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Marketing Strategies of New Zealand Lamb Producers

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In loving memory of
Daniel Conforte

Abstract

The journey of many roast lamb dinners around the world originates from the green hilly paddocks of New Zealand. With the path from the farm to the final consumer becoming increasingly complex, a better understanding of the drivers of producers selling decisions is necessary to increase the efficiencies of supply chains and to enable improved value chain performance. This is particularly crucial in the New Zealand sheepmeat industry where sheep numbers have been declining and as processing companies attempt to consolidate their lamb supply through the commitment of producers to their company. A clearer understanding of the current profile of producers selling behaviour was needed to effectively move towards a more comprehensive and sustainable procurement strategy for the industry.

In order to best examine these selling decisions an initial review of literature on the marketing strategies of producers, their choice of selling channel, and the nature of their supply chain relationships was carried out. This, combined with a selection of interviews with lamb producers and industry experts, was used to formulate a survey that encompassed the marketing strategies of a purposive random sample of New Zealand lamb producers. Principal component analysis and regression partitioning modelling was used to identify the factors that explain the most variance in producers that carry out different marketing strategies. The key drivers of the different marketing strategies were examined through further analysis to identify potential mechanisms to increase the level of integration and collaboration between producers and processors.

Results conclude that producers carry out a range of marketing strategies defined by whether or not they commit to one company and secondly whether or not the producer is active or passive in their involvement in selling decisions. The most significant causes of differentiation between producers that carry out different strategies were found to be producer's values and strategic orientation. An association between the producers marketing strategy and their desire to internalise or externalise the uncertainty associated with selling decisions was found. Furthermore differences in the drivers of the marketing strategies present challenges and opportunities to influence producers selling behaviour. This research has provided the industry with a profile from the producers' point of view of why they behave the way they do. This is critical to enhance industry strategy discussion and the development of more collaborative transactions between producers and processors.

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