Beliefs of senior managers and their influence on market orientation: An Australian owner-managed, vertically-integrated horticultural enterprise perspective.

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Abstract

Agriculture makes an important contribution to the Australian economy through food and fibre production, exports and employment. Horticulture is the third largest component of the Australian agricultural industry after meat and grain. It provided employment for almost 60,000 people in 2011/12. However, the number of people employed in horticultural product processing in Australia is declining, partly as a consequence of multinational food manufacturers relocating their commodity fruit and vegetable processing such as freezing and canning to countries with lower costs of production than Australia. Concurrent with the relocation of large-scale fruit and vegetable processing, segments of consumers are increasingly seeking new and unique food experiences with attributes such as low food miles, provenance and assurances of safe and ethical production practices. These can be manufactured by smaller-scale Australian-based processors because consumers seeking these benefits are often prepared to pay price premiums. This means that opportunities exist for Australian niche product manufacturers to develop and market products to satisfy this emerging demand. However, traditional horticultural industry marketing and distribution practices have relied on farmers focusing on efficiencies of production with little need for marketing which means that skills and understanding of marketing of products within the horticultural sector is limited.

Market orientation contributes to organisational performance. It involves gathering market intelligence, sharing it widely within the organisation so that all departments can contribute to planning and implementing timely and coordinated responses to the identified opportunities and threats. It is part of organisational culture which in its simplest form is described as “the way we do things around here”. Many aspects of market orientation have been published but past research on barriers to adoption of market oriented behaviour have focused on broad cultural issues rather than specific beliefs. Understanding specific beliefs of founders, owners and senior managers is important because beliefs influence behaviour. Research on the subject of market orientation in agriculture is limited and there are few studies on market orientation in horticulture, particularly in Australia. This research was conducted to determine the salient beliefs of top management teams of vertically-integrated horticultural enterprises that influenced the degree of market orientation adopted by their organisations.

The research employed a qualitative approach involving 52 semi-structured interviews of founders, owners and senior managers reporting to them from four Australian vertically-
integrated horticultural enterprises located in south east Queensland and northern New South Wales. These organisations were purposefully selected as typical. Two firms with annual incomes of $30m - $40m and managed by employed managers, and two with annual incomes of less than $2m managed by family members were selected as the case study firms. Senior managers from each organisation were interviewed three times. At the commencement of the final interview, interviewees received a short presentation about market orientation, the benefits of organisations being market oriented and the evidence to support the relationship between market orientation and superior organisational performance.

A total of 28 beliefs of senior management team members were identified. These beliefs, which appeared to have become part of organisational culture, influenced the way market intelligence was gathered, shared and how the organisations planned, coordinated and timed their responses to market opportunities and threats. The results suggest that changing management beliefs about marketing and market orientation may be important component of enhancing the degree to which firms are market oriented.

The contribution to literature made by this research is the identification of salient beliefs that influenced the degree to which the case study firms were market oriented. This extends the literature in the area of barriers to market orientation. Additionally, this research developed and demonstrated the use of a qualitative method for identifying the salient beliefs of senior management team members which influenced the degree to which their organisations adopted market orientation.

The results of this research have implications for education, training and interventions designed to influence marketing effectiveness. It suggests that before higher levels of market orientation can be achieved, the salient beliefs of founders, owners and senior management team members must first be understood and modified.

Prior literature indicates that country and industry culture may influence the degree to which organisations are market orientation. Consequently, this research has implications for government policy that influences industry culture, and recommends that horticultural industry culture related to market orientation be assessed and compared with Australia’s international competitors as the first step in evaluating the extent to which enhancing the degree to which the industry adopts market orientation will improve its competitive position.
Declaration by the author

This thesis is composed of my original work, and contains no material previously published or written by another person except where due reference has been made in the text. I have clearly stated the contribution by others to jointly-authored works that I have included in my thesis.

I have clearly stated the contribution of others to my thesis as a whole, including statistical assistance, survey design, data analysis, significant technical procedures, professional editorial advice, and any other original research work used or reported in my thesis. The content of my thesis is the result of work I have carried out since the commencement of my research higher degree candidature and does not include a substantial part of work that has been submitted to qualify for the award of any other degree or diploma in any university or other tertiary institution. I have clearly stated which parts of my thesis, if any, have been submitted to qualify for another award.

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Publications during candidature


Publications included in this thesis

None.

Contributions by others to the thesis

None.

Statement of parts of the thesis submitted to qualify for the award of another degree

None.
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I am extremely grateful for and acknowledge the help of my wife Dawn for all the hours she spent alone while I conducted this research and for her assistance in proof-reading the thesis as it was developed. She also became the substantial breadwinner for the family while I was undertaking this research and I hope that our roles can be reversed over the next few years to allow Dawn to undertake her own studies if she so wishes.

I am also very grateful to my supervisors Dr Simon Somogyi and Dr Anoma Ariyawardana without whose assistance and guidance I could not have completed this task.

Keywords

Market orientation, organisational culture, leadership, marketing, decision-making, agribusiness, horticulture, value-adding.

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ANZSRC code: 070106, Farm Management, Rural Management and Agribusiness, 60%

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Chapter 1  Introduction

1.1  Background to the research

The agricultural industry makes a significant contribution to the Australian economy through domestic food supply, exports and employment. In 2011/12 the value of farm and fisheries production was $42.6 billion which was an increase of 3.4% over 2010/11. At the same time, Australian value-adding of food, beverage and tobacco processing was $22.9 billion which was a decline of 5% from 2010/11. Employment in food, beverage and tobacco processing represented 24% of the Australian manufacturing sector employment and accounted for 226,250 people in 2011/12 (DAFF 2013a).

The horticultural sector is a significant component of the Australian agricultural industry. It is the third largest agricultural industry after meat and grain with the total value being A$8.7 billion in 2011/12 (DAFF 2013b). Horticulture is a diverse sector, consisting of around 80 edible commodities including fruits, vegetables, nuts, mushrooms, nursery and greenhouse products. The Australian horticultural industry is part of the global food industry which, according to the FAO Declaration of the World Summit on Food Security has an agreed agenda of ensuring food security which underpins future demand (Food and Agriculture Organisation of the United Nations 2009):

> Food security exists when all people, at all times, have physical, social and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life. The four pillars of food security are availability, access, utilization and stability. The nutritional dimension is integral to the concept of food security.

To achieve food security for a global population expected to exceed 9 billion by 2050, FAO estimates that agricultural output will need to increase by 70% by 2050. This means that food production including horticultural products are part of a long-term growth industry which can expect increased demand from domestic and export markets.

The horticultural sector makes a significant contribution to employment in Australia, and provided employment for 59,500 in 2011/12 plus an additional 6,250 employed in fruit and
vegetable processing. However, the number of people employed in fruit and vegetable processing in Australia is declining, as illustrated in Figure 1-1.

![Number of People Employed in Fruit & Vegetable Processing in Australia 2001 - 2012](image)

**Figure 1-1: Number of people employed in Australian fruit and vegetable processing**


It is worth briefly describing the history of Australia’s canning industry because it historically represented a significant component of Australian horticultural processing. Australia’s first canned foods were exported from the UK which sent canned foods to all of its colonies. Australia’s first canning operation opened in Sydney in 1846. By 1869 canners were exporting over one million kilograms of canned meat from Queensland. Approximately 430,000 cans of fruit were produced by SPC in Victoria in 1917 and Ardmona produced almost three million cans of fruit in 1925. Edgell & Sons commenced canning in Bathurst in 1926 and Heinz began canning baked beans in Melbourne in 1935 (Can & Aerosol News 2014). Australian canned food processing received an artificial boost during the Second World War with canned food being produced in Tasmania, Victoria and New South Wales. After World War II Britain agreed to take all of Australia’s surplus canned fruit production and this agreement was in place until 1954. In 1958 Australia produced around 76,000 tonnes of canned fruit, 93% of which was sent to Britain (NSW Parliament 2013). Whilst there have historically been significant exports of processed fruit from Australia, the vegetable industry has primarily been focused on production for the domestic market and until relatively recently were protected by import duties. However, when the UK joined the European Economic Community in 1973 tariff protection was removed and this led to an immediate decline in
exports to the UK. Australia reduced the import duty for canned goods at around the same
time and this allowed imports to be more competitive. These factors have contributed to the
gradual decline of canned food processing in Australia.

The decline in the number of people employed in fruit and vegetable processing in Australia
may be due in part to multinational food manufacturers relocating less sophisticated fruit and
vegetable processing such as canning and freezing to lower-cost countries (off-shoring)
leaving Australian manufacturers to focus on higher levels of value-adding of more

Another trend that should be noted is increasing, commencing in the 1960s, use of
supermarket ‘home brands’ in Australia. Coles introduced its ‘Farmland’ brand in 1964 and
in 2008 Coles had four home brands, Woolworths had six, IGA had its ‘Black and Gold’ and
Aldi had an extensive range of home brands (NSW Parliament 2013). The establishment of
home brands allows the brand owners to source product from the lowest cost supplier in the
world which increasingly are the low-cost sites established by multinationals. All
multinational food processing companies operating in Australia have reduced employee
numbers, closed processing facilities and have off-shored parts of their processing to lower
cost countries since the early 1990s. Over the 20 years to 2012 Australian food imports have
increased at an average growth rate of 5.2% from A$3.9 billion to A$10.6 billion in real
dollars (Rushdi 2012).

Concurrent with low value processing being progressively off-shored from Australia,
segments of consumers are increasingly looking for new and unique food experiences and
have developed “dynamic, complex and differentiated demands” (Grunert 2006, p. 4).
Consumers are increasingly demanding food product attributes such as heterogeneity,
freshness, flavour, variety, food safety, quality and low food miles which are able to be
provided by Australian producers (Gould 2004). Trends towards healthier convenient food
are well supported in the literature (Zink 1997; O’Leary 2005; Anonymous 2011; Casini et al.
2015) and are considered to be mainstream trends in which niches of consumers with specific
needs are emerging. The markets for products to satisfy demand for some of these niches
may be too small to be of interest to multinational food manufacturers which generally rely on
scale of economy in low-cost countries to be competitive in global markets. However, the
markets for heterogeneous food products may be attractive to Australian manufacturers and
farmers who wish to value-add. The increasing demand for differentiated products provides
an opportunity for small firms which have a competitive advantage over large firms as a consequence of their size and agility (Escalante & Turvey 2006). The challenge for small-scale producers of food, including horticultural primary producers who wish to consider value-adding activities, is to develop differentiated products to match the opportunities being presented by these consumer trends.

Identifying and securing attractive market segments requires market information and analysis. Market orientation is the term used to describe the process by which organisations gather, share and respond to market, competitor and customer intelligence. Market orientation has been demonstrated to benefit organisations in a wide range of industries including agriculture (Grunert et al. 1996). A significant number of researchers have demonstrated a positive relationship between market oriented behaviour and organisational success (Kohli & Jaworski 1990; Shoham et al. 2005; Sheppard 2011). Organisations in the agricultural sector are less likely to be market oriented than others because traditional farming practices have not required farmers to have an involvement in marketing (Beverland & Lindgreen 2007). The problem is that without a market orientation, farmers and processors may miss securing or even recognising niche market opportunities available to them (Grunert et al. 1996; Gould 2004; Beverland & Lindgreen 2007).

Literature provides evidence that the beliefs of an organisation’s founder influences organisational culture (Schein 2010) and as market orientation is part of organisational culture (Narver & Slater 1990) it is concluded that beliefs of founders about market orientation influences the degree of market orientation adopted by their organisations. Whilst barriers to market orientation have been previously researched, the specific beliefs that influence market oriented behaviour in an organisation have not previously been studied, and certainly not in an Australian horticultural context. Past research has been highly quantitatively oriented and has documented broader cultural issues preventing market orientation.

The Theory of Planned Behaviour describes how beliefs influence behaviour (Ajzen 2005). Schein (2010) explains how organisational culture is established and evolves within organisations and confirms the significance of the beliefs of founders, owners and senior managers to organisational culture. Furthermore three types of beliefs exist (Armitage & Conner 2001) (1) behavioural beliefs, being what the individual believes will be the outcomes of the behaviour, (2) normative beliefs, being an individual’s assessment of how others within their reference groups will approve or disapprove of their behaviour and (3) control beliefs,
being the degree of control over the factors that may facilitate or impede outcomes from the behaviour. By identifying the type of belief the investigator will have an enhanced understanding of the motivation behind each belief. This research will make a contribution by identifying specific beliefs of senior management team members that influence the degree to which their organisations are market oriented. This will extend the academic literature in relation to barriers to the adoption of market orientation.

1.2 Research problem and questions

The problem being addressed by this research is that despite evidence that being market oriented is beneficial to organisations in a wide range of industries (Shoham et al. 2005) businesses in agriculture, of which horticulture is part, are generally not market oriented (Grunert et al. 1996; Grande 2011). The degree to which firms adopt market orientation is influenced by the beliefs of the top management team (Schein 2010). The Theory of Planned Behaviour explains the relationship between beliefs and behaviour (Ajzen 1991). Furthermore, Ajzen (1991) explains that beliefs can fall into one of three categories being behavioural, normative and control beliefs and that identifying the type of belief will allow an investigator to understand the mindset of the individual holding those beliefs. The research problem translates into three research questions shown in Table 1-1.
Table 1-1: Research problem and questions

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<td>Despite evidence that being market oriented is beneficial to organisations in a wide range of industries including agriculture, of which horticulture is part, agribusinesses are generally not market oriented. As the degree to which market orientation is influenced by top management beliefs, the problem to be solved is understanding specifically what beliefs of top management influence the degree to which organisations adopt market orientation.</td>
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The objective of this research is to make a contribution to the literature on barriers to market orientation and to inform agribusiness firms. This research will make a contribution to the academic literature by identifying specific beliefs that influence the degree to which organisations are market oriented. This section identified the research problem and questions. The next section provides the justification for this research.

1.3  **Justification for the research**

This research will make a contribution to the literature on barriers to adoption of market orientation by using qualitative methods to identify beliefs of founders, owners and senior managers that influence the degree of market orientation adopted by their organisations. This research is justified because:

1. It is focused on identifying specific beliefs of founders, owners and senior managers which influence market orientation. Past research has focused more on cultural descriptions of the barriers rather than specific beliefs such as those provided by Harris and Watkins (1998), yet the literature on culture change suggests that beliefs
must change before organisational culture can be expected to be changed (Schein 2010). This research will identify specific beliefs, and will extend the literature by so doing.

2. Most research undertaken to date has been largely quantitatively-oriented (Mason & Harris 2006), yet qualitative methods are more appropriate as a methodology for gathering and analysing rich data sets (Beverland & Lindgreen 2007; Yin 2014). This research will adopt a qualitative approach and this will extend the literature by providing a deeper understanding of the beliefs of top management that influence the degree to which firms are market oriented.

3. Most of the research that has been undertaken to understand the barriers to market orientation has focused on large manufacturing organisations in the USA (Harris & Watkins 1998). By selecting small horticultural firms this research will extend the literature and provide insights into an under-researched sector.

4. Little or no research to identify the issues relating specifically to barriers to the adoption of market orientation has been conducted on horticultural value-adding enterprises in Australia and previous research has demonstrated that industry and country macro-cultures can influence organisational culture (Mason & Harris 2006).

5. Previous research into barriers to market orientation has not focused on understanding the deeply-held beliefs of senior managers (Harris 1996a), although evidence suggests that these play a significant role in the culture of an organisation (Schein 1990; Harris 1996a; Harris & Watkins 1998; Bisp 1999; Schein 2010; Van den Steen 2011) and therefore the degree to which it is market oriented. This research will address the lack of prior research in the area of beliefs.

The enterprises that were the subject of this research were producer-owned and managed processors of horticultural products which convert their own production into food. These have been selected because:

1. Evidence suggests that food producers rarely adopt a market orientation (Grunert et al. 1996), and by failing to do so, may be missing opportunities for improved profits and sustainability.
2. The horticultural industry is an important part of the Australian agricultural industry and plays a significant role in food production and employment creation (DAFF 2012).

3. Market demand for food is dynamic and there are significant trends towards heterogeneous niche products to suit the requirements of consumers (Grunert 2006). This represents opportunities for the establishment of new enterprises that can contribute to employment. These opportunities are more likely to succeed if they are market oriented (Kohli & Jaworski 1990; Narver & Slater 1990; Jaworski & Kohli 1993).

4. Consumer demands have changed significantly (Grunert 2006). This means opportunities for small scale food processing enterprises may exist. Increased success of producer-owned value-adding enterprises will contribute to regional economies by creating employment opportunities and the flow-on effects to service and product providers.

5. Processed foods represent the largest and fastest growth component of global agri-food trade (Gould 2004). Market entry is always easier in growth markets than when they are stagnant or in decline, so the timing is ideal for Australian horticultural value-adders.

6. The competitive environment has changed significantly as global agrifood supply chains have evolved (Escalante & Turvey 2006) which means that it is timely for primary producers to reconsider their position within supply chains.

7. Despite the concept of marketing having been available to small-scale food producers for more than 50 years, evidence suggests that the food sector is still largely production oriented (Grunert et al. 2005; Beverland & Lindgreen 2007). Understanding the reasons why may contribute to beneficial industry-wide knowledge.

8. Public concern about food security suggests that there is wide support for countries to retain their food production and processing sectors (Fullbrook 2010) and the establishment of successful farmer-owned and operated value-adding enterprises may contribute to the sustainability of the Australian horticultural industry.
With increased levels of market orientation producer-owned value-adding enterprises may be more successful so this research may contribute to the establishment and success of producer-owned value-adding enterprises in regional locations by increasing awareness of the benefits of market orientation and helping the industry to overcome the barriers to the adoption of a market orientation.

It is appropriate to define what is meant by the term ‘value-adding’. It is defined as (House of Representatives Standing Committee on Industry 1999):

\[
\text{any process or service in the supply chain that adds to or enhances the market value of products to customers.}
\]

The term vertical integration is used in this research to mean organisations that take responsibility for the horticultural production (growing), harvesting, processing, packaging and marketing of their products.

This section provided the justification for the research. The next section introduces the methodology employed by this research.

1.4 Methodology

This research adopted a qualitative methodology because qualitative methods are more effective than quantitative methods for providing an in-depth understanding of issues, and because of criticism in the literature about the over-reliance on qualitative methods to study market orientation in the past. Four case study organisations were purposefully selected as typical of Australian vertically-integrated horticultural enterprises. The case study organisations were located in southern Queensland and northern New South Wales. All case study organisations were large enough to have the equivalent of a Chief Executive and personnel employed as departmental heads of marketing, administration and production. This was important because the unit of analysis for this research was the senior management team comprising an owner and the management personnel reporting directly to the owner. Two of the case study organisation were in the A$30m – A$40m p.a. total income range, and two were smaller family owned and operated with annual incomes of approximately A$2m p.a. each. Three semi-structured interviews of the founders and / or owners and the managers reporting to them were conducted as a means of identifying the salient beliefs that contributed to the degree to which the case organisations were market oriented. The three interviews
were conducted over a period of several months. Interviews were recorded with a digital voice recorder and transcribed before being imported into NVivo software to facilitate its analysis. The interviews provided sufficient data to allow the investigator to identify salient beliefs of senior management team members that were influencing the degree to which the case study firms were market oriented. Data was triangulated by comparing beliefs of interviewees within each organisation, and by comparing beliefs across the organisations. In addition, the beliefs identified were compared with prior research to ensure they were consistent with patterns previously noted in literature.

1.5 Outline of this thesis

This thesis consists of five chapters as suggested by Perry (1998). Chapter 1 provides an introduction to all aspects of the research. It starts with an introduction to the Australian agricultural and horticultural industries emphasising their significance but how fruit and vegetable processing in Australia is declining. It describes how consumer demand is changing in a way that may provide opportunities for niche products. It then introduces the research problem and questions and provides the justification for the research. It provides an overview of the methodology adopted.

Chapter 2 is the literature review and introduces the concept of market orientation and the research that has been undertaken particularly since 1990 when researchers provided evidence to support the organisational benefits of being market oriented. It explains the history of marketing and market orientation and describes how research has changed focus since 1990 when the first significant research on the subject of market orientation was published. Chapter 2 also reviews the literature on the factors which influence the degree to which organisations are market oriented, the consequences of market orientation and market orientation in food and agribusiness organisations. It identifies that the literature notes concern about the over-use of quantitative methods in research on market orientation. The literature on organisational culture and decision-making theories are also reviewed because the literature on market orientation identified market orientation as part of organisational culture and noted the role of founders, owners and senior management team members in establishing the degree to which organisations are market oriented. Chapter 2 concludes by identifying a gap in the literature and presents the conceptual framework for this research.
Chapter 3 describes and justifies the methodology in detail. It starts with a summary of the methodology. It then provides the detail and justification for each component of the methodology starting with the research paradigm. The selection of case study method with four vertically-integrated horticultural enterprises as case study organisations is explained, as is the selection of the top management teams of each as the unit of analysis. The use of semi-structured interviews as the principle data-collection method is justified and how the investigator selected and gained access to the case study organisations explained. Interview methods including how interview guides were developed and used is described, as are how interviews were conducted. How data was managed and analysed is also included. The methods employed to ensure the results are valid and reliable are discussed in detail. Finally, the ethics considerations and how they were managed is also described.

Chapter 4 presents the results. Each case organisation is treated separately and consistently commencing with an introduction to the case organisation, details of interviewees and why they were selected. The beliefs that were identified are listed and numbered and their consistency with prior research is noted and then the chain of evidence is provided. Finally, each case study concludes with a section which explains any discrepancies as this is an important part of case study analysis. After the four case have been presented the results are provided in three summary tables to identify patterns across the four organisations which are then discussed.

The final chapter provides a detailed discussion about the data making frequent references to the literature referred to in Chapter 2. It commences with a summary of the research process and then discusses each of the 28 beliefs identified. The chapter then identifies the contribution this research has made to the literature, to government policy and to industry. Finally, the chapter identifies its limitations and notes direction for future research.

This section described the outline of this thesis. The next section identifies the delimitations of scope and key assumptions.

1.6 Delimitations of scope and key assumptions

This research used semi-structured interviews as the primary information-gathering methodology from four purposefully-selected case study organisations located in southern Queensland and northern New South Wales, Australia. The methodology does not allow the results to be generalised beyond similar vertically-integrated horticultural enterprises, if at all.
The case study organisations were selected purposefully as being typical of vertically-integrated horticultural enterprises located in south-east Queensland and northern New South Wales, and perhaps elsewhere in Australia.

1.7 Chapter summary

This chapter provided an introduction to this research. It commenced with the background to the research and provided details of the industry on which it is focused. It then introduced the research problem and questions. The justification for the research was then provided and the methodology briefly explained. The outline of the report was explained and the scope of the research was documented. The next chapter is the review of literature conducted as part of the research and provides the introduction to past research and theories which provide the theoretical framework under which this research was undertaken.
Chapter 2  Literature Review

2.1  Chapter introduction

This chapter presents the review of literature undertaken as part of this research. A literature review is an important step in research as it examines prior research and allows the investigator to identify and document the gap in the literature to be filled by the research.

The chapter starts with this introduction to the chapter and a brief summary of the research which illustrates the focus of this research. The chapter then reviews the literature on the subject of market orientation because whilst the literature suggests that firms that are market oriented will out-perform those that are not, it also suggest that many firms are not market oriented and that firms in the agricultural industry may be less likely to be market oriented than firms in other industries. The literature review on market orientation includes the evolution of research since 1990, conceptualisations of market orientation of which there are several, describes how market orientation is a continuum, addresses the factors which have been identified by past research to influence the degree to which organisations are market oriented, discusses the literature that has research the consequences of market orientation, discusses studies that have investigated market orientation in food and agribusiness organisations and notes the literature that expresses concern over the methods employed in past market orientation research.

The chapter then reviews the literature on organisational culture because the literature on market orientation noted that one conceptualisation of market orientation was that it was part of organisational culture. The literature on organisational culture noted that founders and owners of businesses establish organisational culture and that their deeply-held, often unspoken and difficult to change, beliefs are the most important component of organisational culture. These beliefs become embedded in organisational culture because founders tend to employ people who have similar beliefs as their own and consequently the beliefs of the founder or owner become embedded within organisational culture. This literature led the investigator to review the literature of decision-making theories because the Theory of Planned Behaviour explains the relationship between beliefs and behaviour.

This section introduced the chapter. The next section introduces the literature review and describes the focus of this research.
2.2 Introduction to the literature review and focus of the research

Prior research provides evidence of a positive relationship between market orientation and organisational performance (Kohli & Jaworski 1990; Narver & Slater 1990; Jaworski & Kohli 1993; Ghorbani et al. 2013; Julian et al. 2014). Despite the existence of this evidence, many organisations are not market oriented (Grunert et al. 1996; Bisp 1999; Siddique 2014). Barriers to adoption of market orientation have been studied (Felton 1959; Bisp 1999; Siddique 2014) and a range of reasons why market orientation is not widely adopted have been identified. One conceptualisation of market orientation is that it is part of organisational culture (Narver & Slater 1990). Organisational culture, according to Schein (2010) consists of three levels being (1) artifacts, (2) espoused beliefs and values and (3) basic underlying assumptions. Researchers acknowledge that the underlying assumptions of founders, owners and senior managers make the most significant contribution to organisational culture, and are the most difficult to change (Martin 2002; Schein 2010; Van den Steen 2011).

Despite the extent to which barriers to the adoption of market orientation have been researched there have been few, if any, attempts to specifically identify the underlying assumptions i.e. deeply held beliefs, of founders, owners and senior managers which influence the degree to which their organisations have adopted market orientation. This research will extend the knowledge on market orientation by identifying underlying assumptions of founders, owners and senior managers that influence the degree to which their organisations are market oriented. The focus of this research is illustrated in Figure 2-1 and is provided at the beginning of the literature review to provide a clear understanding at the beginning.
Agrifood organisations in general are not market oriented (Grunert et al. 1996; Ottesen & Grønhaug 2002; Grunert et al. 2005; Beverland & Lindgreen 2007; Lindgreen 2009; Gellynck et al. 2012). This may be part of an industry-wide culture because farmers have traditionally produced commodity products in which they had little interest beyond the farm gate (Beverland & Lindgreen 2007).

This section provided an introduction to the literature review and described the focus of this research. The next section reviews literature on organisational culture, particularly how it is formed and the role of founders, owners and senior managers. This is important because, as identified in previous sections market orientation, by one conceptualisation, is part of organisational culture and prior research has demonstrated that top management team members play an important role in shaping the culture that influences the degree to which organisations are market oriented.
2.3 Organisational culture

The subject of organisational culture has long been discussed in management literature (Taylor 1915; Fleishman 1953; Argyris 1957, 1958; Pettigrew 1979; Ouchi 1981; Hatch 1993; Schein 1995; Martin 2002; Morrill 2008; Linnenluecke & Griffiths 2010; Bellot 2011; Smith & Graetz 2011; Fortado & Fadil 2012; Ghinea & Bratianu 2012; Elena & Elena 2013; Schneider et al. 2013; Kirby & Kummerow 2014; Zerwas 2014). More recently, the relationship between organisational culture and market orientation has also been researched (Harris 1996a; Harris & Ogbonna 1999; Harris 2000; Kasper 2002; Gebhardt et al. 2006; Beverland & Lindgreen 2007; Brettel et al. 2008; Kirca & Hult 2009; Tomaskova 2009; Taleghani et al. 2013; Pinho et al. 2014).

This section reviews literature on organisational culture specifically in relation to market orientation, but first introduces the subject of organisational culture in general by briefly reviewing the subject’s history.

2.3.1 History of organisational culture

Although the term organisational culture has been used since the early 1900s in publications including by Taylor (1915) and (Barnard 1938) it was not until Jaques (1951) published his book ‘The Functions of the Executive’ that the need to view organisations as social systems as well as technical systems was recognised (Kirby & Kummerow 2014). One of the early definitions of organisational culture was provided by Jaques (1951, p. 251 cited in Kirby & Kummerow 2014):

*customary and traditional way of thinking and doing things,*  
*which is shared to a greater or lesser degree by all its members,*  
*and which new members must learn, and at least partially accept, in order to be accepted into the service of the firm*

The role of an organisation’s leaders in shaping organisational culture was identified during the 1950s with authors including Fleishman (1953) and Selznick (1957) who noted that leaders influenced organisational values and culture. Other research included Argyris (1957, 1958) which suggested that managers could become less directive in their leadership behaviours and that directive leadership was stifling to employees (Ehrhart et al. 2014). Despite the work of these and other researchers during the 1960s and 1970s, it was not until Pettigrew (1979) published that the subject became widely accepted and Pettigrew’s
publication is generally acknowledged as the starting point in contemporary organisational culture research (Bellot 2011; Ehrhart et al. 2014) after which the number of research publications on the subject increased markedly. Until the 1980s organisational studies were dominated by quantitative research methods but after this time more use of qualitative methods was made and the intensity of research on organisational culture increased (Bellot 2011). Although research through the 1980s has advanced the conceptual understanding of organisational culture it was non-academic works by Ouchi (1981), Waterman and Peters (1982) and Deal and Kennedy (1982) that contributed to a more widespread popularisation of the concept.

This section provided an overview of the historical development of the subject of organisational culture which identified that leaders have a significant role in shaping organisational culture. The next section introduces contemporary definitions of organisational culture.

2.3.2 Contemporary definition of organisational culture

Although more than 150 definitions of culture have been presented (Cameron & Quinn 2011) recent research has been dominated by a small group of researchers including Schein, Alvesson, and Schneider from whom the most frequently cited definitions of organisational culture have been developed (Bellot 2011), the most widely accepted of which is the definition presented by Schein (Ehrhart et al. 2014). Organisational culture is defined by Schein (2010, p. 18) as:

\[
\text{a pattern of shared basic assumptions learned by a group as it solved its problems of external adaptation and internal integration, which has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems.}
\]

In addition to contributing one of the most-frequently cited definitions for organisational culture, (Schein 2010) identified that it exists at three levels; artifacts, espoused beliefs and values and basic underlying assumptions. The three levels proposed by this author are illustrated in Figure 2-2.

The recognition that organisational culture exists as an enduring set of values, beliefs and assumptions is widespread (Ehrhart et al. 2014; Kirby & Kummerow 2014). At the surface
level, artifacts are the observable characteristics of an organisation that reflect its culture, including the buildings, furniture, the clothing worn by employees, the way they address each other, the technology it uses and anything else that an observer can see, hear or feel. Artifacts are easy to observe but it can be difficult to decipher their true meaning. At the slightly deeper level of organisational culture are espoused beliefs and values. These are the statements made and written often to provide leadership and visible signs of an organisation’s beliefs and values, such as vision and mission statements.

![Figure 2-2: Three levels of organisational culture](source: Developed from Schein (2010))

At the deepest level of organisational culture lie the deeply held, often unspoken and difficult to change beliefs and assumptions that determine behaviour, perception, thought and feeling (Schein 2010). Researchers acknowledge the difficulty yet importance of accessing the deepest level of organisational culture (Bisp 1999; Martin 2002; Schein 2010; Cameron & Quinn 2011; Ehrhart et al. 2014) and it is generally accepted that unless deeply held beliefs are changed, organisational behavioural change is unlikely to occur.

This section introduced contemporary approaches to organisational culture focusing on the one that is most widely accepted and used. It discussed the literature that defines organisational culture as consisting of three levels and identified that the basic assumptions are deeply-held beliefs which are difficult to change, but necessary to understand and change
if organisational culture change is to be effected. The next section describes literature on the role of founders, owners and senior managers on organisational culture.

2.3.3 The role of founders, owners and managers in organisational culture

Dominant founders, owners and senior managers within a firm are likely to impose their own beliefs, values and assumptions and be significant in the formation of organisational culture (Schein 1990, 2010). Founders typically have high levels of self-confidence and determination and will impose their views on partners and employees as the new enterprise is established. Their influence is based on their own past experiences and underlying beliefs about how tasks should be completed and the values they hold. The underlying beliefs that influence the behaviours that an organisation develops are likely to be strongly held and difficult to change (Martin 2002; Schein 2010; Van den Steen 2011). Members of the same organisation are likely to share beliefs and values because of “screening, self-sorting and manager-directed joint learning” (Van den Steen 2011, p. 617) and this contributes to a homogenous organisational culture because individuals prefer to work with and are more prepared to delegate to personnel who have similar beliefs as themselves. Consequently, the cultures that are influenced by funders often persist even after the founder has left the firm because employees who have shared the founders’ beliefs and values were employed.

Recognising the importance of a Chief Executive Officer’s (CEOs) willingness to delegate to top management team members, Richardson et al. (2002) identified that CEOs may see delegating decision-making as a risk and that CEOs’ willingness to delegate varies on an issue-specific basis. These researchers also found differences in willingness to delegate decisions about products and services delivered by the firm and new investment decisions and suggested that new investment decisions were more visible and had more implications than product / service decisions and that this may explain why they were more reluctant to delegate new investment decisions. How CEOs exert power also influences organisational culture. Finkelstein (1992) noted that strategic decisions are frequently made by a dominant coalition comprising the CEO and a small number of their most senior managers, and defined power as “the capacity of individuals to exert their will” and Yukl and Fu (1999) observed that managers were less likely to delegate to inexperienced subordinates or to those with whom they had not developed a relationship of confidence and trust.

This section introduced literature that explained how founders, owners and senior managers of organisations often have shared beliefs because they were selected and appointed because
they held shared values and beliefs and that homogeneous organisational cultures are formed as a consequence. The next section introduces literature on the subject of assessing the deepest level of organisational culture, deeply held beliefs / basic assumptions.

2.3.4 Assessment of the deepest level of organisational culture

Although the term organisational culture is widely used today there is still no efficient and effective means of assessing an organisation’s deeper-level culture (beliefs) that can look below the more readily identifiable surface-level elements (artifacts and espoused values) of culture (Kirby & Kummerow 2014).

Beliefs underline individuals’ attitudes and are regarded as part of organisational culture (Bisp 1999). Harris (1996a, p. 44) defined basic assumptions as “the taken-for-granted, invisible, pre-conscious, non-debatable layer of an organisation's culture”. Harris (1999) reviewed studies examining the barriers to market orientation and concluded that prior research had overly focused on the objective aspects of market orientation and that the more subjective concepts of beliefs and attitudes had largely been overlooked. Managerial implications of the research were identified including the challenging task of establishing “belief, understanding and commitment to market orientation in the hearts and minds of organisational members”. The need for more research in the area of internal marketing and barriers to market orientation related to the belief, understanding and commitment to market orientation was identified.

The elements of a management team member’s basic assumptions that may have an influence on an organisation’s culture and therefore on its adoption of market oriented behaviour include (Schein 2010):

- Assumptions about the nature of reality and truth. Managers will have a range of knowledge, experience and acceptance of the value of the marketing concept and this will influence their adoption of a market orientation.

- Assumptions about the nature of human relationships. How a manager feels about their identity and role and their need for power and control may influence their willingness to learn about, accept and adopt market oriented behaviour.

This section reviewed literature on organisational culture focusing on the significance of deeply-held beliefs of founders, owners and senior managers on the creation and development of organisational culture. One conceptualisation of market orientation is that it is part of
organisational culture, and this research will focus on understanding the basic beliefs and assumptions of the senior managers which are so strongly connected with organisational culture, and that influence the degree to which organisations adopt market oriented behaviours. The next section reviews literature on market orientation.

2.4 Market orientation

Market orientation is the term used to describe the implementation of the marketing concept by organisations (Kohli & Jaworski 1990) and is one of the most studied areas of marketing (Sheppard 2011). This section reviews relevant literature on market orientation under the following headings:

1. History of marketing and market orientation.
2. Conceptualising market orientation.
3. Market orientation as a continuum.
4. Factors influencing the degree to which organisations are market oriented including the role of internal and external cultures.
5. Consequences of market orientation.
6. Market orientation in food and agribusiness enterprises.
7. Limitations of previous research on market orientation.

2.4.1 History of marketing and market orientation

This section introduces the evolution of the discipline of marketing with particular emphasis on the body of knowledge about market orientation which has been published since 1990.

Marketing had its origins about 10,000 years ago when human beings evolved from hunter-gatherers to farmers (Sharp 2013) although it was believed to be 1902 before universities began to offer marketing courses (Weitz & Wensley 2002). According to Kotler (1991), whilst the term ‘marketing concept’ had been in existence prior to the 1950s, it was not until around then that the concept began to be clearly defined. Examples of early literature referring to the marketing concept include works by McKitterick (1957) which explained that the marketing concept was not so much about depriving historic competitors from accessing
customers but more about understanding the needs of markets to create new opportunities, Felton (1959) which provided advice about how to make the marketing concept work, and (Levitt 1960) which explained that organisations that view their markets too narrowly will fail because they do not understand the needs of their customers.

Kohli and Jaworski (1990) and Narver and Slater (1990) published empirical evidence and clearer definitions for the term ‘market orientation’. This started a period of significant research on market orientation. Market orientation research has been at the centre of research on the discipline of marketing and represents the most researched area of all marketing (Goldman & Grinstein 2010)

Academic interest in market orientation has increased since 1990. The results of Google Scholar searches conducted on 15th January 2014 identified that 2,260 scholarly articles with the term ‘market orientation’ in the title had been published in the years 1990-2013 inclusive, as illustrated in Figure 2-2. This search excluded patents and citations.

Figure 2-3: Number of articles with 'Market Orientation' in the title by year
Source: Developed for this research from Google Scholar

Since 1990 research on market orientation broadened to include more countries, industries, organisation sizes and relationships with internal and external mediating factors. How this
research has evolved is summarised in Tables 2-1, 2-2 and 2-3 which note the scope of research undertaken by decade and identify a sample of contributors. During the period 1990 – 1999 most research focused on identifying the consequences of market oriented behaviour, barriers to market orientation and issues relating to the implementation of market orientation. Towards the end of the 1990s research started to explore the relationship between market orientation and factors internal and external to the organisation as a means of determining the extent to which market orientation was contributing to consequences. In this period much research was on large manufacturing organisations, often US-based and their subsidiaries in the USA and elsewhere in the world, although European research became more prominent towards the end of the decade.

Table 2-1: Market orientation research prior to 2000

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<th>Time Period</th>
<th>Scope of Research</th>
<th>Contributions</th>
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<td></td>
<td>MO in food and agriculture.</td>
<td>Grunert et al. (1996)</td>
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<tr>
<td></td>
<td>Relationship between MO and other organisational activities, cultures and orientations including innovation, learning.</td>
<td>Han et al. (1998) Baker and Sinkula (1999)</td>
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The period 2000 – 2009 saw more research being undertaken to define relationship between market orientation and other factors to better understand the role of market orientation on organisational performance. Research aimed at understanding barriers to market orientation continued and publications focused on effective implementation which was recognised as being difficult and not widespread. Even though the benefits of adopting market orientation were widely accepted in the literature considerable research was published to further define organisational benefits and this research was undertaken increasingly in developing countries and in smaller and non-manufacturing organisations. This period also saw several contributions in the agriculture and food sector.
Table 2-2: Market orientation research 2000 - 2009

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<th>Time Period</th>
<th>Scope of Research</th>
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<td></td>
<td>Consequences of MO (increasingly in developing countries).</td>
<td>Dawes (2000)</td>
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<td>Slater and Narver (2000b)</td>
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<td>Pulendran et al. (2000)</td>
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<td>Cravens and Guilding (2000)</td>
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<td></td>
<td>cultures and orientations including innovation, learning, brands, leadership style</td>
<td>Farrell (2000)</td>
</tr>
<tr>
<td></td>
<td>behaviour of salespeople, entrepreneurship, business planning, quality orientation,</td>
<td>Harris and Ogbonna (2001a)</td>
</tr>
<tr>
<td></td>
<td>supply chain relationships, macro, meso and micro drivers, product life cycle, national culture,</td>
<td>Langerak (2001)</td>
</tr>
<tr>
<td></td>
<td>logistics, environmental forces,</td>
<td>Kasper (2002)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Matsuno et al. (2002)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Pulendran et al. (2003)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sittimalakorn and Hart (2004)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Verhees and Meulenberg (2004)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Lee and Tsai (2005)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mason et al. (2005)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Santos-Vijande et al. (2005)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Alpkan et al. (2007)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Wong and Ellis (2007)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Brettel et al. (2008)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Fugate et al. (2008)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Augusto and Coelho (2009)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Kirca et al. (2009)</td>
</tr>
<tr>
<td></td>
<td>Investigations of individual components of MO including information gathering,</td>
<td>Celuch et al. (2000)</td>
</tr>
<tr>
<td></td>
<td>information sharing and coordinated responsiveness.</td>
<td>Slater and Narver (2000a)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Barua et al. (2007)</td>
</tr>
</tbody>
</table>
Research since 2010 continued at a significant albeit slightly declining rate of published articles per year. The principle focus was on the relationship between market orientation and other factors, and there is still some debate about effective implementation and evidence that market orientation is not widely or effectively practiced.

Table 2-3: Market orientation research 2010 - 2014

<table>
<thead>
<tr>
<th>Time Period</th>
<th>Scope of Research</th>
<th>Contributions</th>
</tr>
</thead>
</table>
Naidoo (2010)  
Vieira (2010)  
He and Wei (2011)  
Murray et al. (2011)  
Bottala and Camacho (2013)  
Hau et al. (2013)  
Taleghani et al. (2013)  
Julian et al. (2014) |
|             | MO in food and agriculture.                                                       | Aziz and Yassin (2010)  
Gellynck et al. (2012) |
|             | Barriers to MO                                                                    | Dubihlela and Dhurup (2013)  
Siddique (2014) |
|             | Implementing MO.                                                                  | Kaur and Gupta (2010)  
McClure (2010)  
Mitchell and Wooliscroft (2010)  
Reijonen and Komppula (2010)  
Sheppard (2011) |
|             | Relationship between MO and other internal and external organisational activities, cultures and orientations including innovation speed and new product performance, organisational lifecycles, Just In Time (JIT), Total Quality Management (TQM) and agility, degree of novelty, sales and marketing collaboration, strategic orientation, innovation, marketing resources and capabilities, leadership capabilities, entrepreneurial orientation, customer value, internal market orientation, corporate culture and organisational commitment. | Carbonell and Rodríguez Escudero (2010)  
Engelen and Brettel (2010)  
Zelbst et al. (2010)  
Bodlaj (2011)  
Piercy and Le Meunier-FitzHugh (2011)  
Johnson et al. (2012)  
Manuela et al. (2012)  
O’Cass and Ngo (2012)  
Wong and Tong (2012)  
Ghorbani et al. (2013)  
Kivipöld and Vadi (2013)  
Kwak et al. (2013)  
Tournois (2013)  
Fang et al. (2014)  
Pinho et al. (2014)  
Shyh-Rong et al. (2014) |
|             | Investigations of individual components of MO including information gathering, information sharing and coordinated responsiveness and customer orientation versus competitor orientation. | Korhonen-Sande (2010)  
Micheels and Gow (2012) |
|             | Different types of MO (responsive and proactive)                                   | Zhang and Duan (2010) |
This section provided an overview of the research on market orientation, particularly the research undertaken since 1990. It identified that the subject is still actively being investigated and that organisations still have difficulty implementing market orientation. The next section will introduce the concept of market orientation in more detail by identifying a number of conceptualisations of market orientation.

### 2.4.2 Conceptualisations of market orientation

Kaur and Gupta (2010, p. 88) acknowledge five conceptualisations of market orientation. These have been included in Table 2-4 and the number of times the original paper in which each conceptualisation was presented was indicated as being cited by Google Scholar on 21st June 2014 is included against each.

Table 2-4: Conceptualisations of market orientation

<table>
<thead>
<tr>
<th>Perspective or Conceptualisation</th>
<th>Presented By</th>
<th>Times Cited</th>
</tr>
</thead>
<tbody>
<tr>
<td>The decision making perspective</td>
<td>Shapiro (1988)</td>
<td>947</td>
</tr>
<tr>
<td>The market intelligence perspective</td>
<td>Kohli and Jaworski (1990)</td>
<td>6,609</td>
</tr>
<tr>
<td>The culturally based perspective</td>
<td>Narver and Slater (1990)</td>
<td>6,729</td>
</tr>
<tr>
<td>The strategic perspective</td>
<td>Ruekert (1992)</td>
<td>1,034</td>
</tr>
<tr>
<td>The customer perspective.</td>
<td>Deshpande et al. (1993)</td>
<td>3,235</td>
</tr>
</tbody>
</table>

Source: Kaur and Gupta (2010) and Google Scholar

The contributions made by Kohli and Jaworski (1990) and Narver and Slater (1990) and their subsequent research and publications have been influential to much of the research undertaken on the subject of market orientation. These contributions are the most frequently cited, have led academic debate (Lindgreen 2009) and are the two conceptualisations on which this literature review focuses.

The first team of researchers to publish a framework for research in the field of market orientation and to empirically examine the antecedents and consequences of market orientation were Kohli and Jaworski (1990) (Harris 1996b). From the literature these researchers identified three core themes which underlie definitions of market orientation. These were customer focus, co-ordinated marketing and profitability. In addition to analysing the extant literature at the time, field interviews to determine how industry understood the
concept of market orientation were conducted. With respect to the theme of customer focus Kohli and Jaworski (1990) found that managers interviewed adopted a wider view of the market than simply customers, and included the broader market, competitive environment and future needs of customers. This is not surprising given the publication in 1980 and 1985 of Michael Porter's books ‘Competitive Strategy: techniques for analyzing industries and competitors’ and ‘Competitive Advantage: creating and sustaining superior performance’ which promoted industry-wide analyses to identify opportunities and threats. The focus on understanding the needs of the broader market identified by Kohli and Jaworski (1990) is consistent with the modern definition of marketing as defined by Kotler (2006, p. 15):

\[
\text{Determining the needs and wants of target markets and delivering the desired satisfactions more effectively and efficiently than competitors.}
\]

With respect to the second theme investigated by Kohli and Jaworski (1990), managers reported that market orientation was not solely the responsibility of the Marketing Department, but instead emphasised that personnel from all departments should understand market and customer needs and that the whole organisation be responsive to those needs. With respect to the third theme, profitability, the researchers found that managers believed profitability to be a consequence of adopting a market orientation rather than a part of market orientation. As a consequence of their research Kohli and Jaworski (1990, p. 6) described market orientation as:

\[
\text{the organization wide generation of market intelligence pertaining to current and future customer needs, dissemination of the intelligence across departments, and organization wide responsiveness to it.}
\]

In addition to this definition, Kohli and Jaworski (1990) explained that organisations may differ in the degree to which they are market oriented, and that the degree to which they gather and disseminate intelligence may vary. It was also noted that the effectiveness and consequences of market oriented behaviour relied upon the quality of the activities of market intelligence gathering, dissemination and in the execution of marketing programs. In other words companies can appear to be market oriented but not achieve the desired benefits. This is an important point for this research, and identified the need to look behind the facade that may be on display in organisations to understand the reasons why they are not market
oriented. Subsequent to their initial publication in 1990, Jaworski and Kohli (1993) published more detail on the antecedents and consequences of market orientation which are summarised in Figure 2-3.

Narver and Slater (1990) determined that the extant literature on market orientation at the time described market orientation as consisting of three behavioural components being customer orientation, competitor orientation and inter-functional coordination with two decision criteria being long-term focus and profitability. Their publication described customer orientation and competitor orientation as including all of the activities involved in acquiring information about buyers and competitors including market intelligence pertaining to non-customers. This is important, because much of the literature on market orientation refers to ‘customer information’ rather than a wider ‘market intelligence’ and organisations that do not appreciate the difference may adopt a customer-centric orientation and overlook the need to understand the needs of non-customers, broader market trends and the competitive

Figure 2-4: Antecedents and consequences of market orientation

Source: (Jaworski & Kohli 1993, p. 55)
environment (Jaworski & Kohli 1993; Ward et al. 2006). The benefits of ensuring adequate competitor intelligence was gathered was also highlighted by Sørensen (2009). By inter-functional coordination Narver and Slater were referring to the coordinated efforts of the business involving more than just the marketing department in the organisation’s efforts to create superior value for customers.

The definition of market orientation presented by Narver and Slater (1990, p. 21) was:

> Market orientation is the organization culture (i.e., culture and climate, Deshpande and Webster 1989) that most effectively and efficiently creates the necessary behaviors for the creation of superior value for buyers and, thus, continuous superior performance for the business

Although the conceptualisations presented by Narver and Slater (1990) and Kohli and Jaworski (1990) are widely accepted as being similar (Lafferty & Hult 2001), one significant point of difference between the two teams of researchers was that Narver and Slater (1990) referred to market orientation as part of organisational culture and that creating and maintaining the right culture was important because this influenced behaviour, specifically market oriented behaviour, within the organisation. Related to this was the work of Bisp (1999), Harris and Ogbonna (2001a) and Schein (2010) which noted that senior management team members of an organisation influence culture which links management’s influence and market orientation.

Regardless of variations in conceptualisations of market orientation, the themes that have remained constant are that the actions expected of market oriented firms which include intelligence gathering to understand the current and future needs of customers, broader market trends and the competitive environment through formal and informal information gathering processes, widespread sharing of intelligence so personnel from all departments can contribute to planning and executing strategies that respond to identified opportunities and threats in a timely and coordinated manner thereby contributing to long-term sustained organisational performance. Kaur and Gupta (2010, p. 88) offered the following definition:

> Market Orientation is a business culture ensuring a set of behaviours necessary for generating, disseminating and responding to both internal and external market intelligence for
Creating superior customer value through superior organisational skills and capabilities thereby ensuring long term profitability by continuously identifying and managing constraints in the system obstructing market-oriented culture in an organisation.

It is worth defining here what the intelligence gathering component of market orientation could consist of, because this is an important component of market orientation. Porter (2004) provided detailed guidelines for conducting an industry and competitive analysis and recommended that organisations conducting such an analysis should first establish a framework which identifies the information to be sought and then develop a plan to systematically research and collect the required data. Porter (1980, pp. 372-82) describes a range of information sources separated into three groups: (1) Industry Observers being unions, standards organisations, trade media, local organisations, state and federal government departments, international organisations, watchdog groups, financial community and regulatory agencies; (2) Service Organisations being trade associations, investment banks, consultants, auditors, commercial banks and advertising agencies, and (3) Interview Sources being market research, sales force, service organisations, former employees of competitors or observer organisations, engineering personnel, purchasing department personnel and R&D personnel who tend to follow technical developments. To this list the Internet would now be added as a very useful tool for data collection. Porter’s list and methodology is still widely used (Dobbs 2014) and can be considered the ‘gold standard’ against which the effectiveness of organisations prepare for and undertake the continual process of gathering intelligence about the market, competitors and customers.

This section reviewed literature on conceptualisations of market orientation and noted that even though the two most widely cited and influential conceptualisations differ, they are also similar in the organisational actions they promote. The next section reviews the literature on market orientation as a continuum which is relevant to this research because organisations can adopt varying degrees of market oriented behaviour.

2.4.3 Market orientation as a continuum

Organisations can adopt different degrees of market orientation. Ruekert (1992) referred to market orientation as the degree to which organisations gather information from customers, plan and respond to the needs of customers. Spiros et al. (2004) mapped out how a firm’s
behaviour changes as it becomes more market oriented and reported that, as firms progress along the continuum towards market oriented, they use market research more systematically and disseminate it at a company-wide level, they place more emphasis on customer and market considerations when developing new products than less market oriented firms, they are increasingly involved in strategic planning and market segmentation strategies, they are more likely to set prices according to what the market can bear rather than cost-plus methods, they adapt their marketing strategies to the conditions of their target markets, they provide the marketing department with more tactical responsibility than those that are less market oriented and they provide more emphasis on controlling their marketing efforts.

As organisations transition from being product oriented to market oriented they progress along a continuum (Day 2006). One of the significant tangible changes made by organisations included in Day’s research was a reorganisation around customer groups rather than the more traditional focus on product groups. This provides higher accountability for customer relationship management and results in higher levels of organisational performance. Day identified four stages of evolution, illustrated as Figure 2-4 which represents the continuum towards more market oriented behaviour.

![Figure 2-5: Stages of organisational alignment towards market orientation](Source: (Day 2006, p. 44))
The degree of market orientation adopted by an organisation is typically assessed by the use of market orientation scales. Although there is ongoing debate about the validity of such scales (Matsuno et al. 2005), the point is that scales may be used to assess the degree of market orientation of firms. Market orientation measurement scales typically assess a firm’s level of market research, customer orientation, competitor orientation, responsiveness, sharing of market intelligence within the firm amongst all departments and coordination of activities designed to respond to changing market needs. The scales use an averaging of all responses to determine a rating of relative market orientation. Much research on the measurement of market orientation refers to the seminal work of Jaworski and Kohli (1993) which developed the MARKOR scale and Narver and Slater (1990) which developed the MKTOR scale. The MARKOR scale is a 20-item single or multi-informant questionnaire designed to measure an organisation’s market orientation by assessing intelligence generation, intelligence dissemination and organisational responsiveness. The MKTOR scale is a 15-item scale which measures market orientation by assessing an organisation’s customer orientation, its competitor orientation and its inter-functional coordination. Whilst these scales are criticised from a methodological scale-development perspective they are still widely regarded as the most frequently used instruments (Lindgreen 2009). Deshpandé and Farley (1998) evaluated a number of market orientation scales including the two mentioned above, and determined that even though the scales were developed independently, they demonstrated reliability and validity. The use of scales and questionnaires have also been criticised because they were developed using large USA-based organisations and their business units, because they are frequently administered as mailed surveys often completed by a single manager and because the scales may in fact reflect a measure of customer orientation rather than market orientation (Ward et al. 2006).

This section reviewed literature on market orientation as a continuum which confirms that firms can adopt varying degrees of market oriented behaviour. The next section reviews literature which describes the factors which influence the degree to which organisations adopt the degree of market orientation that they adopt.

2.4.4 Factors influencing degree of market orientation

Researchers have sought to define factors that influence the degree to which firms are market oriented (Felton 1959; Lear 1963; Kohli & Jaworski 1990; Narver & Slater 1990; Gummesson 1991; Harris & Watkins 1998; Bisp 1999; Wood et al. 2000; Kirca et al. 2005;
Gebhardt et al. 2006; Mason & Harris 2006; Brettel et al. 2008; Doyle & Armenakyan 2014; Pinho et al. 2014). The factors which influence the degree to which organisations are market oriented are usually referred to as antecedents or barriers, meaning the characteristics that are apparent in firms that are market oriented and the reasons why they may not be as market oriented as they otherwise could.

Early researchers focused on identifying specific barriers rather than holistic views of the issues that influence the adoption of market orientation. For example Felton (1959, p. 58) commented on the importance of a “proper state of mind” and highlighted the role of senior management valuing the marketing concept. This research identified a series of reasons for failure of businesses to adopt a market orientation including inexperienced executives, incomplete integration of marketing throughout the company and ineffective long-range and short-range planning and made specific reference to examples of “one-man domination” where the most senior executive who was out of touch with the current marketing issues was making all the marketing decisions to the detriment of the company. The paper referred to this being a significant problem and stated that this situation was duplicated “among hundreds of overly self-sufficient executives”. The importance of senior management and their influence over the degree to which organisations are market oriented has received considerable research since those observations including Kohli and Jaworski (1990); Jaworski and Kohli (1993); Harris (1996a); Harris and Watkins (1998); Bisp (1999); Beverland and Lindgreen (2007).

Kohli and Jaworski (1990) identified three sets of antecedents to market orientation. These were senior management, interdepartmental dynamics and organisational systems. The role of senior managers was identified as being one of the most important in determining the degree to which an organisation is market oriented. Unless the top management team believed in the concept and acted appropriately it was found to be unlikely that an organisation would adopt market oriented behaviour. These researchers referred to the “marketing state of mind” and referred to previous research undertaken by Argyris (1965) which identified significant gaps between what top managers say and what they do as being a major factor affecting the way less senior managers behaved within an organisation. They also identified the importance of senior managers to create an organisational culture which is accepting of occasional failures so that junior managers are prepared to take risks in the development of products and programs to satisfy the needs of customers.
Kohli et al. (1993) provided more detail than had been previously reported, particularly in the area of antecedents to market orientation. It identified and explained three sets of antecedents, illustrated previously in Figure 2-4:

1. Top management orientation. Top management orientation was important because it ‘sets the tone’ for that organisation. The researchers found a correlation between the market orientation of top management and the generation of market intelligence by the organisation. The generation of market intelligence by the organisation reflected a desire to understand the needs of the market. The research also made the connection between a manager's willingness to take calculated risks and accept the occasional failure and the likelihood of personnel within the organisation to use market information in the development of new products and services.

2. Interdepartmental dynamics. Organisations in which there was tension between departments were less likely to share market information and to work together to develop products and solutions appropriate for market needs. The research suggested that connectedness among departments promoted a market orientation.

3. Organisational systems. The research identified a very strong relationship between market orientation and reward systems within organisations. It indicated that reward systems based around factors such as customer satisfaction and building customer relationships tended to be found in organisations that were more market oriented. The research concluded that organisations that empower their employees to make decisions, rather than concentrating decision-making in the senior management levels were more likely to be market oriented.

Bisp (1999) defined barriers to market orientation under six broad categories, and other researchers have made similar observations, noted below:

1. Management personality - specifically, personality characteristics that inhibit market orientation; “a high need for personal achievement, introvert nature, autocratic, highly risk averse.” (p. 81)

2. Individually held beliefs - two fundamental beliefs compete with market orientation; that market orientation is a threat to organisational stability and that market orientation is a financially unsound strategy (p. 81). The threat to organisational stability may
stem from concerns that organisations that are traditionally very technically oriented and that hold product development teams as the dominant business discipline may feel threatened by transferring power to marketing teams who translate market intelligence into design specifications (Leonard-Barton 1992).

3. Organisational structure - formality and control inhibits dissemination of market information and reduces responsiveness as does centralised decision-making (Bisp 1999, p. 83). Somewhat contrary to previous research, Kirca et al. (2005) identified that organisations with centralised decision-making could be market oriented as long as appropriate top management orientation, interdepartmental connectedness and market-based reward systems were in existence. This may reduce the importance of information sharing and shared decision-making in market orientation, but again emphasises the importance of top management beliefs which is very relevant to this research.

4. Human resource management - companies may not recognise and reward market oriented behaviour of employees and that market-oriented personnel may not be promoted or even employed in the first place (Bisp 1999).

5. Lack of market oriented activity confidence - a lack of accurate sales forecasting or in situations where repeated examples of wrong or weak market analyses occur may cause a climate of mistrust.

6. Psychological climate - issues include a lack of trust and confidence in information from the marketing department, interdepartmental conflict and tension as a barrier to intelligence dissemination and coordinated responses, negative perceptions of marketing people being viewed as arrogant, inflexible and isolated from the rest of an organisation and that individual departments within an organisation are preoccupied with their own problems as psychological barriers to the adoption of a market orientation.

The role of top management in establishing a market orientation was further recognised in research by Bisp (1999, p. 81) which stated that it is reasonable to accept that “top management, directly or indirectly, shape beliefs, climate, structure, HRM, … everything”. Beverland and Lindgreen (2007) agreed, stating that the involvement of senior management is required before a market orientation could be implemented within a firm. It followed then
that the three sets of antecedents identified by Jaworski and Kohli (1993) could be influenced by senior managers. Research by Harris and Ogbonna (2001a) confirmed that a relationship existed between leadership style and market orientation and much detail supporting the relationship between the beliefs of founders, owners and senior managers and organisational culture has been published by Schein (1995); (2010).

Harris and Watkins (1998) identified a number of impediments to market orientation that had previously not been considered because the published evidence at that time was based on research of large organisations typically located in the USA which may not have applied to smaller organisations. The seven impediments identified were (1) ignorance of market orientation and even low levels of understanding of marketing in general, (2) limited resources including management time to invest in market oriented behaviour or even enhancing their management skills. Managers also believed the collection and analysis of market information would be expensive and unlikely to be of sufficient value to justify the expense, (3) a perception that the small size of the businesses meant that market oriented behaviour was not merited and in fact would direct management time away from the more important issues such as providing personalised service and operational activities, (4) contentment with the status quo. Managers and owners expressed concerns that any sort of change represented risk and that becoming market oriented represented an unacceptable level of risk, (5) a focus on short-term priorities being more important than long-term strategic issues, (6) an unclear view of the customer. Only one of the sample of businesses studied collected data about the types of guests who used their establishment and consequently the vast majority had a very limited understanding of the needs of current or future customers and therefore were unable to differentiate their service provision accordingly, and (7) a lack of competitive differentiation. The managers and owners interviewed could see little opportunity to differentiate their businesses and believed that attempts to do so would be unnecessary and unwise.

Being ‘customer-compelled’ was described by Day (1999a) as a barrier to the adoption of market orientation, identifying that some organisations try to respond to all the demands made by customers without exercising any discipline.

The research undertaken by Harris and Watkins (1998) led them to conclude that the generally accepted impediments to market orientation were not universally generalisable and that similar research focusing on other samples of businesses was justified. These researchers
also commented that the relationship between market orientation and business performance had been established in a variety of contexts and that a market orientation was particularly important in turbulent and dynamic environments. The food processing industry in Australia is experiencing turbulence and dynamism and as indicated elsewhere opportunities do appear to exist for food processors to capture niche markets, so the potential value of adopting a market orientation may be significant. Harris and Watkins (1998, p. 225) concluded that it was apparent that “managers and owners present the most significant obstacles to developing a market focus”. This supports the focus of this research being owners and managers. Other research has noted the role of management as a barrier to market orientation. Aggarwal (2003, p. 95) identified barriers to implementing market orientation including “top management emphasis”, “top management risk aversion”, “interdepartmental conflict” and “centralisation” and concluded that top management needed to provide training and resources and facilitate information-sharing as a means of increasing the degree to which firms are market oriented. With a focus on barriers to market adoption in a developing economy, Dubihlela and Dhurup (2013) identified four factors that limited the degree to which firms in their study were market oriented. The factors were (1) that the firms had insufficient access to technology, (2) centralisation of decision making which slowed decision-making and consequently responsiveness, (3) insufficient understanding of the competitive environment and (4) inter-departmental conflict. Siddique (2014) identified a slightly different set of barriers to the adoption of market orientation including (1) limitations to marketing resources including managers trained in marketing and IT resources to support them, (2) lack of attention given to developing branding strategies, preferring the ‘simpler’ path of focusing on undifferentiated products and services, (3) short term planning horizons, (4) contentment with the status quo, and (5) perceived leniency in the business environment.

Although the more recent studies were in different markets and settings, the barriers identified were very similar to those noted by earlier researchers which may account for the decline in research on barriers evident in Tables 2-1, 2-2 and 2-3.

This section reviewed literature on the factors that influence the degree to which firms are market oriented and identified the principal reasons for variations in market orientation. The next section is a continuation of this topic, but with a focus on the role of external cultures on the degree to which market orientation is adopted by organisations.
2.4.4.1 The role of external cultures

External factors may exist at a national and industry level and a number of studies have identified the influence of external cultures to the adoption of market orientation. Grunert et al. (1996) identified that participants within the food industry generally lack a market orientation suggesting that the industry had a low level of market orientation because of its history. Others have noted that the culture at a single industry level may influence the degree to which market orientation is adopted (Mason & Harris 2006). Harris and Piercy (1999) noted that single country studies are at risk of overlooking the possible impact of national culture on the adoption of market orientation. Brettel et al. (2008) identified that the degree to which organisations adopt market orientation is influenced by and dependent upon the cultural predispositions of their employees. Kirca et al. (2009, p. 117) posited that the culture of a country influences the degree to which market oriented behaviour is adopted by organisations operating within those countries because the national culture permeates into an organisation.

This section noted relevant literature describing how cultures external to the firm may influence the degree to which firms adopt market orientation. The next section reviews the literature on how cultures internal to the firm may influence the degree to which they adopt market orientation.

2.4.4.2 The role of internal cultures

The relationship between organisational culture and market orientation has been researched regularly since Narver and Slater (1990) conceptualised market orientation as being the part of organisational culture that drives a business to produce the behaviours necessary to create and maintain sustainable competitive advantage. Subsequent contributions have been made by Deshpande et al. (1993), Harris (1996a), Harris and Ogbonna (1999), Harris and Ogbonna (2001a), Kennedy et al. (2003), Gebhardt et al. (2006), O'Cass and Ngo (2007), McClure (2010) and Pinho et al. (2014).

Deshpande et al. (1993) found that firms with cultures that are flexible and responsive to the needs of their market outperformed firms that were more bureaucratic and internally-focused, and noted that firms that were innovative in addition performed best. Using “the taken-for-granted, invisible, preconscious, non-debatable layer of an organization’s culture” as the definition of the basic assumption level of organisational culture from Hatch (1993) and
Schein (1985), Harris (1996a) identified that organisational cultural barriers prevented adoption of market orientation. This research identified that there was still significant confusion around the concept of market orientation and that consequently implementation of the marketing concept was low. It noted that the implementation of market orientation was low and this observation has been duplicated by many researchers, including Gellynck et al. (2012) Dubihlela and Dhurup (2013) and Siddique (2014). Harris (1996a, pp. 43-4) identified a range of barriers to the adoption of market orientation and concluded that they could be classified into four types being (1) basic assumptions, (2) shared values, (3) organisational artifacts and (4) symbolic influences. This research claimed that many marketers missed the principle barriers to market orientation and demonstrated how previous studies had focused on just two components being shared values and artifacts but had overlooked two other significant components being assumptions and symbols. This observation led Harris (1996a) to the conclusion that a gap existed in the analysis of the impediments to market orientation. This is a significant statement for this research and further justifies its focus on understanding the beliefs of senior managers that influence market orientation because beliefs were part of the gap identified.

Harris and Ogbonna (1999) observed that researchers studying market orientation and the role of organisational culture in creating the right climate for market orientation had not sufficiently reviewed the body of literature about organisational culture and management theory prior to undertaking their studies. These researchers claimed that market orientation was being promoted as a single and dominant culture by marketing theorists and that a market-oriented culture could be created by management while organisational culture researchers claimed that neither of these ideals are necessarily feasible. In its concluding comments, this research also noted that many components of organisational culture including basic assumptions could not be studied using a positivist methodology.

Harris and Ogbonna (2001a) identified a positive relationship between participative and supportive leadership styles and market orientation and that leadership style is a critical component which influences the degree to which organisations adopt market orientation. This would appear to be somewhat contrary to Harris and Ogbonna (1999) which suggested that organisational culture was difficult if not impossible to influence.

Pursuing the linkage between leadership and market orientation, Kennedy et al. (2003) found that for a cultural change towards market orientation to occur, all managers must be
committed and be seen by employees as being unified and sincere in their commitment to market orientation. This research also provided evidence of the importance of collecting and sharing market intelligence and for interdepartmental coordination in establishing a market oriented culture because by being focused on customer needs, interdepartmental rivalries and tensions were reduced.

Research on the subject of antecedents to market orientation had investigated antecedents without considering what initiated change to market orientation in organisations. To remedy this Gebhardt et al. (2006) contributed to extant knowledge through a longitudinal study of organisations that had successfully increased the degree to which they were market oriented. This research identified that organisations must undergo significant transformations in organisational culture before they can expect to enhance the degree to which they are market oriented. This research found that efforts to enhance the degree of market orientation of organisations were initiated by powerful stakeholders recognising a threat to the organisation and as a result they created coalitions to plan and implement change (p. 41). Situations which led to such initiatives included failure to meet financial expectations, the emergence of competitor or technology that threatened their market positions. The research undertaken by Gebhardt et al. (2006) supported the observation made originally by Narver and Slater (1990) that market orientation was indeed part of organisational culture, that the culture of an organisation contributed significantly to information sharing and that organisations that embraced market orientation embraced six cultural values being “trust, openness, keeping promises, respect, collaboration and viewing the market as the raison d’être” (p. 52).

In addition to identifying the antecedents noted in the previous paragraph, Gebhardt et al. (2006) noted the importance of organisations having a learning orientation. These researchers stated that market oriented organisations are learning organisations because they develop processes for continually gathering and sharing information. Furthermore, it was explained that the creation of a learning organisation provided the capacity to evolve. Huber (1991, p. 88) explained that organisational learning consists of four constructs being (1) knowledge acquisition, (2) information distribution, (3) information interpretation and (4) organisational memory. The similarity with market orientation is apparent.

To explore whether a relationship existed between an organisational culture of innovativeness and market orientation with brand performance O'Cass and Ngo (2007) studied organisations in Australia and found that organisations with an innovative culture of “encouraging
creativity, being receptive to new ideas, decentralising decision-making and encouraging open communication” (p. 876) facilitated market orientation and even contributed more significantly to brand success than market orientation alone. More recently, Otero-Neira et al. (2013) provided evidence that market orientation and entrepreneurship were antecedents of innovation.

The influence of organisational conflict on market orientation was investigated by McClure (2010). The results identified that of the three types of culture identified with organisations (bureaucratic, supportive, innovative) bureaucratic organisations were generally not as effective in maintaining market orientation as those with supportive and innovative cultures. Furthermore, the results indicated that conflict was more likely to occur in firms with a bureaucratic culture. To determine the relationship between market orientation and organisational culture on organisational commitment and organisational performance, Pinho et al. (2014) conducted a study which provided evidence that organisations with higher levels of market orientation resulted in high levels of both organisational commitment and organisational performance. The results highlighted the importance of organisational culture and market orientation on performance.

This section reviewed literature on the issues which could limit the degree to which organisations adopt market orientation by reviewing literature on impediments and the role of internal and external cultures on market orientation. The literature confirmed that top management has a significant role to play by establishing a culture which encourages market oriented behaviours. Top management contributes significantly to organisational culture, and market orientation is part of organisational culture. The following section reviews literature on consequences of market orientation.

2.4.5 Consequences of market orientation

Market orientation has been found by many researchers to contribute to organisational success (Kohli & Jaworski 1990; Narver & Slater 1990; Jaworski & Kohli 1993; Day 1998; Wood et al. 2000; Beverland & Lindgreen 2007; Martín-Consuegra & Esteban 2007; Panigyrakis & Theodoridis 2007; van Raaij & Stoelhorst 2008; Sriskandarajah & Ariyawardana 2009; Engelen & Brettel 2010; Wong & Tong 2012; Hau et al. 2013; Jain et al. 2013; Taleghani et al. 2013; Doyle & Armenakyan 2014; Julian et al. 2014). If market orientation is associated with organisational success, then a lack of market orientation is likely to be associated with organisational underperformance or failure. History demonstrates how a lack of market
orientation even caused the demise of entire industries. Levitt (1960) provided examples of industry demise because participants did not understand the need to define their businesses in terms of the market need they were satisfying. Instead, participants in these failing industries defined themselves in terms of their physical product. In other words, they had a production or product orientation rather than a market orientation.

Claims that organisational performance would be enhanced by adopting a market orientation were being made for more than 30 years prior to 1990 when research to confirm performance outcomes was undertaken. Evidence to support claims of the relationship between market orientation and a range of profit-oriented business performance measures in both commodity and non-commodity organisations was provided at that time (Narver & Slater 1990). Concurrent with this research, Kohli and Jaworski (1990) investigated consequences of market orientation through field interviews which identified a number of beneficial consequences of market oriented behaviour. First among the consequences identified was a relationship between market orientation and return on investment, profits, sales, market share and growth which were believed to be superior in market oriented organisations because of the unifying focus that having a market orientation provided. Another beneficial outcome of market orientation identified related to the influence on an organisation’s employees. The research found that employees in organisations that were market oriented were likely to demonstrate a stronger sense of pride in their organisation and experience higher levels of job satisfaction and commitment to the organisation than employees in less market oriented organisations. Kohli and Jaworski (1990) also identified a relationship between market orientation and customer loyalty and satisfaction.

Following Narver and Slater (1990) and Kohli and Jaworski (1990), researchers continued to confirm the positive relationship between market orientation and organisational performance. Of 38 published articles from 1995 to 2008, 36 identified a positive relationship between market orientation and organisational performance (Liao et al. 2011).

The early research on market orientation by Narver and Slater (1990), Kohli and Jaworski (1990) and others was criticised because it was focused on large USA-based organisations or their business units (Pitt et al. 1996; Doyle & Wong 1998; Harris & Watkins 1998). To confirm that the evidence of the relationship between market orientation and performance which had been very much USA-oriented could be replicated in European markets, several researchers have undertaken studies in other countries. Pitt et al. (1996) found that the
positive relationship between market orientation and organisational performance reported in the US was replicated in Europe. These researchers also determined that the relationship holds irrespective of cultural context and levels of economic development. In a study of managers from the UK, USA, Africa, the Far East and Australia, Doyle and Wong (1998) reported a direct relationship between market orientation and performance measured as return on capital employed, market share, sales growth and managers’ overall assessment of performance. This result was obtained from organisations operating in both consumer and industrial markets. High performing companies in this study recognised marketing as a total business philosophy rather than an activity undertaken by the marketing department. These researchers also noted that marketing alone could not drive performance, but that successful organisations invested in technology and operational systems to be effective and efficient, and must invest in staff training and engagement to ensure their commitment.

Market orientation has been linked to organisational innovation. To assess the relationship between market orientation and innovation and their combined influence over organisational performance Han et al. (1998) provided evidence that market orientation facilitates innovativeness which in turn has a positive impact on performance. In analysing the components of market orientation this research identified that the customer orientation component was the one which provided greatest influence over this relationship.

The benefits of adopting market orientation extend beyond profits, market share and growth. To extend extant knowledge at the time, Chang et al. (1999) identified a positive relationship between market orientation with service quality and cost and efficiency measures of productivity and sales per employee. To provide further insights into the specific component of market orientation of intelligence gathering Slater and Narver (2000a) demonstrated that a well-developed intelligence gathering capability contributed directly to the creation of superior customer value, sales growth and new product development success. Celuch et al. (2000) extended prior knowledge by investigating how the perceptions of employees towards the collection, dissemination and use of market intelligence influenced the degree to which organisations were market oriented. They found that employee perceptions of the organisation’s ability to disseminate and use the information that was gathered had a strong influence over the degree to which they became involved in the collection and sharing of customer and market intelligence. The managerial implication of this research was that
managers who create an organisational culture which recognises and rewards information sharing are likely to enhance information gathering efficacy.

To contribute to the extant literature on the subject of market orientation in industrial markets, Langerak (2001) identified a positive relationship between market orientation and financial performance of manufacturers through the interactions between the manufacturer’s salespeople and their customers. This research found that salespeople in market oriented organisations were able to establish higher levels of trust and confidence because even though they were seen as representatives of the manufacturer, they also created a spirit of cooperative problem solving to build relationships. In a study of service, trading and manufacturing firms, Ramaseshan et al. (2002) established a positive relationship between market orientation and the overall performance of new products. The researchers explained that both the market information systems and marketing strategy formulation components of marketing contributed to the result, but emphasised the benefits of market orientation to new product success.

In one of the Australian studies on market orientation, Pulendran et al. (2003) studied the relationship between marketing planning, market orientation and organisational performance. The result was that market orientation was significantly more important than marketing planning as a predictor of organisational success. Effective marketing planning was found to be a predictor of market orientation. This research concluded that its results could explain why there has been an unclear pattern of results over the previous 30 years when researchers attempted to provide evidence between effective marketing planning and organisational performance. The results implied that marketing planning effectiveness has an indirect relationship to organisational performance, through market orientation.

To determine whether the relationship between market orientation and organisational performance is moderated by the nature of the external environment, Qu and Ennew (2003) found that degree of competitive intensity and market turbulence had little if any impact on the relationship. The research also found a positive relationship between degree of market orientation and customer satisfaction and corporate social responsibility.

Expecting to find a positive relationship between service reliability, market orientation and organisational performance as assessed by managers in service firms, Caruana et al. (2003) were surprised when their research demonstrated that no such relationship exists. Instead it
found a positive relationship between market orientation and performance regardless of service reliability although there was a strong link between market orientation and service reliability.

Spiros et al. (2004) sought to evaluate changes to a firm’s behaviour as market orientation was adopted. Motivation for this research was driven, in part, by the observation that many companies still failed to adopt a market orientation despite empirical findings that support the positive relationship between a market orientation and company performance. The methodology adopted by these researchers was to first classify firms depending on their degree of market orientation and then compare each firm’s specific practices relating to planning, strategy formation, strategy implementation and control to evaluate the relationship. The researchers found a strong relationship between the level of commitment to market orientation and the effectiveness of strategic and tactical marketing activities conducted by the firm. It was also concluded that firms that were competing in volatile, dynamic and competitive markets were more likely to benefit from adopting a market orientation than those that were competing in less competitive markets. From a meta-analysis, Shoham et al. (2005) concluded that the relationship between market orientation and positive business outcomes had been well established.

Investigating the relationship between market orientation and organisational performance in service organisations, Haugland et al. (2007) found a positive relationship between market orientation and relative profitability compared with rivals as perceived by managers (a subjective measurement), a weak positive relationship with productivity but no relationship with return on assets which are both objective measurements. Concerned with the validity of research which focused on subjective measures of performance requiring managers of organisations to rate their performance against their rivals, Haugland et al. (2007) stated that identifying the mechanisms by which market orientation influenced performance and adopting better methods and measures for testing market orientation were needed. This research adopted a multi-method approach to measure both subjective and objective measures of performance.

Concerned with the survival of small firms in competition with large national and multinational organisations, Warnaby and Megicks (2008) investigated the significance of market orientation and its components on the performance of small firms. In addition to finding a positive relationship between market orientation and performance, these researchers
identified that the customer orientation component of market orientation had a far greater influence over success of small firms than the competitor orientation component. Consequently, their advice to small business operating in markets against large rivals was to focus on providing excellent customer satisfaction. As much of the prior research had been undertaken using samples of large organisations, Alam (2010) confirmed that the results of previous studies were consistent with the findings obtained from a sample of small firms in small towns. Firms in the study all had less 20 employees with most having 10 or fewer.

Recognising the emergence of a stakeholder orientation in organisations without necessarily involving marketing departments and personnel, Ferrell et al. (2010) posited that organisations which were market oriented were outward-looking and therefore more likely to embrace the broader range of stakeholders including customers, community, employees, suppliers, investors and sustainability. Organisations committed to a broader stakeholder orientation were more focused on learning about and responding to stakeholder interests, which was consistent with the description of a learning organisation described earlier.

A meta-analysis conducted by Vieira (2010) demonstrated that the relationship between market orientation and organisational performance was positive and strong, and that this result was obtained consistently across countries. Organisational performance measures investigated in the meta-analysis were organisational commitment, organisational learning, innovation, profit, sales and market share.

The importance of market orientation to export market selection and export performance was demonstrated in research by He and Wei (2011) which found a positive relationship between market orientation and export performance outcomes.

Investigating both short-term and long-term performance relationships with market orientation Bottala and Camacho (2013) found that creating a culture of market organisation results in long-term sales increases but not necessarily increases in the short term, and that firms with a short-term focus may abandon market orientation prematurely. Hau et al. (2013) established that organisations in Vietnam benefited from market orientation, and concluded that organisations in other Asian emerging economies would receive similar benefits. In a study of firms in Malaysia Sany Sanuri Mohd et al. (2014) found that firms received a beneficial performance enhancement even when implementing just two components of market orientation, customer focus and interdepartmental coordination. In a study of Indonesian
exporters, Julian et al. (2014) found that customer orientation was the most significant element of market orientation contributing to organisational performance.

This section identified that a great deal of research has been undertaken to identify and qualify the benefits to organisations of adopting a market orientation. It has also identified that a culture of market oriented behaviour is linked positively with a range of beneficial performance measures including innovation, customer satisfaction and even corporate social responsibility. The next section reviews literature on market orientation in agribusiness.

2.4.6 Market orientation in food and agribusiness enterprises

Whilst past research suggests that organisation size and geographic location do not matter when it comes to benefitting from market orientation, industry and country cultures do influence the degree to which organisations are market oriented by influencing the personnel within them (Grunert et al. 1996; Mason & Harris 2006; Brettel et al. 2008; Kirca et al. 2009). This means that studies on a single industry (horticulture) within a single country (Australia) are justified.

Relatively few studies have investigated market orientation in organisations involved with agricultural production and value adding (Ibeh et al. 2006; Aziz & Yassin 2010). Grunert et al. (2005) explained why agribusiness is a particularly good industry for studying market orientation. First, agriculture has a long tradition for being commodity-oriented with an emphasis on efficiency, high-volume, consistent quality and economies of scale. In other words farmers have a history of being production oriented. Second, value-adding in regional locations provides important social and welfare benefits to those economies as the food production systems become more market oriented. Third, in response to universal trends in the food industry to produce products that meet differentiated end-user demands, participants in a food value chain recognised the benefits of working together to share market intelligence and to increase total chain responsiveness.

Farmers and agricultural value-adding enterprises have traditionally not been market oriented (Grunert et al. 1996; Lewis et al. 2001; Grunert et al. 2005; Beverland & Lindgreen 2007; Lindgreen 2009; Grande 2011). Having a history of being production and commodity-oriented with little interest in the product they produced beyond the farm gate may explain why agricultural companies in general are not market oriented (Grunert et al. 1996; Ottesen & Grønhaug 2002; Grunert et al. 2005; Beverland & Lindgreen 2007; Lindgreen 2009; Gellynck
et al. 2012). At the same time as multinational firms and globalisation are increasing competitive pressures within the food industry, consumer interest in and demand for unique food experiences, quality, safety, food origin and sustainable production methods are increasing. This represents an opportunity for small-medium sized firms which can identify and target market niches that offer price premiums and which are too small to be of interest to multinational food companies (Grunert 2006; Gellynck et al. 2012).

Research on market orientation in agribusiness is increasing. In a study of Chilean agrifood processing firms, Martino and Tregear (2001) identified that senior managers’ self-ratings of market orientation were generally high, but several important elements of market orientation were not regularly practiced by the firms in the study. In a study involving three case studies of family-owned food and beverage manufacturers, Lewis et al. (2001) observed that managers interviewed regarded marketing as the deliberate deception of customers through advertising and selling. However, managers in the case study firms were passionate about their products. Their passion provided benefits to the firms which had previously been described by Harmsen et al. (2000) who referred to ‘positive’ product orientations. In each of the family-owned businesses all staff took responsibility for customer-related activities, although there was little or no formal organisation of the marketing function. Each of the firms studied exhibited elements of market orientation even though they may not have been able to define their behaviour as such because the passion of the owners led them to make market-oriented decisions.

Recognising that food and beverage ‘craftspeople’ may have different attitudes and motivations, Tregear (2003) found that participants in studied exhibited market-oriented tendencies even though they consistently stated they were pursuing non-commercial goals and values. Market-oriented tendencies were recognised in the way participants established customer-led product portfolios, in the way they conceptualised their offerings in market-positioned terms and through the active pursuit of commercial opportunities. This study also identified that some food and beverage ‘craftspeople’ were reluctant to associate their businesses with ‘marketing’, associating it with high-pressure sales.

Hayes et al. (2004) noted that having a commodity orientation led to efficient and low-cost production systems for agricultural commodities such as grain and meat, but that feedback from consumers to farmers did not reach the farmer. This research proposed that small farms could meet consumer desires for variety and quality by establishing their own branded value-
added products and needed to adopt a market orientation to ensure consumer needs were understood and used to influence product development and other marketing activities.

Agricultural value chain analysis has significantly replaced supply chain approaches to marketing in the literature (Ikerd 2011; Fearne et al. 2012). As identified elsewhere, organisations in the agricultural sector have traditionally been production oriented rather than market oriented. Value chain analysis adopts a market-led approach to business management compared with supply chain approaches which are consistent with the more traditional production orientations of agribusinesses. Market orientation is the mechanism by which firms are focused on the market, and is consistent with adopting a value chain approach. To extend the concept of market orientation from single firms to value chains in agriculture Grunert et al. (2005) conducted four case studies of food value chains and found that degree of market orientation of value chains may be related to the degree of heterogeneity and dynamism of consumers served by the chain, the nature of chain relationships, regulations and mental models of decision-makers.

To address the question whether the theoretical conceptualisations of market orientation were relevant and used in food commodity markets, Ottesen and Grønhaug (2005) studied firms in commodity markets characterised by multiple sellers offering almost identical products and in which prices may fluctuate significantly with variations to supply and demand. These researchers found that organisations studied did closely monitor market trends, particularly with respect to pricing, but were not so concerned with monitoring the competitive environment. They were, however, focused on understanding the needs of individual customers and establishing relationships with them. This was consistent with suppliers developing relationships of ‘preferred supplier’ with customers as noted by Lendrum (2003).

Ibeh et al. (2006), in a study of agri-food companies involved in successful exporting of their value-added products, reported that a market orientation was important to the success of these businesses. These researchers also reported that the successful companies studied all adopted a niche-based differentiation strategy.

Observing consumer demand trends towards preferences for sensory, health, process and convenience and the changing role of retailers in the food chain including the increasing market share of private labels, Grunert (2006) identified that whilst food processors and value chain members need both production and market competencies, market competencies are
more important in terms of creating and sustaining competitive advantage. These researchers emphasised the importance of three competencies; consumer understanding, relationship management, and new product development.

Sriskandarajah and Ariyawardana (2009) confirmed that degree of market orientation measured as market intelligence, intelligence dissemination and responsiveness was positively linked with organisational performance in food and beverage firms. Aziz and Yassin (2010) confirmed that market orientation contributes to organisational performance in smaller Malaysian agrifood small to medium sized enterprises (SMEs) and that customer and competitor orientations combined with information dissemination were important elements that influenced organisational performance. Grande (2011, p. 230) found that farm sector firms struggled to develop entirely satisfactory sales and distribution strategies and concluded:

*path dependency, lack of knowledge, and little experience in marketing and distribution may lead to poorly developed market orientation” and “poorly developed market orientation may lead to less efficient market penetration and sales, and reduce farms’ ability to optimize profits from new ventures.*

Ariyawardana and Collins (2012) noted the benefits of smaller agricultural producers in Sri Lanka changing their strategic focus from being production oriented to having a heightened understanding of consumer and intermediary needs.

The research discussed in the preceding paragraphs identified that significant benefits may be obtained by agrifood companies that adopt a market orientation, and that current levels of market orientation may be low. This is very supportive of this research which, by identifying the beliefs of founders, owners and senior managers of horticultural enterprises, may help the industry and its participants to become more market oriented and consequently enjoy the benefits of so doing. The next section reviews literature which acknowledges limitations to past research on market orientation which is important as it helped to justify the selection of a qualitative approach to this research.
2.4.7 Limitations of previous market orientation research

Previous research on the subject of market orientation is highly quantitatively oriented but these methods are not the most appropriate for developing an understanding of the relationship between beliefs and behaviour. Uncertainty about the methods employed for many studies on market orientation exists in marketing and management literature. Despite this uncertainty research using quantitative methods is still used far more frequently than qualitative methods. Of particular note were concerns about the use of quantitative cross-sectional surveys often completed by a single manager within an organisation or separate business unit (SBU) (Harris & Ogbonna 1999; Rong & Wilkinson 2011; Woodside 2011). According to Woodside (2010) the most frequently used method of marketing management research which focuses on the decisions and behaviours of individuals employs mailed surveys of mostly closed-ended questions which are usually answered by a single person within the organisation. Mason and Harris (2005, p. 375) summarised this issue:

\[\text{The vast majority of market orientation studies involve data collection from single respondents, despite the recognition since the early 1980s that single informant research is likely to be unrealistic and unreliable. With few exceptions, the main response of researchers is to acknowledge the manifest weaknesses of the approach without taking any remedial or corrective action.}\]

Woodside (2010, pp. 2-3) points out that the scientific literature on thinking concludes that up to 95% of thought is subconscious and that people simply do not have sufficient access to their own thinking processes to explain the reasons behind their decisions adequately, and that using methods employing closed-ended questions do not uncover the deep nuances and interactions between thoughts and actions. Sobh and Perry (2006) stated that research under the positivism paradigm is often inadequate for social science phenomena such as marketing. Furthermore, they observed that only 15% of replication studies of positivism research in marketing confirmed the original findings and that 60% of replication studies provided results that conflicted with prior research. These comments, all published relatively recently, represent support for the use of qualitative methods for this research.

Section 2.4 of this chapter reviewed literature on the subject of market orientation and identified that there has been increasing interest on the subject, particularly since the early
1990s when the seminal research to better define the subject and identify antecedents and consequences was undertaken. It identified the factors that influence the degree to which organisations are market oriented including organisational culture, and that senior management plays a significant role by establishing the culture which encourages or dissuades market orientation. It went on to review the literature describing the many benefits available to organisations that adopt market oriented behaviours, but then identified that there is recent academic debate about the methodologies employed in research on market orientation primarily because market orientation is accepted as being part of organisational culture and research undertaken within a positivist framework is not necessarily appropriate to investigate culture. It recognised that the amount of research specifically focused within the agricultural industry is limited and that Australian-based research within the agricultural sector is justified because country and industry cultures can influence organisational cultures of which market orientation is a part. Of particular relevance, this section noted the influence of organisational culture on market orientation and the role of senior managers on organisational culture. The next section reviews literature on decision-making theories because these theories provide further evidence that a relationship between beliefs and behaviour exists and that beliefs can be identified.

2.5 Decision making theories

Recognising that market orientation is part of organisational culture and that the deeply-held and often not-expressed beliefs of founders, owners and senior managers influence organisational culture is significant to this research. To further confirm the relationship between beliefs and behaviour the literature on decision-making needs to be considered. Two types of learning models or theories, behavioural and cognitive, are frequently used to explain behaviour (Ratten & Ratten 2007). Sometimes referred to as stimulus-response theories, behavioural learning occurs when behaviour occurs in a predictable manner as a result of external stimuli (Schiffman & Kanuk 1987). Cognitive learning occurs as a result of learning and thinking about problems and situations. It involves “complex mental processing of information” (p. 246).

Cognitive learning models are utilised in this research as the theoretical basis of understanding the relationship between beliefs and behaviour because they acknowledge that learning involves the processing of information obtained from a wide variety of sources and experiences. Two cognitive learning theories are widely used to understand and predict
behaviour across a variety of domains: the Theory of Reasoned Action and the Theory of Planned Behaviour (Welbourne 2007). The Theory of Reasoned Action was developed first to identify determinants of behavioural decisions that are under an individual’s control i.e. volitional behaviour. The Theory of Planned Behaviour was subsequently developed as an extension to the Theory of Reasoned Action because it was recognised that factors outside an individual’s control such as limited resources, personnel, funding or other external constraints might also exert influence on intention and behaviour (Welbourne 2007). As founders’ and managers’ behaviour may well be influenced by external constraints the theory of planned behaviour is more appropriate for this research than the Theory of Reasoned Action. The Theory of Planned Behaviour is one of the most frequently cited and influential models for the prediction of behaviour (Armitage & Conner 2001; Ajzen 2011). The underlying cognitive structure of the relationship between beliefs and behaviour as defined by the Theory of Planned Behaviour (Armitage & Conner 2001) is illustrated in Figure 2-6.

![Figure 2-6: The theory of planned behaviour](source: Armitage & Conner 2001, p. 472)

At the most basic level of explaining behaviour, the Theory of Planned Behaviour describes salient beliefs as the prevailing determinants of a person's intentions and actions. Salient beliefs are the small sample of the total beliefs which are held by an individual but which are most influential in attitudes, intentions and behaviour (Ajzen 1991). Three kinds of salient beliefs exist:

1. Behavioural beliefs, being what the individual believes will be the outcomes of the behaviour. For example, a manager considering whether to implement a higher degree of market oriented behaviour may consider that such an action might result in
increased profitability, or they might consider that it will not. Behavioural beliefs are antecedents to attitudes towards the behaviour, and influence intention (Ajzen 2005).

2. Normative beliefs, being an individual’s assessment of how others within their reference groups will approve or disapprove of their behaviour. In other words, a manager may believe that implementing a higher degree of market oriented behaviour would be beneficial, but may not act on this belief because they fear that it will not meet with approval from peers or simply might be counter to the culture that has been established within an organisation. This is consistent with observations made by Bisp (1999) and Harris (1996a).

3. Control beliefs, being the degree of control over the factors that may facilitate or impede outcomes from the behaviour. Control beliefs may be based on past experience or from the experiences reported by others or observed by the individual (Ajzen 2005). A manager who recognises the potential benefits of introducing a higher level of market oriented behaviour into their organisation but assesses that they lack the resources or that the barriers to implementing the required behaviour are high may decide not to attempt to do so based on their assessment of control beliefs.

According to Ajzen (2005) each of the sets of beliefs, behavioural, normative and control, can be separated out and treated as partially independent determinants of intentions. This research also explains that background factors may influence behavioural, normative and control beliefs, and lists them as:

- Personal factors including personality traits, values, emotions and intelligence.
- Social factors including age, gender, race, ethnicity, education, income and religion.
- Information factors including experience, knowledge and media exposure (Ajzen 2005, pp. 134-6).

This section reviewed literature on decision-making theories which confirmed the linkage between beliefs and behaviour, and establishes that behaviour can be predicted by understanding deeply-held beliefs. The next section summarises key issues identified in this chapter and identifies the gap in the literature that will be filled by this research.
2.6 Research gap

Even though the marketing concept has been in existence since the 1950s, substantial research to confirm the benefits of adopting market oriented behaviour did not commence until the 1990s after (Kohli & Jaworski 1990) and (Narver & Slater 1990) published. Since the early 1990s there has been much research on the relationship between market oriented behaviour and organisational performance and the consensus of research and academic opinion is that a positive relationship exists. Despite the evidence, the literature recognises that market orientation is practiced with varying degrees of effectiveness in industry. Investigations of barriers to market orientation which identify senior management as a key factor are numerous. One conceptualisation of market orientation is that it is part of organisational culture. The literature on organisational culture and decision-making theories acknowledges that the beliefs of founders, owners and senior managers influence organisational culture at the deepest level. As market orientation is part of organisational culture, it is logical to conclude that the beliefs of founders, owners and senior managers have a significant influence over the degree to which organisations are market oriented. It is therefore somewhat surprising that specific beliefs of founders, owners and senior managers which influence the degree to which firms are market oriented has not previously been investigated. This research seeks to remedy this gap in the literature. This gap may exist in part because much of the previous research on market orientation used quantitative methods which provided a broader understanding of barriers to the adoption of market orientation.

Market orientation can be influenced by country and industry-wide macro-culture factors. The agrifood industry has been identified as less likely to adopt market oriented behaviour than others because it has grown from a base of farming and agriculture and farmers traditionally were focused on production efficiencies and productivity rather than markets, customers and the competitive environment. Little research on market orientation has been undertaken in Australia and it is important that this research be undertaken to identify country and industry-specific beliefs because understanding these beliefs may be important in facilitating higher degrees of market orientation. The conceptual framework developed and used to guide this research is illustrated in Figure 2-7 and highlights that the behavioural, normative and control beliefs of top management influence the degree to which their firms are market oriented.
This chapter reviewed literature relevant to this research. First it reviewed the literature on organisational culture because one conceptualisation of market orientation is that it is part of organisational culture. The literature on organisational culture identified that beliefs of founders and owners of business are the most important and difficult to change component of organisational culture. The second part of the literature review covered the topic of market orientation describing how the topic has been researched primarily since the early 1990s. It identified that the rate of research on the subject continues to increase. It described how researchers have explored many aspects of market orientation and have noted that even though significant evidence exists to support the benefits of being market oriented, many organisations fail to achieve market orientation. The literature review identified that much of the research undertaken on the subject was based on quantitative surveys employing questionnaires, often completed by a single respondent, and that this methodology has been questioned in the literature. The role of market orientation in food and agribusiness
organisations was reviewed and it was identified that agribusiness organisations may be less likely to be market oriented than those in other industries because farmers have historically have not had a need to take responsibility for marketing their production. This led the literature review to explore decision-making theories which confirmed the relationship between beliefs and behaviour. Finally, this chapter identified a gap in the literature being that little if any research existed that identified the beliefs of founders and owners of agribusiness organisations that influenced the degree to which agribusiness organisations were market oriented. The next chapter describes the methodology employed for this research.
Chapter 3  Methodology

3.1  Chapter introduction

This chapter describes the methodology employed for this research. The chapter commences with a summary of the research methodology. It then introduces the research paradigm and research strategy which guided the research. The research design is described with particular attention paid to how the design was developed to ensure that the results would be valid and reliable. The chapter then describes the unit of analysis, how the case study organisations were selected and how the investigator gained access and conducted interviews with founders, owners and senior managers. How data was managed and analysed is described and then the chapter provides the sequence and timing of research activities. Finally, the chapter concludes by introducing the next chapter.

3.2  Summary of research methodology

A summary of the principle elements of the research methodology are included in Table 3-1.

Table 3-1: Summary of research

<table>
<thead>
<tr>
<th>Research Element</th>
<th>Adopted</th>
</tr>
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<tbody>
<tr>
<td>Objective</td>
<td>To determine the beliefs of founders, owners and senior managers that influence the degree to which their organisation is market oriented</td>
</tr>
<tr>
<td>Paradigm</td>
<td>Constructivism</td>
</tr>
<tr>
<td>Research strategy</td>
<td>Explanatory case study</td>
</tr>
<tr>
<td>Construct validity</td>
<td>Achieved through triangulation of data from multiple sources</td>
</tr>
<tr>
<td>Internal validity</td>
<td>Achieved through pattern matching with prior research</td>
</tr>
<tr>
<td>External validity</td>
<td>Generalisable to theory using analytic approaches to generalisability</td>
</tr>
<tr>
<td>Reliability</td>
<td>Achieved through the use of case study protocol and case study database</td>
</tr>
<tr>
<td>Unit of analysis</td>
<td>Top management teams of vertically integrated horticultural enterprise comprising the founder or current owner and management personnel reporting directly to them</td>
</tr>
<tr>
<td>Number of cases</td>
<td>Four</td>
</tr>
<tr>
<td>Selection of cases</td>
<td>Purposefully to be typical of the population</td>
</tr>
<tr>
<td>Method of data collection</td>
<td>Multiple in-depth semi-structured interviews and observation</td>
</tr>
<tr>
<td>Data analysis</td>
<td>Assisted by NVivo, a computer-assisted qualitative data analysis software (CAQDAS); use of pattern matching and explanation building</td>
</tr>
</tbody>
</table>
This section provided a quick overview of the research. The next sections describe in detail how the research was undertaken with justifications and references to literature where appropriate.

3.3 Research paradigm

Paradigms guide the methodologies of researchers and provide models and theories which allow researchers to solve problems (Kuhn 1970; Guba & Lincoln 1989). This section details the research paradigm commencing with an introduction to historical approaches to research.

Lincoln and Guba (1985) explain that research paradigms can broadly be classified into three eras: (1) the prepositivist era spanning approximately from 350BC to the mid 1700s during which time ‘science’ was a passive observer, (2) the positivist era commencing in the early 1800s during which its greatest contribution may have been development of the ‘scientific method’ and (3) the postpositivist era which evolved, and is still evolving, out of concerns for ‘pure’ positivist propositions and beliefs. Constructivist methodologies have developed out of postpositivist thinking (Guba & Lincoln 1989). The positivist approach has its foundations in the very strong faith in rationality that developed in the 15th and 16th centuries and which led to the development of science whilst constructivism originated in the 18th and 19th centuries as doubts about the validity of positivist assumptions began to emerge (Deshpande 1983). More recently researchers, in recognition of criticism raised about positivist assumptions have developed post-positivist beliefs (Robson 2011).

The paradigm or philosophical worldview which guided this research was constructivism in which researchers seek to understand the complex interpretation of experiences which influence the way people behave. Researchers within the paradigm of social constructivism acknowledge that the way individuals think and behave is influenced by shared experiences and interaction with others and the cultural norms within which they live. This leads researchers to seek an understanding of the interactions which have guided and shaped the interpretation of past experiences. In the language of today the positivist paradigm is synonymous with quantitative approaches to research, and the constructivism paradigm is synonymous with qualitative approaches.

Positivist research is based on the belief that “knowledge can only be based on what can be observed and experienced” (Williamson 2006, p. 84) and that measurement and objectivity are essential, resulting in a focus on qualitative data and deductive reasoning. Research
conducted under the positivist paradigm generally uses large samples and numbers to test theories and can be statistically generalised to populations (Sobh & Perry 2006). According to Creswell (2009) quantitative research methods have developed to include a range of research strategies including complex experiments with many variables and treatments and elaborate equations and models for determining the strengths of variables and identification of causal paths. Two principle strategies of enquiry are adopted, survey and experimental research. Survey research identifies and quantifies trends, attitudes and opinions by surveying representative samples of populations. Methods include cross-sectional and longitudinal studies with questionnaires and are usually designed so generalisations to the wider population can be made. A deductive logic is adopted in quantitative research where pre-existing theoretical ideas or concepts are tested (Robson 2011).

Qualitative research attempts to understand issues and phenomena from the participant’s perspective and is characterised by the researcher being the instrument to collect richly descriptive results (Merriam 2002, pp. 5-6). Qualitative methods are appropriate when researching complex issues (Beverland & Lindgreen 2007). There are many forms or methods of research within the qualitative paradigm. Sobh and Perry (2006) discussed three. Merriam (2002) identified eight. Huberman and Miles (1994) provided a graphical overview of qualitative research types which identifies more than 20! Creswell (2009) identified five frequently-used qualitative strategies being ethnography, grounded theory, case studies, phenomenological research and narrative research. Ethnography is a strategy of enquiry of an intact cultural group in a natural setting over a prolonged period of time. Grounded theory employs multiple stages of data collection from which a theory grounded in the views of participants is derived. Phenomenological research involves studying a small number of subjects through extensive and prolonged engagement to understand their lived experiences. Case study research is an in-depth exploration of a program, event, activity, process or one or more individuals. Narrative research is the study of the lives of individuals from the stories the individuals tell about their lives.

Whilst it would be understandable to perceive that qualitative and quantitative research are polar opposites, as Deshpande (1983) and Creswell (2009) point out, individual researchers in all areas fall somewhere between the two extremes. Despite the observation that research may be undertaken between the extremes of qualitative and quantitative research, Cook and Reichardt (1979) indicated that the most significant point of difference between the two
approaches is that qualitative research is used primarily for verifying or confirming theories whilst qualitative methods were deliberately developed for the purpose of discovery or generating theories.

Quantitative research methods were not considered appropriate for this research because the research objective was to understand the deeply-held and often not-expressed basic assumptions and beliefs of individuals and qualitative methods are better than quantitative methods for problems which require interpretations of the meaning of data (Creswell 2009; Neuman 2011; Robson 2011). The decision not to employ quantitative methods was further supported by the criticisms noted in the literature in Chapter 2 about the ‘over-use’ of quantitative methods in market orientation studies. Of the qualitative methods available case study was the one that best suited the objectives of this research.

This section introduced the research paradigm and justified why qualitative methods were considered more appropriate than quantitative for this research. The next section explains why, of the qualitative alternatives available, case study methodology was selected.

3.4 Research strategy

Business marketing research has a long history of using case study methodology (Beverland & Lindgreen 2010; Crowe et al. 2011). Of the qualitative methods available, case study research was selected for this research because it fulfils the needs of the research problem more effectively than alternate methods. Case study methods allow researchers to explore complex issues in their real-life settings (Crowe et al. 2011) and allowed the investigator to explore and understand the deeply-held beliefs of founders and owners of organisations. Case study methodology allows researchers to explain individual, group and organisational phenomena by asking ‘how’ and ‘why’ types of questions. Case study method is relevant to questions that require an extensive and in-depth description of social phenomenon (Beverland & Lindgreen 2010; Yin 2014). It is tailor-made for exploring behaviours that have not previously been explored or that are little-understood (Hartley 1994). According to Sykes (1990) case study methodology allows researchers to obtain information that is impossible to access by any other means. Yin (2014) explained that case study research complements data obtained by other methods and as noted in Chapter 2, much research using quantitative methods has previously been undertaken so data collected using qualitative methods would contribute complementary data.
Yin (2014) noted three types of case study method: explanatory, descriptive and exploratory. Explanatory case studies provide explanations about how or why a condition occurs. Descriptive case studies describe a case in its real world context. Exploratory case studies are used to identify research questions or procedures to be used in subsequent research. As the objective of this research was to identify why organisations adopt the degree of market orientation that they did as influenced by the beliefs of the founder or current owner, an explanatory case study approach was appropriate. Whilst some researchers believe that the use of case study research methods should be limited to the exploratory phase of an investigation, others refute this saying that case study research is a valid stand-alone method of enquiry (Flyvbjerg 2006; Yin 2014).

Whilst the research questions in this instance begin with ‘what’ which, according to Yin (2014) may make a survey more appropriate than case study, the literature that describes beliefs as being deeply-held and often not even expressed meant that the investigator required a method that allowed a greater degree of flexibility in gathering data than is typically available through the use of surveys. Also, the ultimate question being answered in this research is why organisations adopt the degree of market orientation that they do, as influenced by the beliefs of their founders.

Case study research is defined by Gerring (2007, p. 37) as “an intensive study of a single unit or a small number of units for the purpose of understanding a larger class of similar units”. Gerring (2007) identified that case study research whilst frequently criticised for its lack of representativeness and external validity, does provide rich information and internal validity. The purpose of this research was to identify the beliefs of senior management team members that influence the degree of market orientation in a firm, and interviewing personnel was appropriate for this purpose as this approach would “enable the researcher to gain access to groups of people to provide both a deep and broad view of situations, people or settings” (Minichiello et al. 2008, p. 66) and case study methods allow in-depth interviewing to be conducted.

This section provided justification for the selection of case study methodology. The next section describes the unit of analysis and how it was selected.
3.5 Unit of analysis

The unit of analysis selected for this research was the senior management team comprising the founder or owner and the managers reporting to that individual. Selection of the unit of analysis can be difficult in case study methodology (Patton 2002; Grünbaum 2007; Yin 2014). The literature review identified the role of founders in establishing organisational culture within their organisations and the literature on organisational culture supported by the Theory of Planned Behaviour demonstrated the link between beliefs of the founder and subsequent organisational market orientation. As noted previously, it was logical to conclude that the beliefs or basic assumptions of the founders which are passed onto subordinates and become part of organisational culture play a significant role in determining the degree to which organisations are market oriented. Therefore, by gaining an understanding of the beliefs or basic assumptions which are generally held by the founder, owner and his or her direct subordinates, this research would provide an understanding of why their businesses adopted the degree of market orientation that they did. The selection of the top management team as unit of analysis is further supported by Finkelstein (1992) who noted, that whilst the most senior manager wields dominant power in some organisations, in others power is distributed and therefore necessary to understand coalitions of top management team members to understand management power.

This section provided justification for the selection of the management team as the unit of analysis. The next section discusses the selection of case study organisations.

3.6 Organisation selection

The selection of appropriate cases is a critical element of case study research. Random sampling\(^1\) for case studies is unreliable as any single case may be “wildly unrepresentative” of the population being sampled (Gerring 2007, p. 87). To ensure appropriate cases are selected for case study research this researcher recommended the adoption of one of nine techniques being “typical, diverse, extreme, deviant, influential, crucial, pathway, most-similar and most-different” (p. 88). Sobh and Perry (2006, p. 1203) agreed, stating that the selection of cases

\(^{1}\) The term ‘sample’ should be avoided in case study research as its use may lead to an erroneous conclusion that the results are statistically representative of a larger population (Yin 2014). This is noted here because some references to ‘sampling’ have occurred in this thesis because they existed in the literature.
needs to be made carefully so they produce either similar or contrary results for predictable reasons.

The unit of analysis was defined in the previous section as the top management team of vertically-integrated horticultural enterprises. This meant that organisations selected needed to be (1) vertically-integrated horticultural enterprises in which (2) the owners were involved in the day-to-day management and (3) preferably in which the founder was still involved. By meeting these criteria, selected case study organisations were deemed to be typical of owner-managed, vertically-integrated horticultural enterprises in south-east Queensland and northern New South Wales. To ensure appropriate organisations which were typical of producer-owned value-adding enterprises were selected, a purposeful two-stage approach was used to identify and qualify firms for participation. The first stage involved identification of organisations that met the criteria assessed by viewing Website pages of seven potential companies. Potential companies were assessed against the criteria listed in Table 3-2. The second stage, which could only be undertaken after ethics approval was granted, involved the researcher making telephone and e-mail contact with the owners of each of the seven short-list companies to discuss their organisation’s possible involvement and to further evaluate suitability against the selection criteria. From the seven short-listed, four agreed to participate. The three that declined were all part of a single family-owned group, and simply did not return phone calls.

Table 3-2: Criteria for selection of organisations

<table>
<thead>
<tr>
<th>Criteria For Selection of Organisations</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td>4</td>
</tr>
</tbody>
</table>

Another important decision in designing the research was the number of cases to be included. Although not frequently published, single-case case studies are an important and valid
research method (Easton 2010; Mariotto et al. 2014). Eisenhardt (1989) stated that any number between 4 to 10 cases works well. Perry (2000) concurred with this, stating that the accepted range is anywhere from 2 to 4 at a minimum to 10, 12 or 15 as the maximum. As important as the number of cases is the need to ensure that they are informative which, according to Gerring (2007) means that cases should be selected that provide sufficient information to allow the research objectives to be achieved. Yin (2014) explained that the use of multiple case studies is the same as seeking to replicate results from multiple experiments. The objective is to obtain confirmatory data from multiple cases to increase the robustness of the findings.

This research used four businesses from which to obtain data. Organisations were vertically-integrated horticultural value-adding enterprises with ownership of and control over the growing, processing and marketing of value-added horticultural products. Two of the organisations had total income in the $30m - $40m per annum range and two had total income of less than $2m pa. These income ranges are typical of producer-owned vertically-integrated horticultural enterprises. The two larger organisations had formal organisational structures with employed personnel filling senior management roles. The two smaller organisations were more flexible with their management structures and were owned and managed by family members. Organisations were selected purposefully from south east Queensland and northern NSW because the region is home to a number of vertically-integrated horticultural enterprises and they could be conveniently accessed by the investigator.

This section explained how the number and type of organisations were selected. The next section describes the data collection methods.

### 3.7 Data collection methods

Yin (2014) identified six sources of evidence which are frequently used when collecting data for case study research (1) documentation, (2) archival records, (3) interviews, (4) direct observation (5) participant observation and (6) physical artifacts. In developing the data collection method for this research all were considered and the logic behind the final approach which focused primarily on interviews is provided in Table 3-3.
Table 3-3: Data collection methods

<table>
<thead>
<tr>
<th>Data Collection Method</th>
<th>Brief Description</th>
<th>Strengths</th>
<th>Reasons Why or Why Not Used</th>
</tr>
</thead>
<tbody>
<tr>
<td>Documentation</td>
<td>Any form of document including letters, memoranda, e-mails, meeting minutes, business plans, market research reports, website</td>
<td>Stable – can be reviewed repeatedly Unobtrusive Specific Broad</td>
<td>Intention was to use business plans and documentation from planning meetings, but none of the businesses had any or would not provide them to the investigator</td>
</tr>
<tr>
<td>Archival records</td>
<td>As for documentation</td>
<td>As above</td>
<td>As for documentation</td>
</tr>
<tr>
<td>Interviews</td>
<td>Guided conversations for the purpose of gathering evidence</td>
<td>Targeted Insightful</td>
<td>This was the principle method of data collection because it allowed the researcher to explore the deeply-held beliefs of founders and owners and access confirmatory data and insights from others within each organisation</td>
</tr>
<tr>
<td>Direct observations</td>
<td>Casual and formal observations of events and activities in the ‘real world’ of the case</td>
<td>Immediacy Contextual</td>
<td>Observation of the way interviewees responded to questions was used and provided meaningful insights</td>
</tr>
<tr>
<td>Participant observations</td>
<td>The researcher is involved within the case study situation</td>
<td>Insightful</td>
<td>This was not relevant</td>
</tr>
<tr>
<td>Physical artifacts</td>
<td>Evidence provided by the existence of evidence such as works of art, technology, tools etc</td>
<td>Insightful</td>
<td>This was not relevant</td>
</tr>
</tbody>
</table>

Source: Developed for research from Yin (2014)

The use of multiple sources of evidence is recommended by many authors and was detailed in Section 3.6.1. This section provided details of data collection methods employed. The next section describes how the investigator gained access and obtained consent to conduct interviews and make observations.

3.8 Gaining consent and access

In all instances a letter of introduction was e-mailed to the owner of the business explaining the research topic. This was followed up by a telephone call to discuss the research and answer any questions the owner asked. The need for the consent of the owner in a business situation is obvious, and Minichiello et al. (2008) identified the importance of gaining
authority through a third party so that the researcher could access informants in a way that allowed them to commit the time to the interviews.

Prior to the commencement of each first interview the investigator explained the reason for the research, assured interviewees of complete confidentiality and answered questions asked. Interviewees were reminded of the researcher’s commitment to confidentiality at the commencement of all interviews and were asked whether they had any questions at the conclusion of each interview.

This section described how the investigator gained access to companies and the consent to conduct interviews. The next section describes the interview process and why semi-structured interviews were used.

3.9 Interview method

Interviewing can take a variety of forms which generally fall somewhere along a continuum between fully structured at one end and unstructured at the other (Minichiello et al. 2008). Interviews were the principle data collection method and this section provides justification of the type of interview approach adopted for this research.

Three semi-structured in-depth interviews using a mix of more and less structured open ended questions was selected as the primary data collection method as this approach provided the researcher with more control than unstructured interviews and allowed interviewees to provide a wider range of responses than using closed-ended questions (Given 2008; Minichiello et al. 2008). The use of semi-structured interviews provided the opportunity for interviewees to discuss broadly the issues and then, with probing and prompting from the researcher, for example, ‘how? why?’, interviewees could reveal insights into organisational culture of which beliefs are an important component (Schein 2010). This allowed the researcher to make an assessment of beliefs that influenced market orientation in each organisation based on the responses provided, the way they were expressed and confirmation or not from other interviewees. In-depth interviews are used by researchers who seek to gain access to and obtain an understanding of activities which cannot be observed directly (Minichiello et al. 2008). Beliefs of founders and owners fits this situation. Creswell (2009) recommended prolonged time in the field to establish the trust and confidence of personnel being interviewed and in recognition of this suggestion, data collection took place over two to four month period for each case study organisation. Minichiello et al. (2008) pointed out that
interviewing people repeatedly allows rapport to be established and that because the interviews are face-to-face, a greater understanding may be available to the researcher.

This section described the interview method. The next section explains how the interview guides and questions were developed.

3.10 Interview guides and questions

The topics for discussion prepared for the semi-structured interviews were developed after reviewing literature on barriers to adoption of market orientation and the theoretical models explaining the relationship between beliefs and behaviour. This is an important step in research undertaken within the qualitative paradigm because, as identified by many authors including Sobh and Perry (2006) entering the field with prior research already known allows the researcher to explore and identify aspects of the research topic which have previously not been researched. Consequently, the semi-structured interview guides were developed such that the types of beliefs described by Armitage and Conner (2001) and (Ajzen 2005) i.e. behavioural, normative and control were explored, as were known barriers to the adoption of market oriented behaviour identified by Bisp (1999), Harris (1996a) and (Harris & Watkins 1998) in addition to identifying previously unidentified beliefs of interviewees related to market oriented behaviour. The themes, drawn from the literature, which were used to guide the development of interview questions are listed in Table 3-4.
Table 3-4: Interview topics and questions

<table>
<thead>
<tr>
<th>Theme</th>
<th>Topic / Questions</th>
</tr>
</thead>
</table>
| Market Oriented Behaviour to identify beliefs and other factors related to the two principal components of market orientation (Kohli & Jaworski 1990) | 1. How and why organisations collected (or did not collect) market, competitor and customer intelligence was important because this is the first significant component of market orientation under any conceptualisation.  
2. How and why organisations shared (or did not share) market, competitor and customer intelligence was important because this is the second significant component of market orientation under any conceptualisation. |
| Knowledge and use of contemporary marketing practices was important because the degree to which managers understand and employ contemporary marketing practices has been identified by previous researchers to be a barrier to the adoption of market orientation (Harris & Watkins 1998). | 1. Each interviewee’s definition of the discipline of marketing and the role it plays within their organisation. Knowledge of the discipline of marketing was identified as an important influence over market oriented behaviour by Harris (1996a).  
2. Sources of competitive advantage and whether and how the management team proactively identifies sources of competitive advantage.  
3. The question “what business are you in?” was asked of each interviewee. The significance of responses was identified by Levitt (1960) who described how businesses benefit by being defined in terms of the benefits sought by the market and not by the physical product produced.  
4. Whether the discipline of marketing was associated with negative or positive perceptions that might influence the degree to which it is adopted (Lewis et al. 2001).  
5. How each organisation managed its innovation. This was included because of the work of Han et al. (1998) which linked market orientation with successful innovation. Innovation is a term that many organisations are happy to discuss so was included as a means of providing opportunities to beliefs regarding market oriented behaviour as part of innovation strategies. |
| The influence of the founder in marketing decision-making within the organisation. This was included because of the frequent references to management mindset, management personality and in the literature (Felton 1959; Kohli & Jaworski 1990; Bisp 1999; Harris & Ogbonna 2001b). | 1. How effectively the most senior manager delegated responsibility and authority for marketing. |

This section described the logic behind the development of interview guides. The next section describes how interviews were set and conducted to ensure active participation by interviewees.
3.11 Setting interview times and locations

Initial contact was made with and access obtained from the owner of each business as previously described. Recommendations offered by Minichiello et al. (2008, pp. 83-5) for conducting in-depth interviews were also observed, including:

1. Respecting the time that each interviewee had available and being flexible and available to meet their time availability. Appointments were made at each interviewee’s convenience and were conducted on the business premises in a room that provided confidentiality and no interruptions.

2. Building rapport and trust by matching “the perceptual language, the images of the world, the speech patterns, pitch, tone, speed and overall posture of the informant”. The investigator was very conscious to build rapport and not to be seen as too ‘academic’ by interviewees and so they would share ideas as part of a discussion.

3. Listening analytically, which meant much more than simply “listening, nodding and note-taking”. It meant answering, commenting and attending to the conversation sensitively as this contributed to the way interviewees engaged in the discussion.

4. “Sympathetic and patient listening” which allowed the informant to further develop and expand on ideas and themes, and avoiding facial expressions or body language which suggests disapproval.

This section described how the investigator set and conducted meetings. The next section explains how the number of interviews to be competed was established.

3.12 Number of interviews

To ensure sufficient opportunity to develop a relationship with interviewees and create the environment where the research subject could be fully explored, a total of three interviews with each owner and management personnel reporting to the owner in each of the four case study organisations were conducted. This resulted in a total of 52 interviews. Perry (2000, p. 313) stated that 35 or so interviews is an appropriate number for a reasonably sized project like a PhD. This number of interviews provided the investigator with sufficient confirmatory data to provide confidence in the results obtained. This section explained how the number of interviews to be achieved to provide sufficient data was established. The next section provides greater insights into how each interview was structured.
3.13 Structure of interviews

As important as the number of interviews was that each interview was conducted so that interviewees were asked similar open-ended semi-structured questions designed to reveal beliefs.

The three interviews were structured as follows:

1. The first interview allowed interviewees to provide an overview of the history of the organisation highlighting significant events or decisions that had occurred as the organisation evolved. This interview was designed to help each interviewee feel comfortable with the process of being interviewed by asking them to speak about their business. They were then asked to explain how decisions relating to important decisions and events were made. This line of questioning was designed to provide the researcher with an understanding of the degree to which external factors of market, competitor and customer intelligence were used as part of the decision making process, and the degree to which that information was shared amongst personnel across each organisation. Frequent use of the question “why?” was made to provide opportunities for interviewees to express beliefs. The researcher’s question guide used for Interview 1 is attached as Appendix I.

2. The second interview was undertaken after transcripts from the first interview were completed so the researcher could review them and clarify any issues in the second interview. The researcher asked interviewees a series of specific questions relating to the organisation’s culture, marketing, innovation, sources of competitive advantage and how the organisation gathered and shared market intelligence. This line of questioning was designed to provide the researcher with an understanding of each interviewee’s knowledge of the discipline of marketing and to provide insights into organisational culture that could influence the degree of market oriented behaviour adopted by the organisation. Again, frequent use of the question “why?” was made to provide opportunities for interviewees to express beliefs. The researcher’s question guide used for Interview 2 is attached as Appendix II.

3. At the beginning of the third interview, interviewees were introduced to the concept of market orientation, its history and the evidence that supports the relationship between market orientation and organisational performance. This was achieved with the aid of diagrams illustrating an abbreviated version of the model of market orientation.
developed by Jaworski and Kohli (1993). Interviewees were then asked to discuss and explain why they believed their organisation adopted the degree of market orientation that it did and whether there may be cultural or other barriers to achieving higher degrees of market orientation within their organisation. This interview was structured in this manner deliberately to expose each interviewee to any differences between the theoretical model and benefits of market oriented behaviour and the behaviour within their organisation so they could comment on those differences and discuss the reasons for them. The researcher’s question guide used for Interview 3 is attached as Appendix I. Table 3-5 provides details of the timing (Date) length of recordings in minutes (Mins) and word length of transcripts (Words) from each interview.

Table 3-5: Details of interviews.

<table>
<thead>
<tr>
<th>FIRM</th>
<th>Interviewee</th>
<th>Interview and Transcript Details</th>
<th>Interview 1</th>
<th>Interview 2</th>
<th>Interview 3</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Date</td>
<td>Mins</td>
<td>Words</td>
</tr>
<tr>
<td>A</td>
<td>Managing Director</td>
<td></td>
<td>20.3.13</td>
<td>80</td>
<td>11,630</td>
</tr>
<tr>
<td></td>
<td>Marketing Manager</td>
<td></td>
<td>4.4.13</td>
<td>75</td>
<td>11,860</td>
</tr>
<tr>
<td></td>
<td>Processing Manager</td>
<td></td>
<td>13.3.13</td>
<td>33</td>
<td>4,970</td>
</tr>
<tr>
<td></td>
<td>Horticulture Manager</td>
<td></td>
<td>11.3.13</td>
<td>41</td>
<td>6,100</td>
</tr>
<tr>
<td>B</td>
<td>Managing Director</td>
<td></td>
<td>14.5.13</td>
<td>63</td>
<td>10,760</td>
</tr>
<tr>
<td></td>
<td>GM</td>
<td></td>
<td>10.5.13</td>
<td>60</td>
<td>7,780</td>
</tr>
<tr>
<td></td>
<td>Commercial Manager</td>
<td></td>
<td>10.5.13</td>
<td>39</td>
<td>6,810</td>
</tr>
<tr>
<td></td>
<td>Factory Manager</td>
<td></td>
<td>20.8.13</td>
<td>22</td>
<td>3,320</td>
</tr>
<tr>
<td></td>
<td>Horticulture Manager</td>
<td></td>
<td>28.10.13</td>
<td>35</td>
<td>4,720</td>
</tr>
<tr>
<td>C</td>
<td>Founder</td>
<td></td>
<td>17.7.13</td>
<td>72</td>
<td>13,050</td>
</tr>
<tr>
<td></td>
<td>Admin Manager</td>
<td></td>
<td>17.7.13</td>
<td>31</td>
<td>7,290</td>
</tr>
<tr>
<td></td>
<td>Marketing Manager</td>
<td></td>
<td>17.7.13</td>
<td>34</td>
<td>5,640</td>
</tr>
<tr>
<td></td>
<td>Processing Manager</td>
<td></td>
<td>17.7.13</td>
<td>21</td>
<td>3,860</td>
</tr>
<tr>
<td>D</td>
<td>Founder husband</td>
<td></td>
<td>20.9.13</td>
<td>29</td>
<td>4,000</td>
</tr>
<tr>
<td></td>
<td>Founder wife</td>
<td></td>
<td>20.9.13</td>
<td>19</td>
<td>2,930</td>
</tr>
<tr>
<td></td>
<td>GM</td>
<td></td>
<td>20.9.13</td>
<td>58</td>
<td>9,840</td>
</tr>
<tr>
<td></td>
<td>Administration and Marketing Manager</td>
<td></td>
<td>20.9.13</td>
<td>36</td>
<td>5,970</td>
</tr>
<tr>
<td>Totals</td>
<td></td>
<td></td>
<td>748</td>
<td>120,530</td>
<td>576</td>
</tr>
</tbody>
</table>

The third interview with the Commercial Manager from Organisation B was not possible because of serious illness. The final interviews for Organisation D were conducted with the
joint founders together, and the husband and wife management team also interviewed together. This was at their request and appeared to have no detrimental influence on the data. This section provided details of how interviews were structured and specific details of the interviews that were undertaken. The next section explains how the data collected for the research was managed.

3.14 Data management

Computer assisted qualitative data analysis software (CAQDAS) was used because, according to Minichiello et al. (2008) and Yin (2014) whilst not essential, the use of software increases the efficiency of coding and retrieving data. Many CAQDAS programs are available and NVivo was selected because it and training were readily available through the University.

Interviews were recorded using a digital voice recorder. Voice recordings were transferred to a computer and sent by secure file transfer to a professional transcription service in Sydney. Transcripts of recordings were made by the transcription service which were then retrieved by the investigator using the secure file transfer system of the transcription service provider.

Consistent with the risks identified as part of the ethics approval data storage was maintained in locked filing cabinets and / or a computer protected by password. Codes were assigned to organisations and personnel interviewed were referred to by title only to eliminate the risk of being identified.

This section explained how data was managed. The next section provides details about how data was analysed.

3.15 Data analysis

Data analysis was an iterative process and considerable time was spent deciding how best to analyse it. This is not uncommon and Yin (2014) recommends ‘playing’ with the data to become familiar with it and to identify patterns, insights or concepts that seem promising. Yin suggests four analytical strategies for analysing case study: (1) relying on theoretical propositions, (2) working the data from the ground up, (3) developing a case description and (4) examining plausible rival explanations (pp. 136-43). As noted elsewhere the research questions were developed after reviewing past research and any beliefs identified were
expected to fit within the patterns identified in prior research so finally the data was analysed according to the following steps which were iterative rather than simple or sequential:

1. Beliefs associated with market orientation that were being expressed or inferred by the founder or owner of each business were identified.
2. Beliefs expressed or inferred by other interviewees were identified.
3. Relevant comments in the observation notes made at the time of each interview were noted and analysed for meaning to help the investigator understand the responses that were provided.
4. Patterns of consistency or inconsistency of beliefs within each organisation were identified and recorded.
5. Patterns of consistency or inconsistency of beliefs across organisations were identified and recorded.
6. Patterns of consistency or inconsistency with prior research were identified and recorded.
7. Explanations for variations were developed.

The process is illustrated in Figure 3-1.
To facilitate the analysis, transcripts were coded in NVivo into the nodes and sub-nodes listed in Table 3-6.
Table 3-6: Data coding in NVivo

<table>
<thead>
<tr>
<th>Node</th>
<th>Sub-Node</th>
<th>Description of contents</th>
<th>Why Important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organisational descriptions.</td>
<td>For each organisation.</td>
<td>Details of what the organisation does, where it’s located, management structure, customers, markets, competitors.</td>
<td>To facilitate an accurate description of each organisation in the thesis and to ensure it meets the requirements established by the researcher prior to the research.</td>
</tr>
<tr>
<td>Skills, training and experience.</td>
<td>Of each interviewee</td>
<td>Details of formal and informal training and experience.</td>
<td>Past research has discussed the relationship between training and MO. To understand the influence of prior training on MO behaviour.</td>
</tr>
<tr>
<td>Market oriented behaviour.</td>
<td>Examples of market, customer and competitor research, analysis and use of data.</td>
<td>Responses that provide insight into the degree to which organisations obtain and use market, competitor and customer intelligence.</td>
<td>1. To allow the researcher to assess the degree to which each organisation is market oriented.</td>
</tr>
<tr>
<td></td>
<td>Examples of information sharing.</td>
<td>Responses that provide insight into the degree and extent to which information is shared.</td>
<td>2. By probing after each response, to reveal the beliefs that underpin responses.</td>
</tr>
<tr>
<td>Knowledge of, commitment to and application of contemporary marketing practices.</td>
<td>Definition of marketing.</td>
<td>How interviewees define the term ‘marketing’ and how the discipline is adopted by the organisation.</td>
<td>1. To allow the researcher to make an assessment of the beliefs of each interviewee because lack of knowledge of the discipline of marketing has been demonstrated in prior literature as a barrier to the adoption of MO.</td>
</tr>
<tr>
<td></td>
<td>Competitive advantage.</td>
<td>How interviewees define their organisation’s sources of competitive advantage and whether they proactively discuss and plan how to gain competitive advantage.</td>
<td>2. By probing after each response, to reveal the beliefs that underpin responses.</td>
</tr>
<tr>
<td></td>
<td>What business are we in.</td>
<td>How interviewees described the business of their organisation.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Attitudes towards ‘marketing’.</td>
<td>Whether interviewees expressed negative or positive perceptions about the discipline of marketing in their or any organisations.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Examples of innovation.</td>
<td>How interviewees explain innovation within their organisation specifically to identify the degree to which external sources of information including market, competitor and customer intelligence are used.</td>
<td></td>
</tr>
<tr>
<td>Influence of the founder or most senior manager</td>
<td>How the most senior manager influenced decisions or behaviour.</td>
<td>Examples of how the most senior manager influenced others within the organisation.</td>
<td>Previous research has demonstrated that founders or owners present the most significant influence over culture, and MO is part of culture.</td>
</tr>
</tbody>
</table>

This section provided details about how the data collected was analysed. The next section explains how the results were presented.
3.16 Presentation of results

Yin (2014) provided guidelines for writing case study reports but noted that unlike many other research methods case studies do not follow any established format. Six alternate structural approaches for case study reports are provided by this author: (1) linear analytic which is the format mostly used for composing research reports and is the approach suggested by Perry (1998) for preparation of a thesis (2) comparative in which the author repeats the same case study material for each case studied and compares alternative sets of results and explanations (3) chronological structures which presents evident in chronological order (4) theory building structures in which the sequence of reporting will follow some theory-building logic, (5) suspense structures in which results are presented first and followed by the analysis of data and (6) unsequenced structures in which the sequence of information assumes no particular importance.

The overall structure of the thesis adopted the general approach recommended by Perry (1998). Chapter 4 adopted a comparative approach as suggested by Yin (2014) as this allowed the presentation of results in a manner that allows logical comparison between cases and with prior research.

This section provided the strategy adopted for presentation of results. Qualitative methods in general and case study research in particular appear to be not widely accepted within academic and research communities (Riege 2003; Yin 2014). To ensure that the methods employed in this research were valid, reliable and defensible it was appropriate to consider validity and reliability in case study research and these are dealt with in the next section.

3.17 Research design considerations for validity and reliability

Qualitative research in general and case study methods in particular are criticised for the risk of potential errors of validity or reliability. Validity and reliability are terms used most frequently in quantitative research, but the term rigour is more frequently used in qualitative research (Thomas & Magilvy 2011). Regardless of the terminology, all refer to the ways a researcher establishes trust and confidence in their findings. This section addresses the questions of validity and reliability that accompany case study research methods and explains how these risks were mitigated in this research.
The basic question confronting researchers using qualitative methods was noted by Lincoln and Guba (1985, p. 290):

_How can an inquirer persuade his or her audiences (including self) that the findings of an inquiry are worth paying attention to, worth taking account of?_

The use of well-documented approaches for collecting and analysing data would answer questions such as the one noted above, but these are not available for case study research, as noted by Meyer (2001, p. 329):

_As opposed to other qualitative or quantitative research strategies, such as grounded theory or surveys, there are virtually no specific requirements guiding case research. Yin (1989) and Eisenhardt (1989) give useful insights into the case study as a research strategy, but leave most of the design decisions on the table._

Despite this comment which may reflect the attitude of researchers who are trained in quantitative techniques, methods are increasingly available and recommended by a number of authors including Minichiello et al. (2008), Creswell (2009), Robson (2011) and Yin (2014) to provide assurance that the results obtained and reported from qualitative research are valid and reliable. Four tests are generally accepted to establish credibility of any empirical social research (Gibbert et al. 2008; Beverland & Lindgreen 2010; Yin 2014). These are positivist assessment criteria of (1) construct validity, (2) internal validity, (3) external validity and (4) reliability.

### 3.17.1 Construct validity

Construct validity refers to identifying the correct operational measures for the concepts being studied. Tactics employed to achieve construct validity according to Beverland and Lindgreen (2010) and Yin (2014) are (1) triangulation through the use of multiple sources of evidence, (2) providing a chain of evidence using cross-case tables or quotes from informants and (3) allowing interviewees to review the draft case and provide feedback.

How triangulation using multiple sources of information was employed to achieve a convergence of evidence is illustrated in Figure 3-2.
Triangulation of data was achieved by (1) comparing the information revealed by all interviewees, (2) comparing data across the four cases and (3) comparing the observed reactions of participants during the interviews with their responses. It was planned to obtain copies of business plans, market research reports and similar documentation to further corroborate data obtained from interviews, but none of the case study organisations had this type of documentation so this was not possible. However, as the objective of the research was to identify the deeply-held and often unexpressed beliefs of founders and owners of the case organisations it was unlikely that documented evidence would have contributed greatly to this objective as they were likely to only reflect organisational culture described by Schein (2010) as artifacts and espoused values.

Yin (2014) noted the desirability of creating a case study database that could be interrogated by persons other than the investigator if appropriate. To comply with this suggestion all data collected during this research was converted to text and held in an electronic format referenced for ease of management but without reference to the names of informants or their companies. Voice recordings of interviews and field observation notes were also converted to text.
Chain of evidence is important in case study research because it allows readers to trace the logic of evidence between the initial research questions and ultimately the final research report and allows an observer to trace all steps in between. Chain of evidence is provided throughout this thesis, particularly in Chapter 4.

The third method for ensuring construct validity involves allowing interviewees to read the draft case study report and provide feedback. This was not deemed appropriate in this research because a number of interviewees expressed information that was confidential and sought the investigator’s reassurance that their comments and thoughts reflected in them would not be revealed to the founder or owner of the business. As these comments related specifically to beliefs of the founder or owner it would have breached confidentiality and potentially caused harm to individuals involved in the research to provide case study reports back to individuals for their feedback.

3.17.2 Internal validity

Internal validity is widely regarded as being relevant in case study research (Gibbert et al. 2008). Two important elements of internal validity are of most concern to case studies (1) for explanatory case studies where the investigator is attempting to establish a causal relationship between two factors without recognising that a third event may have influenced the outcome and (2) where inferences are made between events. Tactics recommended by Yin (2014) to protect case study research against issues of internal validity are (1) pattern matching, (2) explanation building, (3) address rival explanations and (4) use logic models.

Pattern matching is one of the most desirable techniques to demonstrate internal validity. It involves comparing the data obtained from the research with data predicted prior to the research (Dul & Hak 2008). The review of literature presented in Chapter 2 identified that previous research on barriers to market orientation has been undertaken and has identified that management mindset has a significant influence over the adoption of market orientation. Previous studies have identified a range of organisational characteristics and it was expected that the beliefs identified in this research would be consistent with previous findings. The results of previous research are summarised in Table 3-7. The beliefs identified in this study were matched against the results of previous research to identify the degree to which results from this study matched previous research patterns. This reduced the risk that the findings reported in this research were influenced by researcher bias.
Table 3-7: Patterns associated with market oriented behaviour in prior research

<table>
<thead>
<tr>
<th>Patterns identified in prior research</th>
<th>Contributors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top management does not understand marketing or market orientation</td>
<td>Kohli et al. (1993)</td>
</tr>
<tr>
<td></td>
<td>Harris (1996a)</td>
</tr>
<tr>
<td></td>
<td>Harris and Watkins (1998)</td>
</tr>
<tr>
<td></td>
<td>Siddique (2014)</td>
</tr>
<tr>
<td>Management personality of “need for personal achievement, introvert nature, autocratic, highly risk averse” (negative relationship to MO)</td>
<td>Bisp (1999)</td>
</tr>
<tr>
<td></td>
<td>Aggarwal (2003)</td>
</tr>
<tr>
<td>Culture of “trust, openness, keeping promises, respect, collaboration and viewing the market as the raison d’être”</td>
<td>Narver and Slater (1990)</td>
</tr>
<tr>
<td>Lack of confidence in market oriented activity</td>
<td>Bisp (1999)</td>
</tr>
<tr>
<td>Contentment with status quo</td>
<td>Harris and Watkins (1998)</td>
</tr>
<tr>
<td>Focus on short-term priorities</td>
<td>Harris and Watkins (1998)</td>
</tr>
<tr>
<td></td>
<td>Siddique (2014)</td>
</tr>
<tr>
<td>Centralised decision-making</td>
<td>Dubihlela and Dhrup (2013)</td>
</tr>
<tr>
<td>Insufficient understanding of the competitive environment</td>
<td>Dubihlela and Dhrup (2013)</td>
</tr>
<tr>
<td>Industry or country culture of non-market orientation</td>
<td>Grunert et al. (1996)</td>
</tr>
<tr>
<td></td>
<td>Harris and Piercy (1999)</td>
</tr>
<tr>
<td></td>
<td>Brettel et al. (2008)</td>
</tr>
<tr>
<td></td>
<td>Kirca et al. (2009)</td>
</tr>
<tr>
<td>Participative and supportive leadership styles</td>
<td>Harris and Ogbonna (2001a)</td>
</tr>
<tr>
<td></td>
<td>Kennedy et al. (2003)</td>
</tr>
<tr>
<td>Positive ‘internal customer’ relationships</td>
<td>Conduit and Mavondo (2001)</td>
</tr>
<tr>
<td>Confusion between market orientation and ‘customer compelled’</td>
<td>Day (1999a)</td>
</tr>
<tr>
<td>Production orientation</td>
<td>Grunert et al. (1996)</td>
</tr>
<tr>
<td>“One-man domination” where a senior manager makes all the decisions without regard for market intelligence</td>
<td>(Felton 1959)</td>
</tr>
</tbody>
</table>

Explanation building is an extension of pattern matching which is of particular relevance in explanatory case studies and involves building a general explanation that fits each individual case even though cases will vary in their details (Yin 2014). As part of the explanation building process alternative or rival explanations need to be considered as this contributes to the robustness of the results (Moriceau 2009). Logic models are becoming increasingly used particularly when studying complex chains of occurrences over an extended period of time and were not relevant to this research.
This research relied on pattern matching and explanation building as the principle means of assuring internal validity. These methods provide significant evidence of internal validity (Yin 2014).

3.17.3 External validity

External validity refers to how and whether the results obtained from the research are generalisable. Gomm et al. (2000) disputed that generalisations cannot be made from case study research even though case study research is often criticised for its lack of generalisability. Cassell and Symon (1998) discussed the use of analytic induction in research and noted it is not frequently used nevertheless does conceptually allow generalisations to be made from small samples. Results from small samples have been generalised in medicine, for example from seven cases by Simons and Ziviani (2011) which noted that the generalisation of their results was plausible because they were being generalised to a theoretical proposition and the results were obtained from multiple cases. Yin (2014) differentiates between statistical generalisation which is used to generalise data from quantitative research and analytic generalisation which allows users of case study research methods to generalise their findings far beyond the population of ‘like-cases’ from which the case study organisations were drawn. No claims of statistical generalisation from this research are being made. However, the results may be generalisable from an analytic perspective not to populations but to a theory, in this case the Theory of Planned Behaviour which describes the relationship between beliefs and behaviour and to the models of organisational culture development which describe how founders establish organisational culture which becomes entrenched and is difficult to change.

As noted in Chapter 2 and earlier in this chapter, this research process included reviewing literature on barriers to the adoption of market orientation which identified beliefs of senior managers of organisations from many countries and industries as having an influence over the degree to which their organisations were market oriented. A review of the literature on organisational culture and the Theory of Planned Behaviour demonstrated the relationship between beliefs and behaviour so it was reasonable to conclude that the beliefs identified from the sample of founders and owners of vertically-integrated horticultural enterprises may in fact be generalisable. This is illustrated in Figure 3-3.

Whilst specific claims of generalisability are not made from this research it was noted that the beliefs identified may in fact be representative of beliefs held by founders and owners of
businesses in other than vertically-integrated horticultural enterprises based on the proposition of analytic generalisation. The possibility of generalisability does need to consider the literature which identifies the existence of country and industry influences on organisational culture, and that many authors dispute that results of case study research can be generalised (Creswell 2009).

Evidence of generalisability to other populations could only be established by conducting further research to confirm that the beliefs identified in this study are evident in other organisations, and this will be one of the recommendations for future research.

3.17.4 Reliability

Reliability refers to the capacity to replicate the findings by repeating the study to minimise errors and biases. Documentation of methodology is critical and Yin (2014) refers to two
important elements (1) the use of a case study protocol and (2) the creation of a case study database.

The case study protocol consists of four sections (1) overview of the case study, (2) data collection procedures, (3) data collection questions (3) and (4) guide for the case study report. This thesis incorporates the case study protocol where Chapter 1 is the overview, Chapters 2 and 3 reflect the data collection procedures and questions including how they were developed and Chapters 4 and 5 present the findings and relate them back to the literature. A case study database was created and used as previously described.

This section described the research design considerations for data validity and reliability. The next section describes how the unit of analysis was selected.

3.18 Ethics considerations

In recognising that qualitative research can and is undertaken without an appropriate framework of ethical guidance, Flinders (1992) identified a series of important considerations that make a difference to the way researchers should understand their ethics obligations. Other authors such as Shaw (2003) include the need to have an awareness of the social justice considerations of their research. This research was straightforward with participants being educated and/or experienced owners and senior managers of organisations, so the ethical considerations were less onerous than if a more diverse group was being studied.

Whilst some authors argue that truly informed consent can never be obtained because the nature of qualitative enquiry is that it may evolve as data is gathered (Huberman & Miles 1994), obtaining informed consent is recognised by many researchers as a significant ethics consideration in research (Huberman & Miles 1994; Christians 2011; Yin 2014). Informed consent was obtained from all participants by way of their signing an agreement to participate after receiving and reading a description of the research. In addition, the researcher offered to and in many instances provided, answers to additional questions which were asked before consent was provided.

Protecting participants from harm is frequently cited as an ethics consideration for researchers. Possible sources of harm that could be caused by this research could result from information of a commercial, sensitive or confidential nature disclosed to the researcher being communicated to others by the researcher, through the publication of the research or by
careless handling of the data during or after the research project. Actions adopted to protect against this risk included only referring to each organisation by Case, only referring to individuals by position which were standardised, maintaining the data in a locked filing cabinet and locked computer, maintaining confidentiality and ensuring the final thesis provides no identifying data. In one instance the third interview was terminated prematurely because the interviewee became quite animated. This interview was terminated early because the researcher felt the interviewee was feeling very much under pressure by the questions and the researcher decided to terminate the interview early rather than risk stress on the interviewee. In several instances when interviewees discussed their co-workers they sought confirmation that their comments would be kept confidential.

Authors also note the ethics consideration of not causing any deception (Huberman & Miles 1994; Christians 2011; Yin 2014). As noted above, all interviewees were provided with a full explanation about the reason for the research and the methods employed and the confidentiality with which information and their details be maintained, so the risk of deception was minimised. This research was not conducted using information from vulnerable groups so there were no special considerations required to protect the interest of groups such as children, and there were no issues of equity which may arise if individuals or groups were unfairly included or excluded.

Ethics approval was obtained from the School of Agriculture and Food Sciences, University of Queensland prior to making any contact with potential participants. The approval process required the investigator to describe the research and how it would be undertaken, the participants and how they would be selected, how data would be stored and participant privacy maintained. The ethics guidelines required by the University of Queensland were accepted by the researcher prior to ethics approval being granted and were adhered to during the course of the research.

This section provided details of the ethics considerations and how they were managed in the research. The next section summarises this chapter.

3.19 Chapter summary

This chapter described the methodology employed for the research with justifications references to literature where appropriate. It commenced with an overview of the methodology employed so that the reader could obtain an understanding of the general
approach that was adopted. It then introduced the reader to the research paradigm which guided the research. It explained how the literature guided the choice of case study methodology and then described all elements of the design with particular attention paid to how the design contributed to reliability and validity. The unit of analysis was explained and how the investigator selected, approached and gained access to case study organisations was described. The interview method of semi-structured interviews was described and the ethics considerations were noted and details of how the investigator managed the ethics concerns were documented. How interview guides were developed from the literature was described and details of how interviews were conducted was explained. Data management and analysis was also explained, and decisions about how the data was to be presented were described. Finally, the chapter concluded with the sequence of activities that were undertaken to complete the research. The next chapter provides the results obtained from this research.
Chapter 4  Results

4.1 Chapter introduction

The first chapter of this thesis provided information about the Australian horticultural industry and how processing of food in Australia is declining but because consumer demand appears to be increasing for niche products, opportunities may exist for manufacturers of niche products made in Australia. It also described the investigator’s motivation for undertaking this research. The second chapter of this thesis reviewed relevant literature on market orientation, organisational culture and decision-making theories and demonstrated how these are linked and that a gap in the literature existed. This research fills that gap by identifying specific beliefs, held by founders, owners and senior management team members, that influence the degree to which organisations are market oriented. The third chapter documented the methodology employed to answer the research questions. This chapter provides the results of this research being behavioural, normative and control beliefs of senior management team members of each case organisation. The chapter is structured as follows:

1. Each of the cases (A, B, C and D) is presented separately.

2. Material for each case is presented in four sections: (1) an introduction to the organisation and how it matched the selection criteria (2) details of interviewees (3) the beliefs identified and the evidence that allowed them to be identified and (4) explanations for beliefs or observed behaviour that did not match prior literature.

3. After the detailed presentation of results for each case a summary of the findings is presented and patterns within the findings are noted.

Tables are used to present the beliefs identified in each case. Each belief was labelled to facilitate thematic content analysis. Behavioural beliefs are labelled B1 – B22. Normative beliefs are labelled N1-N2. Control beliefs are labelled C1 – C4.

The chapter now introduces and provides the results obtained from each case organisation.
4.2 Case A

4.2.1 Introduction to Organisation A

Organisation A was established as a single-commodity horticultural operation in 1965 and made a significant investment in a processing facility for its commodity in the mid 1970s. It grew, processed and supplied retail products to the major supermarkets in Australia and commodity products to export markets. Gross income of Organisation A at the time of the case study was approximately $30m pa. The organisation declined to indicate its level of profitability, but it was believed to be very low based on comments made by interviewees.

This section provided an introduction to Case organisation A. It explained how the organisation was assessed to have met the selection criteria for inclusion in the research. The next section introduces the personnel who were made available for the research.

4.2.2 Details of interviewees

The Managing Director of Organisation A was employed by the Founder as Farm Manager in 1987 and worked his way up to the position of Chief Executive by 1992. He remained in this position until 1999 when he resigned to pursue other interests. He returned to the business in 2006 at which time he and a number of associates purchased the business from the founder. The Managing Director was the largest shareholder at the time of this research. Other interviewees were senior managers who reported to the Managing Director and were shareholders and directors of the company that manages the growing, processing and marketing, but not the farming operations. Details of all interviewees are provided in Table 4-1. The Managing Director nominated the personnel who he was willing to be included in the research. The investigator also requested access to the founder but this request was declined due to ill health of the founder.
Table 4-1: Details of interviewees

<table>
<thead>
<tr>
<th>Interviewee Title</th>
<th>Training and Experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managing Director</td>
<td>Sole owner of the horticultural operation and majority owner of the processing. Had previously been employed in a senior management capacity and reported directly to the Founder. The Managing Director has a technical qualification followed by an MBA plus a long history of employment in the organisation prior to purchasing the organisation from the ageing founder.</td>
</tr>
<tr>
<td>Marketing Manager</td>
<td>Shareholder and director of the processing enterprise. The Marketing Manager holds an MBA</td>
</tr>
<tr>
<td>Horticulture Manager</td>
<td>Shareholder and director of the processing enterprise. The Horticulture Manager has technical training as a plant mechanic but no formal training in horticulture or management. Had previously been employed by the organisation when it was owned by the Founder</td>
</tr>
<tr>
<td>Processing Manager</td>
<td>Shareholder and director of the processing enterprise. The Processing Manager has an undergraduate degree in agricultural science and an MBA</td>
</tr>
</tbody>
</table>

This section provided details of interviewees included in Case A. The next section provides the evidence for the beliefs identified from this case.

4.2.3 Beliefs

Table 4-2 provides details of the beliefs identified, how consistently they were identified from interviews and the consistency with which each belief matches literature.
Table 4-2: Beliefs identified in Case A

<table>
<thead>
<tr>
<th>Belief</th>
<th>Sources of Evidence (Triangulation)</th>
<th>Past research and literature with which consistent (Pattern Matching)</th>
</tr>
</thead>
<tbody>
<tr>
<td>B1 Current intelligence gathering practices were sufficient</td>
<td>All interviewees</td>
<td>Consistent with top management not having a good understanding of contemporary marketing practices and market orientation noted by Kohli et al. (1993) and contentment with the status quo noted by Harris and Watkins (1998)</td>
</tr>
<tr>
<td>B2 Customer intelligence is the most important and less consideration was given to understanding the broader market or competitive environment</td>
<td>Managing Director and Marketing Manager</td>
<td>Consistent with being ‘customer-compelled’ noted by (Day 1999a)</td>
</tr>
<tr>
<td>B3 Market research is not reliable</td>
<td>Managing Director and Marketing Manager</td>
<td>Consistent with top management not having a good understanding of contemporary marketing practices and market orientation previously noted by Kohli et al. (1993), Harris (1996b), Harris and Watkins (1998) and Siddique (2014)</td>
</tr>
<tr>
<td>B4 Pricing and quantity data is the most important information to be sought</td>
<td>Managing Director and Marketing Manager</td>
<td>Consistent with top management not having a good understanding of contemporary marketing practices and market orientation previously noted by Kohli et al. (1993), Harris (1996b), Harris and Watkins (1998) and Siddique (2014)</td>
</tr>
<tr>
<td>B5 Market forecasting should not be shared because if the forecasting is wrong, the forecaster will be criticised and is set up for failure</td>
<td>Horticulture Manager and consistent with investigator’s observations that sharing of intelligence was not part of the organisation’s culture</td>
<td>Consistent with an organisation not having a culture of “trust, openness, keeping promises, respect, collaboration and viewing the market as the raison d’être” as noted by Narver and Slater (1990) and not establishing collaborative internal customer relationships noted by Conduit and Mavondo (2001)</td>
</tr>
<tr>
<td>B9 Marketing is not valued as an important business discipline</td>
<td>Managing Director, Marketing Manager</td>
<td>Consistent with top management not having a good understanding of contemporary marketing practices and market orientation previously noted by Kohli et al. (1993), Harris (1996b), Harris and Watkins (1998) and Siddique (2014) and perhaps a lack of confidence in market oriented activity noted by Bisp (1999)</td>
</tr>
<tr>
<td>B10 Marketing is largely limited to promotions and selling activities i.e. outward-directed communications</td>
<td>Managing Director, Marketing Manager</td>
<td>Consistent with top management not having a good understanding of contemporary marketing practices and market orientation previously noted by Kohli et al. (1993), Harris (1996b), Harris and Watkins (1998) and Siddique (2014) and perhaps a lack of confidence in market oriented activity noted by Bisp (1999)</td>
</tr>
<tr>
<td>B11 The term ‘marketing’ has a negative connotation</td>
<td>Managing Director Marketing Manager</td>
<td>Consistent with finding of (Tregear 2003) and Lewis et al. (2001)</td>
</tr>
<tr>
<td>B12 Increased production decisions do not require market intelligence</td>
<td>Managing Director</td>
<td>This may be part of a wider industry production-orientation mentioned by Grunert et al. (1996)</td>
</tr>
<tr>
<td>B13 The personality of marketing personnel prevents them from sharing information</td>
<td>Managing Director and Horticulture Manager</td>
<td>As above plus top management not having an adequate understanding of the principles of marketing and market orientation noted by noted by Kohli et al. (1993), Harris (1996b), Harris and Watkins (1998) and Siddique (2014) and perhaps a lack of confidence in market oriented activity noted by Bisp (1999)</td>
</tr>
<tr>
<td>Belief</td>
<td>Sources of Evidence (Triangulation)</td>
<td>Past research and literature with which consistent (Pattern Matching)</td>
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<tr>
<td>B14</td>
<td>The Managing Director can make important decisions at their own discretion</td>
<td>All interviewees supported by observation by investigator</td>
</tr>
<tr>
<td>B15</td>
<td>It is difficult to invest more in market research because the returns don’t justify the expenditure</td>
<td>Managing Director</td>
</tr>
<tr>
<td>B18</td>
<td>Marketing personnel waste resources</td>
<td>Managing Director</td>
</tr>
<tr>
<td>B19</td>
<td>Networking with industry contacts, industry reports and scan data from supermarket sales provides an adequate level of intelligence</td>
<td>All interviewees</td>
</tr>
<tr>
<td>B20</td>
<td>Busyness is a barrier to information gathering and / or sharing</td>
<td>Managing Director, Processing Manager</td>
</tr>
<tr>
<td>B21</td>
<td>Market orientation is customer-focused eg. “listening to your customer”</td>
<td>Managing Director, Horticulture Manager</td>
</tr>
<tr>
<td>N1</td>
<td>It is pointless offering suggestions because it would ‘go against the flow”</td>
<td>Processing Manager supported by comments by Managing Director and observations by investigator</td>
</tr>
<tr>
<td>N2</td>
<td>A more senior manager has made the decision, so there’s no benefit to be gained by speaking up against it</td>
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This section provided details of the beliefs that were identified in Case A. The next section provides the chain of evidence to support how these beliefs were identified.
4.2.4 Chain of evidence

It was evident that of the group included in interviews, the Managing Director and the Marketing Manager were the most involved in decisions about market intelligence gathering activities and that the other managers were happy enough to leave it in their hands. This meant that the beliefs of the Marketing Manager and the Managing Director were most influential in influencing market intelligence gathering practices.

Organisation A adopted a limited approach to the collection of market, competitor and customer intelligence. Both the Managing Director and Marketing Manager believed that the company invested sufficiently in intelligence gathering (B1) even though the Marketing Manager acknowledged they did not have good intelligence about competitors (B2):

> What our competitors are up to? Interesting I don’t think we know well enough what our competitors are up to. We don’t tend to see what they’ve done until they’ve done it

Source: Marketing Manager.

When asked what competitor assessment and analysis had been undertaken when developing the company’s current vision he said “back of the envelope” and when asked to provide documentation from meetings during which the vision was developed none was readily available. The Managing Director and Marketing Manager both believed that the organisation was “pretty good” at collecting market data because of its network of industry contacts and the committees on which its managers participated:

> ... market intelligence comes primarily from various formal or informal reports that come through Grower Processor/Marketer based organisations. So we get newsletters and data updates on the industry from the USDA (United States Department of Agriculture) and from the major traders and so forth.

Source: Marketing Manager

Organisation A relied on its personal contacts for much of its intelligence in relation to commodity markets and marketing (B19). Discussing sources of information, the Processing Manager indicated that most intelligence was sourced from colleagues within the industry, rather than any real attempt to obtain information from independent sources:
It often tends - this is my - I'm not working directly in the sales and marketing area, but my perception is that a lot of it is around personal relationships. Sales and marketing people and the managing director will often rely on the market intelligence of people that they've met and that they know in the industry.

Source: Processing Manager

The networking done by the Marketing Manager and the Managing Director were considered by the other interviewees to be reliable and adequate sources of external data. The level of information recommended by (Porter 2004) and noted in Chapter 2 as the ‘gold standard’ extends well beyond the level of research that was undertaken by this organisation. The Managing Director explained that the research that had been undertaken by the company in the past had not identified any significant opportunities for profit improvement, and so he did not have confidence that investing in more market research was an economically rational decision (B3, B15). The organisation exhibited very clear evidence that the most senior management team members had limited understanding of the principles of marketing or the concept of market orientation. This was consistent with past research by Kohli et al. (1993), Harris (1996b), Harris and Watkins (1998) and Siddique (2014) all of whom identified that a lack of knowledge about marketing was a significant barrier to market orientation.

When asked to describe the type of information that was obtained from its networks, it was evident that it was limited to short term commodity pricing data (B4) with the Managing Director commenting “well, on a weekly or monthly basis, or a daily basis, we get trading prices, market prices”. The Managing Director reflected a degree of pride about his company’s intelligence gathering capacity “we used to lag in the information game. I think we’re now probably leading in the information game” which supported the researcher’s observation that he and his organisation had limited understanding of the discipline of marketing because it was clear that the organisation was well below what would reasonably be deemed an appropriate level of market intelligence gathering practices for an organisation of the size of Case Organisation A.

The company’s performance in Australian supermarkets was monitored from scandata. Its approach to data collection was very transactionally-oriented (B4) and scandata satisfied its need for comparative information about sales volumes and prices. Customer feedback in Organisation A was limited to complaints received from consumers who had purchased
product from a supermarket. When asked about customer feedback, the Managing Director said “Well, we’re very good on collecting negative customer feedback”. When asked to comment further:

...because we’ve got a QA (Quality Assurance) system that enforces that such information is captured and responded to and collated and graphed and all that sort of crap.

...but the one thing we don’t do is any formal customer feedback or customer survey type thing. We keep saying we should do that, we will do that.

Source: Managing Director

The Marketing Manager’s belief that customer surveys were a waste of time (B3) influenced his and the organisation’s intention not to invest more significantly in market intelligence (B1), a belief which was shared by the Managing Director who explained that the uncertainty over reliability (B3) caused him concerns about market research. When asked about customer surveys, the Marketing Manager’s comment reflected an attitude that obtaining feedback from customers was not reliable:

I guess we’ve talked a lot about surveying customers and I do it occasionally, mostly to remind myself that it’s pretty much a waste of time.

Source: Marketing Manager

When asked for samples of past research none were available. When asked about the value of doing more market research in the third interview, the Managing Director said that he believed that there would be benefits in knowing what motivated customers better than they do now, but that he was sceptical about the validity of information gained from research (B3), and that he was happier investing in technology on the farm because the return on investment could be assessed before and after the investment with a higher degree of confidence (B15).

There was no evidence that Organisation A proactively sought to understand market opportunities and threats beyond its existing customer base and network of industry contacts (B2). The organisation had made very significant strategic decisions without confirmed market data as highlighted by the Marketing Manager who explained that the organisation had
been established with a “build it and they (customers) will come mentality”. There was evidence to support the observation that the ‘mentality’ described by the Marketing Manager still existed with the Managing Director’s comments when referring to a recent decision to expand the area for horticultural production (B12) which supported the investigator’s observation that the organisation was largely production-oriented as described by Kotler (2006):

... yeah, and let’s not talk about it let’s just go and do it, and let’s not ask whether or not we should or we whether we shouldn’t, we’re in the commodity so let’s do it.

Source: Managing Director

The decision to expand the horticultural production did involve a ‘benchmarking’ exercise to compare the farm’s production performance to farms in the United States, but no market research to confirm the availability of markets. Similarly, a decision to join a global network of suppliers was made based on the desire to become a larger supply chain participant rather than from the identification of market opportunities. It was evident that the Managing Director held a fundamental belief that increasing production would lead to increased profitability (B12). This reinforced the investigator’s observation that this organisation was sales and production oriented.

The Marketing Manager of Organisation A did not share information, even though he said that he did. This caused the Horticulture and Processing Managers (also shareholders and directors) some frustration although neither had expressed concerns at Management or Board meetings (N1, N2). Schein (2010) described how owners and managers often employ personnel with similar beliefs as their own and this appears to explain why the Managing Director and Marketing Manager worked so closely together. The Managing Director and Marketing Manager frequently made important decisions themselves, with a lack of transparency or sharing the information upon which those decisions were taken. Examples of important decisions taken by the Managing Director and Marketing Manager without input from other managers or directors including the acquisition of a company, establishment of an international marketing network and the decision to focus on commodity rather than value-added products. The approach adopted by the Managing Director and Marketing Manager were obviously influencing organisational behaviour towards market orientation. Conduit and Mavondo (2001) identified the need for collaborative relationships within an organisation.
and whilst the Managing Director and Marketing Manager collaborated closely, the lack of information sharing and transparency in decision-making with other members of the senior management team was a problem for the managers who were not included. When discussing how market intelligence was shared by the Marketing Manager, who was solely responsible for its collection, the Horticulture Manager said “there is very little feedback”. The explanation provided by the Horticultural Manager provided some insight into why market intelligence is not shared within Organisation A, explaining that it was risky for marketing personnel to share market intelligence because they set themselves up for failure and criticism (B7). The Horticulture Manager of this organisation was the only interviewee from the research project to express this specific belief, but as a Director of the organisation his beliefs influenced behaviour and contributed to the lack of information sharing:

_I think in any organisation there's a constant pressure to perform and the problem with marketing and sales is just the fact that you're forecasting into the unknown and people make assumptions based on the unknown within any organisation. Once you start doing that you set yourself up for failure. Is that a problem? So long as it's not too close to the people where the failure may occur and if you're running close to the line as far as debt levels that can cause anxiety. So I think that goes hand-in-hand with why you would keep it close to your chest._

Source: Horticulture Manager

This belief meant that the Horticulture Manager did not question that the Marketing Manager did not share information. However, it did not entirely explain why the Marketing Manager, who is tertiary degree qualified with an MBA, did not share market, competitor and customer intelligence. The Marketing Manager’s behaviour during the final interview may provide some insight into his apparent reluctance to share information. After the Marketing Manager was asked to discuss market orientation in Interview three, after he had received the presentation about market orientation, he became very defensive to the point of hostility. This was observed by the investigator as defensiveness and perhaps embarrassment that there was a significant difference in the behaviour of the organisation and the behaviour presented by the investigator. This response may be consistent with the issues of trust and confidence
resulting from inaccurate sales forecasting by sales and marketing personnel noted by Bisp (1999).

The belief that the personalities of sales and marketing personnel represent a barrier to the sharing of market, customer and competitor intelligence (B13) was also volunteered by the Horticultural Manager when he explained that he was happy with this, as long as performance is achieved:

They are very close chested people and if they deliver on what needs to be delivered upon I can live with the grief and anxiety. I'd prefer to know. I'd prefer to have more information about that but I've no qualms that good sales and marketing people are hard people to work with. Or they keep things close to themselves and I can understand why you would do that.

Source: Horticulture Manager

A lack of trust and lack of confidence in marketing personnel has been noted previously by Kohli et al. (1993) and Bisp (1999) and the Horticulture Manager’s comments are consistent with these findings. The Horticultural Manager also provided insights into how the current Managing Director, when reporting to the Founder as CEO before acquiring the organisation, was frustrated in his attempts to influence sales and marketing activity because Sales and Marketing activity was directed personally by the Founder:

It was probably even more closed house I think. I think the fact that we have a CEO that involves himself at the lowest level of our marketing and sales organisation is a vast improvement on previous attempts of the same CEO under a different ownership to have any influence on our marketing because I know he couldn’t do it. So I think the current structure is better than the previous structure. Then under the previous structure the general manager of marketing reported to the owner, not the CEO which would have caused no amount of frustration.

Source: Horticulture Manager
Even though the Horticulture Manager suggested the situation was different now than previously, in fact it remained the same in that the CEO adopted personal responsibility for marketing in collaboration with the Marketing Manager without input from other senior managers or directors (B14).

Some market intelligence is shared within Organisation A, primarily customer complaints that are logged through the company’s quality assurance program and a brief weekly report by the Marketing Manager relating to commodity and retail pricing and volume trends for the week. When asked about what research was shared within Organisation A, the Horticultural Manager responded with the following, indicating the extent to which sales and marketing existed as a ‘silo’ in this organisation:

You’d be much better to talk to (the Marketing Manager) about that. I have my head squarely at what opportunities are available for me as opposed to what information he is collecting from a market perspective. We are quite focused in our own puddles, we communicate quite well but – and especially at a board level we can flush a lot of that out, but in your own interdepartmental role you get very focused on your customers.

Source: Horticulture Manager

This reply suggests that the Horticultural Manager was not aware of market, competitor and customer intelligence, which was consistent with the comments made by other managers within Organisation A, and suggested that departments operated more as independent silos than as a coordinated team. In fact, the creation of departments as ‘silos’ was a deliberate strategy by the management team as they sought to understand where costs were incurred and profits generated by the business. The error in this decision had been recognised quite recently, and deliberate attempts to improve communication between departments were being implemented. Despite this, no real attempts to share market, competitor or customer intelligence were being planned:

Well one of the things we did, we thought to get efficiency out of the business was to segregate the business, was to say, “You’re marketing and you people are marketing”, “You’re processing, and you’re processing people”, “You’re finance and
administration, you’re finance and administration people”, and “You’re farming. You’ve really got nothing to do with these people but you sit on the same line.” So we – we pulled the business apart for financial interrogation. What we did do was this thing about culture and things that you learn, was we became – we thought that it was advantageous to be – to have competitive rivalry between inter-company departments. Which means that you don’t share information because if that’s the – if that’s the difference between you performing better than another part of the company, why bloody share it? So that – that’s certainly a barrier. Now that – I see ways that we’re trying to pull that – those barriers down. We still analyse the business though as sales and marketing, processing, finance and admin, and farming. So even though – and we put some emphasis around that, so there is still some internal competitive rivalry that does stop us from sharing information.

Source: Horticulture Manager

The Directors’ decision to deliberately create a sense of competitive rivalry between departments without considering the possible negative consequences is evidence that the Directors lacked knowledge about market orientation and the benefits of creating an organisation with no antagonism between departments and in which personnel from all departments collaborated to understand market opportunities and threats and then to respond in a coordinated and timely manner.

The Managing Director, when asked in the third interview after he had received the presentation which explained market orientation to discuss any reasons which may be preventing the organisation from being more market oriented, also identified personalities (B13) and a production-orientation, and again highlighted the focus on customers (B2) rather than the wider market.
He also commented that marketing was a ‘necessary evil’ (B11) which was consistent with comments made elsewhere about this organisation being production oriented:

*I think the personalities of the people in the business and – well, the ones we’ve talked about this predominant activity and predominant cultural values that we’re involved in, you know, excellence and performance and innovation, they’re all production related matters. Probably the only value that we hold that might be relevant here is the respect, and respect our customers, we should understand them. So we’ve got cultural baggage that’s production based, we’ve got personality or personal interests that tend to be production based, and marketing has been a necessary evil to the business, you know, we produce a great product and I guess we better have a marketing – I mean, I know that that’s wrong, we all know that that’s wrong, even our Marketing Manager probably knows that’s wrong, but digging our way out of that history, is probably the thing holding us back, and we don’t share information.*

Source: Managing Director

The Processing Manager provided additional insights into why Organisation A did not share information, citing being too busy (B20) and that there may be too much information for the organisation to process effectively:

*I think we get busy, and I think we collect a fair bit of market intelligence, and I think most modern businesses do, but we don’t share it. I guess as you’ve talked about, we don’t share across the business very well. It tends to be floated mainly in the sales and marketing team.*

Source: Processing Manager

The observation by several managers that being too busy to share information was observed to be an indication that sharing of market intelligence was not valued sufficiently to justify the investment in time required (B9). Busyness has been identified as a barrier to Market
orientation in past research by Harris and Watkins (1998) and Siddique (2014). The Processing Manager went on to comment that the organisation was very production oriented and that he could see no reason why Organisation A could not share intelligence more effectively, which may have indicated an underlying frustration and perhaps normative belief N1 that it was pointless to try to change the culture with respect to marketing.

As the Managing Director explained he believed that being responsive to the needs of customers had in fact become part of the company’s competitive advantage:

_We’re prepared to go about business in whatever way the customer would like us to do it whereas many of our competitors are constrained for whatever reason, or appear constrained – either intellectually constrained or commercially constrained or financially constrained. I’m not too sure but in the last little while, the success that we’ve had has been our flexibility to just listen to what the customer wants and say “all right, we can do that”._

Source: Managing Director

Despite the above comments, both the Managing Director and Marketing Manager acknowledged that the organisation did not understand what consumers (supermarket customers) really wanted, nor did they know how to measure their own performance against customer expectations, even though retail products represented a significant percentage of their business. It was identified earlier in this chapter that Organisation A was “very good at collecting negative customer feedback” and when asked why, the Managing Director said it was driven by the company’s Quality Assurance system. The reason for the focus on supermarket customers driven by the company’s quality assurance was because of the strict on-time delivery requirements set by supermarkets which would see the organisation’s access to the supermarkets limited or even terminated if it did not meet on-time delivery standards set by the supermarkets.
The organisation’s focus on its customers (B2) may also have been a function of the beliefs held by the Managing Director who, when asked whether he had heard of the term ‘market orientation’ as part of the third interview, replied (B21):

*I thought market orientation was understanding your customer – yeah, principally understanding your customer – and aiming your business towards their needs.*

Source: Managing Director

He went on to explain that he thought the company would respond even more to the needs of customers, but that it had difficulty knowing how to respond (B3):

*There’s no doubt that if we had a much clearer understanding of what motivated our customers, we would – oh well, I guess I shouldn’t say there’s no doubt – but I think we would respond to it – I think we would respond to it if we had a clearer understanding. The challenge is getting that clear understanding.*

Source: Managing Director

The Horticultural Manager explained that most ideas for new products came directly from customers, which is consistent with the theme that Organisation A did not proactively seek out opportunities, but it was reactive to the ‘needs’ of its customers. The Processing Manager explained how he believed new product development should be undertaken which was consistent with the organisation’s customer-centric sales-oriented approach to marketing:

*I think there is opportunity if you take a whole – not a heap but let’s say 10 or a dozen new products out and literally pedal them to some customers you’ll get good feedback and you’ll spark off someone’s imagination with your customers as well and I’ve done that before and it’s worked really well as well.*

Source: Processing Manager
Being customer-focused instead of market oriented was discussed by Day (1999b) who noted that organisations that were “customer compelled” may fail to be market oriented because they are too narrowly focused on their customers and miss opportunities and threats being presented from the wider market.

When asked to define the term marketing and to discuss how it applied within their organisations, the answer from the Managing Director of Organisation A highlighted a significant misunderstanding of the discipline of marketing and its role in an enterprise:

"You're going to expose my lack of theoretical understanding of things. I do know the difference, I think, between sales and marketing. Sales being the transaction. Marketing – I can’t remember what the definition is … I think it ultimately is about brand. That’s not product brands. It’s about the corporate brand."

Source: Managing Director

The Managing Director indicated that his definition about marketing and sales were much more oriented towards outward-directed communications than any other activity (B10).

The Marketing Manager from the same organisation, when speaking about marketing as a discipline, indicated that he had a very negative perception towards the discipline of marketing (B9, B11):

"Well to be perfectly honest, I think most marketing, most of what people do under the guise, or the heading of marketing is you know snake oil salesmanship and trickery. They’re just selling bullshit. Now, is that a bad thing or is it a good thing or is it the way it is? It certainly contributes to the way the capitalist machine turns over and is that a good thing? Well, I don’t know we all make our quality of life is all based on the performance of the capitalist machine so I guess yeah, marketing is a good thing."

Source: Marketing Manager
Before offering this insight, the Marketing Manager sought confirmation that his comments would not be repeated to others, which suggests that they reflect beliefs that he may not have shared with his peers. The comments from Organisation A reflect a behavioural belief that marketing is not important as an organisational discipline within their business, nor is the discipline of marketing particularly valued within Organisation A (B9). This is consistent with the way marketing was adopted and the culture of the organisation. The Marketing Manager’s view reflects a very strong belief that marketing is not a serious discipline. Whilst ever the two most senior managers responsible for establishing a positive culture towards market orientation hold these beliefs, it is unlikely that Organisation A will increase the degree to which it is market oriented. The beliefs expressed here are consistent with top management not having a good understanding of marketing and market oriented behaviour noted by Kohli et al. (1993). The negative attitude towards the discipline of marketing are consistent with findings by Tregear (2003) which identified that technically-skilled craftspeople in food and beverage industries may resist ‘marketing’ and Lewis et al. (2001) which noted that food and beverage manufacturers may view marketing as gimmicks.

The Processing Manager appeared to have a more constructive understanding of the marketing concept than had been exhibited by other interviewees, and also identified that there was an element of negative perception about marketing personnel and the way they can waste resources (B18) and also confirmed the investigator’s observation of a selling orientation in the organisation:

Really, what's marketing about? It's about getting closer to your customer and understanding how best to get products that meet the customer's needs. There is still very much, as we talked about, here, I produced these products and where the hell do I sell them, rather than really getting into bed with the customer and understanding what they need, and then producing appropriate products. But I think these days most businesses understand that they need to be close to their customer. There's a perception, of course, that marketers waltz around wining and dining customers and production people, doing the hard slog. I mean, I've seen that in a lot of businesses and I think a lot of marketing people like to play up to that.

Source: Processing Manager
These comments reflect an approach to marketing that is customer-centric (B21) and that even though he understands conceptually that marketing involves two-way communications, the strongly-held perception within the company being focused on customers may be limiting how effectively market orientation was adopted within Organisation A. The Horticultural Manager, when asked to discuss the term marketing and how it was applied within his organisation, said marketing is “identifying an opportunity” and that ‘selling’ is “agreeing the value and executing the sale”. When asked what Organisation A did in terms of marketing, he replied “listen it’s really hard for me to comment because at often times I wonder what we do as far as marketing”.

When asked to comment on sources of competitive advantage, interviewees had different responses which suggested that there had been little useful management discussion around this subject and that there was no real attempt by management to proactively search for and identify market opportunities in which the organisation held or could create an advantage. Both the Marketing Manager and Managing Director believed the company’s principle source of competitive advantage was ownership of the horticultural production. After saying that the management team members “bemoan the lack of them” (sources of competitive advantage), the Marketing Manager referred to only supply chain management innovations to secure product sourcing which reflected a production orientation. There was no reference to attempts to identify and secure attractive market segments. The Managing Director mentioned customer feedback but only in terms of the negative influence of supermarket customers and suggested that the low margins obtained from supermarket sales meant there was little opportunity to invest in anything other than discounting. As the Managing Director commented:

*Well, over time, just by being beaten about the head enough times to understand it. Honestly, cost is number one by so far away but with Coles and Woolworths at least, by such a large margin that you really can’t afford to spend any time on anything else. With Aldi, there seems to be a little bit – it is more about – it’s not much else, but it is more about reliability and consistency and innovation. Or at least coming up with new ideas and that sort of thing but how do we do that in a formal sense? How do we identify a competitive*
advantage there in a formal sense? I’m not sure we do a very good job of that.

Source: Managing Director

The Processing Manager identified culture as being part of the organisation’s competitive advantage, along with the horticultural production and vertical integration. When asked how possible sources of competitive advantage were identified by the company, he mentioned that he had prepared a discussion paper on the subject at the company’s last strategic review, but there was no indication that any information about market opportunities or competitor analysis were included or that the Marketing Manager had been involved. The Horticultural Manager listed a number of sources of competitive advantage including that Organisation A monopolised the domestic market for its product, its name and its reputation. When asked how the organisation identified and prioritised potential sources of competitive advantage, he indicated that there was no formal and systematic process:

I don’t know that we systematically - I don’t know that our approach is systematic about how we do identify that. I think we sow a lot of seeds on an ad hoc basis for opportunity, not necessarily based on a competitive advantage. I think we sow the seed, get the fish on the hook and then evaluate an opportunity...

Source: Horticulture Manager

When asked why the company acted that way he observed that finding the time to work ‘on’ the business rather than ‘in’ the business was the main issue (B20) which indicated that time was a factor and also that the subject was not being given sufficient management attention to justify the investment in time:

I think we’re busy doing the doing. I think you get yourself into the mindset of getting done what needs to be done. You often sit back, especially at the board level and think how much time have I actually given as a board member as opposed to working in the operations of the business and it is hard to get that segregation and make sure you leave that time.

Source: Horticulture Manager
All interviewees in Organisation A, when asked what business they were in, defined their organisation in terms of the commodity product they produced at the farm level. This provided further evidence that management did not have an appropriate understanding of contemporary marketing management principles and their application in a vertically-integrated horticultural enterprise which was consistent with prior research published by Kohli et al. (1993), Harris and Watkins (1998) Siddique (2014) and others which identified lack of management knowledge about marketing as a barrier to market orientation.

The Marketing Manager’s beliefs about marketing have been recorded earlier in this section. When other Organisation A interviewees were invited to express their beliefs about the discipline of marketing the Managing Director indicated he would prefer it if the organisation had no marketing department. He believed that the aim of an organisation was to make every employee an advocate for the business and that this would eliminate the need for ‘marketing’:

*Well I think in an ideal business, the agronomist on farm will have as good an understanding of marketing as the marketing manager and in an ideal business, there shouldn’t be a marketing manager. There should simply be someone who teaches everybody in the business how to market the business. That’s roughly – we’re a very long way away from that but yeah, I guess I would think, in an ideal organisation, there wouldn’t be a marketing department. There wouldn’t be a marketing manager. Every person, including that person who cleans the toilets, would be an advocate of the business and as such would be their own marketing department.*

*Source: Managing Director*

The Managing Director’s belief that all employees should be passionate about the product and organisation is consistent with an organisational culture of positive product orientation identified by Harmsen et al. (2000). The authors of this research proposed that ‘orientation’ is part of culture and that organisations will be oriented towards one of product, process or market orientations and that a combination of product, process and marketing orientations is required for success.
Organisation A had recently entered into a joint venture agreement whereby its Marketing Manager was given responsibility for selling the bulk commodity from several large international processors. This meant that the organisation had no individual with responsibility for marketing its value-added products, and in fact had decided not to seek opportunities for value-added product despite having a sophisticated value-adding plant and several profitable customers for value-added product. This further reinforced the observation that the discipline of marketing was not valued (B9).

In Organisation A the Managing Director and Marketing Manager collaborated closely outside the decision-making of the Board on decisions that other management team members (also directors) believed should have been board decisions. The Processing Manager, commenting on how an important decision had been made by the company in the past expressed concern that a decision which should have been discussed by the Board of Directors was not, which provided further evidence of the role of management in organisational decision-making (B14):

I don’t think – this is just my personal opinion – that the decisions that were made for the acquisition of the company didn’t follow what I would regard as board protocol. It was more a management decision and in a sense it was rushed through and made to work and sometimes, you know, that’s fine but yeah, that was an interesting one and I think in hindsight there are a lot of mistakes that came out of that but there often are in any sort of acquisition or takeover but I think if we’d followed, you know, due diligence and procedure a bit more that, yeah, we would have dotted the i’s and crossed the t’s a little bit better.

Source: Processing Manager

The Processing Manager, in these comments, indicated that although he did not agree with the way these important decisions were being made, he did not dissent even though he held the position of company director and shareholder. This was evidence of Beliefs N1 and N2.
The Managing Director, commenting on how the most important decisions are made:

*So it’s not that I can’t force the decision, and we’ve structured it that way so that where the decisions come round to things that might have to do with selling the business, or where it’s the end play, then definitely myself – I have absolute control and discretion over those things.*

Source: Managing Director

The comments from both managers reflect a culture within Organisation A that important strategic decisions were made by the Managing Director and Marketing Manager without adequate involvement of other management team members and a belief by the Managing Director that he is ultimately responsible and therefore believes that it is his job to act independently rather than create a collaborative organisation in which the views of other managers are at least sought as part of collaborative decision-making processes (B14). This characteristic of leadership of the Managing Director of Organisation A was further evidenced when, discussing how important decisions were made, he said:

*Well as directors their shareholding doesn’t matter, if two directors had chosen to not support the decision then – and then the only option I would have if I wanted it to go forward would be to sack the board, which I have the capacity to do.*

Source: Managing Director

Even though the Managing Director said it would not be realistic to dismiss senior personnel, the fact that he was prepared to state that dismissing them was an option could influence the organisational culture with respect to the degree to which senior personnel, and others, offered differing points of view and would defend their positions when it comes to decision-making (N1, N2). Even though these beliefs were not specifically stated by any interviewees in Organisation A, their existence is consistent with behaviour observed that even though managers were not happy with the lack of information sharing, the way marketing was being managed and the way the Marketing Manager and Managing Director colluded to drive decisions through the Board, little was being done by other managers to change this behaviour.
This section provided the evidence from the data that allowed the beliefs in Case Organisation A to be identified. The next section provides explanations for any inconsistencies in the data.

4.2.5 Explanation building

The beliefs identified in this case study organisation were consistent with literature as detailed in Table 4-2 so there is little requirement for explanation of discrepancies. The Managing Director was originally employed by the Founder in the position of Farm Manager because of his technical skill. The Farm Manager worked his way up to the position of CEO but resigned in frustration because he felt he was not being allowed to manage all disciplines within the organisation, particularly marketing, which the Founder preferred to control himself. This is consistent with Felton (1959, p. 58) which described ‘one-man domination’ where the most senior executive who was out of touch with the current marketing issues was making all the marketing decisions to the detriment of the company. It was also consistent with how Schein (2010) described how organisational culture evolves within an organisation and that it usually reflects the founder’s beliefs.

The return of the Managing Director as the largest shareholder provided an opportunity for the culture which had previously frustrated him to be altered. However, instead of changing the culture towards market orientation, it was apparent that the culture remained the same and the Managing Director, albeit in collaboration with the Marketing Manager, had taken responsibility for important marketing management decisions. Interestingly, based on the interview data and observations of the investigator, neither the Marketing Manager nor the Managing Director have what could reasonably be assessed as an adequate understanding of contemporary marketing practices when the systematic approach to conducting an industry analysis proposed by (Porter 2004) is used as the ‘gold standard’. Even though the Horticulture and Processing Managers were frustrated at the lack of marketing effectiveness, outcomes and communications, barriers existed that prevented them from making their concerns heard. These barriers are consistent with Normative Beliefs described by Ajzen (1991) as part of the Theory of Planned Behaviour. That the Marketing Manager did not have proficiency in marketing and even held very negative beliefs about the value of the discipline of marketing to an organisation’s performance was not surprising because Schein (2010) explained that more senior managers employ personnel who have similar beliefs as themselves, and it is evident that the Managing Director’s knowledge of and beliefs about the discipline of marketing were similar to those held by the Marketing Manager.
The Marketing Manager of Organisation A’s behaviour during the final interview requires explanation. After he was invited to discuss market orientation in the third interview, after receiving a short presentation about market orientation, he became very animated to the point of hostility. One possible interpretation of this ‘outburst’ and response is provided by Schein (2010) which explained that resistance to change in organisations, in this case resistance to the idea that the Marketing Manager should be sharing information, may be based on one or more of a series of reasons including (pp. 303-4):

- Fear of loss of power or position,
- Fear of loss of competence while new processes are implemented,
- Fear of punishment for the loss of competence while new processes are implemented,
- Fear of loss of personal identify, and / or
- Fear of loss of group membership.

However, given the interview was for PhD research and unlikely to have any impact on the organisation or the manager, fears and resistance to change hardly seem like a valid explanation for the Marketing Manager’s behaviour. Perhaps this Marketing Manager became embarrassed that his responses in the first two interviews were not consistent with the model of market orientation which was explained at the commencement of interview 3, and that his lack of knowledge on the subject was being exposed. He had previously presented as a very confident and knowledgeable manager, so the realisation that he was being ‘exposed’ may have been significant. His behaviour was consistent with the comment by Argyris (1965) which noted the significant variations between what managers say they do and what they do. Alternatively, perhaps there is another factor which is not explained by the Theory of Planned Behaviour which influences the degree to which managers adopt market oriented behaviour and in this instance, prevents the Marketing Manager from sharing information. Whilst the behaviour of the Managing Director is not easily explained by the Theory of Planned Behaviour it is noted that Ajzen (2005) did observe that background factors may influence beliefs, and these were noted in Section 2.4.
This section provided details of how the beliefs identified in Case Organisation A were consistent with the prior literature and that there appeared to be no irregularities that required further explanation. The next section details the results obtained from Case Organisation B.
4.3 Case B

4.3.1 Introduction to Organisation B

Organisation B was established by the Managing Director in 1983 as a small home-based single commodity processing operation. It has grown to become a significant value-adding enterprise which manages horticultural production and processing facilities that produce consumer product supplied to the major supermarkets in Australia and products for food service and export markets. The organisation competed with product imported by multinationals and domestic focused specialists. Gross income was approximately $40pa with a net profit of less than 1%. Ownership was complex with the Managing Director owning 50% of the processing and marketing company. The Horticultural Manager owns 50% of the processing and marketing company and 100% of the horticultural property.

This section provided an introduction to Case organisation B. It explained how the organisation was assessed to have met the selection criteria for inclusion in the research. The next section introduces the personnel who were made available for the research.

4.3.2 Details of interviewees

The Managing Director was founder of the organisation and retained 100% ownership until 2008 when the owner of a significant horticultural enterprise purchased a 50% share of the business. This individual is a Director and is referred to in the case study as Horticulture Manager. The organisation’s General Manager commenced with the business in 1988 and came with industry experience from another firm processing the same commodity. The Commercial Manager commenced in 2002. The Factory Manager is son of the Managing Director and has worked in part time and full time positions with the company since leaving school and moved into his current position in 2012. Details of interviewees are provided in Table 4-3.
Table 4-3: Details of interviewees

<table>
<thead>
<tr>
<th>Interviewee Title</th>
<th>Training and Experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managing Director</td>
<td>Founder and 50% owner of the processing enterprise. The Managing Director has no formal qualifications and describes his training as “seat of the pants” gained from establishing and growing the current organisation.</td>
</tr>
<tr>
<td>General Manager</td>
<td>No tertiary qualifications but does have a lot of industry experience, most of it gained in the current organisation.</td>
</tr>
<tr>
<td>Commercial Manager</td>
<td>Holds an MBA and has a career within the food service industry working with supermarkets and major Australian food product manufacturers and suppliers to supermarkets.</td>
</tr>
<tr>
<td>Horticultural Manager</td>
<td>Sole owner of the horticultural enterprise and 50% co-owner of the processing operations. The Horticultural Manager is an Office of the Order of Australia (AO) and has been recognised for his significant contribution to human rights in Australia.</td>
</tr>
<tr>
<td>Factory Manager</td>
<td>Son of the founder. The Factory Manager has no formal qualifications and has worked his way up through the ranks from a maintenance position.</td>
</tr>
</tbody>
</table>

This section provided details of interviewees included in Case B. The next section provides the evidence for the beliefs identified from this case.
### 4.3.3 Beliefs

The beliefs identified, the sources from which they were identified and their consistency with past research are documented in Table 4-4.

#### Table 4-4: Beliefs identified in Case B

<table>
<thead>
<tr>
<th>Belief</th>
<th>Sources of Evidence (Triangulation)</th>
<th>Past research and literature with which consistent (Pattern Matching)</th>
</tr>
</thead>
<tbody>
<tr>
<td>B1 Current intelligence gathering practices were sufficient</td>
<td>All interviewees</td>
<td>Consistent with top management not having a good understanding of contemporary marketing practices and market orientation noted by Kohli et al. (1993) and contentment with the status quo noted by Harris and Watkins (1998)</td>
</tr>
<tr>
<td>B2 Customer intelligence is the most important and little consideration is given to gathering data from non-customers or about competitors other than transactional sales data (scan data) and pricing information</td>
<td>All interviewees</td>
<td>Consistent with being 'customer-compelled' noted by (Day 1999a)</td>
</tr>
<tr>
<td>B3 Market research is not reliable</td>
<td>Managing Director</td>
<td>Consistent with top management not having a good understanding of contemporary marketing practices and market orientation previously noted by Kohli et al. (1993), Harris (1996b), Harris and Watkins (1998) and Siddique (2014)</td>
</tr>
<tr>
<td>B4 Pricing and quantity data is the most important information to be sought</td>
<td>General Manager, Commercial Manager, Factory Manager</td>
<td>Consistent with top management not having a good understanding of contemporary marketing practices and market orientation previously noted by Kohli et al. (1993), Harris (1996b), Harris and Watkins (1998) and Siddique (2014) and perhaps a lack of confidence in market oriented activity noted by Bisp (1999)</td>
</tr>
<tr>
<td>B5 The organisation was not large enough to justify additional investment in market research</td>
<td>Managing Director, General Manager</td>
<td>Consistent with top management not having a good understanding of contemporary marketing practices and market orientation noted by Kohli et al. (1993), Harris (1996b), Harris and Watkins (1998) and Siddique (2014) and perhaps a lack of confidence in market oriented activity noted by Bisp (1999)</td>
</tr>
<tr>
<td>B9 Marketing is not a valued organisational discipline</td>
<td>Managing Director, General Manager, Commercial Manager</td>
<td>Consistent with top management not having a good understanding of contemporary marketing practices and market orientation noted by Kohli et al. (1993), Harris (1996b), Harris and Watkins (1998) and Siddique (2014) and perhaps a lack of confidence in market oriented activity noted by Bisp (1999)</td>
</tr>
<tr>
<td>B10 Marketing is largely limited to promotions and selling activities i.e. outward-directed communications</td>
<td>General Manager, Horticulture Manager, Factory Manager</td>
<td>Consistent with top management not having a good understanding of contemporary marketing practices and market orientation previously noted by Kohli et al. (1993), Harris (1996b), Harris and Watkins (1998) and Siddique (2014) and perhaps a lack of confidence in market oriented activity noted by Bisp (1999)</td>
</tr>
<tr>
<td>B12 Increasing production volumes will increase profitability</td>
<td>Managing Director, General Manager</td>
<td>This may be part of a wider industry production-orientation mentioned by Grunert et al. (1996)</td>
</tr>
<tr>
<td>B14 The Managing Director, Founder or owner can make important decisions at their own discretion</td>
<td>All interviewees and investigator observation</td>
<td>Consistent with ‘one-man domination’ noted by Felton (1959)</td>
</tr>
</tbody>
</table>
This section provided details of the beliefs identified within Case Organisation A. The next section provides details of the evidence to support the beliefs identified.

### 4.3.4 Chain of evidence

Organisation B supplied product to all Australian supermarket chains and also to a route trade customer base of small retailers and food service organisations including restaurants. It relied heavily on supermarket scan data for market intelligence (B2, B4) as indicated by the General Manager:

*Mostly our gauge is supermarket sales, some data every day, every week as the information comes out. So we know what the product’s doing in the marketplace. We know what our competitors are doing in the marketplace.*

Source: General Manager

<table>
<thead>
<tr>
<th>Belief</th>
<th>Sources of Evidence (Triangulation)</th>
<th>Past research and literature with which consistent (Pattern Matching)</th>
</tr>
</thead>
<tbody>
<tr>
<td>B15</td>
<td>General Manager, Commercial Manager</td>
<td>Consistent with top management not having a good understanding of contemporary marketing practices and market orientation noted by Kohli et al. (1993), Harris (1996b), Harris and Watkins (1998) and Siddique (2014) and perhaps a lack of confidence in market oriented activity noted by Bisp (1999)</td>
</tr>
<tr>
<td>B17</td>
<td>Managing Director</td>
<td>Consistent with top management not having a good understanding of contemporary marketing practices and market orientation previously noted by Kohli et al. (1993), Harris (1996b), Harris and Watkins (1998) and Siddique (2014)</td>
</tr>
<tr>
<td>B19</td>
<td>Managing Director, General Manager</td>
<td>Consistent with top management not having a good understanding of contemporary marketing practices and market orientation noted by Kohli et al. (1993), Harris (1996b), Harris and Watkins (1998) and Siddique (2014) and perhaps a lack of confidence in market oriented activity noted by Bisp (1999)</td>
</tr>
<tr>
<td>N1</td>
<td>Horticulture Manager investigator observation</td>
<td>Consistent with normative beliefs described by Ajzen (1991), 'one-man domination’ noted by Felton (1959) and lack of confidence in market oriented activity noted by Bisp (1999)</td>
</tr>
<tr>
<td>N2</td>
<td>Horticulture Manager investigator observation</td>
<td>Consistent with normative beliefs described by Ajzen (1991), 'one-man domination’ noted by Felton (1959) and lack of confidence in market oriented activity noted by Bisp (1999)</td>
</tr>
<tr>
<td>C1</td>
<td>General Manager, Factory Manager</td>
<td>Consistent with control beliefs described by Ajzen (1991), ‘one-man domination’ noted by Felton (1959) and lack of confidence in market oriented activity noted by Bisp (1999)</td>
</tr>
<tr>
<td>C2</td>
<td>General Manager, Horticulture Manager, Factory Manager</td>
<td>Consistent with control beliefs described by Ajzen (1991), ‘one-man domination’ noted by Felton (1959) and lack of confidence in market oriented activity noted by Bisp (1999)</td>
</tr>
<tr>
<td>C4</td>
<td>General Manager</td>
<td>Consistent with control beliefs described by Ajzen (1991), ‘one-man domination’ noted by Felton (1959) and lack of confidence in market oriented activity noted by Bisp (1999)</td>
</tr>
</tbody>
</table>
Responding to a question about how market, competitor and customer information was collected and used, the General Manager indicated that his experience and contacts were sufficient as a source of intelligence (B1, B19):

... it basically comes from our suppliers and I guess industry knowledge and when you look at the knowledge – I've been in the game for 25 years, I have a strong relationship with those suppliers throughout the world.

Source: General Manager

Organisation B was very sales-oriented as defined by Kotler (2006) and ‘pushed’ to sell what it could produce. This is consistent with top management not having a good understanding of contemporary marketing practices which was noted in the literature as a barrier to market orientation by Kohli et al. (1993). The most senior management team members, whilst they would have preferred sales and profits to be higher, appeared to be content with the status quo with respect to marketing activity and behaviour which was consistent with Harris and Watkins (1998).

The company’s route trade business was performing at less than desirable levels and this was recognised by management but there were no plans to conduct research to provide data on which to base plans for growth, and there were no documented plans. The route-trade business was originally pursued to satisfy the company’s desire for growth and it had proven to yield higher profit margins than supermarket sales although the volumes were smaller. When asked what the company’s competitive advantage in the route trade was, the Managing Director could not identify one, saying “we're not sure at the moment” and there were no plans to research this market segment to find out, which provided further support for belief B1.

In addition to scan data reports (B2), in-store supermarket demonstrators provided feedback but it was very informal, not documented and lacked any structure or process to allow feedback to be effectively analysed or used:

Our field team, we're right in demonstrations at store level and we get feedback directly from consumers. We tend to run demonstrations and ask a lot of questions when people are demonstrating so our team are fairly well briefed in trying to get
information out of consumers as to whether they like the product or whether they know the brand. There's a little bit of a barometer there. Whenever we run those demonstrations we can find out and get direct feedback from consumers whether we're doing a good job or not in terms of our consumer awareness.

Source: General Manager

When asked about how that information was collected, collated and used, the General Manager said that it was not formal:

It's pretty much very crude. So, there's no scientific thing about it. It's gut feel. The guys say oh look we demonstrated to 200 people and 10 per cent of those people already knew the brand. The other 90 per cent don't know the brand and when you get that kind of same story coming from similar people then there's a common thread so we don't dig into it in any real depth, it's really a broad overview, a macro view of it based on feedback coming from those demonstrators.

Source: General Manager

The lack of effective marketing management process was further evidence of management lacking an understanding of the discipline of marketing described in the literature as a barrier to market orientation.

This organisation had committed to a significant investment in horticultural production capacity expansion and had undertaken no significant market research to confirm the existence of viable markets for the additional product (B1).
According to the Commercial Manager, the impending significant increases in raw materials from the horticultural production expansion were forcing management decisions which may not have otherwise been made and that this was how the company had always operated:

... pushes us to make certain decisions and maybe to fast track some of the things that we might not have seen as urgent in the business.

Source: Commercial Manager

Managers were vague about how they would be able to sell the additional product and whilst they knew the Australian market was not large enough to absorb the additional production capacity being planted, all stated that opportunities existed in Asia but had not undertaken research to support that claim. The decision to significantly expand production capacity was being driven by the observation that growers in many parts of the developed world were reducing their production capacity but no other sources of intelligence (B1).

The General Manager of Organisation B believed that customer information was the most important (B2) and that formal analysis was not necessary for them to make decisions based on the data that was collected. The Commercial Manager described the company’s approach as “sell what we can make”, having invested in new plant and equipment and increased horticultural production ahead of any market investigation. Intelligence gathering was focused around understanding the products and prices offered by rivals to inform ‘marketing’ decisions (B4). Information was gathered primarily from customers (B2):

... if we want to know something or have our out guys go out and grab it and we're doing something in schools at the moment as part of this pouch project, and we’re sort of gathering information in relation to opposition products being carried by schools, what the brands are, what the pack sizes are, what the school's paying for it, what they’re selling it for, all those sorts of things.

Source: Commercial Manager

The discussion in the preceding paragraphs reflects an organisation that is production and sales oriented as described by Kotler (2006) and even though Harmsen et al. (2000) describe a positive product and production orientations in food and beverage organisations it was evident
that the lack of application of marketing and market orientation principles as described by Kohli et al. (1993), Harris and Watkins (1998), Siddique (2014) and others were limiting the degree to which Organisation B was market oriented.

The Managing Director of Organisation B said he believed the organisation was doing sufficient research “as much as we can afford within a timeframe without over-analysing it” (B1, B5) but when asked about the organisation’s approach to market research when considering major investment decisions he could not explain the market research that had been undertaken. He did explain that the recent decision to invest in increased processing capacity was driven by the need to process the impending increased production. The Commercial Manager confirmed that the company was being ‘driven’ to find markets for the increased production. He explained that historically that’s the way the company has always done it “we can produce the product and then find a home for it”.

The observation of the investigator, ‘reading between the lines’ during the interviews was that the Commercial Manager would have liked to have taken a more market oriented approach to management but his illness and the overwhelming control being exerted by the Managing Director over marketing made it impossible. It was as though the Commercial Manager accepted that it was futile to attempt to initiate change (B14, N1, N2). This was consistent with comments made by the Factory Manager, Horticulture Manager and General Manager, and was consistent with “one man domination” described by Felton (1959).

The General Manager and Managing Director both believed that the company needed to be larger before it could justify a commitment to more formal information gathering and analysis and his belief almost certainly reflects the culture within this organisation (B1, B5). As the General Manager commented:

*I think a company of our size, it's difficult to say you're going to dedicate people to gather that information because you can get into analysis paralysis and then nothing gets done so as a private company and a small company, small team but I guess an experienced team, on a lot of it you have to work on what your gut feel is without getting too far into analysis because it can kill you. It can stifle you.*

Source: General Manager
When asked why Organisation B adopted the approach to gathering market intelligence that it did, his answer reflected a control belief that the company lacked the resources to process the information so there was little point in collecting it (C4) but this was not mentioned by anyone else and it appeared that more significant issues were limiting the degree to which this organisation was market oriented:

I think it becomes where's the priorities? We can invest a lot in information gathering but who's going to work on that information? Who's going to do the analysis of it? We've got somebody out doing that they're not doing something else. Again, if you had spare bodies yes, you might do that but we don't have any spare bodies. So, all you're going to do is take people's time away from that. So actively seeking out information from the consumers, doing market research and telephone polls and all those sorts of things, no it's not going to happen.

Source: General Manager

The company had previously engaged a consultant to conduct focus group research as part of a rebranding exercise. However, the Managing Director did not agree with the findings, and directed the ‘new’ brand development himself, demonstrating his reluctance to delegate and preference not to listen to and believe in market research. This supported the identification of beliefs B3 and B14. In fact, the company had a long history of engaging consultants but none of the recommendations or work that they had contributed had been successfully implemented.

Sales meetings at which customer, competitor and market intelligence was shared with personnel in other departments were held weekly or fortnightly, but they were very informal as explained by the General Manager:

The sales guys convey that (information) back to the team and that might come through our information meeting on the Tuesday, our session. So, because it is an information session it's information gathered either through logistics or what we're doing, what current projects are within the group so within the
company and any feedback there might be and that includes customer complaints, that includes customer awareness, demonstrations and just a brief overview and someone might give us a brief five minutes a sales guy give us a brief of activities within the marketplace and what he's gleaned from that.

Source: General Manager

The information that was obtained and shared at these meetings was not documented. The Commercial Manager said that there had been a history of poor communication within the organisation and that this had a negative impact of organisational performance. One example of this was that the organisation was involved in a significant supermarket promotional program using in-store sampling, and had taken advantage of this to gather feedback from people who sampled product. The responses to questions were being recorded in writing but although the program had commenced there had been no decision by management how this information would be used. The Factory Manager at a location approximately 150km from head office, when asked whether he and his team were given customer, market and competitor information from ‘head office’ replied that information was not shared with him:

No, they don't. I guess I get my information, a lot of information just from talking to people in Brisbane.

Source: Factory Manager

Information was not shared more widely, formally or effectively within Organisation B significantly because of the influence of the Managing Director over decision-making, particularly marketing and strategic decisions which introduced two control beliefs (C1, C2). This was evidence of control beliefs which caused personnel to withhold suggestions because the Managing Director simply would not listen as explained by the company’s General Manager referring to the Managing Director and his influence over decisions:

I don't believe the company is open enough to suggestions. We have a strong leader who likes to impose his will, and if you're going to call that a - well, it is a barrier.

Source: General Manager
This company did not have a culture of sharing market, customer and company intelligence significantly because of the Managing Director’s unwillingness to consider other people’s ideas and preferring to implement his own (C1, B14). The Managing Director of Organisation B was very focused on achieving growth and believed that securing increased sales volume would reduce costs so that profits can be earned (B12), and this was the motivation upon which all his decisions were based. This was evidence of production-oriented thinking and that marketing as a professional discipline was not valued by the Managing Director (B9), probably because it was not well understood. This was consistent with lack of management knowledge about marketing described in the literature.

The Factory Manager of Organisation B was not exposed to market, customer or competitor intelligence, although he did know that the organisation relied heavily on scan data to monitor competitor sales levels (B4). The Factory Manager commented that he thought it would be better if sales and marketing personnel worked more closely with him to ensure the organisation had the capacity to produce products before commitments were made to customers. When asked about the sharing of market intelligence the Managing Director agreed that information was not shared with production personnel, but then said that the company’s operations and production personnel “know exactly why we’re going in different directions”. The Managing Director, commenting on reasons why more market intelligence is not shared with production personnel explained that they have a high turnover of employees, so sharing information would be risky (B17). The Managing Director of this organisation was the only interviewee to express this concern which may simply be an excuse given his reluctance to delegate.

Interviewees from Organisation B had differing definitions for the discipline of marketing. The General Manager had an understanding which was focused around outward-directed communications (B10):

Well it’s definitely not sales. Marketing – putting it in quite simple terms, it’s a conscious effort to portray a product to the market and the product or a brand or a company, it doesn’t matter which, but to convey the qualities of the product. That may not be a top quality, it could be a low price product so whatever the goal of that product is or the company's goals are, the education, the portrayal of that to the broader market and
finding ways of being able to convey that using media, using whatever means are available, it could be.

Source: General Manager

The Commercial Manager, on the other hand, had a more holistic understanding, but his understanding of the discipline of marketing was in no way reflected in organisational behaviour:

*Everything from the initial conception of the product, development of the product, pricing of it, looking at where the brand - where we would like the brand to sit and finding that, I guess, making sure that it fits in the position in the market that we think it fits in to. Then on to communication strategies and sales strategies are linked to that as well.*

Source: Commercial Manager

He explained that the company’s approach to marketing varied a lot, and was a function of whether the role of Marketing Manager was filled because at times when it wasn’t, there was no one to champion the subject (B9). He also said that the company “had a marketing manager for two of the 28 years” and that the Managing Director normally filled that role.

The Factory Manager’s understanding of marketing came from his wife who had held the position of Marketing Manager in Organisation B for the two years that it was filled, and defined marketing as “marketing should be about developing brand awareness and building a brand and a name - a story behind that brand” (B10).

The Horticultural Manager defined marketing as a simple exercise of catching people’s attention, but whilst it at least demonstrated that he understood the role of understanding consumers and customers, this component of marketing was not part of the way Organisation B managed its marketing (B10):

*Well a good marketing exercise will impact on people. Like it'll catch people's attention, that's all you need to do. It's pretty simple what you need to do. To understand how you do that is you've just got to look at people. What I try and do is you work out what people are thinking.*

Source: Horticulture Manager
The Horticulture Manager’s influence had not yet had an impact on the way Organisation B conducted its marketing. Interviewees from Organisation B identified a number of sources of competitive advantage but there was no evidence that they formally sought to understand potential new sources of competitive advantage. Organisation B had no business or marketing plans and no systems in place that would have caused them to have a systematic approach to identifying sources of competitive advantage.

When asked about competitive advantage, both the Managing Director and Commercial Manager referred to being small enough to be responsive to the needs of supermarket category managers who could be quite demanding and required new products at short notice. This was something that Organisation B recognised that its larger competitors were unable or not prepared to accommodate. It also suggested a customer focus (B2) consistent with previous research by Day (1999a) which highlighted that companies that become compelled to respond to every need of their customers may miss opportunities in the wider market.

The General Manager identified the organisation’s vertical integration and the public relations opportunities provided by that as the principle source of competitive advantage. His response to how the organisation sought to identify sources of competitive advantage indicated that it was not a process that involved market, competitor or customer analysis other than seeking of sales opportunities (B10):

That's a tough one. Searching for competitive advantage is obviously something that is highly important but it's continually being revisited and how do you define commercial advantage? In certain markets it will be an advantage and in other markets it will be a disadvantage. So, I guess our market is strongly in domestic. Our market is strong in retail. We're strong players with the supermarkets and they are difficult people to deal with at the best of times and you've got to try and search for an advantage to try and search for a difference and you've got to try and seek that USP (ultimate selling proposition). Continually revisiting those goals within our team. It's not identified by a single person, it's identified by a team that says well, where can we trade? What is our advantage? What is our difference? How do we differentiate ourselves from the market? Currently
probably our differentiation is the colour of our packaging. That in itself is not a commercial advantage but if you play on it long enough we can differentiate ourselves from the rest of the market and if the product is different, is recognisable in that it is in a different shaped package, different colour as we do and consumers have a good experience when they take that product then we believe they will come back and try it again.

Source: General Manager

The Factory Manager, when discussing Organisation B’s approach to identifying sources of competitive advantage and how the management team sought to identify potential sources provided a good summary of the organisation’s approach to marketing overall:

As I said, I think we're opportunity driven. Someone will come up with an idea and we can be going down this road and all of a sudden we go down this road. Rightly or wrongly that's how we operate.

Source: Factory Manager

When asked what business they were in, there was little consistency of responses which suggested the subject was rarely discussed at management level and if it was, that there was no consensus of opinion which was further evidence that there was little or no attempt at planning as a group and that there were no plans despite having engaged consultants in the past and the Managing Director’s involvement in Brisbane-based leadership groups. The Managing Director defined the business in terms of the commodity it produced. The General Manager said “we’re in the health food business – fresh food”. The Factory Manager said they were in the fast moving consumer goods business, and also referred to the commodity. The Horticultural Manager said they should be in the “people business”.

Organisation B management team members held some perceptions about the discipline of marketing which provide insight into the degree to which the organisation is market oriented and employed contemporary marketing practices.
Speaking about the Managing Director’s view about the subject, the Commercial Manager said that marketing simply was not a high priority within the organisation (B9) and that it was difficult to measure and therefore justify investment (B15):

…it's all fluffy stuff and you can't measure it and there's people out there trying to sell you real estate for advertising and all that sort of stuff. They can't justify the returns and all those sort of things, and that comes out a bit. It's not generally negative it's just - it gets moved to the end of the queue when we're doing it tough.

Source: Commercial Manager

The General Manager explained that becoming more market oriented required significant investment in time and capital to support such an initiative (B9, B15):

Yes, we would like to be more market oriented but that needs some capital investment in terms of saying, "Okay, yeah, what is market oriented? It's a fair bit of R&D in that. It's a fair bit of risk. It's a fair bit of new product development." With all new development there is generally other technologies other than what we have in the plan. So you've got to start then going, "Well, okay, generally" - and again I'm speaking generally here. It's a general question. To really be strongly market oriented we'd need a fair bit of investment in other technologies.

Source: General Manager

When asked about innovation all interviewees said innovation was not managed effectively with one mentioning that it could be dangerous to be too innovative because it could lead a company away from its core business. As documented earlier in this chapter, Organisation B did not invest in market research other than scan data and certainly did not use market intelligence to drive innovation.

The Managing Director of Organisation B made a unilateral decision to invest significant funds into motor sport as a means of increasing the company’s and brand’s public profile. This was consistent with the way marketing was managed by him (B14).
The Factory Manager explained the situation:

... six or eight years ago was when the Managing Director got involved in car racing and basically the company's whole marketing budget went into that. I think over the last five years there's probably been a million dollars' worth put into that. I don't have a problem with him doing that. That's his business, his money; he can do what he wants. But I think that's been a big struggle for the whole business. He's always thought that they were getting benefit out of it and I disagree with that. I think there's also a lot of other people in the company who feel the same way.

Source: Factory Manager

Having a Managing Director who is prepared to make decisions such as this had created a culture whereby managers did not offer alternate suggestions which provided evidence of beliefs N1 and N2. These are normative beliefs where managers were unlikely to suggest that the decision to invest in motor sports was wrong for fear of disapproval from the Managing Director and because they know there was no point offering suggestions. Other managers mentioned the investment in motor sports, but none of them were more direct than the Horticultural Manager who identified that it had prevented other managers from making suggestions providing strong evidence for N1, N2:

It kills initiative thinking, and then you tend to keep the wrong sort of people because you're not keeping, to me a good manager is debating me hard, I don't want a know-all that's telling me what to do but I don't mind, I prefer my managers to ring me up and the great thing about mobile phones it really debates you hard on an issue and then you usually get a better answer.

Source: Horticulture Manager
This section provided the evidence from the data that allowed the beliefs in Case Organisation B to be identified. The next section provides explanations for any discrepancies between the results and prior research.

4.3.5 **Explanation building**

The results obtained from Case Organisation B were consistent with the literature as described in Table 4-4. The single most significant issue influencing the degree to which Case Organisation B was market oriented was the Managing Director’s reluctance to delegate the marketing function. This was consistent with the proposition put forward by Felton (1959, p. 58) which made specific reference to examples of ‘one-man domination’ where the most senior executive who was out of touch with the current marketing issues was making all the marketing decisions to the detriment of the company. Felton referred to this being a significant problem and stated that this situation was duplicated ‘among hundreds of overly self-sufficient executives’. The role of senior management and its influence over the degree to which organisations are market oriented has received considerable research since those observations in 1959 (Kohli & Jaworski 1990; Jaworski & Kohli 1993; Harris 1996a; Harris & Watkins 1998; Bisp 1999; Beverland & Lindgreen 2007).

This section provided details of how the beliefs identified in Case Organisation B were consistent with the prior literature and that there appeared to be no irregularities that required further explanation. The next section details the results obtained from Case Organisation C.
4.4 Case C

4.4.1 Introduction to Organisation C

Organisation C was a family business which grew, processed and supplied value-added products direct to consumers at its farm-based tourism facility which included a restaurant. It also utilised Internet-based marketing. Adopting this approach maximised margins because almost all sales were made at full retail prices. Gross income was less than $2m pa with all family members being paid a salary but the company struggled to earn regular profits. The Founder and his wife owned the farm and the processing facility which was located on the farm property. Family members employed in the organisation consisted of two daughters, one son-in-law and the Founder’s wife. The Founder’s wife was engaged in part-time activities only.

This section provided an introduction to Case organisation C. It explained how the organisation was assessed to have met the selection criteria for inclusion in the research. The next section introduces the personnel who were made available for the research.

4.4.2 Details of interviewees

This section provides details of interviewees included in the research from Case Organisation C. The Managing Director of Organisation was the founder of the current organisation when he took over the family farm from his parents in 1968. Today the Managing Director spends much of his time ‘in the paddock’ and leaves the day-to-day management responsibilities to his daughters and son-in-law. However, the Founder is still actively involved and influences significant marketing and management decisions. Details of interviewees are provided in Table 4-5.
### Table 4-5: Details of interviewees

<table>
<thead>
<tr>
<th>Org (Case)</th>
<th>Interviewee Title</th>
<th>Training and Experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>C</td>
<td>Managing Director (Founder)</td>
<td>Founder of the organisation who was trained on his parent’s farm which is now owned by him. Granted a Churchill Fellowship and used it to travel to Europe and study his industry. He has also attended short specialist courses within Australia.</td>
</tr>
<tr>
<td></td>
<td>Administration Manager</td>
<td>Daughter of the founder. The Administration Manager has tertiary qualifications in accounting and IT and worked in IT roles for 10 years before returning to the family organisation.</td>
</tr>
<tr>
<td></td>
<td>Marketing Manager</td>
<td>Daughter of the founder. The Marketing Manager did one year of a B Bus (Mktg) but left that to pursue a career as a travel agent before returning to the family business.</td>
</tr>
<tr>
<td></td>
<td>Production Manager</td>
<td>Son-in-law of the founder. The Production Manager has no formal qualifications or training.</td>
</tr>
</tbody>
</table>

This section provided details of interviewees included in Case C. The next section provides the evidence for the beliefs identified from this case.
4.4.3 Beliefs

Table 4-6 provides details of the beliefs identified, how consistently they were identified from interviews and the consistency with which each belief matches literature.

Table 4-6: Beliefs identified in Case C

<table>
<thead>
<tr>
<th>Beliefs</th>
<th>Sources of Evidence (Triangulation)</th>
<th>Past research and literature with which consistent (Pattern Matching)</th>
</tr>
</thead>
<tbody>
<tr>
<td>B1 Current intelligence gathering practices are sufficient</td>
<td>All interviewees</td>
<td>Consistent with top management not having a good understanding of contemporary marketing practices and market orientation noted by Kohli et al. (1993) and contentment with the status quo noted by Harris and Watkins (1998)</td>
</tr>
<tr>
<td>B2 Customer intelligence is more important than understanding the broader market or competitive environment</td>
<td>Managing Director Administration Manager Observation of behaviour by investigator</td>
<td>Consistent with being ‘customer-compelled’ noted by (Day 1999a)</td>
</tr>
<tr>
<td>B3 Market research is not reliable</td>
<td>Managing Director Administration Manager Observation of behaviour by investigator</td>
<td>Consistent with top management not having a good understanding of contemporary marketing practices and market orientation previously noted by Kohli et al. (1993), Harris (1996b), Harris and Watkins (1998) and Siddique (2014)</td>
</tr>
<tr>
<td>B4 Pricing and quantity data is the most important information to be sought</td>
<td>Observation by investigator</td>
<td></td>
</tr>
<tr>
<td>B6 Planning is not possible because of the unpredictability of seasonal conditions</td>
<td>Managing Director but this belief has influenced organisational culture related to market orientation</td>
<td>Consistent with ‘short-termism’ previously noted Harris and Watkins (1998)</td>
</tr>
<tr>
<td>B8 Social and informal sharing of information amongst family members is sufficient because non-family members don’t need as much information as family management team members</td>
<td>Investigator observation</td>
<td>Consistent with ‘interdepartmental dynamics’ and ‘organisational systems’ noted by Jaworski and Kohli (1993), ‘management personality’ and ‘individually-held beliefs’ noted by Bisp (1999)</td>
</tr>
<tr>
<td>B9 Marketing is not a valued organisational discipline</td>
<td>All interviewees and investigator observation</td>
<td>Consistent with top management not having a good understanding of contemporary marketing practices and market orientation previously noted by Kohli et al. (1993), Harris (1996b), Harris and Watkins (1998) and Siddique (2014) and perhaps a lack of confidence in market oriented activity noted by Bisp (1999)</td>
</tr>
<tr>
<td>B10 Marketing is largely limited to promotions and selling activities i.e. outward-directed communications</td>
<td>All interviewees although the Production Manager defined ‘marketing’ more holistically than any other interviewee. However, his definition was clearly not translated into behaviour</td>
<td></td>
</tr>
</tbody>
</table>
This section provided details of the beliefs identified in Case C and how each belief was consistent with prior literature. The next section provides the chain of evidence that allowed these beliefs to be identified.

4.4.4 Chain of evidence

Organisation C sold 80% – 85% of all its production to consumers through its on-farm retail outlet and received orders over the Internet so had direct access to customer feedback at the point of sale. However, it had not always had a focus of selling direct to consumers, and it had taken a long evolution of attempts of selling to restaurants, through distributors, wholesalers and retailers, selling at festivals and regional events and exporting before the current approach of selling direct to consumers was adopted. The organisation also provided a contract processing service for other horticulturalists in the region. This evolution reflected a history
of production and selling orientation as described by Kotler (2006) with marketing efforts focused on ‘selling’, a culture which was still evident at the time of the interviews. The Administration Manager, when asked to explain how market segments were identified and prioritised provided insights into the organisation’s culture with respect to marketing and market research (B1, B10):

*We don’t have a plan for that. We do whatever iron’s in the fire, whatever’s hot, whatever needs a problem solved.*

*Although we have quite strict rules about what (the Marketing Manager) does, as in her newsletters, they do come out on these days, you know, every three months, every four months, whatever her plan is.*

Source: Administration Manager

When discussing sources of ideas and how innovation is managed within the organisation, the Administration Manager agreed that the ideas that are pursued are generally introduced by one of the management team members and that there is no investigation of market opportunity and threats prior to adopting new ideas (B1). Selling direct to visitors to the on-farm retail outlet provided the opportunity to obtain direct feedback from consumers as they sampled and purchased product. As a consequence of the direct relationship with consumers, Organisation C was focused more on its customers than on the broader market or competitive environments (B2). Being so focused on customers that companies disregard investigating the wider market was identified by Day (1999a) and was consistent with the behaviour noted in Case C. In addition to feedback from visitors, Organisation C had conducted a customer satisfaction survey in the past. However, there were no systems in place to analyse the data collected, to collect additional data or to incorporate observations and information into timely and coordinated responses (B1) and management found it difficult to analyse the data collected because all the feedback was so positive:

*Well, I have, in the past, done a customer satisfaction survey, which was really good, except everybody was really, really happy, and it's like, well, how can I improve if people aren't going tell me what they don't like, and I think my survey was fairly fair. I didn't write it, I borrowed it from the South*
Australian Wine Industry Association and I did make a few amendments to it.

Source: Marketing Manager

The inability to capture feelings and attitudes in the survey conducted was almost certainly a result of the Marketing Manager not knowing how to design and implement qualitative research. This is consistent with literature which identified that a lack of understanding of marketing was a barrier to market orientation (Kohli et al. 1993; Harris & Watkins 1998). That only one customer satisfaction survey had been attempted indicates a degree of satisfaction with the status quo as previously noted by Harris and Watkins (1998). It is also consistent with the observation made by the investigator that this organisation was more focused on transactional-type data than it was on qualitative meanings and understanding the needs of groups of consumers (B4).

Broader ‘intelligence’ gathering was ad-hoc and was driven more by the interests of family members than a desire to develop information to be used to guide strategy:

_We all read the industry journals, so if it’s an industry business magazine, we all read it from front to – well, the Marketing Manager and I read it from front to back, the Processing Manager would have it sitting here and they would read the relevant articles that they’re interested in and, you know, we get a lot of stuff across the Internet, like daily product chatter and all that sort of stuff, and weekly product stuff, so that’s always of interest to all of us. Yeah, that’s probably where we get most of it, so journals and Internet. We do check out (competitors) websites on a regular basis._

Source: Administration Manager

There was little, if any, intention to invest in more market research activity (B1) and this was consistent with the Managing Director’s attitude towards research and planning noted later in this chapter. Despite the Marketing Manager’s training in marketing which consisted of the first year of a degree in marketing, her beliefs about marketing were consistent with the beliefs of other family members and the behaviour of the organisation which reflected a production and selling orientation as defined by Kotler (2006). A production orientation in
farming organisations has been identified by a number of researchers including Grunert et al. (2005), Beverland and Lindgreen (2007) and Grande (2011). The Founder had little interest in market or competitor intelligence (B2) and did not attend the meetings where such matters were discussed (B9). The Managing Director’s reluctance to participate in meetings and his apparent lack of understanding or respect for market orientation was consistent with research by Harris and Watkins (1998) which identified lack of understanding of marketing and market orientation as one of seven reasons why organisations fail to adopt market oriented practices. Despite this apparent lack of interest in ‘marketing’ by the Managing Director, he clearly knew what was going on and influenced important decisions (B14) although it was apparent that the Administration Manager had challenged her father on at least one instance and was increasingly filling the role of General Manager. The reluctance to invest in market investigations was significantly influenced by the Founder’s belief that planning was not possible or relevant for a farming enterprise because there were too many seasonal and agronomic variations which were not in management’s control (B1, B6, B9). A reluctance to commit to planning which includes the components of market orientation of gathering and sharing data so that coordinated and timely responses can be made within Organisation C was consistent with past research by Harris and Watkins (1998) which demonstrated that another of the seven factors that restricted the ability of organisations to adopt market oriented behaviour was short-termism. Whilst a lack of knowledge of market orientation was apparent within this organisation, the short-termism resulting from the Managing Director’s perception that planning was not possible because of unpredictable nature of seasonal variations appeared to be a more significant reason for the culture of lack of planning which existed in this firm. This was evidenced by the very robust way observed by the investigator when the Managing Director expressed this view and criticised the capacity of anyone to be able to plan effectively because nothing can be predicted with certainty (B6):

My business plan – the girls say, “Yes, but you have it in your head, we want it on a piece of paper.” That’s fine, but put it on a piece of paper. You know what I’m saying to you all the time, so write it down. What I’m saying to you all the time is, “Just think of what can happen in the future.” You can say, “I’m going to go to Brisbane this afternoon.” Do you know whether you’re going to get there or come back, or die on the way? So,
I’m going to produce 100 tonnes of product this year. Will I?
Can I? Might I? Okay?

Source: Managing Director

Organisation C had invested in significant production capacity and its early income was, in part, received from contract processing for other growers in the local region. The amount of contract processing had declined significantly since, partly because the equipment selected and installed by Organisation C was too large for many local contract customers, and because the sales predictions of the larger contract customers had not been realised, as explained by the Marketing Manager:

Contracting has basically come to us over the years. We do have some issues with regards to size, so unfortunately we can’t work with small producers any more. Our equipment is just too big, so we need to have fairly significant amounts of fruit sent to us for us to be able to process. So that kind of limits us in a way. There’s only a few people that we could actually do work for. In saying that, we’ve also lost some of those big contracts now, because they just are not selling what they thought they were.

Source: Marketing Manager

The investment in larger-scale processing equipment which is not suitable for smaller-scale processing runs is contrary to the nature of small-scale producers in the region and reflects the organisation’s production orientation and willingness to invest in processing capacity without adequate market analysis. Similarly, several attempts at selling to food service and other commercial outlets had failed which provided further evidence for B10 because they had been made with no prior attempt to confirm that these alternate segments were attractive. Despite the failure of commercial and contract processing, Organisation C sold everything that it produced, primarily through its on-farm retail outlet so there was not a lot of pressure to secure additional markets. The capacity to sell everything the organisation produced combined with a reluctance to research and seek out other attractive market segments is consistent with the findings of Harris and Watkins (1998) which identified that satisfaction with the status quo was a factor which contributed to organisations being less than optimally market oriented (B1).
A consultant had recently been hired to prepare a business plan for Organisation C, but the Administration and Marketing Managers, who were the only two of the management team involved with its preparation, were not happy with the market research on which the plan was based because they believed they had a better understanding of the market than the consultant was able to obtain. This experience reinforced the Administration Manager’s view that customer surveys and market research in general did little to add value to the business (B3, B9) and the Administration Manager agreed that the inability of the consultant to contribute meaningful intelligence reinforced her reluctance to invest more resources into market intelligence gathering. That market research was not a priority within Organisation C was further evidenced by the Administration Manager’s comments when discussing the types of research undertaken by the organisation:

... other sorts of market research, I don't know what we've done. Whether we were looking at labels in books, trying to figure out what our new label should be. We all looked in hundreds and hundreds of books, and all had different ideas. Apart from that I don't know what other market research we've done.

Source: Administration Manager

Beliefs B3 and B9 held by the Administration Manager are consistent with research published by Bisp (1999) which noted that repeated examples of weak or incorrect market analysis may cause a climate of mistrust of market orientation. This was confirmed in the third interview with the Administration Manager when she was asked whether she accepted the model of market orientation and the evidence that supported the relationship between market orientation and organisational benefits which had just been explained to her and she said that she did not. The Administration Manager’s attitude towards ‘experts’ and perhaps marketing in general may also have been influenced by a much earlier bad experience with a consultant, as explained by the Marketing Manager when commenting about what happened when the Administration Manager’s husband was still employed by Organisation C:

It was kind of we've been through this before... We had a consultant come and help us out that time, charged us a fortune and basically lied to us the whole time. He said I need to know what's going on, what you feel, no one will ever know what you've said to me and then we had a family meeting and he
handed out everybody's to everybody. So everyone knew exactly what we thought and it just looked like we were all picking on him.

Source: Marketing Manager

Despite the failure of the latest consultant to impress management with market research, the consultancy process did provide an opportunity for the Administration and Marketing Managers to think about and prioritise the market segments on which to focus, even if the process was based more on the existing market knowledge of family members than on confirmed market data (B1).

Organisation C maintained an Internet sales site and communicated offers by way of e-mail to its database of 4,000 potential customers. The Marketing Manager was frustrated at her inability to spend more time working this as a source of sales (B1, B10):

I should have them segmented so that I can - that's what they tell you you're supposed to do. I don't have the time. I probably do have the time, I just haven't done it. So everybody gets the same email. So I sent one out last week and on the bottom of it I put my big deal, because we have a big deal available to (our club members). It's a special price, and I put that out. So I read my report, 160 people clicked open the email. I did not sell one product, and I don't know what the response was.

Source: Marketing Manager

Despite the database of 4,000 potential customers and the frustration expressed at not achieving sales from sales promotions, there were no plans to research and understand consumer behaviour as part of a plan to make better use of this resource (B1, B10). Both the Administration and Marketing Manager of Organisation C explained that a customer satisfaction survey had been done in the past but they were concerned, because all the feedback was so positive, that they did not know how to use the feedback to drive improvement. The customer feedback survey had not been repeated and there was no proactive program of gathering market or competitor intelligence other than that single survey (B1). Whilst Organisation C made ad hoc attempts to gather market and competitor intelligence it was evident that the organisation lacked the expertise to implement a more
effective approach to intelligence gathering as part of a planning process. This was consistent with research undertaken by Harris and Watkins (1998) which identified that a lack of knowledge of marketing and market orientation impeded market orientation. It also appears to be consistent with research published by Jaworski and Kohli (1993) which noted that top management orientation was an antecedent of market orientation. Clearly, the top management orientation led by the Managing Director as noted previously was more production and sales than market oriented and this had influenced the degree to which Organisation C was market oriented.

In Organisation C, management meetings at which information was shared used to be held monthly, but in recent years the regularity of meetings had declined. Family and non-family management team members were invited but the Managing Director did not attend, preferring to spend his time in the paddock doing manual work. Other family members would have liked him to attend, but he simply preferred not to. This was partly because the Founder held a very strong belief that planning was a waste of time because of the unpredictability of seasonal conditions (B6), and when referring to planning he preferred to “leave that up to the girls”. He appeared to use this as justification to excuse himself from all office-type duties, but may also have been missing management meetings because he knew he would obtain the information socially anyway through informal communication channels (C3). The Founder of Organisation C was the only individual to behave in this manner, and may have been because power was being transferred to the next generation of this family enterprise. The reasons why management meetings were not held more regularly were discussed by the Marketing Manager, and included being too busy (B20) and that the information was shared informally anyway (C3):

I guess we do have meetings, not as regularly as we should. We're supposed to have them once a month every Tuesday, whatever it is, at 9 o'clock every second Tuesday. They have become very haphazard, often because the (Administration Manager) and I are sitting in the office talking about these things anyway. The (Processing Manager) kind of hears about it and (the Founder) hears nothing, because he's never in the office. He doesn't come in, he doesn't care to know. He's happy in the vineyard, you kind of do what you want to do and I'll go
along. So I guess we all know what's going on but not formally, and we were very good a couple of years ago. We were very good for a few years, we had those regular meetings. We keep minutes. Last month I actually sent the minutes out to everybody which was very good. So we're trying to get back on track with those meetings, but we kind of figure we all know what's going on anyway, because we are together all the time. Not failsafe, we know.

Source: Marketing Manager

The Processing Manager, when asked how he received information about what products to produce and the attributes customers sought, replied that his wife (Marketing Manager) obtained information directly from customers at their on-farm retail outlet and simply passed it on to him (C3). He also said that the Founder received information in the same way, and that was used to guide horticultural production.

The reasons for other managers not attending, as described by the Administration Manager, included being too busy with other things (B20) which indicates that none of the other managers really valued this activity or perhaps the discipline of marketing within their organisation (B9). Explaining the attendance at management meetings:

No, I think that when we have the meetings, (the Marketing Manager) and I go, Mum’s too busy babysitting or doing something else so she doesn’t even sit in on it, and (the Founder) only comes when he feels like it, and (the Production Manager) doesn’t even come to them because he’s too busy doing stuff, so (the Marketing Manager) and I are at all the meetings, listening to it all; I mean, they wouldn’t even know what’s in there.

Source: Administration Manager

This appeared to reflect the organisation’s attitude that the formality of planning was not valued (B9), probably because information was shared informally between family members, even though some family members did recognise the benefit and wanted to hold regular management meetings.
The Founder of Organisation C defined marketing, in part, in terms that reflected a sales and transactional orientation which contributed further confirmation of belief B10:

*Giving people value for money. Whatever we can produce for a certain price, then we need to have a certain amount of cop on top of that. And in some lines, you might lose money – not lose, but your profit isn’t very much – but then you might have one line that goes up.*

Source: Founder

The Administration Manager had a different understanding, but one which still focused on transactions and outward-directed communications which provided further evidence for B10:

*Finding ways to promote our brand more than selling products, so having a Facebook site, having people maybe use our product through a sponsorship, seeing our product out there – I don’t know if I can – yeah, keep in contact with our customers maybe.*

Source: Administration Manager

The Marketing Manager, who had studied marketing at university, referred to “making sure the product is good” which may reflect the marketing concept but was really as sales-oriented as her co-managers’ definitions (B10):

*Well I did marketing at uni for a year. So what are the four Ps? I can't remember. But I guess for me marketing is a combination of our advertising, our branding, our product, making sure our product's good. I suppose because of the way we hand sell even if it's not at the farm gate it's at shows it's trying to make that connection with our customers. That just works for us and getting our product in their mouth. So when we do 10 days at the EKKA which is a huge cost to us in time and money the benefit of going to that event is just huge.*

Source: Marketing Manager
The Processing Manager, the least formally educated of all the interviewees in Organisation C, provided the best definition because he at least referred to making a product to suit identified groups of customers:

Definition of marketing is to make a product that you can sell to the public year in and year out – that’s probably it for me. If the product is selling year in/year out, your job is happening. If you find that for some reason that your sales have halved or that no one’s buying the product, well yeah, your marketing’s not working obviously.

Source: Processing Manager

Despite the Production Manager’s apparently more sophisticated understanding of the term ‘marketing’, it was evident that the way the discipline was managed within Organisation C was very sales-oriented and this was consistent with the Managing Director’s beliefs which appeared to have influenced culture with respect to marketing.

The opportunity to discuss sources of competitive advantage resulted in quite different responses from interviewees. This suggests that, even though the organisation was in its maturity and was well advanced in the development of a business and marketing plan, the subject of competitive advantage had not been discussed or included in the plan and was not part of the management thinking or organisational culture at that time.

The Founder, describing the company’s competitive advantage demonstrated the sales rather than market orientation of Organisation C:

Being nice to people, giving value for money, don’t believe that you’re going to be a millionaire in a week. You’ve got to study your market out there, and if your market is flooded, how do you get some sales in that flooded market, you try to be nice to people.

Source: Founder

The Administration Manager believed the company’s sources of competitive advantage were related to herself, her sister and brother-in-law being involved in the family business, and explained that very few local competitors had effective succession planning in place. She
also recognised the experience gained over the years and the company’s reputation in the industry. However, when asked how the company identified sources of competitive advantage, she said they did not.

The Marketing Manager believed the company’s source of competitive advantage was gained through the level of customer service provided at the on-farm retail outlet and the quality of the company’s product. She agreed that the company did not proactively discuss competitive advantage and when asked why not, replied:

\[ I \text{ don’t know. We just - maybe we kind of do but not in a formal way. We don’t talk about it at our meetings. We probably should. I guess we talk more about the (product) styles and what’s coming out and what’s new, what we can do, what we’ll try which I suppose is a bit of that discussion but it’s never a formal discussion about what our competitive advantage is. } \]

Source: Marketing Manager

The Processing Manager said he believed the company’s competitive advantage was gained through the modern processing plant and equipment owned and operated by the organisation which reinforced the assessment that this organisation was production oriented.

When asked to describe what business they were in there was some consistency across responses, but all described their business in terms of the product being offered. Included in the responses were tourism, crop production, crop processing, agriculture, high-quality product production. None defined the business in terms of the customer or the benefits the organisation provided to groups of customers. When asked to comment on feelings about the discipline of marketing, Organisation C’s Marketing Manager explained her ‘real’ role which provided more evidence of the sales orientation of this organisation (B10):

\[ \text{People tell me I'm the marketing person here but I'm not really. I'm not marketing properly and I know that. I went to uni. I know what I'm supposed to be doing and I know that I'm not doing it very well. So really I guess I'm in sales. But we kind of overlap the marketing and sales tag as one and the same. But yes, we are marketing as well but really I'd be a salesperson if you wanted to be pedantic about it, not really marketing. I} \]
Guess we market by talking to our customers which is a very expensive way to do it. We do some advertising but not huge amounts. We spend our time on the computer and I think that that's starting to work for us.

Source: Marketing Manager

There was no process by which innovation was managed other than as explained by the Administration Manager:

We see bright lights and shiny things and we pursue them.

Source: Administration Manager

The discussion of the previous several paragraphs are all consistent with the organisation’s management team not having an adequate understanding or marketing or market orientation. This has been widely reported in the literature as a barrier to the adoption of market orientation (Kohli et al. 1993; Harris & Watkins 1998; Siddique 2014).

Interviewees provided evidence of the Founder’s control over Organisation C and that control is gradually being transferred to the next generation, albeit a process with which the Managing Director appeared to resist. The first example of how the Founder controlled the organisation was a situation between the Founder and the Administration Manager’s husband, who had previously been employed by Organisation C. He joined the company at the same time as the Administration Manager returned to the family business. According to the Administration Manager, “he hated every minute of it”. When asked about it, the Founder explained that he could not cope with the son-in-law interfering:

My son-in-law was the one that always wanted to know what was I going to do in five years time when it was time for me to retire. And that’s 20 years ago or 15 years ago. I said to him, “(name), I was brought up with this steering wheel in my hand and it seems to have stuck to my fingers. As long as I live I will be steering the ship but you’ll have your job and so will everybody else. And I don’t want you to interfere into (the Processing Manager’s) job. I’ll tell him not to interfere into your job.

Source: Founder
It appeared that the son-in-law was making a genuine attempt to encourage the Founder to plan for succession, but clearly this was not well received. He wanted to be Manager and, as explained by the Founder “he kept on hinting “somebody has to be the manager” so I could see trouble brewing”. Instead, the son-in-law agreed to manage the organisation’s marketing, but when he started taking several trips a year overseas the Founder became worried about the cost of his son-in-law’s marketing activities (B18) “Hmmm, we're spending a lot of money on travelling here and you're not selling a lot of product”, especially when the organisation had difficulty getting paid from a customer in the UK. The situation resulted in the son-in-law leaving but the daughter staying with the family business. The Founder recalled his thoughts and the son-in-law’s behaviour prior to the son-in-law leaving the business, indicating that the Founder had little respect for tertiary training and perhaps as a consequence, for the discipline of marketing (B9):

*I could see him causing trouble. He was coming in here in the lab and he was getting the production and processing staff all upset and he was trying to tell them – because his problem was he has four Degrees.*

Source: Founder

The Managing Director’s reluctance to cede power to the younger generation may be consistent with deeply-held beliefs about the capability of anyone with less than the Managing Directors’ years of experience being capable of making good decisions. In other words, an aversion to the perceived risk of transferring decision-making to others. Management personality as a barrier to market orientation has been noted by a number of authors including Jaworski and Kohli (1993), Bisp (1999) and Aggarwal (2003), and the situation in Organisation C which prevented the Managing Director from allowing a smoother transition of power and decision-making appears to be consistent with this research, particularly the aspect of top management related to willingness to allow others to make decisions even if they turn out to be mistakes.

Evidence of power being taken from the Managing Director was provided by the Administration Manager when she recounted how the Managing Director resisted all management team members when they wished to make an important decision (B14).
Family members subsequently found themselves in a confrontational situation with the founder:

So I wanted to lease the café, and I was really adamant. I'd written a document about we're going to get rid of this café. So he walks in this way and he goes this is going to be the biggest f…… mistake you'll ever f…… make in your whole f…… life. I'm right. He walked out that way and I just yelled at him. If you don't come down and sit down and talk to me in this office, then you can't talk to me about any - in blah, blah, blah, if you're going to talk to me you've got to sit down at my desk. Anyway, so within half an hour I'd convinced him.

Source: Administration Manager

The Administration Manager explained that her ‘win’ with the restaurant had increased her confidence to present ideas and argue for them even though her father traditionally went against “absolutely everything I wanted to do”.

This section provided the linkage between the data and the beliefs identified in Case C. The next section comments on inconsistencies between the data and the past literature.

4.4.5 Explanation building

The beliefs identified in Organisation C are consistent with literature as noted in Table 4.6 so explanations are not required. However, there was one point that differentiated this case, a small family-owned and managed vertically-integrated horticultural enterprise, from the larger cases (A and B) in which non-family managers were employed. The Managing Director of Organisation C had no control over who was employed to fill the key positions of Marketing Manager and Administration Manager. Both were family members being daughters of the Managing Director. Schein (2010) explained how an organisation’s culture is formed by the founder employing people with similar beliefs to the founder so that the beliefs of the founder become embedded in organisational culture. Organisation C represents an example where the beliefs of the daughters are different to the founder in a number of areas, but because they are family members a tension remains until a resolution is achieved. In the example of sub-letting the restaurant the founder and one daughter ‘resolved’ this by shouting at each other. This may not be possible in a situation where an organisation is
owned by one individual with departments managed by employees. In both of the larger case organisations, the Managing Director made decisions and imposed their will over the marketing function without being challenged. In Organisation C, it seems that being from the same family allowed the Administration Manager to argue with the Managing Director without having her position of employment threatened.

This section noted that the beliefs identified in Case C were consistent with literature and that no explanations were required. The next section details Case D.
4.5 Case D

4.5.1 Introduction to Organisation D

Organisation D was a family business which grew, processed and marketed value-added products for Australian restaurants and cafes and which were sold direct to consumers over the Internet. The organisation was established as a horticultural enterprise in 1979 by the Joint Founders but it was not until the 1980s that the first crop of the current commodity was planted. The Joint Founders (husband and wife) started the business which was originally planned to be their ‘retirement’ from a business they owned in Melbourne. The Joint Founders owned the land and buildings and took responsibility for horticultural production. The son (General Manager) was a director of the entity that owned the land and buildings and both the General Manager and daughter-in-law (Administration and Marketing Manager) were shareholders of that entity, but without voting rights. The General Manager son and Administration and Marketing Manager daughter-in-law (together) are referred to as ‘Joint Juniors’ in this chapter.

The daughter-in-law of the Joint Founders wanted to establish a business of her own after her husband secured employment at a local university, and was encouraged to start processing and marketing the bulk commodity produced by her parents-in-law in 1993. She now fills the role of Administration and Marketing Manager for the value-adding entity and her husband, son of the Joint Founders, fills the role of General Manager of the value-adding entity. Until the daughter-in-law decided to become involved in value-adding the Joint Founders sold their entire bulk commodity to a single buyer. The daughter-in-law and son own the processing and marketing entity which was located on the farm. The fact that the ‘enterprise’ was owned and operated as two separate legal entities was not revealed to the investigator until the first interviews, and at that time it was deemed appropriate to continue because the two families were closely related and worked collaboratively.

This section provided an introduction to Case organisation D. It explained how the organisation was assessed to have met the selection criteria for inclusion in the research. The next section introduces the personnel who were made available for the research.
4.5.2 Details of interviewees

Details of interviewees from Case D are provided in Table 4-7.

Table 4-7: Details of interviewees

<table>
<thead>
<tr>
<th>Org (Case)</th>
<th>Interviewee Title</th>
<th>Training and Experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>D</td>
<td>Joint Founder Husband</td>
<td>Jointly owns and manages the farming operations. The Joint Founder Husband who was over 80 years of age had a successful business in Melbourne before ‘retiring’ to the current farming enterprise.</td>
</tr>
<tr>
<td></td>
<td>Joint Founder Wife</td>
<td>Jointly owns and manages the farming operations. The Joint Founder Wife who was 75 years of age worked in partnership with her husband in the business in Melbourne before establishing the current farming enterprise together.</td>
</tr>
<tr>
<td></td>
<td>General Manager</td>
<td>Son of the founders and manages the value-adding and marketing enterprise. The General Manager is trained in and holds tertiary qualifications in IT.</td>
</tr>
<tr>
<td></td>
<td>Administration and Marketing</td>
<td>Daughter-in-law of the founders and is responsible for administration and marketing the value-added product. The Administration and Marketing Manager has tertiary degrees in economics and business.</td>
</tr>
</tbody>
</table>

This section provided details of interviewees included in Case D. The next section provides the evidence for the beliefs identified from this case.

4.5.3 Beliefs

Table 4-8 provides details of the beliefs identified, how consistently they were identified from interviews and the consistency with which each belief matches literature.
**Table 4-8: Beliefs identified in Case D**

<table>
<thead>
<tr>
<th>Beliefs</th>
<th>Sources of Evidence (Triangulation)</th>
<th>Past research and literature with which consistent (Pattern Matching)</th>
</tr>
</thead>
<tbody>
<tr>
<td>B1</td>
<td>Current intelligence gathering practices are sufficient</td>
<td>All interviewees</td>
</tr>
<tr>
<td>B2</td>
<td>Customer intelligence is more important than broader market or competitive environment intelligence</td>
<td>General Manager Admin &amp; Marketing Manager (Founders had no opinion)</td>
</tr>
<tr>
<td>B4</td>
<td>Transactional (quantitative-type) data is the most important information to be sought</td>
<td>General Manager Admin &amp; Mktg Manager</td>
</tr>
<tr>
<td>B8</td>
<td>Social and informal sharing of information amongst family members is sufficient because non-family members don’t need as much information as family management team members</td>
<td>Investigator observation</td>
</tr>
<tr>
<td>B9</td>
<td>Marketing is not a valued organisational discipline.</td>
<td>General Manager</td>
</tr>
<tr>
<td>B10</td>
<td>Marketing is largely limited to promotions and selling activities i.e. outward-directed communications</td>
<td>All interviewees</td>
</tr>
<tr>
<td>B11</td>
<td>The term ‘marketing’ has a negative connotation</td>
<td>Admin &amp; Marketing Manager</td>
</tr>
<tr>
<td>Beliefs</td>
<td>Sources of Evidence (Triangulation)</td>
<td>Past research and literature with which consistent (Pattern Matching)</td>
</tr>
<tr>
<td>---------</td>
<td>-----------------------------------</td>
<td>---------------------------------------------------------------</td>
</tr>
<tr>
<td>B14</td>
<td>The Managing Director, Founder or owner can make important decisions at their own discretion</td>
<td>Investigator observation supported by Joint Founder Wife</td>
</tr>
<tr>
<td>B16</td>
<td>That understanding the market more may identify opportunities that can’t be taken advantage of (so why do it?)</td>
<td>Admin &amp; Marketing Manager</td>
</tr>
<tr>
<td>B20</td>
<td>Busyness is a barrier to information gathering and / or sharing</td>
<td>General Manager Admin &amp; Marketing Manager Joint Founder Wife</td>
</tr>
<tr>
<td>B22</td>
<td>Future growth of the business is limited by leadership capability</td>
<td>Admin &amp; Marketing Manager</td>
</tr>
</tbody>
</table>

This section noted the beliefs identified from Case D and how they were consistent with prior literature. The next section provides the chain of evidence that allowed the beliefs to be identified.

### 4.5.4 Chain of evidence

The decision to start growing the current commodity by the Joint Founders was made after their first initiative of growing avocados failed due to root rot, and was significantly influenced by the local Department of Primary Industries which had been investigating the agronomy of the current crop in the local region. The Joint Founders were early retirees from a successful business in Melbourne, and the horticultural enterprise was started as a bit of a hobby. They did not see the investment into the new crop as a risk, nor did they conduct anything other than very general market research to confirm its attractiveness.
This approach to marketing existed in the organisation at the time of the interviews (B1), even though a new company had been established by the Founders’ daughter-in-law to process and market the crop:

*We were the first commercial growers, so it wasn’t really a risk and the thing was where we, we started over in the block over there and it takes three of four years before you get a crop. So it had a lead time plus as I said the land, we owned the land. So you had to do something with it.*

Source: Joint Founder Husband

There was little evidence that any of the interviewees believed that more market intelligence should be gathered (B1) but the Joint Founder Wife believed that the Administration and Marketing Manager should spend more time on ‘marketing’ (B10):

*Sometimes I feel that we don't spend enough - well, (the General and Admin & Marketing Managers) don't spend enough of their time and projection onto publicity, advertising, more on the vehicles and promoting certain aspects. But I shut up, because it's their business, and except in a, as I say, peripheral sense, I don't say anything.*

Source: Joint Founder Wife

The reason that the Joint Founder Wife did not say anything is because the processing and marketing activities were managed independently from the horticultural production activities. This is discussed in detail later in this chapter. Satisfaction with the status quo was identified as a barrier to market orientation by Harris and Watkins (1998) and the lack of commitment to better understand existing and potential buyers in Case D was consistent with satisfaction with the status quo. Defining marketing as outward-directed communications, as the Joint Founder Wife did, is consistent with research describing top management not having a good understanding of contemporary marketing practices and market orientation published by Kohli et al. (1993), Harris (1996b), Harris and Watkins (1998) and Siddique (2014). There was also no evidence that the Joint Founders viewed the Joint Juniors as their ‘customer’ and applied market orientation strategies to that relationship.
The Joint Founders sold their commodity to a single commercial buyer until their daughter-in-law (now the Administration and Marketing Manager) decided to start her own company to buy all the production, process and sell it to retail consumers and food service customers being cafes and restaurants. The decision to establish the processing and marketing business was explained by the General Manager and reflects the company’s current approach to sales and marketing which is more outward communication-focused than intelligence gathering-oriented (B10) and proceeding without any real assessment of market opportunities and threats or development of plans:

What's the worst that can happen? At least we waited until we had a job or I had a job before we it did, but it was a bit like, something else will come up if it doesn't work. So it was a decision we made. It was hard initially to get some traction. Where do I begin, there's a whole heap of things, and it's all very well to - now we've got processing capacity, now we're going to start processing, I've got - here's 10 kilos of product. What am I going to do with 10 kilos of product?

Source: General Manager

Organisation D sold its early value-added product direct to local food service customers, but it did not do that in the beginning. The current practice of selling directly to food service customers evolved as a result of trial and error marketing through distributors and wholesalers which proved to be less profitable than the current practice:

We've gone through the years of having some good distributors. We've really only got two good distributors at the moment. With the profit margin being that much less, we haven't focused our energy on finding newer ones. In theory it would be good to have a distributor in Sydney and Melbourne particularly, but it just hasn't paid off in the past, so we aren't focusing our energy there. We'd very much like to see the cafes come direct to us, get the best price for them, so they're able to - so we can remain competitive in selling to them, and they're able to have our unique story, and feel they can afford to serve that differentiation.

Source: Administration and Marketing Manager
The comments above reflect the organisation’s approach of ‘do it and see what happens’ rather than investigating and understanding market opportunities and threats and then acting which is more consistent with market orientation. The organisation secured new customers by making telephone calls to prospective customers until they gained a foothold in locations which was further evidence that the organisation adopted a sales approach to marketing (B10) as explained by the General Manager:

*Ringing up. There was a local accommodation organisation or whatever they're called, tourist organisations, you’d say, give us a list of these people. Ring them up, hello, this is what we do, are you interested, here's some samples. Things like that.*

Source: General Manager

A sales orientation as described by Kotler (2006) was evident in the organisation at the time of the interviews with most marketing activities focused around promotions to existing customers. There was little evidence of intelligence gathering other than feedback received from customers, visiting Melbourne occasionally and reading consumer magazines. When feedback was sought from customers it was and hoc and focused around pricing offers of competitors (B4).

The decision to establish the processing and marketing company was driven more by the desire of the Administration and Marketing Manager to be self-employed than part of a planned strategy to value-add the crop being produced by the Founders. There was no formal market investigation to identify attractive segments or to confirm that the business would be viable – it was simply assumed that it would be because the commodity was part of a growing industry and they had guaranteed access to the raw materials. There were no marketing or business plans. Several early attempts at securing customers in commercial and retail market segments failed, but they learned through experience which segments were attractive and the business currently supplied a very specific set of commercial customers and a small number of Internet retail customers. Feedback from customers was obtained erratically, and was focused more on pricing information than anything else (B2, B4):

*It is erratic. I always - I find that others tend to - I probably should get to other customers more and see what their pricing is, for instance. It's much harder to know precisely the deals*
and the prices offered by other suppliers, because we keep that all pretty close to our chests. You don't expect to know until you go to a café to talk about taking on a new product range. They go oh, but I can get it for this. That's how you end up finding out. I'm pretty aware - we're certainly looking at what other cafes are doing, and you quickly get a sense. You can see who's getting deals, and therefore the back offer - there's no point going to try to claim that account if you can, because they'll be in a contract. We are aware of who has the deals, that's the main thing, because once you know that that's in place, you know there's no point in going there. We have gotten aware of the main competitors and the offers that they have out there, we just don't know the precise details.

Source: Administration and Marketing Manager

Both managers of the processing and marketing company acknowledged that it may be beneficial to adopt a more coordinated approach to gathering of market intelligence, but at present they were just too busy to be able to do anything about it (B20) and they did not appear to be sufficiently concerned to change the current approach to market research (B1). However, the General Manager also explained that they were not sure they had the knowledge to design and implement market research that would get the information they needed, and that prevented them from collecting more intelligence. This is consistent with research published by Bisp (1999) and Harris and Watkins (1998) which identified that lack of confidence in market oriented activity and lack of marketing knowledge were barriers to market orientation. The Administration and Marketing Manager was aware that their organisation could not pursue every opportunity and was reluctant to invest in additional market investigation because too many opportunities might be revealed which could become distractions to the existing core business. This was also consistent with research published by Harris and Watkins (1998) which noted that market oriented behaviour may divert management time away from more important day-to-day issues was a barrier to market orientation. When asked about how decisions were made and the importance of external information to those decisions, the General Manager explained that his science background led him to believe that their approach to decision-making which involved his coming up with a hypothesis which
was thought through thoroughly by him and discussed with the Administration and Marketing Manager was satisfactory (B1):

*I'm not a gambler, neither of us are, and I strongly believe that anything you've got to do has got to be thought through and you've got to be able to put enough effort into it. You do an experiment. Things are an experiment. You either give it a go and then you pack it in, or you give it a go, you iterate, you iterate, you iterate and you go where it's going to go.*

Source: General Manager

Although it was a deviation in its core business, a decision was made two years prior to invest in a café in a nearby town. This had proven to be a disastrous decision, causing significant distraction from the core business and loss of profits. There was no investigation and analysis of market or competitor threats and opportunities to support this decision (B1):

*We've just done a two-year experiment, with having a café in a nearby town. That's been incredibly hard work. A lot harder than what I would have envisaged, and I suppose the best thing I can say about it is I'm glad it's close. It's been an incredibly mentally taxing exercise. I wouldn't do that again.*

Source: General Manager

Experiments are a form of conclusive research (Malhotra 2010) and it appeared that the General Manager was more knowledgeable about this type of research than more exploratory or qualitative methods from which insights into buyer behaviour could be obtained and which may have been a prudent investment prior to purchasing the café. A limited understanding of marketing has been identified as a barrier to market oriented behaviour (Harris & Watkins 1998). When asked about the research that was done prior to the decision to invest in the café, the Administration and Marketing Manager explained that it was “back of the envelope”.

Organisation D had an even less structured approach to information sharing than it did for information-gathering. Whilst staff reported customer feedback back to management after customer visits, information sharing within the business was done more during social occasions than formally within business hours (B8). Of course, this excluded non-family
members from the conversation, as most social occasions were when the General Manager, 
Administration and Marketing Manager and the Joint Founders met for dinner.

*We talk about that, more on the social scale. Say, when they 
come for dinner, or we go there for dinner, and if something 
comes up we will talk about it, and point the things out. I think 
all four of us can see that it's got an advantage. But we don't do 
it on an official basis.*

Source: Joint Founder Husband

Explaining how information was shared when employees return from customer visits the 
Administration and Marketing Manager said that information was shared very informally, 
there was no real outcome or process by which the information was formally used and that the 
company’s strategy and future directions are not shared with non-family member employees:

*Well, I must say the staff are very good. If they've ever gone 
somewhere they'll come back and they'll say oh, we saw this, 
and this is what they're doing. We gossip about (competitors), 
or what the new cafes are doing. Everyone likes - you know, 
around the coffee machine, that information will go out there. If 
I find something particularly interesting then you just dwell on 
that to go where can I - how can I take that to respond? Very 
casually. I don't think there's - we're not - I don't think we'd 
hold back much from the others, apart from where my personal 
direction lies.*

Source: Administration and Marketing Manager

Informal sharing of information is an effective part of market orientation as is delegating 
authority to others so that all personnel are able to contribute to timely and coordinated 
responses (Jaworski & Kohli 1993). However, the Administration and Marketing Manager 
referred on several occasions to her inability to delegate effectively, citing that she had 
difficulty “letting go”:

*I don't see myself letting go enough. For me even to have a day 
off and be here, without being away - I'm good at being away, 
but if I have a day off here, the phone still comes through, the*
emails are still there, I tend to get roped in. Which is a shame.
I probably - I could say well why don't you work towards a way
that you can coexist with the business being here but you're
doing less, and I just have always struggled with that. Even
when my child was young, I struggled with letting go.

Source: Administration and Marketing Manager

The Marketing and Administration Manager also commented that she had come to the
conclusion that the business future growth was limited to the number of people she could
personally manage, which was about ten at the upper limit (B22). It was not possible to
interview personnel who reported to the Administration and Marketing Manager to gain
insights into whether this reluctance to delegate effectively contributed to reduced levels of
information sharing or suggestions being made by employees.

When asked about how market intelligence was shared within Organisation D, the General
Manager indicated that information was not shared as such, and that he tended to make
decisions on the basis of information he had received during the week, informally at the end
of the week:

Yeah I’m a bit of a slow thinker and I mull over these things. I
read a fair bit in all sorts of different areas and I’ll think about
things and generally it’s on a Friday afternoon having a couple
of drinks that you get a bit creative or something or something
will gel.

Source: General Manager

Neither of the Joint Founders received feedback from the processing and marketing company
about market, competitor or customer intelligence even though all interviewees recognised
that customer taste preferences could be influenced by agronomic practices. It was evident
that the ownership structure was one reason why information was not shared more freely, but
family communication problems between the generations may have also existed. There was
also a very interesting comment by the Joint Founder Wife, referring to how and who made
decisions relating to the horticultural production:

I was left out of it because originally it was kind of like well
that's man things but now I'm more involved and I'm a bit
aggressive at times I think in my opinions and (the Joint Founder Husband) probably resents it. But yes, in the past he was the one who made all the decisions and I was not involved at all.

Source: Joint Founder Wife

When asked to comment about the reasons why more information was not shared between the processing and marketing company and the Joint Founders and their horticultural enterprise, the Joint Founder Wife referred to time being a significant factor (B20):

It's getting worse. The time - everyone's running around like rabbits. I've got to sort of make an appointment to talk to them and I'm not blaming them. It's just that they're really stretched with their operation.

Source: Joint Founder Wife

When asked how and whether information from the market is shared for the benefit of horticultural production the Joint Founder Husband explained that it did not, but also provided insights that the Joint Founder Wife sought to impose her ideas

No. No, it doesn't. For instance, they will make their own decisions and do their own thing as far as packaging, as far as promoting. We are on a different level now. For instance, (Joint Founder Wife) is always in favour of having the gates open on the weekend because you can sell a lot of stuff and it's all cash coming in. It's where (Joint Juniors) say, “hey, listen, leave us alone”.

Source: Joint Founder Husband

The Joint Founder Husband said that he had not given the subject of marketing any thought because he had no involvement with it which meant that he was not involved in planning and perhaps that he was unconcerned whether the organisation invested additional effort into understanding the market (B1).
The Joint Founder Wife, on the other hand, provided a definition that recognised the needs of customers in different segments:

Well, marketing would be defined as presenting an item or a company in a particular light so that it is appealing to the customers, or whatever. It's availability, of course, but to market something in its form you should have to look to where you're directing your marketing towards. It's a whole frame of things.

Source: Joint Founder Wife

These comments by the Joint Founder Wife may provide an insight into a culture of ‘male member of the family decision-making’ reflected in the way the General Manager, as noted earlier in this chapter, likes to make decisions by thinking about them which suggests that he prefers to make decisions based on his own ‘thinking’. This was reflected in the results as beliefs B8 and B14 being based on observations by the investigator. The Joint Founder Wife’s views about marketing were not considered by the people responsible for marketing, as described earlier in this chapter. The General Manager’s definition focused much more on the outward-directed communications and transactions (B10) which were part of the culture:

It’s a broad basket of things. Traditional marketing to a customer is being able to offer some points to the customer about why choosing your product... But it’s, there’s marketing to a potential customer and there’s marketing to an existing customer and they’re different in a way. It’s a bit of a wedge sort of approach I think where you’ve got to try and, you’ve got to start small and gradually get some leverage in. We don’t advertise virtually full stop and from, it is a marketing decision for right or wrong and there’s swings and roundabouts. So traditionally, I suppose to stand back from it my argument is I can spend $1,000 putting an ad in the paper and get virtually nowhere or I can pay somebody $1,000 to give away free samples and you’ll do a lot better giving away $1,000 of free product than the ad.

Source: General Manager
The Administration and Marketing Manager described marketing primarily as outward-focused communications (B10):

*My definition of marketing? Getting a story out there. What is marketing? I mean, marketing is - it is expressing yourself, expressing your story, brand recognition comes in under that, obviously. I feel more it's about sharing our story, expressing who (our company) is, and I want them to know - I want them to see a picture of our plantation and what - I'd actually more see that we're very nice people to deal with, because I find that that is a long term relationship, is relationships with people. But for the café customer that comes in, it needs to be an expression of the story, or a picture of the - like the packaging shows a picture of the plantation. I feel like that shows at a glance that they can see that this is from a place, a sense of place.*

Source: Administration and Marketing Manager

The behavioural belief about marketing demonstrated in the comments above was that it is primarily promotions and selling (B10). There was little evidence of understanding that the discipline of marketing involved two-way communications and included research to identify opportunities and threats and that consumers, competitive forces and markets could be researched to identify attractive niches and possible opportunities for differentiation to be exploited for profit.

When asked about perceptions towards the discipline of marketing, the Administration and Marketing Manager said she was reluctant to promote herself and her business proactively because she, deep down, related ‘marketing’ with bragging and telling untruths (B11) and that her concern about seeing it in this manner prevented her from being more proactive in marketing:

*I do feel more cynical about putting my own story out there actively. I do struggle to do more press releases these days, because I feel like you're selling yourself.*

*... there is a bragging, and also there can be the twisting of stories, so half-truths can be there. An implication of - you say*
we're naturally spray free, but we're not organic, and others want us to say straight out no, I need a poster that says organic. I won't do that. I know from marketing you would like that, but I can't bring myself to do that. Or is your product - oh, it's all from your plantation? No, it's definitely from a range of plantations, and I'm proud of that. I can't tell you - I can't do the single estate story. That's not our story to tell. I did hear an example of someone talking about their business to a range of business women yesterday, and they were talking about making sure the message goes out that it's about that we're from the farm, that our product comes from here. This is a very big company now, and it wouldn't be one hundredth of the product, the range that they put out comes from their farm. But she was very much saying this story is about us on our farm, the pictures of us with our trees. That's where we can get a bit cynical, where you have...

Source: Administration and Marketing Manager

The Administration and Marketing Manager was the only interviewee to express this belief but its existence would certainly have influenced the effectiveness of marketing over which she had control. That ‘craftspeople’ in the food and beverage sector may be reluctant to promote themselves is not new and has previously been noted by Tregear (2003) who also observed that craftspeople may hold sensitive feelings about the use of the term ‘marketing’ in their organisations.

The behaviour towards market orientation in this Case was influenced by more than just the beliefs of the General Manager, and the beliefs of both the General Manager and the Administration and Marketing Manager had influence. The Administration and Marketing Manager’s feelings may have been partly in response to her mother-in-law’s views about the subject:

*I think caveat emptor is the buyer isn't aware that he's being hoodwinked. Well, so be it. It goes right through. But you see, you get these labels which have connotations of luxury, I'm rich or something, so people go for BMWs, Mercedes and things like*
that. That's marketing, because it's marketing towards people having the concept of luxury. I'm wealthy, I drive one of these, sort of things. That's putting things in its boxes.

Source: Joint Founder Wife

The General Manager said he believed that the broader concept of marketing was not relevant to his business (B9), but the tactics of sales and communications were (B10). The attitudes towards the discipline of marketing held by interviewees within Organisation D may be similar to the results published by Lewis et al. (2001) which noted that family-owned food and beverage businesses regarded ‘marketing’ as deliberate deception but that the passion for their products meant that these businesses were successful. Harmsen et al. (2000) identified a similar result but noted that staff took responsibility for customer satisfaction even though there was no formal structure of the marketing function.

The approach to innovation taken by Organisation D was inward-looking and based on the ‘scientific’ approach mentioned earlier in this chapter, as explained by the General Manager when asked to discuss how innovation was managed:

*I suppose a process of iteration or thinking through things. We can talk about what we think we’re doing or what we’ve got as projects and what we want to achieve or outcome. Thinking about opportunities whether it’s a new product or whether it’s – there’s different sorts of innovation I suppose. There’s product innovation where I think I’ll start selling a new product, as opposed to different market segments, and I don’t necessarily differentiate between them. We do a bit with different experimentation and then iteration and again, some of these things where you try, you think about it, you see how it works.*

Source: General Manager

Organisation D developed from a horticultural enterprise that sold all of its production to a single buyer into a vertically-integrated processing and marketing structure when the daughter of the founders decided to establish her own business. This organisation did not exhibit the characteristic of the founder or owner of the primary assets controlling decision-making in the same way as the other three organisations did. However, it did exhibit evidence of how the
personality or leadership style of the General Manager influenced market orientation in the way he was not prepared to involve the Founders in decision-marketing related to the processing and marketing company.

This section provided the chain of evidence that allowed beliefs to be identified in case D. The next section comments on the consistency with which the results obtained from Case D were consistent with prior literature and provides explanations for variations.

4.5.5 Explanation Building

The beliefs identified in Organisation D were consistent with literature as noted in Table 4.8 so explanations are not required. Prior to the interviews it was expected that the organisational culture towards market orientation would be most influenced by the Founders and probably most influenced by the Joint Founder Husband. However, as the interviews progressed and the data analysed it became apparent that the General Manager and the Administration Manager had more influence over marketing and the adoption of market orientation than either of the Founders. The explanation for this, provided by all interviewees, was that the horticultural production was undertaken in a separate legal entity to the processing and marketing. The Joint Founders owned and managed the horticultural production entity and the Joint Juniors owned and managed the processing and marketing entity. However, this did not appear to be a complete explanation because the agronomic practices employed in production influenced processed product quality and the Joint Founders would have welcomed a more participative involvement in marketing decision-making. Also, the Administration and Marketing Manager referred to the desire to promote “our plantation” and the Joint Founder Wife expressed a desire to be more involved with marketing. It was the conclusion of this Case that the individual most influential in the degree to which the organisation was market oriented was the General Manager. His belief that each legal entity should be managed separately prevented a closer collaboration and this prevented sharing of information. This belief may have simply been his verbalisation and justification of a communication barrier between a son (the General Manager) and his parents (the Joint Founders). No such barrier was observed or mentioned during the interviews, but the existence of such a barrier may explain why there was not more communication between the horticultural production and processing / marketing activities. However, the beliefs of the Administration and Marketing Manager limited the degree to which the organisation obtained information about the market, competitors and from customers and it was concluded that her
lack of knowledge about marketing and market orientation was the most significant reason for this. The age of the Joint Founders also needs to be considered. At 80 and 75 they were kept more than busy with the horticultural enterprise. The comments made by the Joint Founder wife regarding her increasing role in decision-making may also reflect the Joint Founder Husband’s ageing. Whilst the Joint Founder Husband’s apparent lack of willingness to attempt to influence the marketing activities of Organisation D meant that his beliefs did not limit market orientation, there was clear evidence that the beliefs of the Joint Juniors were limiting market orientation. This is consistent with Schein (2010) who noted the role of founders and owners in organisational culture but in this case, the role of the influence over culture came less from the Joint Founders and was more significantly from the Joint Juniors.

This section provided details from Case D and was part of a large section of Chapter 4 which described each of the four case study and the results obtained from each. The next section provides a summary of all the beliefs identified in three tables. Colour has been used to allow the reader to more easily see patterns.

4.6 Summary of results

This section provides details of all the beliefs identified. Beliefs are shown in Table 4.9 for behavioural beliefs, Table 4:10 for normative beliefs and Table 4.11 for control beliefs. Colour has been used to allow patterns to be readily identified.
Table 4-9: Behavioural beliefs

<table>
<thead>
<tr>
<th>Beliefs</th>
<th>Larger Organisations</th>
<th>Smaller Organisations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>A</td>
<td>B</td>
</tr>
<tr>
<td>B1 Current intelligence gathering practices are sufficient</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>B2 Customer intelligence is the more important than broader market or competitive environment intelligence</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>B3 Market research is not reliable</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>B4 Transactional (quantitative-type) data is the most important information to be sought</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>B5 The organisation was not large enough to justify additional investment in market research</td>
<td>X</td>
<td>✓</td>
</tr>
<tr>
<td>B6 Planning is not possible because of the unpredictability of seasonal conditions</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>B7 Market forecasting should not be shared because if the forecasting is wrong, the forecaster will be criticised and is set up for failure</td>
<td>✓</td>
<td>X</td>
</tr>
<tr>
<td>B8 Social and informal sharing of information amongst family members is sufficient because non-family members don’t need as much information as family management team members</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>B9 Marketing is not a valued organisational discipline</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>B10 Marketing is largely limited to promotions and selling activities i.e. outward-directed communications</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>B11 The term ‘marketing’ has a negative connotation</td>
<td>✓</td>
<td>X</td>
</tr>
<tr>
<td>B12 Increasing production volumes will increase profitability</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>B13 The personality of typical sales and marketing personnel prevents them from sharing intelligence</td>
<td>✓</td>
<td>X</td>
</tr>
<tr>
<td>B14 The Managing Director, Founder or owner can make important decisions at their own discretion</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>B15 It is difficult to invest more in market research because the returns don’t justify the expenditure</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>B16 That understanding the market more may identify opportunities that can’t be taken advantage of (so why do it?)</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>B17 Sharing market information with too many people is dangerous / risky</td>
<td>X</td>
<td>✓</td>
</tr>
<tr>
<td>B18 Marketing personnel waste resources</td>
<td>✓</td>
<td>X</td>
</tr>
<tr>
<td>B19 Networking with industry contacts, industry reports and scan data from supermarket sales provides an adequate level of intelligence</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>B20 Busyness is a barrier to information gathering and / or sharing</td>
<td>✓</td>
<td>X</td>
</tr>
<tr>
<td>B21 Market orientation / marketing is customer-focused eg. “listening to your customer”</td>
<td>✓</td>
<td>X</td>
</tr>
<tr>
<td>B22 Future growth of the business is limited by leadership capability</td>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>

A tick mark (✓) signifies that the belief was identified and a cross (X) signifies that the belief was not identified in the case.
Table 4-10: Normative beliefs

<table>
<thead>
<tr>
<th>Beliefs</th>
<th>Larger Organisations</th>
<th>Smaller Organisations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>A</td>
<td>B</td>
</tr>
<tr>
<td>N1 It is pointless offering suggestions because it would ‘go against the flow’</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>N2 A more senior manager has made the decision, so there’s no benefit to be gained by speaking up against it</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

A tick mark (✓) signifies that the belief was identified and a cross (X) signifies that the belief was not identified in the case.

Table 4-11: Control beliefs

<table>
<thead>
<tr>
<th>Beliefs</th>
<th>Larger Organisations</th>
<th>Smaller Organisations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>A</td>
<td>B</td>
</tr>
<tr>
<td>C1 Investing in additional research is a waste of time because the Managing Director won’t allow it, or if he does, won’t allow the results to guide marketing</td>
<td>X</td>
<td>✓</td>
</tr>
<tr>
<td>C2 The Managing Director makes all the important decisions so there’s no reason to share market intelligence</td>
<td>X</td>
<td>✓</td>
</tr>
<tr>
<td>C3 Information will be shared anyway, so there’s no need to attend management meetings</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>C4 There’s no point collecting additional intelligence because there’s no-one here to process it and make use of the data</td>
<td>X</td>
<td>✓</td>
</tr>
</tbody>
</table>

A tick mark (✓) signifies that the belief was identified and a cross (X) signifies that the belief was not identified in the case.

4.7 Patterns within the results

A number of patterns were evident in the data. It was important to compare the results obtained from each case because consistency across cases was identified as a source of triangulation which contributed to confidence in the results.

1. Five beliefs were evident in all case study organisations:
   a. Current intelligence gathering practices are sufficient (B1).
b. Customer intelligence is the more important than broader market or competitive environment intelligence (B2).

c. Transactional (quantitative-type) data is the most important information to be sought (B4).

d. Marketing is not a valued organisational discipline (B9).

e. Marketing is largely limited to promotions and selling activities i.e. outward-directed communications (B10).

The five beliefs evident in all cases appear to be associated with management having insufficient understanding about marketing or a marketing mindset which is consistent with prior literature (Kohli & Jaworski 1990; Harris & Watkins 1998; Bisp 1999).

2. One belief associated with the owner or most senior manager making all the decisions (B14) was identified in all case study organisations. The role of top management is widely reported in the literature as a barrier to market orientation (Harris & Ogbonna 1999; O'Cass & Ngo 2007; Schein 2010)

3. The belief that market research was not seen as reliable (B3) was evident in three of the case study organisations and both the larger organisations believed that additional research expenditure could not be justified (B15). This belief also appears to be consistent with management not having an appropriate understanding of marketing and market orientation as noted above.

4. Both the smaller organisations limited the degree they shared information by sharing on social occasions when the families met after hours (B8). The importance of sharing information and involving personnel across all departments is, by definition, critical to market orientation and a reluctance to share information has been observed in the literature (Felton 1959; Bisp 1999)

5. Both the larger organisations had a production orientation and believed that increasing production volumes was the key to reversing their low profit positions (B12). These beliefs are consistent with prior research (Grunert et al. 1996; Beverland & Lindgreen 2007).
6. The term ‘marketing’ had negative connotations (B11) that influenced the degree to which organisations were market oriented in two of the organisations – one larger and one smaller. Although there does not appear to be a pattern associated with this belief other than its existence in two of the case study organisations, it is consistent with prior research which identified lack of understanding about the marketing concept noted above.

7. Both the larger organisations believed that gathering data from industry networks was sufficient (B19). This belief is also consistent with a lack of understanding of contemporary marketing practices noted above.

8. Busyness was a barrier to market orientation (B20) in three of the case study organisations. This may be partly influenced by a production-orientation in which personnel are focused on production outputs and efficiency or, as described in the literature as short-termism (Harris & Watkins 1998; Siddique 2014)

9. Both the larger organisations had owners who limited suggestions being made by subordinates because of the control they exerted over marketing decisions (N1, N2). The role of leadership and willingness to allow subordinates to be involved in decision-making is well reported in the literature as a barrier to market orientation as noted above.

The consistency with which all beliefs identified are supported by prior literature was discussed with each case previously. The identification of beliefs case study organisations cannot be generalised to the wider population and no claim of generalisability should be inferred.

4.8 Chapter summary

This chapter presented the results obtained from this research. After a brief introduction to the chapter each case was presented separately. The sections for each case included an introduction to the organisation, followed by details of interviewees. The section then listed the beliefs identified in the case indicating the sources of evidence from which each belief was identified and the prior literature with which each belief was consistent. These are important as they provide confidence in the data. Each section then provided details of the chain of evidence from which beliefs were identified and included quotations from
interviewees in support. Each case section concluded with explanation building which is important to case study research as a means of explaining any otherwise unexplained results. However, there were very few unexplainable results obtained. The chapter then provided a summary of all results in three tables. Finally, patterns across the case study organisations were analysed.
Chapter 5    Discussion, conclusion and implications for further research

5.1 Chapter introduction

This is the final chapter of the thesis. It begins with a summary of the research process followed by discussion of each of the beliefs identifying the way each appeared to influence the degree to which the case study organisations were market oriented. The chapter then draws overall conclusions and summarises the contribution it has made to the literature and provides recommendations for government policy and the agricultural industry. Finally, it notes its limitations and offers suggestions for future research.

5.2 Summary of the research process

This research was initiated the literature identifies that agribusiness organisations in general are not market oriented despite the evidence that being market oriented provides significant benefits to organisations (Beverland & Lindgreen 2007). The subject of market orientation has been widely researched and published and considerable evidence exists to support the positive relationship between market orientation and organisational performance (Cano et al. 2004; van Raaij & Stoelhorst 2008). The Theory of Planned Behaviour (Ajzen 1991) and research of the subject of organisational culture (Schein 2010) provided the framework for this study which focused on identifying beliefs of founders, owners and senior management team members that influenced the degree to which their organisations were market oriented. Three research questions were developed for and answered by this research: (1) what are the salient behavioural beliefs of senior management teams that influence market oriented behaviour? (2) what are the salient normative beliefs of senior management teams that influence market oriented behaviour? (3) what are the salient control beliefs of senior management teams that influence market oriented behaviour? These questions were important because no prior research addressing these questions was apparent in the literature.

Four case study organisations located in southern Queensland and northern New South Wales were purposefully selected as typical of vertically-integrated horticultural enterprises. Two of the organisations had total income in the A$30 - $40m per annum range, and two were family-owned enterprises with annual incomes around A$2m per annum. The larger firms had employed non-family management team members and the smaller firms had family members as managers. The unit of analysis was the top management team comprising the owner and management personnel reporting to the owners. Semi-structured interviews were
used to provide interviewees with the opportunity to reveal their beliefs related to market oriented behaviour. Each interviewee was interviewed three times over a period of several months and the responses received from each interview informed the development of the interview guide for the subsequent interview. A total of 52 interviews were conducted comprising more than 270,000 words. The interview guides used by the investigator to guide the semi-structured interviews were developed after prior research on the subject of market orientation was reviewed. Interviews were recorded by digital voice recorder and transcribed by a professional transcription service. Data was analysed with the assistance on Nvivo software.

The research identified a total of 28 beliefs which influenced the degree to which case study organisations were market oriented and identified differences between the larger and smaller organisations. All the beliefs identified were consisted with prior research on barriers to market orientation and this research concluded that a lack of knowledge of contemporary marketing principles was an important barrier to market orientation within the case study firms as this limited the effectiveness with which case study firms gathered market intelligence. In addition to the beliefs the research identified that a reluctance to delegate decision-making for marketing by owners was a limitation to market orientation because this limited information sharing and organisation-wide responsiveness. Whilst these statements may sound like cause and effect it is more correct to think of them as the conclusions of the research being generalised to the Theory of Planned Behaviour and research about how organisational culture is established and maintained.

The next section discusses each of the beliefs identified and comments how each may have influenced the degree to which the case study organisations were market oriented.

5.3 Discussion about beliefs

Beliefs are at the deepest level of organisational culture defined by (Schein 2010). Beliefs influenced behaviour as evidenced by the Theory of Planned Behaviour (Ajzen 1991). They are the taken-for-granted, invisible, pre-conscious, non-debatable layer of an organisation's culture (Harris 1996a) and consequently can be difficult to identify. This research employed semi-structured interviews to identify 28 beliefs of which 22 were behavioural, two were normative and four were control beliefs. This section provides a discussion about each of the beliefs identified.
5.3.1 Belief B1: Current intelligence gathering practices were sufficient

This belief was identified in all case organisations and limited the degree to which their organisations sought information about the market, competitors and customers. None of the interviewees expressed a desire to gather market, competitor or customer information more than they were currently. This is consistent with prior research identifying that top management not having an adequate understanding of contemporary marketing principles (Kohli et al. 1993) and contentment with the status quo (Harris & Watkins 1998) were barriers to market orientation.

5.3.2 Belief B2: Customer intelligence is more important than broader market or competitive environment intelligence

This belief was identified in all case organisations and appeared to have an influence over the degree to which firms were market oriented by focusing management attention on customer information such that intelligence about competitors and about the broader market was overlooked. This was consistent with prior research identifying that being customer-compelled is a barrier to market orientation (Day 1999a). It was also consistent with prior research that identified that management not having sufficient knowledge of contemporary marketing practices was a barrier to market orientation (Kohli et al. 1993).

5.3.3 Belief B3: Market research is not reliable

The belief was identified in three organisations (A, B and C) and appeared to influence the degree to which these case study organisations were market oriented by limiting their commitment to gather intelligence. As noted in Chapter 2, researchers including Gebhardt et al. (2006) and Huber (1991) identified the importance of organisations developing as ‘learning organisations’ but this characteristic was not evident in any of the case organisations. The belief that market research was not reliable appears to be associated with top management not having an adequate understanding of the discipline of marketing noted by Kohli et al. (1993) and others.

5.3.4 Belief B4: Transactional (quantitative-type) data is the most important information to be sought

This belief was identified in all case organisations. It limited the degree to which firms were market oriented by focusing intelligence-gathering activities on a narrow field which meant that organisations did not collect data about customer and non-customer preferences,
experiences or intentions. As noted in Chapter 2, (Porter 2004) provided very detailed guidelines for conducting an industry analysis including the broader market and competitive forces. There are also many texts and journal articles that provide guidance in the collection of information from customers. Despite this, interviewees consistently held erroneous beliefs about the subject of marketing and its role in organisational strategy and tactics. Harris and Watkins (1998) identified ‘ignorance of market orientation’ as one of seven factors which prevented organisations from focusing on market trends and needs and Belief B4 appears to be consistent with that research.

5.3.5 Belief B5: The organisation was not large enough to justify additional investment in market research

This belief was only revealed by Organisation B, but more than one interviewee mentioned it which suggests it was generally accepted by the management team. Several interviewees in Organisation B referred to the investment of very significant budgets for marketing of multinational competitors and Organisation Bs inability to match that investment, but there was no recognition that meaningful data could be sought with a smaller investment. It was possible that this belief was initiated by the Managing Director and supported by the General Manager, even though not accepted by the Commercial Manager, to avoid gathering market intelligence which could undermine the Managing Director’s control over the marketing function. The Commercial Manager was not inclined to present a case for more research and it was likely that the control exercised by the Managing Director had simply become the norm and that the normative beliefs N1 and N2 existed in Organisation B as a consequence. This is discussed in detail later in this section and is consistent with research by Felton (1959) and Bisp (1999) which identified the negative impact of a single person domination.

5.3.6 Belief B6: Planning is not possible because of the unpredictability of seasonal conditions

Just one individual, the Founder of Organisation C, stated this belief. This belief influenced the culture of this organisation with respect to market research and planning and consequently, the degree to which the organisation was market oriented. Despite this belief and the influence it exerted over the culture, the Administration and Marketing Managers (both daughters of the founder) had applied for government assistance to partly pay for a management consultant to facilitate the development of a business and marketing plan for the organisation. Whilst both daughters were concerned about the market research undertaken by
the consultant, they were pleased that the plan had provided the organisation with some direction. It was evident that power and control was being transferred from the Founder to the next generation in this organisation and that the Administration Manager was beginning to assume the role of General Manager. The Founder was not transferring control graciously however, as indicated by the way the Administration Manager confronted the Founder over the decision to lease the organisation’s restaurant management. The Administration Manager did not hold positive beliefs about the role of marketing. She was content to leave the ‘marketing’ up to her sister, the Marketing Manager, whose understanding of the discipline of marketing was customer-centric and outward communication focussed. Organisation C wanted to learn from the market and its customers but management simply lacked the skills to gather the data required on which rational decisions could be based and this was consistent with research by Jaworski and Kohli (1993).

5.3.7 Belief B7: Market forecasting should not be shared because if the forecasting is wrong, the forecaster will be criticised and is set up for failure

This belief was only stated by one manager of one organisation, the Horticulture Manager of Organisation A, but was very consistent with the behaviour of non-sharing in that organisation. This was the same manager who explained the organisation had deliberately created the situation whereby the sales and marketing department was separated from the rest of the business so that its performance could be measured. This created a spirit of rivalry that prevented the sharing of information within this organisation. The behaviour and belief outlined here may be consistent with Bisp (1999) who identified how a lack of marketing confidence could create a climate of mistrust which impedes market oriented behaviour. It could also be an example of where management lacked the knowledge and skill to manage the marketing function effectively which is consistent with the findings of Harris and Watkins (1998) or lack of the right top management mindset identified by Kohli and Jaworski (1990) which was expanded upon to specifically identify interdepartmental dynamics of tension between departments reducing the likelihood of information-sharing (Jaworski & Kohli 1993).
Belief B8: Social and informal sharing of information amongst family members is sufficient because non-family members don’t need as much information as family management team members

This belief was identified in both the smaller organisations and influenced the degree to which market intelligence and the organisation’s planned response to it, was shared. By not involving non-family members, these organisations were missing the benefits of enhanced employee morale which results from an inclusive culture identified in the literature. Both organisations had shared and open-plan work spaces and this contributed to effective communication at an operational level. Both had organisational leadership cultures with family members clearly being the ‘owners’ and non-family members the ‘staff’. This culture of differentiation between family and non-family members may have contributed to less than optimal information sharing, as identified by Barua et al. (2007) who noted that a range of factors including power, politics and culture could limit information-sharing within an organisation.

Belief B9: Marketing is not a valued organisational discipline

The discipline of marketing did not appear to be valued in any of the case study organisations. This influenced the degree to which case study organisations were market oriented by limiting the degree of management attention that was being paid to ‘marketing’. This belief was almost certainly the consequence of interviewees not having an adequate understanding of contemporary marketing principles, consistent with research by Kohli and Jaworski (1990), Harris and Watkins (1998) and others referred to in previous chapters. It was evident from this research that lack of knowledge about contemporary marketing practices was an important factor underlying and demonstrated by the beliefs held by interviewees, and which prevented their organisations from being more market oriented.

Belief B10: Marketing is largely limited to promotions and selling activities i.e. outward-directed communications

All case organisations were focused on marketing as outward-directed communications and their understanding of marketing did not recognise the role of market research to understand the needs of the market (customers and non-customers) and the strategies and capabilities of competitors in informing marketing strategy. This influenced the degree to which case organisations were market oriented because they were focused on the promotional components of marketing and appeared to be ignorant about the role of information gathering
and sharing components of market orientation. This was consistent with research published by Kohli et al. (1993), Harris (1996a), Harris and Watkins (1998) and Siddique (2014) which identified ignorance of marketing as a barrier to market orientation.

5.3.11 Belief B11: The term ‘marketing’ has a negative connotation

Two of the case study organisations had managers who believed that the discipline of marketing was associated with less than desirable qualities, believing that the term had a negative connotation. This belief limited the degree to which their organisations were market oriented by limiting the degree to which contemporary marketing practices were employed within each firm. The Marketing Manager of Organisation A felt that marketing was “bullshit”. He clearly did not have a good understanding of contemporary marketing practices or perhaps what Jaworski and Kohli (1993) referred to as a ‘proper state of mind’. The Administration and Marketing Manager of Organisation D said that she was reluctant to promote the company too much for fear of being seen to overstate the company’s true position. She appeared to be reluctant to be seen as a ‘salesperson’ or to be classified as a ‘marketer’ and this held her back from planning and implementing coordinated marketing activities. This was consistent with the findings of (Lewis et al. 2001). As with other beliefs which were a reflection of an inadequate understanding of the principles of marketing, this belief was consistent with research published by Kohli et al. (1993), Harris (1996a), Harris and Watkins (1998) and Siddique (2014) which identified ignorance of marketing as a barrier to market orientation.

5.3.12 Belief B12: Increasing production volumes will increase profitability

Both the larger organisations had beliefs that were consistent with what Kotler (2006) described as a production orientation. In both of these firms the founder or owner believed that increasing production throughput would result in higher profits and made decisions to increase production volumes with very little, if any, market intelligence to confirm the availability of profitable markets. This belief influenced the degree to which these firms were market oriented because the concept of gathering intelligence was avoided. In both cases, the owner or founder made the decision to increase production capacity without the involvement of their management team, and this behaviour also limited the degree to which these firms were market oriented because information was not shared. Having founders or owners who were prepared to make decisions without adequate knowledge of the market was described by Felton (1959) and is consistent with research published by Kohli et al. (1993), Harris (1996a),
Harris and Watkins (1998) and Siddique (2014) which identified ignorance of marketing as a barrier to market orientation.

5.3.13 Belief B13: The personality of typical sales and marketing personnel prevents them from sharing intelligence

This belief was only identified in Organisation A, and as with B7, was expressed by just one manager and was consistent with the lack of information sharing that was evident in this organisation. This belief may be the result of a lack of trust and confidence in information from marketing departments as identified by Bisp (1999) or it may simply have been based on ignorance of the role of marketing as an organisational discipline identified by Harris and Watkins (1998) or lack of the right top management mindset identified by Kohli and Jaworski (1990).

5.3.14 Belief B14: The Managing Director, Founder or owner can make important decisions at their own discretion

This belief was identified in all organisations and appeared to influence the degree to which the firms were market oriented by limiting the degree to which information was gathered or shared. In Organisation A the Managing Director and the Marketing Manager worked together to make decisions without involving other managers who were also shareholders and directors. In Organisation B the Managing Director took personal responsibility for marketing. Organisation C had a slightly different situation which appeared historically to reflect the Founder making all the decisions but this was changing with the Administration Manager influencing important decisions more recently. Finally, in Organisation D, the General Manager made decisions without communicating with other managers simply because there may have been a reluctance to share decision-making with his parents. A reluctance to delegate the marketing function may be part of management personality including “a high need for personal achievement, introvert nature, autocratic, highly risk averse” referred to by Bisp (1999), lack of the top management orientation referred to by Jaworski and Kohli (1993) or the managers involved may have had a focus on short term priorities rather than longer term strategic issues identified by Harris and Watkins (1998).

The role of the senior manager in each of these situations limited market orientation by limiting intelligence gathering and intelligence sharing practises. Presumably these managers had not understood that decisions made by groups are usually better than decisions made by
an individual (Michaelsen et al. 1989). Management theorists and practitioners have sought to understand the toxic side of organisations and leadership in recent years (Goldman 2006). The body of research focused on understanding the relationship between personality disorders and other pathologies in leadership is increasing. It is beyond the scope of this research to suggest that any such evidence existed in any of the case organisations, but dysfunctional leadership is one explanation why organisations A and B were so significantly influenced by the most senior manager.

5.3.15 Belief B15: It is difficult to invest more in market research because the returns don’t justify the expenditure

This belief was evident in the two larger organisations only and may simply have been an excuse to justify not undertaking market research. This may be linked with a lack of understanding of how to gather intelligence which is consistent with research published by Kohli et al. (1993), Harris (1996a), Harris and Watkins (1998) and Siddique (2014) which identified ignorance of marketing as a barrier to market orientation or it may reflect the desire of the most senior individual to protect their influence over marketing decisions which is consistent with the ‘one man domination’ described by Felton (1959).

5.3.16 Belief B16: Understanding the market more may identify opportunities that can’t be taken advantage of (so why do it?)

This belief was only presented by one interviewee, the Administration and Marketing Manager of Organisation D. It appeared to influence the degree to which this organisation was market oriented by limiting the desire to develop evidence-based plans for increased turnover. She also revealed she was reluctant to allow the business to grow beyond her capacity to manage a team of people larger than about 10 employees. This may be consistent with the findings of Harris and Watkins (1998) who noted that one of seven impediments to market orientation was that business owners wished to retain their small size to retain focus on personalised service and personally directing operations, although the Administration and Marketing Manager may also have been exhibiting signs of a lack of self-confidence as a manager or lack of confidence in the market for her product which was influencing her decision to limit the size of the organisation.
5.3.17 Belief B17: Sharing market information with too many people is dangerous / risky

This was only mentioned by one individual of one organisation, the Managing Director of Organisation B. This appeared to limit the information-sharing component of market orientation. The perception of risk could be related to the top management orientation referred to by Jaworski and Kohli (1993) or, because this is the individual who demonstrated an inability to delegate the marketing function could be consistent with the leadership style referred to by Felton (1959) as being out of touch of current marketing issues and making all the decisions to the detriment of the company.

5.3.18 Belief B18: Marketing personnel waste resources

This belief was mentioned only by one individual, the Processing Manager of Organisation A and may have referred to ‘marketing’ in general more than specifically to Organisation A. It was recorded as a belief and is consistent with the psychological state of mind mentioned by Bisp (1999), caused by the negative perceptions of marketing personnel by non-marketing personnel. This belief could influence the degree to which an organisation is market oriented by limiting the availability of resources available to gather market intelligence.

5.3.19 Belief B19: Networking with industry contacts, industry reports and scan data from supermarket sales provides an adequate level of intelligence

This belief was identified in the two larger organisations. It influenced the degree to which case organisations were market oriented by limiting the amount and quality of intelligence gathered. All firms appeared to limit their intelligence gathering activities to those activities with which they felt comfortable or which contributed to their prestige and standing within the industry. For example, several of the interviewees in Organisation A held executive positions on industry associations. Similarly, the Marketing Manager of Organisation C held a position on the regional tourism committee. Family members of Organisation C also took their annual family holidays at locations where they could visit tourism facilities in their industry but in other locations as a means of gathering intelligence. Whilst all these activities are valid methods of gathering intelligence, they did not represent a complete and thorough approach to information gathering. This appears to be consistent with managers not having an adequate understanding of marketing as previously described by Kohli et al. (1993), Harris and Watkins (1998), Siddique (2014) and others referred to in previous chapters.
5.3.20 **Belief B20: Busyness is a barrier to information gathering and / or sharing**

Three of the case organisations (A, C and D) indicated that being too busy was a barrier to market orientation. This may be linked with Belief B9 that marketing is not valued as an organisational discipline because if it was considered a higher priority, ‘busyness’ may not have been as much of an issue. Being too busy may be consistent with being focused on short-term priorities identified by Harris and Watkins (1998) and Siddique (2014) as a barrier to market orientation because managers who are overly focused on short-term priorities may not value market intelligence and information-sharing practices that may be perceived to take time.

5.3.21 **Belief B21: Market orientation / marketing is customer-focused eg. “listening to your customer”**

Whilst this belief was only specifically evident in one organisation (A) it appeared to be closely related to other beliefs which reflected a poor understanding of the discipline of marketing and the concept of market orientation described by Kohli et al. (1993), Harris and Watkins (1998), Siddique (2014) and others as a barrier to market orientation. It is also consistent with research published by Day (1999a) which described being ‘customer compelled’ as a barrier to market orientation.

5.3.22 **Belief B22: Future growth of the business is limited by leadership capability**

This belief was expressed by only one individual, the Administration and Marketing Manager of Organisation D. This belief could influence the degree to which the organisation was market oriented by reducing the sense of urgency and the desire for additional market intelligence on which strategy for growth could be developed.

5.3.23 **Belief N1: It is pointless offering suggestions because it would ‘go against the flow’ and Belief N2: A more senior manager has made the decision, so there’s no benefit to be gained by speaking up against it**

Both of the normative beliefs identified were apparent in the larger organisations A and B. Both beliefs were related to the characteristic of the Founder or Owner of each of these businesses which compelled them to have a high degree of personal involvement in and control over marketing decisions. In Organisation B, the Horticulture Manager (co-owner) was very specific in his comments about the behaviour of the Managing Director and how it was having a negative influence over decision-making in this organisation. In both case
organisations it was evident that this behaviour impeded market orientation because it interfered with information sharing and participation of other managers and possibly employees in making suggestions. This meant that the ‘personnel from all departments collaborating to develop and implement timely and coordinated responses’ component of market orientation could not be achieved. These normative beliefs are consistent with (Felton 1959) in relation to ‘one man domination’ where the most senior executive who was out of touch with the current marketing issues were making all the marketing decisions to the detriment of the company.

5.3.24 Belief C1: Investing in additional research is a waste of time because the Managing Director won’t allow it, or if he does, won’t allow the results to guide marketing

This belief was identified in one organisation only, Organisation B. This belief influenced market orientation negatively by reducing the willingness of employees to make suggestions and by limiting the amount of intelligence gathering that occurred within this organisation in a similar way as described above for the normative beliefs.

5.3.25 Belief C2: The Managing Director makes all the important decisions so there is no reason to share market intelligence

This belief was also identified only in Organisation B and appeared to impede market orientation by limiting information gathering and information sharing practices, again in the same way as the normative beliefs.

5.3.26 Belief C3: Information will be shared anyway, so there is no need to attend management meetings

This belief was identified in Organisation C only. It was observed from the Founder’s behaviour. Whilst he said that he did not attend management meetings because he believed they were the ‘domain’ of his daughters, clearly his beliefs about planning and the fact that he would obtain information from his wife and other family members informally allowed him to justify his non-attendance. However, his non-attendance was hardly supportive of the management team and the creation of a healthy management environment where information could be shared and decisions discussed. This belief was difficult to explain other than with reference to research by Felton (1959) which described the need for individual managers to make all the important decisions.
5.3.27 Belief C4: There’s no point collecting additional intelligence because there’s no-one here to process it and make use of the data

This belief was identified in Case B only and consistent with other beliefs identified in this case was almost certainly the consequence of the Managing Director’s need for control. This is consistent with Felton (1959) discussed in previous chapters.

This section provided a discussion about each of the beliefs identified. The next section draws conclusions from the results.

5.4 Conclusions

Whilst identifying the degree to which case study organisations were market oriented was not an objective of this research, it was evident that all case study organisations had less than complete market orientation as described in the literature. All interviewees believed the level of market research currently being undertaken by their organisations was adequate, but it fell short of what would reasonably be considered sufficient by Porter (1980) described in Chapter 2 of this thesis. What was lacking in all cases was (1) any real attempt to identify and prioritise market opportunities based on a rational and methodical review of the market, consumer trends and competitive forces, (2) effective sharing of intelligence within the organisations which meant that (3) timely and coordinated responses to market opportunities and threats were not achieved.

All organisations included in the research would more closely match contemporary models of market orientation if they:

- Adopted a more holistic and balanced approach to intelligence gathering so that information about market trends, from non-customers and competitive forces was collected, to complement the customer-centric focus demonstrated by the organisations.

- Shared market intelligence widely across their organisations so that personnel from all departments could be involved in decisions and timely and coordinated responses.

Felton (1959), Kohli and Jaworski (1990) and Jaworski and Kohli (1993) identified top management orientation as being an essential prerequisite for market orientation, noting that top management orientation sets the tone for the organisation. The influence of the most
senior manager on the organisational culture of which market orientation is a part (Narver & Slater 1990) was identifiable in each of the case study organisations. The influence of the founder or most senior manager was consistent with the description of how culture forms in organisations noted by Schein (2010) which described that founders employ people with beliefs similar to their own, and the work of Van den Steen (2011, p. 617) which noted that homogenous cultures are created through “screening, self-sorting and manager-directed joint learning”. This was most evident in the two larger organisations:

- In Organisation A, the limitation to market orientation embedded as part of organisational culture may be partly explained by the Managing Director’s attitude that he’d “rather be a farmer” focused on growing and trading a commodity, not having a processing facility or marketing department and that all personnel should be “advocates for the business” i.e. salespeople. The Marketing Manager held quite negative views about the value of marketing and it was possible that the individual who filled this position was selected by the Managing Director because their understanding of and beliefs about the discipline of marketing were similar enough not to threaten the Managing Director. This was consistent with the way culture evolves as described by Schein (2010). Policy recommendations for Organisation A include: (1) Training for senior managers in the discipline of marketing and market orientation, (2) Increased and broader approaches to the collection of market intelligence of the broader market and of competitors to complement the customer feedback currently being received and (3) allowing personnel from all departments to be involved in decision-making to facilitate an organisational culture of risk-taking with timely and coordinated responses to market opportunities and threats.

- In Organisation B, the limitation to market oriented behaviour may be explained by the Managing Director’s reluctance to delegate responsibility and authority for marketing management, reflected by the fact that this organisation had filled the position of marketing manager for just two of the past 28 years because he preferred to do it himself. Presumably this reflected a lack of trust in any other manager’s ability to make marketing decisions with which the Managing Director would be satisfied. In the two years the position was filled it was filled by the Managing Director’s daughter who subsequently resigned in frustration. The lack of trust in any other manager to make marketing decisions was confusing and not exactly consistent with the comments about trust made
by Gebhardt et al. (2006) which noted that market oriented organisations create a cultural value of trust, but may be consistent with the comments made by Felton (1959) which referred to “one man domination” . Policy recommendations for Organisation B include: (1) Clearly defining the roles and responsibilities of the marketing department, (2) ensuring the managing director provides the marketing department with the freedom to take responsibility for marketing, (3) training for all senior managers in the discipline of marketing, (4) broader approaches to market intelligence gathering, (5) allowing personnel from all departments to be involved in decision-making to facilitate an organisational culture of risk-taking with timely and coordinated responses to market opportunities and threats.

It is important to note again that the Theory of Planned Behaviour does recognise that personality factors may influence behavioural, normative and control beliefs and that when Ajzen (2005) published, these elements were described as background factors. However, this research suggested that the personality characteristics revealed in Case Organisations A and B were so significant that they should not be relegated as ‘background factors’.

The two smaller organisations were family-owned and managed with all senior management positions being held by family members. In both cases barriers to market orientation appeared to be more closely linked to the family communication dynamics than was evident in the larger organisations:

- In Organisation C, the limitation to market oriented behaviour may in part be explained by the Founder’s disinterest in the subject of planning and anything associated with ‘office work’ influenced by his belief that it was not possible to plan because of unpredictable seasonal conditions. The Administration Manager demonstrated that she was prepared to ‘stand up to’ her father and argue strongly in favour of a decision with which the Founder did not agree. This was evidence that power appeared to be transferring to the next generation. However, the Administration Manager’s limited understanding of and slightly negative beliefs about the discipline of marketing were consistent with the beliefs embedded within the organisation, and may contribute significantly to this organisation’s future level of market orientation being less than otherwise possible. Policy recommendations for Organisation C are the same as for organisation B because the situation confronting both organisations are very similar and are dominated by the role of the owner: (1) Clearly defining the roles and responsibilities
of the marketing department, (2) ensuring the managing director provides the marketing department with the freedom to take responsibility for marketing, (3) training for all senior managers in the discipline of marketing, (4) broader approaches to market intelligence gathering, (5) allowing personnel from all departments to be involved in decision-making to facilitate an organisational culture of risk-taking with timely and coordinated responses to market opportunities and threats.

- In Organisation D, the limitation to market oriented behaviour may in part be explained by the General Manager’s reluctance to share decision-making with his parents. The Joint Founder Wife had quite positive and entrepreneurial beliefs about the discipline of marketing but these were not able to be shared with the General Manager because of his reluctance to communicate. The General Manager did not have a good understanding of contemporary marketing practices, so this organisation was unlikely to change its market orientation in the future. Policy recommendations for Organisation D include: (1) broadening the extent of market intelligence gathering activities and (2) creating an organisational culture where information is shared more widely so that more personnel can become involved in marketing decision-making.

Both of the situations in the smaller organisations may be explained by a lack of knowledge of and belief in the role of marketing as an important organisational discipline and its establishment as part of organisational culture from each organisation’s beginning. This is consistent with the explanation about how organisational culture evolves provided by Schein (2010), the role of the ‘state of mind’ of the Founder and top management team noted by Kohli and Jaworski (1990) and Jaworski and Kohli (1993) and the ignorance of market orientation and marketing in general noted by Harris and Watkins (1998).

The results of this research demonstrated that the degree to which case study organisations adopted market orientation was influenced by the beliefs identified and that these were consistent with (1) ignorance of market orientation and of the discipline of marketing in general of the founder or owner of the case study organisations which limited intelligence gathering effectiveness and (2) reluctance of the founder or owner to delegate responsibility for marketing which limited information sharing, both of which are well documented in prior literature.
The benefits of adopting market oriented behaviour are well supported in literature. The benefit to Australian horticulture and to the economic performance of the industry and to employment in rural and regional locations by encouraging market orientation is therefore well supported in literature. Consequently, the contribution made by this research could be significant if it contributes to the creation of awareness of the benefits of market oriented behaviour, and facilitates the achievement of higher levels of market orientation in the agricultural industry. The next section describes the contribution this research makes to the academic literature, government policy and to the agricultural industry.

5.5 Contribution to academic literature and horticulture industry

The contributions made to literature, organisations operating within the agricultural sector, government policy and the agricultural industry are identified in this section.

5.5.1 Contribution to literature

This research examined the beliefs of senior managers that influenced market orientation in four vertically-integrated horticultural organisations. It identified 22 behavioural, two normative and four control beliefs of founders, owners and senior managers of vertically integrated horticultural enterprises, each of which influenced the degree to which those enterprises were market oriented. The identification of these beliefs extends academic literature in the field of barriers to market orientation. It was important to identify these beliefs because the Theory of Planned Behaviour provides evidence of the relationship between beliefs and behaviour (Ajzen 1991) and knowing the salient beliefs that influence the degree to which organisations are market oriented may be important to facilitators of change.

A search of the literature identified no prior research focused on identifying specific beliefs that influence market orientation. Many of the beliefs identified appeared to have become part of organisational culture which was predicted and which, in its simplest form, is described by Schein (2010, p. 15) as “the way we do things around here”.

This research serves as a reminder of the value of qualitative research to identify meaningful data in a field of study which has become overly focused on quantitative methods (Mason & Harris 2005; Rong & Wilkinson 2011; Woodside 2011). Semi-structured interviews were the appropriate methodology for identifying beliefs because this allowed interviewees to express their beliefs and for the investigator to discern beliefs from the interviews because, as
identified by Woodside (2010) people simply do not have access to their own thinking processes to explain the reasons behind their decisions.

The Theory of Planned Behaviour implies logical and predictable decision-making based on intention which is a function of behavioural, normative and control beliefs. Whilst examples of all of the types of beliefs defined in the Theory of Planned Behaviour described in Chapter 2 were seen in the case organisations, another element not explained by the Theory of Planned Behaviour, possibly linked to the personality of the owners and founders of the organisations was identified and had a significant influence over the degree of market orientation adopted by three of the organisations. This was the need by the Managing Director of Organisation A and the Founder of Organisation B to control significant marketing decisions. Similarly, the Founder of Organisation C sought to control important marketing decisions but control was being taken by one of the daughters. The behaviours of each of these individuals had a negative influence over market orientation in their organisations, and were not easily explainable by the Theory of Planned Behaviour. It is noted that when the Theory of Planned Behaviour was published by Ajzen (2005) the role of personality was presented as a background factor to behaviour but this research suggested that personality may play a much more significant role than a background factor. Consequently, this research proposes a modified model of the Theory of Planned Behaviour illustrated in Figure 5-1. The role of the personality and need for control of the most senior manager also resulted in a modified conceptual diagram, and this is provided as Figure 5-2.
Figure 5-1: Modified Theory of Planned Behaviour

Figure 5-2: Modified conceptual framework
5.5.2 Contribution to businesses operating within the horticultural sector

Each of the four case study organisations, although purposefully selected as typical of vertically-integrated horticultural enterprises, presented their own unique sets of beliefs and behaviour in relation to market orientation. For businesses operating in the horticultural sector, the identification of specific beliefs may not be the most important contribution made by this research. The beliefs observed in each organisation were specific to each and cannot be generalised. What may be generalisable is the observation that beliefs which influence the degree to which an organisation is market oriented may exist in every organisation and that until these beliefs are changed, the organisation is unlikely to modify its behaviour with respect to market orientation. Therefore, it is recommended that business owners and managers seeking to improve organisational performance should determine the beliefs of senior management team members that could be limiting the degree to which their organisations are market oriented. Market orientation assessment instruments exist. However, these do not reveal the underlying beliefs that influence market oriented behaviour in an organisation. The method of semi-structured interviews employed in this research proved to be an effective means of identifying beliefs and it is recommended that this approach or another qualitative method be used to determine beliefs. This is a process that may prove beneficial for managers, consultants and academics wishing to understand the issues facing organisations as part of an organisational culture change program directed at increasing the degree to which organisations are market oriented. The use of this approach could be part of an effective change management program for organisations which have not adopted market oriented behaviour as part of their organisational culture.

5.5.3 Contribution to horticultural industry

This research provides evidence that opportunities may exist to enhance the degree to which vertically-integrated businesses operating within the horticultural industry are market oriented. As prior research indicates a positive relationship between market orientation and organisational performance, the establishment of higher degrees of market orientation by industry participants should enhance overall industry performance, and may contribute to superior competitive advantage. Therefore, assessing the current situation with respect to market oriented behaviour adopted by vertically-integrated horticultural organisations and facilitating the adoption of higher levels should be an industry priority.
The following recommendations are offered to the horticultural industry:

1. Prior research has identified that country and industry cultures can influence the degree to which firms adopt market orientation (Kirca et al. 2009). Consequently, industry organisations including Ausveg, HAL and Commodity Peak Bodies should take responsibility for ensuring the horticultural sector has a culture which promotes market orientation. These organisations should adopt a proactive leadership role in assessing the degree to which industry cultures influence market orientation and take responsibility for implementing programs that will enhance the degree that Australian horticultural industry participants adopt market orientation.

2. Industry organisations and Peak Bodies should conduct domestic and international market research to understand consumer behaviour and the needs of retailers, food service and industrial users. Funded by industry, and made available to industry participants, the enhanced availability of market intelligence may encourage business owners and managers to better understand markets. This would be a significant step towards higher levels of market orientation and even if only a few organisations initially see the benefits of adopting higher levels of market orientation, others will follow as the benefits become more widely accepted. This is also consistent with contemporary approaches to value chain management which revolve around understanding the needs of end consumers.

3. Industry organisations and Peak Bodies should invest in research to identify the degree to which horticultural industry value chain members are market oriented and to identify the barriers to achieving higher levels of market orientation including the beliefs of key participants along each chain.

Enhancing the degree to which all supply chain members are market oriented is consistent with contemporary value chain management and as industry participants become more market oriented they may be more willing to investigate the benefits of sharing information with others in their value chains.

5.5.4 Contribution to government policy

As noted in Chapter 1 the horticulture industry is part of the agriculture industry and both are important to Australia for food security, employment, regional economies, manufacturing and
exports. It is therefore important that government policy be aligned with improving the industry’s performance. This research has identified that one way of making a contribution to enhanced industry performance is by organisations operating within the industry becoming more market oriented. The recognition that each organisation may have its own unique beliefs as part of its culture may have implications for government policy and the following recommendations are offered:

1. The first recommendation for government policy is that priority could be placed on marketing education for horticultural industry leaders. This would contribute to greater levels of awareness about the important role of marketing and market orientation in an industry that has traditionally been, and perhaps still is, production oriented. The need for policies that enhance the importance of marketing in horticulture is consistent with research which noted that agricultural industries are less likely than other industries to be market oriented (Beverland & Lindgreen 2007) and the number of beliefs identified in the current study which were related to ignorance of contemporary principles of marketing.

2. The second recommendation for government policy is that government assistance programs which support the preparation of business and marketing plans should require that an adequate investment in change-management be made to identify and influence the beliefs of founders, owners and senior management team members. Programs that provide financial support for consultants to develop plans for and with client businesses have been significant since at least the early 1990s. An assessment of the effectiveness of these programs at facilitating change and higher degrees of market oriented behaviour could contribute further to decisions about how future programs are structured.

5.6 Limitations

Case study research is often criticised for its limitations (Gomm et al. 2000). The limitations to this research are addressed in this section. Yin (2014) identified that case study research is frequently considered not generalisable to populations, but they can be to theoretical propositions. Consequently no claim of generalisation of the results to any population from this research is made. Even in the four case study organisations different beliefs were clearly evident, and it is likely that if the research was undertaken on other organisations, different
beliefs would be identified. However, the observation that in every organisation there exist beliefs that limit market orientation may be generalisable and has previously been established. Despite the non-generalisability of the results as a consequence of using case study methodology, the consistency with which the results compared with past research and with which they were supported by multiple interviewees provided confidence in their validity.

Another limitation to the research is that there can be no assessment made about the degree of impact of each belief on market orientation. This is because of the method employed, and the limitations of case study research in identifying causality.

Yin (2014) also identified that researchers can allow their own biases to influence qualitative results. The protocol of basing the research questions on prior publications and administering semi-structured interviews following an interview guide based on the prior research should minimise concerns regarding potential investigator bias.

Another limitation of this study was that case study organisations were drawn from a relatively small geographic region. It may be useful to conduct similar research in other parts of Australia to eliminate or confirm the existence of state or regional cultural factors which may influence the findings.

This section outlined the limitations of this research, and the next provides direction for future research.

5.7 Future research

This research involved qualitative methods to study four firms and identified that there were a number of beliefs that contributed to the firms being less than fully market oriented. This research was justified because, although there is a substantial body of research published on antecedents, consequences and barriers to market orientation, no prior research specifically to identify the beliefs of senior management team members was identified in literature. Consequently, this research made a contribution to the literature by identifying beliefs of senior management team members that may influence the degree to which firms are market oriented.

This research adopted qualitative methods to identify beliefs which allowed the research questions to be answered. The case study organisations were purposefully selected as being typical of vertically-integrated horticultural enterprises. That they all had opportunity for
improvement in their market orientation raises the question of how widespread within the Australian horticultural industry market orientation is understood and practised. Determining the extent to which organisations within the horticultural or wider agriculture industry have similar or other beliefs that influence the degree to which they are market oriented would be a useful extension of this research. This could be achieved by employing survey methodology and using one or more of the survey instruments already developed to assess market orientation in firms, although the concerns published with respect to assessing market orientation through the use of self-assessment methods need to be considered.

Prior research noted that despite the knowledge that organisations that adopt market orientation will receive enhanced organisational performance, many businesses have difficulty with implementation (Beverland & Lindgreen 2007). One possible reason for failure to implement could be that the beliefs of founders and owners of businesses may not be consistent with effective implementation of market orientation. If the deeply-held and not-expressed beliefs of business owners and industry leaders are inconsistent with market orientation then changing these beliefs is an important part of an industry-wide culture change process through which the Australian agricultural industry must go. Assessing the degree to which Australian agricultural business and industry leaders beliefs are consistent with market orientation is important research that should be undertaken.

The literature noted that country (Kirca et al. 2009) and industry (Grunert et al. 1996) cultures can influence organisational culture and that market orientation is part of organisational culture (Narver & Slater 1990). It is therefore appropriate to investigate whether the Australian horticulture industry has a culture of less-than-optimal market orientation because such a culture makes it very difficult for industry participants to adopt market orientation. The degree to which the Australian horticultural industry and perhaps the broader agricultural industry have cultures supportive of market orientation should be compared with other countries and regions such as New Zealand, the United States of America and the United Kingdom because these are regions that compete with Australian agriculture and / or in which much of the prior research has been undertaken.

Whilst the findings of this research are consistent with previously published evidence, it is not clear whether the beliefs alone caused the degree of market orientation observed in the case study organisations. Further investigations to determine causality would be relevant.
Much of the prior research undertaken on the subject of market orientation has been conducted on larger organisations based in the USA or Europe. This study was conducted using four vertically-integrated horticultural enterprises, each with annual incomes below A$50 million per annum and which were being managed by founders or family members related to the founder. It identified a series of beliefs that influence the degree to which the case study firms adopted market orientation, and concluded that lack of knowledge of contemporary marketing practices and a reluctance to delegate contributed to the degree to which the case study organisations were market oriented. Whether similar results would be obtained from larger firms, from service organisations and from organisations operating in non-agricultural industries may be warranted. Such studies would further contribute to the literature on market orientation.

In addition to the beliefs identified in this research the role of founders, owners and managers not delegating authority for important marketing decisions contributed to the degree to which the case study firms were market oriented. Further research to more clearly define the reasons for their reluctance would help to explain this behaviour.

Finally, it appears to be logical that beliefs of founders, owners and senior managers that limit the degree to which firms are market orientation may also be barriers to contemporary value chain management. This is because they limit the degree to which organisations along the value chain understand consumer needs and expectations and influence the degree to which information is shared. Future work to better define the relationship between beliefs of business managers and the adoption of contemporary value chain management practices may make a contribution to wider adoption of value chain management practices.

5.8 Chapter summary

After a brief introduction, this chapter provided a summary of the research process. It then provided detailed discussion about each of the 28 beliefs identified. The chapter then provided the conclusions drawn from this research. It then identified the contribution it has made to the academic literature on the subject of market orientation, to businesses operating within the horticultural sector, to the horticultural industry and to government policy. Finally, this chapter identified the limitations to the research and made recommendations for future research.
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Appendix I - Guide for Interview 1
Interview 1 Guide

My primary objective is to gain an understanding of how organisations evolve, so I’m interested to understand the history of your company, and particularly any major decisions that have been made or significant events that have influenced the way the organisation has evolved.

(Note major decisions)

With reference to specific decisions or events:

- How did this influence or change the organisational structure?
- How did this influence the company’s strategy?
- How were the decisions related to this event made? Can you describe the decision-making process?
  - Who was involved in the decision?
  - How did they make it?
  - How were alternatives evaluated?
- How would you describe the culture in your organisation?
- If I was to ask you ‘what business are you in’, how would you answer?
- What do you see as the next phase for your business?
Appendix II - Guide for Interview 2
Interview 2 Guide

What are the company's current sources of competitive advantage? How does your company identify and evaluate potential sources of competitive advantage? Why?

How is innovation managed in this organisation? Why? How are new ideas generated? Why? How are ideas prioritised? Why? How are the high priority ideas managed into commercial outcomes?

What does the Grove brand mean to consumers? How do you monitor the strength of Grove brand awareness?

What's your definition of marketing? What are your beliefs about marketing? (I mean your deeply held beliefs) What role does marketing play in this organisation? Why?

What market and competitor intelligence and customer feedback is collected by this company? Why? Why not more? Why not less?

How is market and competitor intelligence and customer feedback collected by this company? Why?

How is market and competitor intelligence and customer feedback used by the company to inform decision-making? At board level? At management level? At operational level? Why?

How is market information and intelligence shared within the company? Who gets to see what? Why?
Appendix III – Interview 3 Question Guide
Interview 3 Guide

1. Do you accept that adopting higher degrees of market oriented behaviour in general will increase profitability and employee satisfaction? Why or why not?

2. Having been exposed to the concept of market orientation and that there is substantial evidence that market oriented firms out-perform those that are not, what do you think has stopped your company from being more market oriented in the past?

3. What could stop it in the future?

4. What are the deeply held beliefs within the company’s culture or individuals that may limit the degree to which your company adopts a market orientation now or in the future? (After they’ve responded, explore the issues that have emerged in previous interviews including:
   a) The image of ‘marketing’ being like ‘used car sales’ being something they want to avoid.
   b) The organisation is, and will remain, production oriented because that’s the culture and it is difficult to change.
   c) Don’t trust market research and / or we already know what’s going on in the market so there’s no need to spend more time and money on more.
   d) Sharing market intelligence and asking production people to become involved just doesn’t work. They have no interest in it and it would become a distraction to their work.
   e) Other?

5. If there are barriers or likely to be resistance to the adoption of market organisation in your organisation, how do you think they can best be overcome?

6. How important is educating the management team about market orientation and how to change culture?

7. How important is educating employees about the adoption of higher levels of market orientation?

8. What would be the best way to introduce a topic such as market orientation in your organisation?

9. If it’s not been covered, ask how significant the link between MO and culture is in the way they think about marketing now?
10. Finally, I’d like to ask how you feel about introducing higher levels of market orientation and which, if any, of the following three concerns might get in the way of your deciding to act?

a. You’re not convinced that the benefits that I’ve described will flow from the additional investment in market oriented behaviour.

b. You think that adopting a higher degree of market orientation would be a good idea, but you might be constrained from saying so because the suggestion is unlikely to be received favourably by your peers.

c. You’d like to implement a higher degree of market orientation, but probably wouldn’t because you doubt the company will make the required commitment to the time and cash required to follow through.