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The Evaluation of Stakeholder Relationship Marketing Information Systems

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1. Introduction

Modern business is evolving, the large profit driven organisations of the past have dissipated and responsible, triple bottom line, sustainability focused organisations are pioneering global business practices.

The new goal for modern businesses is to become more transparent to their stakeholders, compile triple bottom line reports, and to become a sustainable organisation. To do this an organisation needs to identify who its stakeholders are. Literature in this stakeholder area is vast and has been traced back to the 1930's. However in order to uncover how organisations may utilize stakeholder management to enhance their business practice, there is a clear definition of what a stakeholder actually is.

“those with a vital stake in the organisation without whose sanction and support would cease to exist.” (Murphy et al., 2004)

Stakeholders can have many different relationships with an organisation so there are multiple perceptions on how an organisation is performing through the eyes of its stakeholders. To gain a true understanding of how to communicate with stakeholders, there must be a suitable classification of stakeholder groups.

“It is commonsense to consider the five stakeholder groups as being indispensable in the functioning of a sustainable business. The business is financed by shareholders, is allowed to exist by the community, has suppliers providing materials and services, for employees to create goods and services, which customers purchase in preference to competitors' goods and services.” (Murphy et al., 2004)

Using these classifications a modern business manager can involve stakeholders in the decision making processes. All stakeholders must have the ability to have input into strategic decisions of an organisation. “Today's manager has to learn not only WHAT the right decision is, but also the process of HOW it is to be decided. The HOW it impacts on

the WHAT and involves the participation of stakeholders” (Freeman, Charan. 1997, p8)
Reviewing past case studies it is clearly evident that this process, albeit simple, has not always been followed. This has prompted the need for a tool that can divulge information from the stakeholders and can interpret stakeholder perceptions on aspects of the organisations performance.

This tool is the Stakeholder Performance Appraisal. The Stakeholder Performance Appraisal is a variation of the Slaughter (1995) Foresight Model where foresight has been defined by as a process of future sensemaking, “a human capacity that can be harnessed to facilitate desirable individual and social change”.

The Stakeholder Performance Appraisal is derived from earlier work on Attitudinal Management Planning Models by Murphy (1980)

(Murphy et al., 2004) postulates that The Stakeholder Performance Appraisal focuses on the measurement of present stakeholder attitudes (influenced by past and present marketing activity) as timely, early warning signals of future stakeholder behavior and concomitant future business performance.

There is still no measurement tool that can use stakeholder information to understand and manage stakeholders attitudes and behaviors. The need for such a working tool is clearly evident.

“For Companies, logically, the main attraction of employing the stakeholder concept is that they will outperform those that do not. As yet there is no compelling empirical evidence that stakeholding is the optimal strategy for maximizing a firms financial and market performance.” (Donaldson & Preston., 1995, p55)

This Stakeholder Performance Appraisal has been used to uncover the perceptions of stakeholders based on their experiences with the organisation with which they have a relationship. Information collection questions have been included to begin to provide

some statistical evidence that stakeholder management is the optimal strategy for firms to gain more control over triple bottom line performance.

The Stakeholder Performance Appraisal was conducted on six companies for the purpose of this thesis. The case study companies were: Wahine Malosi Charitable Trust, Phoenix Organics, Route 66, Marine Insurance Brokers Ltd, Serra Foods, and Urgent Couriers. The results have been displayed in such a way as to answer the research questions and to prove the hypothesis. All cases are analyzed individually and then a comparative analysis is shown.

I used the standard Stakeholder Performance Appraisal, and included my four research questions along with the SWOT analysis.

Three of the companies received their questionnaires in paper format and had to send their results through to me via mail.

Three of the companies conducted the survey online using the exact same questionnaire however built into a digital format.

This method was used to ensure a spread of data gained from two different methods and to maximize the best responses with the least amount of bias.

2. Purpose

The sampling method of both attracting the companies and the participants was done using the convenience sampling method.

2.1 Research Aims

There seems to be a gap in current literature in regard to information system management with stakeholder relationship marketing. The main aim is to conduct research which evaluates current stakeholder information systems to help identify where stakeholder involvement can enhance relationship marketing by efficiently managing information systems and information collection techniques.

2.2 Research Objectives

1. To identify an approach that successfully, and critically, analyses a company's information systems and information management.
2. To evaluate current information management techniques to uncover fundamental efficiency increases.
3. To create a link between information systems and information management with stakeholder relationship marketing.

2.3 Research Questions

1. Are businesses actively trying to get information about stakeholders and why?
2. What are businesses doing with stakeholder information once it has been collected?
3. What is the potential benefit of stakeholder information systems on improving stakeholder relationship marketing performance?
4. Does stakeholder information system management affect ROI?

2.4 Research Hypotheses.

1. All companies collect stakeholder information, but fail to manage this information effectively.
2. There is a significant quantitative correlation between the effectiveness of Stakeholder information systems and the Stakeholder Performance Index.
3. Information systems and information management has a significant effect on the stakeholder relationship marketing process.
4. There are seen to be co-relationships between the quantitative and qualitative results that show information systems and management affect organisational performance.