

EVALUATING ENTERPRISE AGILITY – AN EXPLORATORY RESEARCH ON CONSUMER BEHAVIOR INDICATORS

Boier Rodica

*Tehnical University “Gh. Asachi” of Iași Economics and Marketing Chair 53 D. Mangeron Blvd., 700050 Iași
Inovare_Marketing@tex.tuiasi.ro Tel/Fax: 0232.239.154 Mobile: 0744.514.441; 0728.332.996*

Starting from a model of the factors which are directly involved in the consumer's buying behavior – brand image, the perception of purchase risk, the attitude towards the product category and, in this context, the attitude towards the brand, the buying intention, and post-purchase satisfaction – the paper describes the exploratory research carried out through a set of focus group sessions and multiple case studies. The objective of the research was to validate the proposed indicators and design – on these basis – a self-evaluation system expressing the level of enterprise agility.

Key words: agile enterprise, exploratory research, focus group, brand image, customer preferences, buyer risk, customer attitude, buying intentions, post-purchase satisfaction.

The article's JEL code: M

1. Enhancing enterprise agility

The current study is the continuation of a first part, which described a possible model of consumer behavior factors that the enterprise must consider to gather feedback and wholly new data in its efforts to enhance market agility³³⁵. The agile enterprise relies on its rapid decision-making capability. The agile organization of the enterprise effectively means that it operates according to the “just-in-time” principle³³⁶. For this purpose, it constantly builds and upgrades its IT architecture³³⁷ so that it is able at any moment to handle the complex data flows, which the company must retrieve, process, analyze and interpret to ensure rapid decision-making³³⁸. It is therefore relevant to identify those indicators, which the marketing of the agile enterprise will require for a sound decision-making.

Enhancing the agility of the response to market demands is one of the most desirable qualities for the management of today's enterprise, which is facing an unstable environment, with abrupt, frequent and unpredictable changes. The present paper develops researches around a prior proposed model of the consumer behavior factors involved in market monitoring, in order to secure rapid responses. The objective is to validate the described correlation type and the proposed measurement method for each of these factors of the model.

A set of indicators were proposed to be monitored in order to identify solutions for enhancing the enterprise's agility, information about them will be ascertained by means of marketing research:

[1]. „Brand image” reflected in the customers' preference for the brand.

[2]. „Customers' perception of purchase risk”.

[3]. „Customers' attitudes towards the firm's offering”.

[4]. „The buying intentions of prospective customers”.

[5]. „Post-purchase satisfaction of consumers (users)”.

2. The focus group exploratory research

To validate the indicators, a preliminary exploratory investigation, conducted by a transversal qualitative research, was designed and executed, using the group interview (focus group) method, to facilitate the design of the further more specific, descriptive/causal research.

The surveyed group consisted of 11 Romanian companies from various industries (software, construction, textiles, chemical products, pharmaceutical products, wine, and wood exploitation and processing) based in the North East Region, considered as representative in terms of their distribution of the industry profile in that area, their expertise in marketing, openness in detecting opportunities, determining and implementing new solutions, their consistent market share and strong brand equity.

Five specialised sequential interviewing sessions were conducted, each of them sustaining the validation of the five proposed indicators.

The moderator of the focus group session was a project team member, specializing in such method of marketing research, with the rest of team playing an observer role. The moderation guide was designed in cooperation by the project research team and tested in advance with three leading (key) customers as test-agile enterprises. The basic sequence of the moderation guide was organized as shown in figure 1.

335 Rodica Boier (2009), „Consumer Behavior and Enterprise Agility – a Model of the Surveyed Indicators”, paper presented at the International Conference European Integration – New Challenges for the Romanian Economy, 5th Edition, University from Oradea, Faculty of Economic Sciences, 29-30 May 2009, Oradea, Romania.

336 James Shore, Shane Warden (2007), *The Art of Agile Development*, O'Reilly Media, Inc., Cambridge, MA.

337 Kevin C. Desouza (2006), *Agile Information Systems: Conceptualization, Construction, and Management*, Butterworth-Heinemann, Oxford, UK.

338 Goran D. Putnik, Maria Manuela Cunha (2008), *Encyclopedia of Networked and Virtual Organizations*, Information Science Reference, Hershey, PA.

1. To what extent do you estimate that customers' perceptions of your offering impact the agility of the firm's response to the rapid (sometimes abrupt) and pronounced market changes?
2. Do you regularly measure, analyze and diagnose the perceptions of customers (current, potential, prospective) have of your company's offering?
3. Does this process help you to make rapid and accurate strategic and/or tactical marketing decisions? In what manner? To what extent?
4. Do you regularly measure, analyze and interpret the image that have of your company's brand?
5. Does this process help you to take rapid and accurate strategic and/or tactical marketing decisions? In what manner? To what extent?
6. Do you regularly measure, analyze and interpret the consumers' perceived risk toward your company's brand?
7. Does this process help you to make rapid and accurate strategic and/or tactical marketing decisions? In what manner? To what extent?
8. Do you regularly measure the cognitive component of your (current, potential, prospective) customers' attitude?
9. Does this process help you to take rapid and accurate strategic and/or tactical marketing decisions? In what manner? To what extent?
10. Do you regularly measure the emotional component of your (current, potential, prospective) customers' attitude?
11. Does this process help you to take rapid and accurate strategic and/or tactical marketing decisions? In what manner? To what extent?
12. Do you regularly measure the conative component of your (current, potential, prospective) customers' attitude?
13. Does this process help you to take rapid and accurate strategic and/or tactical marketing decisions? In what manner? To what extent?
14. Do you regularly measure the buying intention of your (current, potential, prospective) customers?
15. Does this process help you to take rapid and accurate strategic and/or tactical marketing decisions? In what manner? To what extent?
16. Do you regularly measure the level of satisfaction of your (current, potential, prospective) customers?
17. Does this process help you to take rapid and accurate strategic and/or tactical marketing decisions? In what manner? To what extent?

Fig. 1. *Moderating guide in focus group session*

To verify the proposed agility factors multiple case studies were also conducted which, based on the activity on the Romanian market, aimed to highlight both positive and negative experience. The longitudinal qualitative research was carried out using method of in-depth, face-to-face individual interviews with top managers of the surveyed companies, most often the executives, general or marketing managers.

Finally, a descriptive/causal (transversal) quantitative research was carried out, in order to validate the proposed set of indicators; the type of influence specific to each individual indicator of agility on the organization's actions; the measuring method for each indicator in the proposed set; the mutual conditions established between the factors and the impact of their joint action on the market performance of the agile enterprise.

The information gathering during this stage of the research was the questionnaire-based survey. The method of administering the questionnaire – mail survey. To increase the answer rate and limit error sources in the research, the interviewing method was accompanied by phone support provided to respondents by the research team.

3. The findings

The processing of the data collected following the research has produced a number of conclusions, which are able to validate the indicators proposed earlier, as outlined below.

1. The surveyed companies monitor the proposed indicators - [I1]. Customers' perception of the offering. The brand image reflected in the customer preference for the brand; [I2]. Customers' perception of purchase risk; [I3]. Customers' attitudes towards the company's offering; [I4]. The buying intentions of potential (prospective) buyers; [I5]. The consumers' (users') post-purchase satisfaction – which is dependent on the consumers' actual statements and reliability, as these are assessed in a largely empirical manner, quite different from the methodology exposed above.

2. With respect to **Indicator [I1]. Customers' perceptions of the company's brand**, the surveyed firms estimate that:

- the indicator impacts on the company's agility in responding to rapid (sometimes abrupt) and pronounced market changes;

- the enterprise gains agility when it is able to create a strong and favorable perception of its brand/brands;

- one direct correlation is confirmed – enhanced agility due to more positive product/brand image.

3. With respect to **Indicator [I2]. Customers' perceptions of purchase risk**, the surveyed firms estimate that:

- the indicator impacts on the company's agility in responding to rapid (sometimes abrupt) and pronounced market changes;
- the enterprise gains agility when it is able to create a favorable perception of limited buyer risk; one indirect correlation is confirmed – enhanced agility due to a more favorable perception of lower buyer risk involved in purchasing the company's products/brands (consumer safeguard against purchasing risk).

4. With respect to **Indicator [I3]. Customers' attitude towards the company's offering**, the surveyed firms estimate that:

- the indicator impacts on the company's agility in responding to rapid (sometimes abrupt) and pronounced market changes;
- the enterprise gains agility when it is able to create a favorable attitude towards its overall offering; one direct correlation is confirmed – enhanced agility due to more positive attitude towards the company's offering.

4. With respect to **Indicator [I4]. Customers' buying intentions towards the company's offering**, the surveyed firms estimate that:

- the indicator impacts on the company's agility in responding to rapid (sometimes abrupt) and pronounced market changes;
- the enterprise gains agility when it is able to create a more definite buying intention among customers;
- one direct correlation is confirmed – enhanced agility due to a higher rating of the intention to buy the enterprise's products/brands.

5. With respect to **Indicator [I5]. Customers' post-purchase satisfaction**, the surveyed firms estimate that:

- the indicator impacts on the company's agility in responding to rapid (sometimes abrupt) and pronounced market changes;
- the enterprise gains agility when it is able to create a higher level of customer satisfaction;
- one direct correlation is confirmed – enhanced agility due to a higher level of post-purchase satisfaction.

4. Assessment form proposed for further research

As a result, an assessment form for the enterprise agility, based only on consumer behavior indicators, was proposed (Table 1).

Tab. 1. *Assessing the level of the enterprise's agility based on consumer behavior indicators*

Indicator	Perceived risk	Brand preference	Attitude towards the brand	Buying intention	Post-purchase satisfaction
Level of agility
Very good	[+4.0 - +5.0]	[+4.0 - +5,0]	The rating „ <i>Very useful</i> ” is prevalent	The rating „ <i>I will definitely buy it</i> ” is prevalent.	The rating “ <i>I absolutely agree</i> ” is prevalent.
Good	[+3.0 - +3.99]	[+3.0 - +3.99]	The rating „ <i>Useful</i> ” is prevalent	The rating „ <i>I will probably buy it</i> ” is prevalent.	The rating “ <i>I agree</i> ” is prevalent.”
Poor	[+1.0 - +2.99]	[+1.0 - +2.99]	The rating „ <i>Neither useful nor useless</i> ” is prevalent	The rating „ <i>Neither/nor</i> ” is prevalent.	The rating “ <i>Neither / nor</i> ” is prevalent.”
Very poor	[-5.0 - +0.99]	[-5.0 - +0,99]	The ratings „ <i>Totally useless</i> ” and “ <i>useless</i> ” are prevalent	The ratings „ <i>I will probably not buy it</i> ” and “ <i>I will definitely not buy it</i> ” are prevalent	The ratings „ <i>I do not agree</i> ” and “ <i>I absolutely do not agree</i> ” are prevalent

The exploratory research presented here will be extended through a quantitative research, based on questionnaires, conducted on a relevant sample of enterprises that operate with agility or/and aim to gain improved market agility. The objective of the research will be build a multi-criteria decision-making model for the evaluation of the whole enterprise's agility level at a particular moment and also to provide information that will underpin decisions for agile market actions.

References

1. Boier, Rodica (2009), „Consumer Behavior and Enterprise Agility – a Model of the Surveyed Indicators”, paper presented at the International Conference European Integration – New Challenges for the Romanian Economy, 5th Edition, University from Oradea, Faculty of Economic Sciences, 29-30 May 2009, Oradea, Romania.

2. Desouza, Kevin C. (2006), *Agile Information Systems: Conceptualization, Construction, and Management*, Butterworth-Heinemann, Oxford, UK.
3. Putnik, Goran D., Maria Manuela Cunha (2008), *Encyclopedia of Networked and Virtual Organizations*, Information Science Reference, Hershey, PA.
4. Shore, James, Shane Warden (2007), *The Art of Agile Development*, O'Reilly Media, Inc., Cambridge, MA.