went into

the production of Ice Cream; the Nutritionist who went into the production of healthy baby cakes; and the ex-health and fitness trainer who now manufactures healthy snack bars. It is important for prospective business owners to understand the market and its workings before venturing into it; because, as small business literature reports, the owner-manager may expose the business to great uncertainty and high fixed cost of management, if he or she has no experience in the area or lacks the requisite "skill set" to manage the business (Arnett, Menon and Wilcox 2000, Diamantopoulos and Souchon 1999, Souchon and Diamantopoulos 1996, Toften and Olsen 2003).

In addition, the study provided evidence to strengthen previously held views that growth in small companies tend to be dependent on the desire of their owner-managers. Therefore, an owner-manager who desires his company to grow needs to seek market information from both informal and formal sources. He or she cannot afford to rely on intuition for decision-making. There needs to be a shift towards rationality in decision-making, which considers market information critical, and reflects on the implication of information in relation to the decision options available. More so, the literature reported that small business owners who had higher inclination for information (i.e. developing information-seeking personality), and were more rational in their decision-making, tended to make more use of information and performed better {Lybaert, 1998).

Small businesses owners also need to learn how to leverage on their past knowledge, networks and contacts, as well as those of their staff members in the marketing process. The study has shown that informal networks play important roles in helping to extend the brand identity and serves as a source gaining information. As small business literature suggests, networking is viewed as the most credible source for advice, and it helps to reduce risks by providing small companies a platform for getting practical solutions to business problems (Carter and Jones-Evans 2006).

Furthermore, it is not enough for small businesses to have products, there is a need for them to create a story or value proposition for their products, and this could be in the form of its nature or an identified gap in the market. It could also in the form of a philosophy, ethical belief or health concern. It is important that small businesses

understand where their value propositions fit in within the consumer needs index, and constantly seek updated market information to help them justify such propositions.

9.4.4.2 Implications for Small Business Advisors and Consultants

The engagement between the Centre for Value Chain Research (CVCR) and small agri-food businesses, as well as the results of the study highlights some implications for small business advisors and consultants. Although not as evident as the individual-related factors, the study showed that informational factors – acceptability, actionability, quality of form and content – also influenced the use of supermarket loyalty card data. The findings under this group highlight the need for small business advisors and consultants to endeavour to make the information they provide to be acceptable (i.e. compatible with organisational objectives) and actionable (i.e. readily practical implementable in the organisation). This is because the result from this research was consistent with previous studies, which found higher levels of information use in situations where a piece of information or report is compatible with an organisation's objectives, and where the information was practical and readily implementable (Burke and Jarratt 2004).

In addition, the information provided by consultants need to be tailored in form and content to suit the specific information needs of small businesses. This finding was affirmed in this thesis, and it is affirmed previous studies that suggested that the perceived quality of a piece or information, in terms of form and content, is likely to influence the willingness to act upon it (Menon and Varadarajan 1992, Van Birgelen, De Ruyter and Wetzels 2001). Essentially, entrepreneurs and owner-managers seeking information do not like consultants who are generalists; rather, they prefer consultants and business advisors who would take some time to first of all understand their business and their peculiar information needs, and move on to prepare tailor-made reports to meet their specific needs. This is because while generalised information, might provide general understanding and broad insights into the markets, they may not necessarily be acceptable, actionable or in the right form and content.

9.4.4.3 <u>Implications for Policy Makers</u>

This thesis has so far shown that, to some extent, the use of market information is beneficial to the small agri-food companies investigated. However, it is important to note that this research was part of on-going research projects that requires continued funding to be sustained. To this end, it is crucial that regional development agencies and government departments ensure the sustained sponsorship of this project in order to be able to cover a wider geographical population of small-agri-food companies in the UK. Moreover, there are several small agri-food companies who are either unaware of this free access to market information or have been limited from accessing supermarket loyalty card data by prohibitive costs of accessing the data and/or lack of technical expertise to handle the data. There is need for more research funding in this regard to ensure continuity of the project and government can make this happen.

9.5   Limitations of the Research

In the process of conducting this research a number of limitations were encountered; the first being the narrow geographical coverage of the study. The research explored the use of supermarket loyalty card data amongst small agri-food companies in the southern region of the UK, spanning cities and towns such as, Oxford, London, Reading, Cheshire and Woking.

In addition, only two in-depth case studies were conducted for the study, thereby limiting the researcher's ability to draw far-reaching conclusions thereof. The choice of two case studies was necessitated by two main reasons: one, the limited exposure of small agri-food companies to supermarket loyalty card data; and two, difficulty in finding willing participants that met the selection criteria of companies to be used as a case study. These resulted into the pragmatic approach adopted by the researcher in selecting and conducting only two case studies, but which provided extreme positions to sufficiently address the research objectives.

Another limitation of this study is the perceived weakness associated with exploratory studies; as qualitative research is often criticised for its lack of reliability. Given the exploratory nature of this research and the limitations of the research

methods and techniques adopted, measures were taken into account to ensure the validity and reliability of the research.

For instance, while a case protocol was developed to guide the case studies, interview guides and observation themes were also designed to aid the interviews and participant observations respectively. Yin (2003) suggests that case protocols serve the purpose of increasing the reliability of case studies, because they are intended to guide the researcher's data collection process. More so, the protocol was developed to adhere with the position of management research literature that scientific observations should be conducted "systematically and repeatedly over varying conditions" in order to "ensure the widest range of observational consistency" (Adler and Adler 1994, BÃ¸llingtoft and UlhÃ¸i 2005).

In addition, while conducting the interviews, the researcher tried to provide prompts and reinforcements in order to avoid the potential of participants misunderstanding literal meaning of words with theoretical meanings. For instance, as it relates to the dimensions of information-use, it was important to explain that the theoretical meanings of the words "instrumental", "conceptual" and "symbolic" differed from their literal meanings. Although this might have raise issues of researcher's subjectivity; nonetheless, the explanations were limited to only instances where it was necessary to avoid confusing the willing participant.

Furthermore, in the process of conducting the case studies, the researcher spent considerable time in the companies and with the participants; as such, it is not unlikely that the presence of the researcher might have stirred the tendency for some of the participants to exhibit unnatural behaviours, a phenomenon often referred to as reactivity. Therefore, although the researcher attempted a number of strategies, which have been identified by previous researchers, to control the tendency for such unnatural behaviours; yet it is difficult, if not impossible, to ascertain whether or not the behaviours of the participants were influenced by the researcher's presence.

9.6 Implications for Further Research

9.6.1 Empirical Issues

Further research to extend the boundaries of this thesis could begin by examining the research problem in different contexts and/or with different samples. Particularly, while this thesis has focused on small agri-food businesses, it may be necessary to focus further studies on large agri-food businesses. In this case, the organisational dynamics would differ, as large businesses often possess huge budgets to seek market information from various sources, as well as the possession of adequate skilled personnel to handle supermarket loyalty card data. It may be academically rewarding to observe how the dimensions of information-use and factors influencing information-use would differ in large companies from our findings on small businesses. Also, the conducting of more case studies may help to solidify some of the findings in this study or stir up some findings that seemed insignificant and elusive in this study.

In addition, further researchers may also chose to focus their study of information use on other dimensions of information use, aside from the three traditional dimensions investigated in this thesis – instrumental, conceptual and symbolic. It is suggested that a multi-dimensional approach should still be maintained due to its rigorous processes and robust outcomes. Scholars may choose to focused on information-use dimensions such as: congruous, incongruous, product and process uses (Van Birgelen, De Ruyter and Wetzels 2001); action-oriented, knowledge enhancing and affective uses (Arnett, Menon and Wilcox 2000); and Immediate use and future use (Souchon and Diamantopoulos 1997).

Also, this thesis was able to unearth a dimension of information-use that has not previously been discussed in the literature – the "emblemic use" of information, where companies gain positive image, credibility and trust by virtue of having access of supermarket loyalty card data. It may seem useful for on-coming small business scholars to investigate this dimension further.

9.6.2 Market Information Issues

As mentioned above, one contribution of this thesis is the specification of the specific type of market information being investigated – supermarket loyalty card

data. Prior to this study, previous studies have been limited by the amorphous use of the terms information, market information and market knowledge, without clear specification. However, supermarket loyalty card data represents only one of the different formal market information available to businesses.

In this regard, future researchers may choose to focus their study on another specific type of market information such as Kantar reports, Nielson Data, IGD reports, IRI data, and even electronic point of sale data (EPOS), if the companies to be investigated are already supplier to one of the retail chains. As such, an example of a future research topic may be – an investigation into factors influencing the use of Neilson Data/IGD and Kantar reports.

9.6.3 Loyalty Card Data and Schemes

This study focused specifically on the use of supermarket loyalty card data, which is derived from Tesco loyalty card scheme. However, apart from Tesco, there are other retail chains, and businesses that employ one form of loyalty scheme or the other to attract, retain and reward loyal customers. Therefore, further researcher may consider exploring the use of loyalty card data derived from other loyalty card schemes such as Sainsbury's Reward Card, Boots' Advantage Card, and WH Smith Smart Card.

9.6.4 Wider Academic Literature

In relation to the wider academic literature, this study relates absorptive capacity construct within the innovation literature. In this regard, scholars have argued that the ability of organisations to recognise the value of new external information, assimilate it and use it is critical to their innovative capacities (Cohen and Levinthal 1990, Zahra and George 2002). Similarly, as this study clearly shows the small agri-food companies that are succeeding are those that have learnt how to value market information, assimilate them and apply them to the business planning and decision-making. In other words, the absorptive capacity of small agri-food companies or small firms in general, holds the key of their innovation and future sustainability.

9.7 Conclusion

To understand how supermarket loyalty card data is used amongst small agri-food companies, the literature suggests that factors influencing information-use are important areas to be investigated (Arnett, Menon and Wilcox 2000, Diamantopoulos

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and Souchon 1999, Moorman 1995). In particular, while some factors act as enablers, there are also others that act as barriers, to their use or non-use of supermarket loyalty card data. On one extreme, there are some small companies that make considerable use of such market information in marketing strategy formulation, product innovation, and decision-making; while on the other extreme, there are companies that make absolutely no use of the data, even when it is made accessible to them free of charge. The reasons for this disparity are under-researched within small business literature, hence constituting the focus of this current research.

Consequently, this thesis set out to extend this under-researched body of knowledge by seeking to explore factors influencing the use of supermarket loyalty card data amongst small agri-food companies. To address this issue, data was collected in two phases, the first comprising of thirteen in-depth semi-structured interviews, and the second, made up of two in-depth case studies; which were then subjected to thematic analysis. Following from this analysis, the main research question was examined. In conclusion, it was found that amongst the group of factors investigated (organisational, individual-related, informational and relationship), the individual related-factors tended to influence the use of supermarket loyalty card data more than the other factors. In the first case, the preponderance of individual-related factors such as high levels of education, experience, economic history, administrative familiarity and decision-rationality tended to enable the use of the data. On the other hand, the lack or limited levels of this same group of factors seemed to have acted as a barrier to the use of the data in the second case study. It also discovered the "emblematic use" of information (discussed above), which have not been previously considered in the information-use literature. This chapter was concluded by discussing some limitations to the research conducted and highlighting a few potential areas of further research.

APPENDIX 1: PARTICIPANT CONSENT FORM

Kent
Business School

Project title: An Investigation into the Factors Influencing the Use of Supermarket Loyalty Card Data amongst Small Agri-Food Companies.

Researcher's name: _____ Ugwushi Bellema Ihua _____

- I have read the Participant Information Sheet and the nature and purpose of the research project has been explained to me. I understand and agree to take part.

- I understand the purpose of the research project and my involvement in it.

- I understand that I may withdraw from the research project at any stage and that this will not affect my status now or in the future.

- I understand that while information gained during the study may be published, I will not be identified and my personal results will remain confidential.

- I understand that I may be audio-taped during the face to face interview and this will only be used for transcription purposes. All audio files will be stored and locked in a secure place and only be accessible by the researchers of this study.

Name of participant...

Signed...**Date**.....................

I have provided information about the research to the research participants and believe that he/she/they understand what is involved.

Researcher's signature and date...

(This project has been approved by the Research Ethics Advisory Group of the Kent Business School, University of Kent)

APPENDIX 2: SEMI-STRUCTURED INTERVIEW GUIDE

Section A: Business overview and personal characteristics – approx. 15 Minutes

1. Could you begin by giving me an overview of the business and how it has developed over time?
   Probe for:
   - Organisational structure (how is the business managed, where is the product produced and by whom – any outsourcing or use of third party service providers?)
   - Ownership structure (family owned? any external shareholders?)
   - Business strategy (is there a formal business plan?)
   - Customer profile (which markets do you supply? who do you sell your products to?)
   - Business size (no. of employees, annual turnover and growth over the last 3yrs?)

2. Can you tell me a bit about your background and your experience prior to starting up or running this business?
   Probe for:
   - Decision-making style (e.g. autocratic?, democratic?, measured? positive? risk averse? intuitive?)
   - Decision-making processes (e.g. highly structured based on consideration of alternative views and information where available or largely informal relying more on gut feel and responding to the issues of the day?)

Section B: Market environment and marketing decision-making – approx. 15 Minutes

3. Looking at the external market environment in which you operate, how would you describe the opportunities and threats facing the business today?
   Probe for:
   - Awareness of competing products and strategies of competing businesses
   - Ideas of market and product development and barriers/enablers (political, economic, social, technical) to exploiting them

4. Looking internally at the business – its people, products and processes - what would you consider as your strengths and weaknesses?
   Probe for:
   - Evidence of strengths and awareness of weaknesses in people, products and business processes (e.g. purchasing, production, marketing, sales, distribution)

5. Focusing specifically on the marketing function, how would you describe your approach to marketing your products?
   Probe for
   - A description of the key elements of their marketing strategy and marketing plan

- The existence of a formal marketing strategy and a formal marketing plan and a) how they are developed (e.g. who is involved?) and b) if they don't exist then why not?
6. Who is responsible for the decisions with respect to the marketing mix and how are they taken?
   Probe for:
   - How decisions are taken with respect to which products to produce, which distribution channels to supply, what prices to charge and what form of promotion/advertising to use.

Section C: The use of information in marketing decision-making – approx. 30 Minutes

7. Do you make use of any market or consumer information to inform your marketing decision-making?
Probe for:
   - Market information and/or consumer research that they buy-in or conduct themselves
   - Specific examples of marketing decision-making being influenced, explicitly or implicitly, by market information or consumer research and how? (e.g. who is involved in the process?)

8. Turning to supermarket loyalty card (dunnhumby) data. Did you have any experience of this before you received the first dunnhumby report from KBS? If yes, how did use it and if not how did you hear about the service we offer?

9. You have received x reports from us over the last 12 months. Can you describe, in as much detail as possible, how this information has been used?
Probe for:
   - Instrumental use (e.g. applied directly to change one or more elements of the marketing mix)
   - Conceptual use (e.g. to broaden your market knowledge and/or change your views about market performance, market opportunities and competitors' behaviour)
   - Symbolic use (e.g. presenting to supermarkets to illustrate a degree of professionalism)

Section D: Benefits from using supermarket loyalty card data – approx. 15 Minutes

10. How would you say your business has benefitted from having access to the dunnhumby data?
Probe for:
   - Financial benefits (e.g. business won, money saved, new products introduced)
   - Non-financial benefits (e.g. experience/knowledge gained, improvements in decision-making)

Section E: Barriers and enablers to the use of supermarket loyalty card data – approx. 15 Minutes

11a. (*For those companies that have made only one request for information*) Is there any reason why you have not come back to us for additional dunnhumby reports since you received the first (x months ago)?
Probe for:
- Problems with timing (e.g. missed opportunities)
- Problems with interpretation (e.g. understanding charts/tables/data)
- Situational/contextual reasons (e.g. waiting for the right occasion before asking for more)

11b. (*For those companies that made multiple requests for information*) Have you experienced any problems in interpreting or using the dunnhumby data?
Probe for:
- Problems with timing (e.g. missed opportunities)
- Problems with interpretation (e.g. understanding charts/tables/data)
- Situational/contextual reasons (e.g. waiting for the right occasion before asking for more)

12. What improvements do you think could be made – by you or by us – to ensure that you make the best use of this kind of information in the future?
Probe for:
- Improvements in the way the data is presented and interpreted (e.g. clearer executive summary. more/better recommendations and/or specific calls to action?
- Improvements in the clarity/precision of questions posed and more formal integration into marketing decision-making.

Thank you very much for your time.

APPENDIX 3: CASE STUDY PROTOCOL

Researcher: Ugwushi Bellema Ihua

Email: ubi2@kent.ac.uk

Research Topic: An Investigation into the Factors Influencing the Use of Supermarket Loyalty Card Data amongst Small Agri-Food Companies

Research Objectives:
- To understand how supermarket loyalty card data is used amongst small agri-food companies.

- To explore the factors influencing the use of supermarket loyalty card data amongst small agri-food companies.

- To investigate the benefits derived by small agri-food companies as a result of their use of supermarket loyalty card data.

Administration

Case Company:

Location and Address:

Key Contacts in the Company:

Timescale of the study:

General Study Orientation
Introduction by the project researcher
1. Briefly explain the research project and what it seeks to achieve

2. Explain the process to be adopted in the case study

3. Ask for permission to record interviews, access company documents and take field notes of observation.

Methods and Procedures:
1. Three main data collection techniques would be adopted:
   - Interviews (Interview at least three people in the company consisting of staff with general management function, staff with specific marketing function and consultants working with the company.)
   - Participant observation (while I would provide some marketing support to the company in the form of preparing and analysing some supermarket loyalty card data, I would also observe the practices in the organisation and take notes as I go along.)

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- Documentation (I would try to access some of the company documents, such as vision, mission, performance reports, strategy documents, business and marketing plans, and management information like KPIs, financial and performance information etc. And any document that may relate specifically to the companies marketing efforts such as promotion, advertising, and pricing decisions)

2. List the Names of Participants to be interviewed:

3. Maintain detailed field notes of the participant observation and write summary of daily activities.

4. Depending the number of staff in the company, attempt to interview a mixed balance of participant interviewees.

5. Interviews would be semi-structured in nature to allow for free flow of ideas and I would ensure that there are gaps in the interview to allow time for the participants to compose their thoughts and prepare for the next interview.

6. Participate as an observer in any marketing activities that the company may be involve in during the period of the case study, such as meetings with buyers, discussion with customers, internal marketing meetings and so on.

7. Notify participant interviewees, for at least a day prior to interviewing them, to arrange for suitable time, room and reason for the interview.

Participant Observation Guide

The case study would be collecting data through participant observation and the researcher would be in the company like another member of staff. However, the research would be observing and making notes of the following issues:

1 Factors Influencing Information-Use

A. Organisational Factors:
- How formal or informal, centralised or decentralised is the company?
- How fast or slow is information communicated within the company?
- How does their information system functions?
- What is the generally work ethic?

B. Individual-Related Factors
- Observe how decisions are made and who is responsible for what.
- Which staff members are involved in decision-making?
- Have staff members been influenced in any way by the personality of the owner/manager?
- Observe if there is rationality of decision-making or intuitiveness?

C. Informational Factors
- Observe whether or not the report prepared is communicated by other staff members or only studied by the managers.
- Observe their perception on the content and form of the information when it

is provided to them.
- Do they feel at ease with the current format of the data?
- Does the finding surprise them or does it seem to confirm their thoughts?
- Do they perceive the data as being actionable and can be put to immediate use?

D. Relationship Factors
- Observe the relationship amongst staff members.
- Observe how staff share and communicate information.
- What is the nature of communication between staff and management?
- What is the nature of their interaction and communication with the report provider?

Marketing in the Organisation
- Who does what and when regarding the company's marketing efforts?
- Are marketing decisions based on any information; and what sort of information are they?
- What is the rationale behind the report being requested?
- What is the involvement of staff members in marketing decision-making?
- How many staff members are given access to, or communicated the findings of, the report prepared?

Interview Guide

Overview of the Organisation
The objective of this is to get a feel of the company in the following areas:
1. Brief history of the business – when did the business start, what have been the significant milestones of the company till date.

2. Size and Ownership – number of staff, shareholders, turnover, and family owned?

3. Product Offering – how many products currently in the market? What was the first product, and how did the other products originate? What products do you have line up for the future?

4. Market – which markets do you supply and who are your customers, competitors and suppliers?

5. What opportunities does the external environment provide for your company?
6. On the other hand, what threats does the external environment pose to your company?

7. Culture – what would you describe the mode of communication in this organisation? How would you describe the personality of the owner/managing director? Are you inspired by his personality in anyway?

8. Current state of the business – what has been the performance of the business so far? What do you think the business does well? What does success for the business

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look like? Have you been involved in any regional awards, festivals and food fairs?

9. Future direction and plan – what are the biggest challenges facing the business and what are the company's plans for the future?

Interviewee Characteristics and Orientation
1. Can you tell me a bit about your background and experience prior to joining the company?

2. What do you do for your organisation now?

3. Who do you report to and who reports to you?

4. What is the scope of your responsibility?

5. Tell me a bit about your decision-making style? (E.g. intuitive, risk-averse, democratic, highly structured, relying largely on information?)

Marketing and Marketing Decision-Making
1. Can you tell about how your organisation markets its products?

2. Whose are those responsible for making marketing decisions?

3. Do you have a marketing plan, process and strategy? What are its key elements or stages?

4. How does your marketing plan, process or strategy tie into the overall objectives of the company?

5. How are marketing decisions made in your company? (How do you decide on the pricing, promotions, advertisement?)

6. Is your approach specific or flexible? Please give examples

7. Are there external influences that may influence the working of your company's marketing activities? Can you explain them?

8. What is the role of social media such as facebook and twitter in your marketing activities? Please give examples

9. What measures do you use in checking that your marketing efforts are working?

10. How often is your marketing plan/process/strategy revised?

The Use of Supermarket Loyalty Card Data and Factor Influencing Information-Use
1. How much do you know about your customers/suppliers and competitors?

2. What information do you get about your customers/suppliers and competitors?

3. How do you source for marketing information and why do you rely on these sources?

4. How do you identify market gaps and make decisions regarding product development, innovation and timing of product launches? Do you rely on any sort of market information?

5. What has been your experience with supermarket loyalty card data (dunnhumby data)?

6. How much do you trust the data and why do you trust it to this extent?

7. With respect to your engagement with supermarket buyers, how have you used the dunnhumby data?

8. Does your company work with an external consultant? What is the role of the consultant regarding how you use dunnhumby data?

9. Does the company's owner/MD influence how the data is used in the organisation? Can you give examples?

10. Would your company have preferred to have direct contact with the data provider prior to preparing the data? Why do you think so?

11. How did you find the presentation format and content of the data? Would you have preferred to have it in a different way, in order to enhance your company's use of the data?

12. Would your company have made better use of the data if you had been previously a workshop or training on how to analyse and interpret the data? Please explain.

13. Did your company experience any communication mix-up? Give examples.

14. Did your company experience timing problems when the report was being prepared? Explain where necessary.

15. What improvement would you want to be made to ensure that you are able to make better use of this type of information in the future?

Benefits of Using Supermarket Loyalty Card Data
1. How has your company's performance been over the last two years? Would you ascribe all or part of your performance to the use of the data? Please explain why.

2. How has your company benefitted from the use of SLCD generally?

3. Have you company benefitted financially from the use of the data? Please explain.

4. Have your company benefitted in the following areas? (Please provide concrete examples)

- To gain market knowledge
- To support your value proposition
- To impact your marketing decision regarding new products
- To pitch for business
- To enhance your company's credibility
- To boost internal confidence within the company
- To develop you business plan

5. Are there any other ways that your company benefitted from the use of the data?

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End of Report