

# COMMITMENT TO MARKETING STRATEGIES IN COOPERATIVE BUSINESS ARRANGEMENT: ROLE OF APPROPRIATE INTELLIGENCE GENERATION AND INCLUSIVE PARTICIPATION

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## Abstract

This paper empirically examines the influence of appropriate intelligence generation and inclusive participation in marketing strategy formulation on commitment of SME owner-managers operating in cooperative business arrangement. Data was collected using a structured questionnaire from 256 owner managers operating mini-bus taxi businesses in South Africa. The findings show that appropriate intelligence generation during marketing strategy formulation and inclusive participation in strategy formulation has significant positive influence on member commitment to marketing strategies in a cooperative. The study has significant managerial implications as it identifies factors that managers of SMEs involved in cooperative business arrangements can focus on in order to effectively manage member commitment towards marketing strategies that need to be implemented by all.

**Keywords:** Commitment to Strategy, Intelligence Generation, Marketing Strategies, Inclusive Participation, Small and Medium Sized ffrms, Strategy Formulation.

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## 1 Introduction

Small and medium sized firms are widely considered to be the ‘economic blood’ of many nations. This is mainly because of the large contributions that such firms make to the economic well-being of nations. According to IFC (2010) report small and medium enterprises (SMEs) make up approximately 90 percent of all enterprises in the world and constitute a significant part of industrial activity contributing over 50 percent to employment. Michala et al (2013) reported that in OECD member countries SMEs make up 95 percent of all enterprises and generate two-thirds of employment. They pointed out that in the European Union the number of SMEs is as high as 99 percent of all enterprises and that they contribute to more than half of the value added created by businesses. Reports from ASEAN and African region paint similar pictures on the role of SMEs in economies. For example Ata et al (2013) noted that SMEs make up more than 98 percent of all enterprises in the ASEAN region and contribute around 40 percent to their countries’ GDP. Up to 90 percent of all businesses in the Sub-Saharan Africa region are said to be SMEs and that collectively these enterprises are estimated to account for about 50% of job creation in the region (IFC 2014; Frimpong2013). Statistics for South Africa show that SMEs account for 91 percent of all formal businesses and contribute between 51

and 57 percent to the country’s GDP and 60 percent to employment (Kongolo, 2010).

While the statistics show the important role played by SME’s in many economies, the SME sector is in many countries also associated with very high failure rates more so amongst start-ups. A report by Kgosana (2013) noted that global statistics show that one out of every two small businesses fold within the first year of operation. According to the report, in South Africa the figure is as high as five out of every seven businesses. The high failure rates of SMEs in South Africa has been a matter of high concern to stakeholders involved in small business development including government. While high failure rates of SMEs can be attributed to many factors Merrilees et al 2011 as well as Van Scheers (2011) pointed out that poor marketing skills is one of the major contributing factors. Stakeholders involved in small business development in South Africa have over the years been implementing programs aimed at reversing the trend. One of these programs relates to promotion of networking among small businesses through the promotion of co-operative forms of business operations.

Cooperative forms of business operations are often advocated among SME’s because they are seen to be helpful in reduce resource and capability constraints that firms often face when they operate on their own. The ability of cooperative model of

business operation to succeed largely depends on among other factors, the level of commitment of individual business owners to the group and the groups' plans (Bahinipati 2014; Rese and Baier 2011). Keeping in mind that poor marketing is one of the major acknowledged problem areas of small business, this paper investigates how businesses in a cooperative type of business relationship go about generating intelligence for formulating their marketing strategies and how this is related to members' commitment to formulated strategies. The paper is based on a survey of practices among firms operating in the mini-bus taxi industry in South Africa. The specific objectives of the paper are to (i) examine the extent to which firms follow appropriate intelligence generation practices when developing their marketing strategies (ii) investigate levels of inclusive participation in marketing strategy development (iii) examine if there is a significant relationship between appropriate intelligence generation in marketing strategy formulation and commitment and (iv) examine if there is a relationship between inclusive participation in marketing strategy formulation and commitment to formulated strategies.

The paper has been structured such that the next section provides a review of literature. This is followed by the methodology section and presentation of results respectively. Thereafter the results are discussed and implications of the findings outlined. The paper finishes by providing a summary of major conclusions drawn from the findings, limitations of the study and suggestions for future research.

## 2 Literature review

### 2.1 Why small businesses fail—A resource based view

There is consensus among researchers and practitioners that the failure rates of small businesses is too high and something needs to be done to look for ways of reversing the trend. A review of literature on studies in entrepreneurship development shows that resource constraints are a major factor that can explain small business failure. Small businesses operate in the same market as their large counterparts, often competing for the same customers but without the resource endowments that large businesses often have. Van Teeffelen and Uhlaner (2013) and Smit and Watkins (2012) observed that small and medium sized businesses often suffer from lack of adequate financial and human resources. For this reason Smit and Watkins (2012) cautions against viewing SMEs as a smaller version of larger enterprises.

Due to the resource limitations that SME's often suffer from, it is prudent for scholars and practitioners looking for solutions to the problem of high failure rates to take a resource based perspective in diagnosing the problem and offering solutions. The resource based theory argues that firm competitive advantage and performance are dependent on its

resource endowments. It is important when looking at the argument associated with the resource based view in relation to firm performance to note that the extent to which resources can help explain competitive advantage and performance is mainly to do with the fact that resources are a source of firm capabilities. Newbert (2007) in his review of empirical research on the resource based view to the firm also pointed out this fact, noting that capabilities rather than resources are critical in explaining firm performance. This is because resources on their own cannot do anything and performance is a function of firm activities.

Commenting on capabilities Ireland et al (2013) observed that firm capabilities are 'based on developing, carrying and exchanging information and knowledge through the firm's human capital' p. 76. Day (1994) focusing on marketing capabilities, noted the need for firms to develop their market sense-making and customer-linking capabilities if they are to succeed. Keeping in mind the importance of capabilities, the foundation of which is in human resources as well as taking cognisance of the fact that most SMEs do not have the capacity to employ highly skilled human resources makes many scholars in small business management to look at cooperative forms of business ownership as one possible way of dealing with the problem.

### 2.2 The resource advantage of cooperative forms of business

According to Ireland et al (2013) a cooperative strategy is a means by which firms collaborate for the purpose of working together to create competitive advantages and achieve shared objectives. There are different ways in which firms can pursue cooperative strategy. For example firms can go for joint ventures, non-equity strategic alliances or network alliances. Firms can go for informal relations with other firms or can go for formal alliances. Whatever form or name firms use to describe their cooperative strategy what is important is that they be able to benefit from relations established especially in relation to enhancing their competitive advantage. Research shows that there are many potential benefits that firms can derive from working in cooperation with others and not just on their own. Konsti-Laakso et al (2013) for example, found that by working with other firms through business networks SMEs are able to tap into the knowledge resources of others and enhance their innovation capabilities. Another potential benefit associated with cooperative strategies among SMEs relates to increased opportunities for strong cooperative branding and image enhancement (Mälaskä et al 2011). Villa and Antonelli (2009) remarked that one major characteristic of networked organisations that justifies why networking benefits SMEs comes from reduction of transaction costs among the network members. This is because through networking, a single firm does not have to commit all resources needed to carry out an activity. By pooling

resources together firms can do more than is possible if they were relying only on their own resources. Potinecke et al., (2009) argued that ‘the qualitative aspect of networks as a learning and knowledge communities is in the long run, one of the most effective competitive advantages that firms can in the long run derive from engaging in cooperative strategies. Hitt et al., (2000) pointed out that the main focus of resource based view for firms in alliances is on organisational learning.

### **2.3 Marketing capabilities and intelligence generation**

The problem of marketing capabilities often associated with small and medium sized firms is a matter that needs serious attention. This is so considering that capabilities inform what firms are able to do in terms of marketing strategies that they can pursue. Marketing strategies pursued in turn influence a firm’s marketing performance. Ireland et al, (2013) noted that strategies specify what firms want to do in pursuit of sustainable competitive advantage. They argued that intelligence generation is critical for appropriate strategy formulation and that this needs to involve analysis of a firm’s internal environment so as to identify strengths and weaknesses of a firm as well as analysis of the external environment so as to identify opportunities and threats. It also needs to involve integration or matching of the strength, weaknesses, opportunities and threats in strategy making so as to ensure informed decision making (David, 2011; Lynch, 2012).

Strategies that are informed by high levels of awareness of developments in the internal and external environments are likely to better lead to optimisation of a firm’s ability to take advantage of opportunities facing it and minimise effects of potential threats than those that are not. The process taken can also help make it easy to justify choice of strategies to those who need to be involved in implementation. Wong (2005) noted that knowledge has in the modern business world become a critical driving force for business success. He observed that as a result of the need for knowledge, significant investments are being made by organisations in hiring minds more than hands. Resource constraints that most SMEs face make it difficult for them to individually invest significantly in hiring minds. However, by working together, small firms can tap into each other’s knowledge resources and enhance their capabilities to come up with marketing strategies that are informed by higher quality intelligence generation than may otherwise be possible.

### **2.4 Commitment in cooperative business**

Ireland et al (2013) noted that if well managed, cooperative strategies can be an important means for firm growth and enhanced performance. They

however observed that cooperative strategies are often difficult to manage effectively. This is because the success of cooperative strategies heavily relies on the commitment of all parties in the relationship (Cechin et al 2013). Morgan and Hunt (1994) stated that commitment is a key construct that differentiates unsuccessful business relationships from successful ones. It exerts significant influence on partners’ behaviours in a cooperative business relationship (Borda-Rodriguez and Vicari 2013). Use of cooperative strategy to enhance firm performance demands that firms involved in the relationship be committed not only to the relationship but also to the strategies that need to be implemented. According to Balogun and Johnson (2004) commitment to strategy in an organisational context relates to the extent to which employees including managers at different levels comprehend and support the strategies of an organisation. It can thus be argued that the ability to manage the processes needed to secure positive and pervasive commitment to strategy on the part of firms involved in a cooperative business relationship is critical to implementation success. Korsgaard et al 1995 noted the same. To this end, this paper examines the role that appropriate intelligence generation and participation during marketing strategy formulation plays in influencing firms’ commitment to cooperative marketing strategies.

### **2.5 Inclusive participation in marketing strategy formulation**

Drawing on studies in business networking, Corsaro et al (2012) as well as Johanson and Vahlne (2011) pointed out that it is not uncommon for members of a business network to occupy different positions in the network. At the core of firm position in a network are issues relating to the organisational structure put in place to support the cooperative strategy. As noted by Ireland et al (2013) organisational structure, with its influence on the functional roles played by organisational members, can exert significant impact on the success strategies that organisations decide to pursue. In particular research shows that while it may be normal in some organisations for strategy formulation to be the mandate of a few members particularly those occupying top or central management positions, organisations can enhance strategy buy-in by those in lower levels if they were to make the process as more inclusive as possible (Aregbeshola and Munano 2012). Elbanna, (2008) found that by involving more people, organisations can easily commit their members to implement strategic change. Participating in strategic planning is known to increase personnel’s commitment to strategy implementation because it clarifies and explains company vision and strategy and fosters comprehension of company strategy (Mantere and Vaara, 2008). Walsh, (1995) noted that as the pace of change accelerates it becomes more difficult for a small group of senior managers to adequately

monitor, interpret, and respond to environmental change.

### 3 Research methodology

The study followed a quantitative research approach using a survey technique. This approach was preferred because it enables the collection of data from a large sample of the targeted study population (Burns and Bush, 2010).

#### 3.1 Population and sampling

The population of interest was owner managers of SMEs operating in the mini-bus taxi industry in Gauteng, South Africa on commuter basis specifically short distance travel. Firms operating in the mini-bus taxi industry follow a cooperative model of operations in that the firms are required to be members of a Taxi Association for them to be able to operate. Members of each association are independently owned businesses. Each Taxi Association is allocated a route by government on which its members are supposed to operate. Members of each association are responsible for coming up with business strategies including marketing strategies that its members are expected to implement. The Gauteng region was selected for the study due to the fact that it is the economic hub of South Africa and has the largest number of registered Taxi Associations as per the National Taxi body SANTACO. A total of 108 registered taxi associations' operating in the Gauteng region were identified and members from 64 associations agreed to take part in the study.

Owner managers in each association were identified and convenience sampling used to select respondents. Using a historical sample size approach in which previous studies on small and medium sized firms were used as reference points and also bearing in mind sample size requirements associated with tools planned to be used for statistical analysis, the initial target sample size was set at 250 respondents.

#### 3.2 Data collection

A structured questionnaire was used to collect the data. The owner managers were approached at their

taxi association offices and asked to participate in the study by responding to the questions in the questionnaire. Participation in the study was voluntary and respondents were informed accordingly before data collection. The questionnaire made use of five point scales to measure managers' perceptions on statement items associated with multi-item constructs of interest in this paper. The constructs are appropriate marketing mix strategy formulation, participation in strategy formulation and commitment to marketing strategies. Two scales were specifically used with one measuring extent to which different factors were considered in formulating marketing strategies i.e items associated with appropriate strategy formulation. This scale ranged from 1 = to a very small extent to 5 = to a very large extent. The other scale used was a Likert scale ranging from 1 = strongly disagree to 5 = strongly agree and was used for items relating to participation and commitment. It should be noted that appropriate strategy formulation was measured as a three dimensional construct consisting of internal environmental analysis, external environmental analysis and integration of internal and external factors. At the end of the data collection period a total of 256 usable responses were received.

#### 3.3 Data analysis

The data was analysed using version 21 of Statistical Package for Social Science (SPSS). Cronbach alpha coefficients were used to assess the reliability of the multi-item constructs measured in the study before subjecting them to further analysis. The results of this analysis are presented in table 1. The results show that all the constructs had high levels of reliability. As per Hair et al (2010) alpha coefficients of .7 and above are indicative of high construct reliability. Descriptive analysis was run in order to determine frequencies, percentages, means and standard deviations. The study also made use of correlation and multiple regression analysis in order to examine the relationship between commitment to strategy and appropriate intelligence generation in strategy formulation as well as participation in strategy formulation.

**Table 1.** Reliability analysis

Construct	Number of items	Alpha coefficient
Appropriate intelligence generation for strategy formulation		
Internal analysis	4	.673
External analysis	6	.721
Integration of internal and external factors	3	.777
Participation in formulation of strategies	5	.822
Commitment to strategies	4	.838

**4 Results**

Table 2 presents findings relating to the extent to which owner managers believed that their association considered factors internal and external to the firms in

formulating their marketing strategies. Also presented in the table are findings relating to participation in strategy formulation as well as perceptions on member commitment to formulated strategy.

**Table 2.** Means and standard deviations

	<b>Means</b>	<b>Standard Deviation</b>
<b>Appropriate intelligence generation for strategy formulation</b>	<b>4.46</b>	<b>.335</b>
<b>Internal analysis</b>	<b>4.48</b>	<b>.385</b>
<i>In developing marketing strategies the association considers:</i>		
• the skills and capabilities of staff (drivers and marshals) to meet customer needs and requirements	4.45	.572
• the resources of association members needed to provide good customer service	4.44	.550
• the number of taxi vehicles available to meet your market demands	4.57	.497
• the management abilities of members	4.45	.550
<b>External analysis</b>	<b>4.51</b>	<b>.323</b>
<i>In developing marketing strategies the association considers:</i>		
• the needs of your customers	4.57	.495
• business opportunities as a result of changes in the market, e.g. new housing development	4.50	.501
• the service that your competitors provide to customers	4.43	.495
• government policies such as permit system affecting your service offer to customers	4.52	.508
• fuel price as a factor affecting the provision of your services to customers	4.54	.499
• threats to the business as a result of developments in the public transport industry (e.g. introduction of BRT) that affect the provision of services to customers	4.50	.501
<b>Integration of internal and external factors</b>	<b>4.38</b>	<b>.419</b>
<i>In developing marketing strategies the association:</i>		
• considers internal and external environmental factors at the same time with the aim of developing well informed strategies to service our customers	4.40	.522
	4.37	.508
• generates its marketing strategy options by taking into consideration both internal and external factors affecting our service offer	4.36	.481
• considers internal and external environmental factors to help better evaluate our strategy options for providing good customer service		
<b>Participation in formulation of strategies</b>	<b>4.46</b>	<b>.389</b>
• Most members of the association participate in the strategy development process	4.46	.507
• Members are expected to contribute to strategy development	4.49	.501
• Before making strategic decisions, the executive members give serious consideration to what the owner managers have to say	4.43	.519
• When developing strategies the executive committee actively seeks input from all members	4.43	.497
• Members are expected to attend strategy development meetings	4.50	.524
<b>Commitment to strategies</b>	<b>4.44</b>	<b>.496</b>
<i>Members of the association:</i>		
• are highly committed to our strategies	4.43	.641
• prioritize their tasks based on the formulated strategies	4.48	.607
• feel obligated to support our strategies knowing that their business goals are intimately linked to them	4.43	.583
• are willing to make personal sacrifices in undertaking our strategies	4.43	.584

On strategy formulation, the findings show mean values of above 4 for all items associated with internal and external environmental analysis as well as integration of internal and external factors. The highest mean was found on external environmental analysis (4.51) followed by internal environmental analysis (4.48). At 4.38 integration had the lowest mean of the three dimensions used to measure appropriate intelligence generation for strategy formulation. The overall mean for appropriate intelligence generation was found to be 4.46 with a standard deviation of .335.

Findings on participation point to inclusive practices in strategy formulation. This is evidenced by the high mean values (greater than 4) on all items used to measure participation as well as on the overall participation measure.

Results on commitment also show that the managers believed that members of their association are

committed to strategies that they formulate. All the items associated with this construct had mean values of 4 and above with the overall mean value for commitment being 4.44.

After examining the mean values, correlation analysis was run in order to examine if there is a significant relationship between commitment to strategy and appropriate intelligence generation for strategy formulation as well as level of inclusiveness as far as participation in strategy formulation is concerned. The results, presented in table 3, show a significant positive correlation coefficient of .692 between appropriate intelligence generation in strategy formulation and commitment to strategy. They also show a significant positive correlation coefficient of .632 between participation in strategy formulation and commitment to strategy.

**Table 3.** Correlation analysis - Intelligence generation, participation and commitment

		Commitment to strategy	Appropriate intelligence generation	Participation
Commitment to strategy	Pearson Correlation Sig. (2-tailed) N	1.000 - 255		
Appropriate Intelligence generation	Pearson Correlation Sig. (2-tailed) N	.692** .000 252	1.000 - 253	
Participation	Pearson Correlation Sig. (2-tailed) N	.632** .000 255	.861** .000 253	1.000 - 256

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Apart from running a correlation analysis, multiple regression analysis was conducted in order to examine the extent to which appropriate intelligence generation during strategy formulation and participation in strategy formulation working together explains commitment to strategy. The results according to table 4 show that the two factors together account for 49.9 percent of the variance in commitment to strategy ( $R^2 = .499$ ). The standardised beta coefficients

associated with the two independent variables show that appropriate intelligence generation contributed more to explaining commitment to strategy than participation. Specifically, the results show that appropriate strategy formulation had a standardised beta value of .453 while participation in strategy formulation had a beta value of .278.

**Table 4.** Commitment to marketing strategies – Multiple regression analysis

Model	R	R Square	Adjusted R Square	Std. Error of the estimate		
1	.706	.499	.495	.334		
Model	Independent variable	Unstandardised coefficients		Standardised coefficients - Beta	t	Sig.
		B	Standard Error			
1	(Constant)	1.43	.281		.508	.612
	Appropriate Intelligence generation	.635	.124	.453	5.123	.000
	Participation in strategy formulation	.333	.106	.278	3.142	.002

## **5 Discussion and implications**

Efforts aimed at promoting small business development through cooperative business strategies are likely to have limited chances of success in the absence of commitment on the part of managers of the businesses involved. As pointed out by Cechin et al (2013) the importance on commitment in businesses relationships cannot be over emphasised. While in large organisations firms have a lot of freedom on who to enter into business relationship with, the same may not always be the case with small and medium sized firms. Stakeholders in promotion of small business development including government are often actively involved in promoting cooperative forms of business operations among small and medium sized firms. In some cases special incentives may be earmarked only to those operating under cooperative forms of businesses. While there are many potential benefits associated with small businesses working together, for such relations to succeed special efforts need to be taken to establish and nurture high levels of commitment on the part of those involved.

While commitment is a broader concept that can be looked at from different perspective, this paper focused on commitment to marketing strategies. As noted by Merrilees et al 2011 as well as Van Scheers (2011) lack of marketing skills and capabilities is one of the major barriers that impede performance among small and medium sized firms. By working together, SMEs can tap into each other's knowledge resources and come up with more informed marketing strategies. The findings in this study show that in order to gain the commitment of all firms involved in a cooperative relationship to marketing strategies managers can look at the intelligence generation process that they follow in formulating the strategies. They also need to examine participation of members in the strategy formulation process.

In terms of appropriate intelligence generation, the findings show that when strategy is appropriately formulated in terms of taking the time to analyse internal and external factors and integrating these, one can expect improved confidence in what is developed. Improved confidence in formulated strategies is important in ensuring that businesses can commit to the implementation of the strategies as one would normally not commit to implementation of strategies that they have no confidence in (Korsgaard et al 1995). Findings showing positive influence of participation on commitment to strategy are in line with Aregbeshola and Munano (2012) findings from studies in large organisations that show that the involvement of more than just top management in strategy formulation helps speed up strategy buy in of other managers. While this is so, members of cooperatives need to be aware of the fact that inclusive processes come with their own challenges. Some of the challenges they are likely to face relate to time management and consensus building. More

inclusive strategy development sessions are likely to press more demands on managers' time than would be the case if only a few were involved. In terms of consensus building, the challenge would relate to how to manage conflicting interests or ideas that members may put forward. If not well managed, strategy formulation sessions can end up being sources of division amongst members as those whose ideas may not be taken on board may end up harbouring bad feelings. With such feelings they may end up being less willing to devote their resources to implementation of strategies formulated and/or may be less willing to contribute their ideas in future strategy formulation sessions.

The findings in the study also have implications on those involved in promotion of SME's particularly those promoting cooperative forms of business among SME's. Such stakeholders need to appreciate the fact that much as by working together SME's are likely to benefit from a larger pool of resources including access to knowledge needed for enhanced business performance, special interventions are likely to be required from their part to help ensure that cooperatives function successfully. One important area in which intervention to this effect can be provided is through provision of training workshops focusing on developing leadership and management capabilities of the managers. Most SME's operate in such a way that the owner is largely accountable to him or herself. By bringing together many firms, a cooperative form of business arrangement changes the operations dynamics commonly associated with being a small business owner. Cooperatives bring in the need for some management and leadership skills that one would need if managing a large business including skills in consensus building and discipline management. By operating together in a cooperative, firms have the opportunity to build an image in the market place that can be to the advantage of everyone involved. At the same time, where there is lack of high levels of cooperation, coordination and discipline a bad image in the market is likely to result. This bad image may actually result for bad market practices by a few members of a cooperative but may affect the image of all members.

Apart from management and leadership skills, it would also be beneficial to train SME on issues relating to appropriate strategy formulation. The findings in this study actually show that while inclusiveness in strategy formulation is important in ensuring commitment, its explanatory power on commitment to strategy is less than that of appropriate intelligence generation in strategy formulation. In this regard, managers can be trained on how they can go about scanning their business environments in order to detect opportunities and threats in the market as well as to understand their strengths and weaknesses so that they can be proactive in dealing with possible challenges. While it is often impossible to always accurately predict the future, skills in proper

intelligence generation can assist in making it possible for SME's to be able to make reasonable projections and be better prepared for dealing with projected developments in the business environment. Ireland et al (2013) pointed out that success in business is commonly associated with proactive business practices. This is because proactive managers unlike reactive ones, more effectively plan for potential problems and opportunities before they develop.

## 6 Conclusion

Small and medium sized firms are an important part of the development of many economies. As a result governments around the world look out for ways in which they can promote small business development. Due to resource disadvantages that most SMEs face, cooperative forms of business operations are often viewed as a possible means of managing this problem. While it cannot be disputed that working in cooperation with others can be more beneficial to SMEs unlike working alone, the ability of cooperative working relationships to deliver on the expected benefits largely depends on the extent to which members are committed to working together for the benefit of all. This entails the need for SMEs to be able to rise above individual interests and commit to common strategies that will benefit all. This study investigated factors that can contribute to enhancing commitment to marketing strategies among firms operating in a cooperative business arrangement. The specific factors examined are appropriate intelligence generation in strategy formulation and participation in strategy formulation. From the findings it can be concluded that appropriate intelligence generation, as defined by consideration of internal and external factors as well as integration of these in formulating marketing strategies, has significant influence on levels of managers' commitment to marketing strategies formulated for implementation by members of a cooperative. It can also be concluded that inclusive participation in marketing strategy formulation significantly helps in ensuring that managers commit to cooperative marketing strategies.

A review of literature shows that while cooperatives are encouraged in the SME sector, there is lack of studies focusing on how firms operating under such forms of business arrangements can enhance their chances of success. By investigating SME's operating in a cooperative type of business arrangement, this study contributes to understanding how commitment to marketing strategies in a cooperative business arrangement can be enhanced. It should however be pointed out that while the study makes contributions to the understanding of strategy formulation and its impact among SME's in cooperatives, the study is not without limitations. One limitation relates to the fact that the sample is based on SME's operating in a single industry i.e mini-bus taxi industry in South Africa. The findings may thus

not be generalised to firms operating in other industries. Another limitation relates to the fact that the study focused on SME's operating in Gauteng, South Africa. The findings may thus not be generalised to SMEs operating in the same industry but based in other parts of the country. These limitations provide opportunities for future research. The study can be replicated in other parts of the country or other countries in order to ascertain the influence of appropriate intelligence generation and participation in strategy formulation on cooperative member commitment to strategies. Future research can also focus on investigating other factors, other than those examined in this study, that can help explain commitment to strategies among members of cooperatives.

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