

N-167. Annotations re Question B20a-f

Background

Justification

Random thoughts on variables, research questions, hypotheses

References

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5/98

Background

Question B20 provides a list of problems many businesses face and asks for respondents to indicate the extent to which each item is perceived as a problem for his/her business. The list evolved from numerous articles that discuss the problems experienced by family businesses and, more generically, by small businesses. It is important to note that this question provides our only vehicle for measuring environmental uncertainty in family businesses. It was drastically cut from the original list to the six-item list; moreover, other separate questions that focused on the business environment were cut entirely. Still, I believe it has the potential to provide us with some useful information.

Note also that all items in the list deal with marketing, as distinguished from managing. Although at times it is difficult to separate these two functions, what follows is my explanation of the difference. This is important because B20 is closely related to B15 a-j, a question which asks to what extent specific business activities are performed in the respondent's family business.

Although many definitions of marketing have surfaced as the concept has evolved (primarily from profit-based objectives to stakeholder-benefit objectives and from private issues to public issues), my preferred definition and the one I use in the following discussion is the following: marketing is the process of focusing the resources and objectives of an organization on environmental opportunities and needs (Keegan, 1995). The environment referred to no longer has only an "internal" or within-the-firm focus as it did when the term marketing included only the "4Ps" (product, price, place [distribution], and promotion). Now the term also has an external focus in recognition of the need to place business not only in that environment over which it has direct control, but also in the broader environment which includes suppliers, trade associations, competitors, customers, public interest groups, technology, economics, social change, politics and government regulation, and the international environment. Management, on the other hand, can be defined as the process of planning, organizing, leading, and controlling an organization's resources to achieve its goals (Ebert & Griffin, 1998). Using these definitions, all of the B20 items are marketing items and all of the B15 items are marketing items with the exception of 15d, e, and i, which are management items; B15j could (and should) fall into both definitions.

Justification

Performing marketing functions competently and effectively is essential for any business, including small family businesses. Is the marketing function different in small family firms than in large multinational corporations? Probably yes; a long-recognized problem of family businesses includes struggles with management (including the management of marketing functions) for a number of reasons. Frequently the family owners themselves are the managers and prefer that the business retain this organizational structure. Even should the owner decide it would be advisable, for whatever reason, to hire an outside manager, it may be difficult (Guzzo, 1991). Burack and Calero (1981) mention specifically that family businesses frequently have trouble hiring outside managers

and see their business as successful consider the marketing environment to be a problem or not a problem (B20)?

Hypothesis 1: Those who engage in marketing activities to a great extent will see the market environment as less of a threat (B20) and will perceive their business as more successful (B18).

Hypothesis 2: Those family businesses that indicate commitment to strategic planning (B15j) will see the market environment as less of a threat (B20) and will perceive their businesses as more successful (B18). This is based on Van Kirk and Noonan's (1982) contention that extensive planning activities are essential for all businesses, large or small; however, because of the time commitment required, small business managers tend to defer this activity and devote their time to the pressures of day-to-day business.

Hypothesis 3: Those businesses that are older (B4) will see the market environment as less of a threat (B20), perceive their businesses as more successful (B18), and engage to a greater extent in the marketing activities listed in B15. This is derived from Mohan-Neill's (1995) finding that a firm's age (used as one measure of success) was a more significant variable in determining environmental scanning behavior than a firm's size.

Research Question 4: To what extent do those family businesses who identify the assessment of customer needs as a problem (B20a) spend time analyzing the satisfaction of their current customers (B20a)?

Research Question 5: To what extent do those family businesses who identify developing marketing strategies as a problem (B20d) analyze the satisfaction of their customers, evaluate the quality of their services or products, plan advertising and promotion budgets and strategies, estimate their personnel needs, evaluate the performance of their employees, motivate their workers to become better employees, and work on strategic planning (B15)?

Research Question 6: To what extent do those family businesses who identify finding qualified personnel as a problem (B20c) devote time to estimating their personnel needs and performance standards, evaluating employee performance, and motivate their current workers?

The literature on small business advertising and human resources is probably more abundant than in other marketing areas. See, for example, Curran, 1988; Deshpande and Golhar 1994; Finney, 1987; Hornsby and Kuratko, 1990; Jackson and Parasuraman, 1988; Peterson, 1989; Vaccaro and Kassaye, 1985; Van Auken, Doran, and Rittenburg, 1992.

Other related variables: 2. the "outside" influence

Research Question 7: What is the relationship between various "outside" influences on the family business and perceptions of marketing environment problems?

Direct "outside" influence on the family business could well influence perceptions of the threat of the marketing environment. For example, if the business has a board of directors and that board is composed primarily of external members, it could well be that would have either a positive or negative effect on perceptions of the external marketing environment as a threat. In this questionnaire, such outside influence might come, for example, from the number of employees (family members or non-family members) that have recent college degrees (H2f). The more outside (non-family) employees the business has also might have an effect (B10). If the location of the business is outside the home

Other related variables: 4. community support

Ex: EO
Cooled
unemployment
eg.
5
ratio

Research Question 11: For those family businesses that perceive community support to be high, will the marketing environment be perceived as less of a threat than it is to those who perceive low community support?

Other related variables: 5. long-range goals

Research Question 12: Are those respondents who identify a positive reputation with customers as being their most important long-range goal (B25) more or less likely to see the marketing environment as problematic (B20)?

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