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2000

[Link to publication](#)

Citation for published version (APA):

Elg, U., & Cerne, A. (2000). *Market orientation of a leading British food retailer*. Reports from Lund International Food Studies.

Total number of authors:

2

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**Market orientation
of a leading British food retailer**

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2000/4

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Introduction

Introduction to the project

This paper stresses the importance of recognising a distribution network's market orientation. It describes how a major British retailer works with market orientation both within the organisation and in relationships with manufacturers. The results presented here represent a first part of our study of the market orientation of distribution chains in different European countries. The ambition is to compare these distribution chains with regards to differences and similarities in their market orientation and to explain how structural difference influence a distribution network's market orientation. Theoretically, the ambition of the project is to develop a theoretical framework that enables us to analyse the market orientation of a distribution network, including both intra- and inter-firm aspects and a set of inter-organisational antecedents.

Research in market orientation has developed a lot during the last decade. The influence of market orientation on company performance has also been demonstrated (Jaworski and Kohli, 1993; Narver and Slater, 1990; Ruekert, 1992). At the same time, inter-firm networks and relationships have been stressed as a key to success as the environment becomes more global, uncertain and competitive (Anderson, Håkansson and Johanson, 1994; Astley and Brahm, 1989; Gulati, 1998). In many respects, competition appears to take place between inter-firm systems rather than between individual companies (Day, 1994). Still, the issue of market orientation on an inter-firm level has received very little attention, even though it is reasonable to assume that the overall market orientation and the members' willingness to work individually and together on this issue influence a network's efficiency. Furthermore, literature on marketing channels and distribution networks especially stress inter-organisational systems as competitors in presenting the best offer to the market (Stern, El-Ansary and Coughlan, 1996; Ford, 1998). The issue of inter firm market orientation thus seems to be especially significant within this type of settings. However, little research has yet been conducted on the issue (Frazier, 1999). In fact, Siguaw, Simpson and Baker (1998; 1999) are one of the very few to recognise the significance of market orientation in a channels context. Regarding channel market orientation as the sum of the market orientation of each of the interacting companies they do, however, not consider it as a network property that could be developed at an inter-firm level. The project that this paper is a part of therefore focuses especially on market orientation of distribution networks. A part of the framework the project is developing is presented below, and it is then applied in discussing the market orientation of a British retailer.

During the 1990s the market orientation construct has been discussed and developed in a number of studies. Most of them are based on either the Jaworski and Kohli (1990) or the Narver and Slater (1990) framework, or a combination of both of them (Deshpandé and Farley, 1998; Cadogan and Diamantopoulos, 1995). This paper originates from the Jaworski and Kohli framework. This means that market orientation is regarded to involve intelligence generation, intelligence dissemination and responsiveness. These three components have been discussed extensively on an organizational level (Kohli, Jaworski and Kumar, 1993). They have also been discussed to some extent in a channel context (Siguaw, et al, 1998). We further develop these concepts in order to make them applicable on an inter-firm level. Figure 1 presents the part of the framework that this particular empirical study covers.¹ Here, it is suggested that the overall market orientation of the distribution network is influenced by the joint activities performed by the network members (inter-firm market orientation) as well as by the activities that take place within a single company. Furthermore, the market orientation of each company is expected to influence inter-firm market orientation, because measures taken individually by a company in order to facilitate market orientation are likely to influence their collective efforts as well.

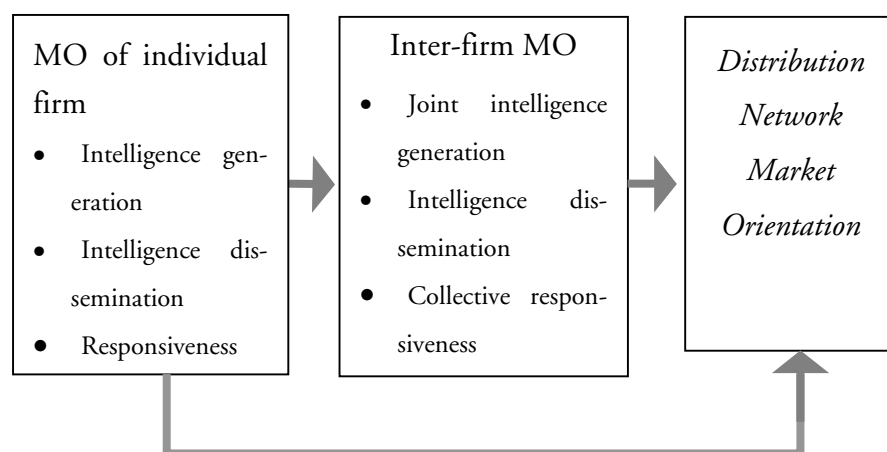


Figure 1. Intra- and inter-firm market orientation.

Below, the next paragraphs will give a general introduction of the retailer, and discuss the research method. The next two parts then presents our findings concerning market orientation within the retailer's own organisation and in its relationships to manufacturers. The final part will present a few preliminary conclusions of the study.

¹ For a more comprehensive framework and a more extensive discussion of the theoretical background and the concepts included in the model see Elg (2000a; 2000b)

Presentation of the empirical study

The structure of British retailing is highly concentrated, and is characterised by a small group of leading retailers with a market share that has been steadily increasing. With this growing concentration, the retailer power has increased, resulting in a strong bargaining power in the channel. The retailers' ability to lead and reflect consumer attitudes, tastes and choice has led to a greater control over channel information. This, together with increased market shares, has led to a change in power between retailers and manufacturers.

Another reason for this change of power has been the strong development of retailers' private brands competing with the manufacturers' brands. The private brands resulted from increased competition between British retailers, searching for a possibility of differentiation. The centrally controlled retail organisation facilitated this development of private brands.

Technology investments, providing retailers with the ability to collect more information at the point of sale, has also been a help for centralising management activities as product assortments, pricing and promotion. Another important feature has been the centralisation of logistics and physical distribution activities, resulting in an establishment of quality control measures.

These changes within the distribution channel has led to an application of marketing concepts and the recognition of the importance of their trade name in developing an image. With the transformation from a production oriented to a marketing oriented sector, the UK retailers have developed a consistent image and market position to the customer, where market orientation is likely to have an important role.

The participating retailer, ABC Ltd² of this case study is a leading British retailer. ABC Ltd is a nationwide, integrated chain. The organisation is considered to be flat and to work a lot in teams.

The material for the case study was collected through interviews with employees within the organisation of ABC Ltd. The interviews for the project underlying this case study, was decided to be made together with another project on grocery buying in European food chains. This decision was made through the fact that both projects needed to interview roughly the same persons, something that could be difficult if we could not meet the interviewees at the same occasion.

The initial contact was made through an introductory letter, where both projects were presented. The letter was sent by our international contact, a professor at the Institute for Retail Studies,

² The retailer will be called ABC Ltd in this study.

University of Stirling, Scotland. Through his former contacts with ABC Ltd, we were presented. After this we corresponded with ABC Ltd through telephone calls and e-mail corresponding. Finally the interviewees were selected regarding their participation in buying or marketing decisions. The areas of interest were fresh or frozen food, which excluded non-food items. The interviews were held at ABC Ltd's head-office, and the questioning areas can be seen in the appendix . All the interviews were recorded on tapes and transcribed by the interviewer for the project about grocery buying. The documents with the transcribed interviews were given to us, and the following analysis was made with regard to the project about market orientation. Some useful information was discovered by the questions from the project about grocery buying.

Consumer intelligence within the retailer organisation

Collection of consumer information

The first step in this study was to sort out what kind of information ABC Ltd collects about the consumers³. ABC Ltd has five main tools for collecting consumer information:

Focus Groups – the simplest form, which is made on a regular basis. This tool is used for targeting different types of customers. If ABC Ltd for example wants to understand the needs of a family they might choose housewives with young children. They bring these housewives together in a room, and have a conversation with them to understand their needs. This is made by an agency.

Quantitative Research – where ABC Ltd have some researchers in the stores. These researchers will physically count the number of people who have visited a fixture, and then go and interview them.

Perception Data – is a study made every four weeks within ABC Ltd across the whole business. In this research ABC asks customers what they think of ABC Ltd in terms of quality, price, availability, promotions and the range of own brands. This is not only made for ABC Ltd as a company, but also by a product sector, e.g. fresh produce. The same questions are asked to different customers every four weeks. ABC Ltd is of the opinion that this makes it possible to measure whether things have improved or not. For ABC Ltd this information is very important since they think that if the customers do not consider ABC Ltd as offering good value for money, this will translate itself into a declining market share.

Accompanied visits – are used when something specific might be wanted. In this case one of ABC Ltd's researchers go shopping with a customer. As they go around the shop, the researcher is asking the customer questions about what the customer thinks, how the customer feels, and the researcher will go home with the customer, asking the same type of questions.

AGB – research material bought from Nielsen. This is based upon a panel of 10 000 customers across the UK. The data consists of information from bar codes scanned into a computer placed in the home of the customer. This is a way for ABC Ltd to track how they are performing relative to their competitors.

³ In this case the customers and the consumers are the same for the company.

When trying out a new product, ABC Ltd uses a consumer panel to try the new product and find out what the consumers think of it. Consumer panels are also used by ABC Ltd to compare the ABC brand with competitors brand, in order to sort out products considered to be of less quality in the eye of the consumers.

When discussing with one of the buying managers though, it does not seem like the most important information about the customers is coming from these sources of information. The buying manager means that since “value for money” is the most important thing to ABC Ltd customers, it is quite simple to know what they like:

...it wasn't necessary that we asked the customers what they wanted because it was obvious just by going to our competitor and seeing people getting ten bottles of this product in their shopping baskets. So that's just a massive success of the right price, the right product, right time, nice weather and it's a huge success.

(buying manager)

Discussing the issue further, it becomes clear that besides observing competitors and how consumers behave according to competitors' products, there are other sources for consumer intelligence. Reading “standard industry reports” is one of them, another source is selective listening to information from brand suppliers:

...you teach yourself listening to the supplier presentations, taking on board that Coke will say one thing Pepsi will say another thing you may agree in the middle somewhere so you're almost like a sponge to get all this information. It puts you in another position of deciding on what you want to do...

(buying manager)

Access to and exchange of consumer information within the retailer organisation

According to the interviewees, most people within ABC Ltd could have access to the collected customer information. In the product department the marketing managers that take care of everything regarding customers, e.g. customer choice, packaging, product quality, retail pricing etc.

They give a brief to the buyers⁴, who are also, part of the product department. The marketing managers are considered the marketers, and within ABC Ltd they have the responsibility to speak to the customers on a regular basis to understand their needs.

So because we are a customer-focused organisation, we want to sell things our customers want to buy.

(product manager)

Even if ABC Ltd considers itself as a customer-focused organisation, the customer information is not involved in every part of the organisation. For one of the persons working with the merchandising process, information about the customers is considered when someone from the marketing department is involved in a project. It is not surprising that when trying to decide what products should stay in the product range and what products should be excluded, the first products being subject to an exclusion are the ones not selling as much as most of the other products. But by working in teams involving several departments, consumer information is considered:

But then you've got the marketing people who are there to look from a customer perspective, and say: "Well, it may be right to sell all these products, but what about the older customers that want to buy these products that may not have a high profit margin and may not be a high turn-over product? But what if we don't sell that product? All those people may go somewhere else to do all their shopping (...) So that's where the marketers come in, and they look at lots of other things as well. They look at ranges across different supermarkets, market data, but generally they are there to make sure the customers get a good choice.

(merchandise manager)

Still, it is worth to note that there is a difference in having possibility to see the information and actually getting it. Even if working in teams is considered by the company as a way to include many different views important to the company, it is difficult to spread the market orientation throughout the company by just expecting the members of the organisation to search for the information. The apparently lack of systematically recording of knowledge indicates that little market knowledge is available to all employees (Grunert et al, 1996).

⁴ In this report, the term "buyer" is referring to the buyer within ABC Ltd, buying merchandises for the company.

The key responsibilities for the marketing managers are sales, pricing, and what the customers think of ABC Ltd. Once the product is selected by the buyers, the marketing managers “sell” the product in form of communication, package, sales material etc.

You can either sell what is available to sell, which you will have a degree of success with, or you find out what people want to buy and then sell that to people and you will be incredibly more successful because you are meeting their needs.

(product manager)

When the marketing manager has collected the consumer information, he sits down with the buyer and explains what he has comprehended as the need and wants of the consumers. The buyer then interprets the needs into the physical product attributes and will work with the “technical team” in order to get the “right” product.

Grunert et al (1996) found that when information is mainly possessed by individual employees there is a risk that the market intelligence will be experimental, biased and limited. The lack of systematically recording of the information is possible to cause the experienced overload of information.

For one of the buying managers, information about what the consumers want is something you learn with time. The reason for this is that there are about 80.000 new products per year, and there is no time to spend on details about every product. There is a lot of different information distributed, but for the buyer, the most important information is the details about cost price to ABC Ltd and the margin.

You cannot just do anything because there is so much information there, so it is just about trying to pick out key bits of information.

(buying manager)

Not only is there an enormous amount of products to achieve information about. The number of shoppers, which is about 7 millions according to the product manager, is making customer information quite complicated. The lack of systematised information is likely to be an aggravating circumstance considering these conditions.

For the time being, everyone within ABC Ltd is not connected to the Internet from his or her PC. If they were, the buying manager thinks that people within ABC Ltd would have access to much more useful information about the market, which would make the work easier. Then they would not have to have the information presented by the suppliers; instead they could have access to the information directly from their own sources, which is more reliable, according to ABC Ltd.

One of the criticisms against ABC Ltd, by themselves, is that they have not been as strategic as some of the competitors have been. ABC Ltd thinks that they are learning to be more sophisticated, but that they have not been strategic enough, and they have not had enough time to analyse information. It could have been useful to be able to analyse the sales of products in stores, but there has been no time to do that.

Use of consumer intelligence within the retailer's organisation

According to ABC Ltd, the Focus group can be helpful to understand a need the customers might have but which has not been discovered or satisfied by ABC Ltd. This could be helpful to find out what specifications of a product they may have to change in order to satisfy the customer. By telling ABC Ltd about what things the customer is unsatisfied with, the Focus groups give an opportunity to satisfy the need of the customers. The Focus groups can also be a possibility to try out a new idea from ABC Ltd, and actually ask the customers what they think about this idea.

The quantitative data bought from Nielsen is considered as necessary together with the other types of data that ABC Ltd collects within the organisation:

[The Nielsen data] only tells us what people are buying it doesn't tell us what they think of what they are buying so it is important to have the balance of both.

(product manager)

The Nielsen data is considered as information on a global point of view, where as the perception data is thought of as being a stronger and more powerful tool that tells ABC Ltd about what people think. Still, the information seems to be quite general and not very much used in order to obtain specific information about different segments of customers.

When asked about how customer complaints are treated, the product manager answers that it is treated as an opportunity. He thinks that it is an opportunity to fix things, and his opinion is that ABC Ltd has a strength here compared to other retailers since ABC Ltd tries to solve directly in the store, without having the customer to fill in a lot of forms. If the customer should not be satisfied with solving it directly in the store, there is a possibility to go directly to ABC Ltd house, since they have there a replicate team of people who are there to deal with any issue that arises. In the case of more serious issues, as food poisoning for instance, the prepared team within ABC Ltd would come into action since this could demand the help for experts.

ABC Ltd has an organisation for treating customer complaints, but they do not follow up customer complaints, since

... generally a refund is sufficient so for us to file a piece of paper doesn't actually benefit us really...

(product manager)

There is a possibility for ABC Ltd to see how many customers that have been refunded by checking the profit and loss account for every shop. Anything that involves quality in terms of food safety issues is reported back to ABC Ltd immediately. Other issues are not recorded, since this is considered as too much paper work.

The intentions for following up customer complaints do not seem to be strong. "Speed" is a frequently used word, and when discussing how to satisfy the customer, speed seems to be the solution. Perhaps evaluating the information about customer complaints should not be underestimated. The information found in customers' complaints may not only be negative, it could also imply findings about wants and needs of the consumers.

Speed is also one of the reasons given for not having too much formality within the company:

... you don't need any formal communication channels. (...) We don't like formality in that way here. It just slows things down.

(product manager)

The flat and informal organisation is considered to be one of ABC Ltd's strengths. In the same time, as mentioned earlier, the lack of systematising information could also be a weakness considering the market orientation, which is also regarded as an important issue by ABC Ltd.

Consumer intelligence within the distribution network

Access to and exchange of consumer information within the distribution network

From ABC Ltd's point of view, the exchange of consumer information between themselves and the manufacturers is mostly in the form of information coming from brand suppliers. They are considered as having consumers, and ABC Ltd is thought of as a middleman to reach these consumers. ABC Ltd thinks that this is the reason why the brand suppliers invest "heavily" in consumer information. Suppliers producing mainly ABC Ltd's own brand, are less interested in investing in consumer information. This has however become a claim from ABC Ltd recently, so the suppliers of ABC Ltd's own brand is now expected to do their own consumer research in order to help ABC Ltd to make a better job.

There also seems to be sort of scepticism against the brand suppliers' information. According to one of the buying managers, the supplier information is always biased since the brand suppliers "*are there to sell*" and therefore it is possible for them to prove almost anything by analysing statistics in their own way of looking at things. Therefore it is very important for the ABC Ltd buying manager to have this in the back of his mind, something this buying manager would say come from his own knowledge.

Other managers within ABC Ltd agree upon the fact that it is important not being naïve, but that the information from the suppliers can be quite useful. In the "merchandising process", the suppliers are providing market information, demographic information, propensity information, etc. The opinion is that the suppliers have a lot of useful information as category partners. Even if ABC Ltd gathers that information separately, according to a merchandising manager, ABC Ltd will often rely on the supplier to provide them with information. The problem within ABC Ltd is not that they do not receive enough information, but that they feel as if they do not have resources to analyse it.

To the buying manager, one of the most important things when deciding what products to buy is to consider whether the new product will offer the customer something different than any other product on the market. This kind of customer information would be reached best through the buying managers' own experience:

That's something that buyers should be paid to know, to know their customers, know the market and the only way to do that is to work in the stores, talking to customers, thinking "Would my mom buy it? What would my mom think of it? What does Mrs Smith, who has four children, living on accounts of state with £25 a week to spend on food, is she going to buy these things?" Thinking like that, and you know whether the product is going to be right or not.

(buying manager)

Experience is also thought of as useful when deciding which supplier ABC Ltd can trust concerning consumer information. The opinion is that the brand suppliers have much larger organisations and much more resources to obtain the information. Therefore the information from the suppliers is considered to be of much better value today than it used to be. Trust is mentioned as being very important when choosing suppliers. Still, not all suppliers are considered as trustful in the market information they provide. One of the merchandising managers was convinced that evaluating what supplier is trustful or not is something being learned by time and experience.

Another reason mentioned concerning why ABC Ltd experiences the supplier information as better and more reliable today than before, is the closer cooperation performed today. With category management partnerships have been built between ABC Ltd and their suppliers, which seems to be a contrast compared to the more aggressive relationships that they think were more common earlier. ABC Ltd normally involve the suppliers from the beginning when ABC Ltd does "the micro and macro analysis". ABC Ltd also has a process called "supplier involvement", concerning opinions from suppliers about what is happening in the market place. Still, this is not a common feature for the whole organisation of ABC Ltd:

Some people let them get involved right from day one with our process. Some people just use them for specific parts of the business.

(trade services manager)

However, the information from the suppliers is considered to be different from the information collected by ABC Ltd:

...the only information we get are the people walking through our door, whereas they can tell us a lot more about what is happening in other areas. Like for example propensity, where people may shop in our stores to do their main shopping and then go somewhere else to top up their shopping every week. We can see where we are losing these customers to and whom the secondary customers are, to try and target things specifically at them so that we can lure them away from the places where they usually do their shopping...

(merchandise manager)

Collective use of consumer intelligence within the distribution network

Regarding the cooperation with manufacturers as a consequence of market intelligence, the product manager gives an example of a product in the category of fresh takeaway foods. A special dish was developed together with the supplier. According to the product manager, the new product became a huge success thanks to the close cooperation with the producer. In order to try to understand ABC Ltd's customer, they managed to develop the right product in a short time. The advantages with cooperation are that ABC Ltd considers itself to have the best knowledge about the customer, in the same time as the producer knows more about the product, and on the top of it all, the costs of the research are shared.

When asked about what characterise the relationship between ABC Ltd and their suppliers, the product manager thinks that ABC Ltd is very different compared to their competitors, since ABC Ltd put customer needs first. This could be interpreted as giving rise to closer cooperation in the name of market orientation. But much of the statements during the interviews lead to the assumption that prices are very important to ABC Ltd's customers. Some of the statements also imply a certain suspicion against the suppliers.

We tend not to want the suppliers in [the store] because they can confuse the customer. (...) The only time we really allow them near the store, is if they are doing a promotion outside of the store... (...) On a more practical level we sometimes let the suppliers involved in merchandising the shelves, actually laying the stock out, which is actually a bit cheeky, but you know, it cuts costs. We try and control it.

(trade manager)

On the other hand, ABC Ltd does not feel that they are involved in the earlier stages of the brand manufacturer's product development. This is thought to be due to the fact they feel that retailers might copy their idea and launch it as a private brand. Sometimes the brand manufacturer could be completely wrong about a product launch, says ABC Ltd, since ABC Ltd probably has more knowledge about the consumer than the producer does. It happens that ABC Ltd does not launch a branded product if they think it is wrong considering their customers, since they think it would be wrong to try to sell something that would be misplaced.

There is a difference in how ABC Ltd works with brand manufacturers and manufacturers of ABC Ltd's own brand when launching a new brand. When working with brand manufacturers, it seems mostly to be about price, profit and whether there is a massive campaign behind a new product. With no campaign from the brand supplier, there is little chance that ABC Ltd will take in the new product. On the other hand ABC Ltd might find it necessary to take in a new branded product with a massive campaign behind it even though it will not mean any profit for ABC Ltd. This is due to the fact that a large campaign would make consumers expecting ABC Ltd to sell the product in question. For a launching of an ABC brand, it is the buyer who makes the research behind the product, and also who is responsible for what characteristics being important for the new product. The producer of ABC Ltd brand will be informed about the demands, and then the producer will get some time to try to match that demand.

The flat organisation of ABC Ltd is considered to be an advantage also in the cooperation with suppliers. In this way, the supplier has only one point of contact, and they only have to receive decisions from one part. The flat organisation is also experienced as an advantage in channelling the information, since the supplier only has to give information to a person "*knowing what's going on*". But in the view of market orientation, this is likely to obstruct and bias the market information within ABC Ltd, since it is mainly depending on a single person. This is leading back to the importance of "speed" within ABC Ltd, where the issue of only having one point of contact for the suppliers could be interpreted as speed being preferred to the guarantee of disseminating market information.

The communication with suppliers is thought of as mainly informal and the results as a team effort. In the teams of ABC Ltd there might even be a person from the supplier involved since this is considered to create a better understanding for the work with products. Involving producers in the teams is also thought of as a way to improve the products for the customers. This close cooperation with suppliers still seems to be illustrating the relationship with manufacturers of the ABC brand. The cooperation with brand suppliers appears to be quite rare and more in the form of “selling” information from the brand supplier to ABC Ltd. One of the reasons is of course that the brand suppliers are competitors to the ABC brand in some areas.

A striking impression regarding the cooperation between ABC Ltd and their suppliers, is what the market orientation literature mention as retailers having high expectations of cooperation but difficulties in explaining exactly what to expect (cf. Grunert et al, 1996). This leads to a belief that producers will provide retailers with information necessary for product development.

Discussion

ABC Ltd has a rather extensive programme for gathering information about its customers. A first impression of this case study, however, is that it emphasises the problem of information overload that seems to be something that most retailers have to deal with. A lot of data sources and information is available both internally, from manufacturers and from independent suppliers of market intelligence. The problem that ABC Ltd is concerned with is to a large extent how to interpret and to use the different types of information. When it comes down to it, managers seem to rely very much in intuition, because there is so much information available that it would not be possible to make sense of it and to evaluate it all. Furthermore, consumer intelligence appears to be used as input in order to gain a general knowledge of the needs and wants of the market and formulate strategic intentions, and in the latter stages when testing a new product. Consumer data does, however, seem to be used a lot less when making other types of more concrete decisions about individual products. Furthermore, even though this retailer is rather ambitious in its collection of consumer intelligence, it does not really respond specifically to particular consumer inputs and pieces of information about consumer needs.

The sense of being overloaded by information is something this retailer shares with many other companies. According to the market orientation literature, such information overload can often be compensated if a company tries to systematise its use and distribution of consumer data within the organisation. In this case, there seems to be few such attempts made that could relieve employees with different areas of responsibility from some more irrelevant types of information, and that would also make it easier for them to find and use relevant types of information effectively.

This is also a major impression when analysing the inter-organisational level. Some successful attempts have been made in cooperating with manufacturers more systematically. Here, there was also an exchange of consumer data. In general, the cooperation with suppliers seems to be made more together with those supplying ABC Ltd's private brand, rather than suppliers with own, strong brands. In some working teams one of the members could even be from a private brand supplier. Usually, however, ABC Ltd does not appear to have a specific strategy for collecting and distributing consumer information within the distribution network. Neither is there any systematic exchange or storing of information within the network. The issue of trust also comes to the fore when analysing the inter-firm level. From the perspective of ABC Ltd, it is difficult to assess the consumer data provided by manufacturers because there is always the risk that the information is biased in favour of the particular manufacturer. To a large extent, knowledge on consumer needs and wants seems to play a very minor part in the relationships between ABC Ltd and the manufacturers. This goes for negotiations and discussions concerning individual products to be

launched as well as for the product development process in general. Instead, issues to do with prices and margins dominate.

Requirements for close cooperation with suppliers do appear to exist, for example in the area of space planning. Space is considered to be an important asset for retailers, and when optimising the space planning, close cooperation has been a positive experience. This area is not “secured” from competitive thoughts, but this was solved through the signing of confidentiality agreement, something that might be used for other areas than only space planning.

One issue that is shared with both other retailers as well as organisations in other lines of business is the problem with people changing positions within the firm. Long-term relationships are considered as important in cooperation with suppliers, something that is made more difficult with constant re-organisations. This is likely to have an effect on the importance of trust within the relationship between the retailer and the supplier.

As a whole, a conclusion is that a lot of things remain to be done in order to improve market orientation both internally within ABC Ltd’s own organisation, and externally, in relationships to manufacturers. At the same time, it is important to recognise that this is only a first, and preliminary, investigation and it is not possible to say whether the pattern described here is typical for British retailers or for retailers in general. On the other hand, some of the problems that were stressed by the study, such as the issue of trust and the sense of information overload, seem to be experienced by a lot of organisations today.

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APPENDIX

	CONSUMER INTELLIGENCE	CONSUMER RESPONSIVENESS
<i>INTER-ORGANISATIONAL</i>	<ul style="list-style-type: none"> • Communication with customers? • Who collects consumer information? • Exchange of info within the company? • Saving/updating of consumer info? (technology, responsible, access) • Use/dissemination of customer complaints? • Information about different needs in different groups of consumers? 	<ul style="list-style-type: none"> • Consumer input in decisions? (buying, product development) • Demands upon other departments, based on consumer input? • Example of development project, involving several departments, based on consumer input? (new product area, new market, new organization) • Segmentation/adaptation of assortment, store concept etc to different consumer needs? • Evaluation of actions to satisfy consumers' needs and wants?
<i>INTRA-ORGANIZATIONAL</i>	<ul style="list-style-type: none"> • Contact with producers concerning market demands? • Exchange of info with producers? • Direction of info (from whom to whom)? • Openness (info to producers about customer input)? • Common investment with producers for consumer communication (IT, databases, investigations)? • Consumer complaints to producers? • Change of info about customer within common institutions (e.g. trade associations)? 	<ul style="list-style-type: none"> • Common investments because of consumer input (campaigns, distribution, routines for contacts)? • Producers' opinions on how you work with their products (based on consumer input)? • Do producers use consumer arguments to sell products? • Do you use consumer input for demands on producers (product development, tastes, packaging)? • Do you use consumer input to influence product adaptation to different customer segments? • Common evaluation of consumers' reactions to actions and activities performed by the distribution network?

Secondary data?

Policy?

Instructions of conduct towards customers?

Training in treatment of customers?