

Whether an Australian Agenda?

John H. Roberts

University of New South Wales
Australia

ABSTRACT

The question often arises as to whether management disciplines in Australia should encourage a peculiarly Australian stream of research or if Australia should compete on an equal footing on the global research playing field. This paper aims to provide a framework to address that issue with respect to marketing, as well as providing some thoughts on where the profession falls with respect to issues discussed within the framework. By looking at supply side and demand side aspects of market management we are able to get some feel for the pros and cons of participating on the global scene relative to specializing in the local environment.

INTRODUCTION

Australia has a well-developed tertiary education sector. Specifically with respect to management research Australia is also well regarded. For example, in its latest survey, *Asia Inc* rated two Australian business schools, the Australian Graduate School of Management and Melbourne Business School, in the top three in Asia with respect to six of their seven criteria. These criteria were quality of courses, quality of student intake, quality of graduates, quality of faculty, quality of business outreach, and quality of faculty consultants. In the seventh, quality of executive education, the two schools ranked second and fourth. These criteria were quality of courses, quality of student intake, quality of graduates, quality of faculty, quality of business outreach, and quality of faculty consultants. In the seventh, quality of executive education, the two schools ranked second and fourth. In a recent study to determine the world's top 75 business schools by the *Financial Times* these two were also included (Bahra, 2000). Specifically with respect to research, the *Financial Times* study ranked both schools in the top 50 globally.

The premier general management research journal in Australia, the *Australian Journal of Management*, was recently rated by ANBAR as the 13th top management journal with respect to research implications, the 7th top management journal with respect to practical implications, and the 10th top management journal with respect to readability (Wills and Spurgeon, 1997, 1998). It is important to note that the *Australian Journal of Management* publishes research from any country, concerning any country. However, there are often calls for research outlets that are peculiarly Australian. Strong arguments are advanced that it is very important that as scholars we also address management and marketing problems that are specific to this country. To assess the merits of these arguments, it is useful to ask what this question is like. This question is not at all unlike questions frequently encountered in marketing concerning whether we should adopt an industry-wide stance or should we seek niche-markets. The answer for Australia is, as it is for any firm, of course, it depends. The challenging question is to work out the factors on which it depends. We have a number of skills with which to address that issue. On the demand side, we have market segmentation that helps us understand what people value and whether the market for academic research in marketing in Australia has different preference structures and tastes to the global marketing

fraternity. Segmentation often occurs not just because of demand side factors, but also because of supply side factors. For example, in the lumber industry different products are developed for different markets because the quality of wood coming from logs is not uniform. That is, from a supply side perspective it may well be legitimate to segment because sources of competitive advantage vary. This paper proceeds by looking at the demand side of the marketing research profession, before examining the supply side. Differences in either of these sides may lead, to some degree or another, to segmentation.

THE MARKETING SEGMENTS FOR RESEARCH

There are a number of reasons why suppliers segment their markets. Firstly, the environments in different parts of their market may be different. Perceptions may be different, leading to the ability to sell product in some areas but not in others. Secondly, market preferences and values may vary from area to area. In this case, perceptions may be homogeneous, but tastes may vary. Thus, in the analgesics market, for example, one group of consumers may be concerned more about efficacy in pain relief, while another may be more worried about gentleness and lack of side effects, even though both groups have the same perceptions about where different products stack up on these two features. These factors of context, perceptions and preferences may lead to different response functions. Finally, it may be possible to access different market segments using different communication vehicles or distribution outlets. These form the demand-side criteria against which we should evaluate the benefits of a country-based niching strategy for research.

SOURCES OF COMPETITIVE ADVANTAGE

Some of the ways in which firms seek competitive advantage are to compete across the whole industry by differentiating the product and claiming superior benefits, by competing across the whole industry and gaining a low cost structure thereby achieving the ability to compete on price, or by focusing on one niche. These strategies are well spelt out by Michael Porter (1980) in his book on competitive strategy. Since defining a peculiarly Australian research agenda would obviously

be a niching strategy, it is useful to consider when firms should niche. Niching provides a viable and effective alternative when the firm has no skills to succeed in the main game, when it has specific skills which will be valued by only one segment (or a number of segments), or when a niche will support the firm's objectives because its reason for being in business is closely related to the needs of a particular segment. Therefore, in looking at global versus local strategies, these factors should be taken into account.

CALIBRATING THE AUSTRALIAN MARKET

Given the demand side and supply side criteria developed in the previous sections, Table 1 attempts to provide a subjective calibration of how the Australian climate stacks up against those factors. While individual scores in Table 1 are obviously open to debate, what does become clear is that any reasonable sensitivity analysis would find it very hard to change the conclusions that spring from its findings.

Let me explain the logic that I used in reaching these scores. A number of trends make it hard to argue that Australia is a different environment. Increasing globalization means that products worldwide are also being launched in Australia. Australia is increasingly exposed to overseas commercial communications vehicles both through television and electronic media. Finally, travel is increasing awareness of international practice amongst the Australian management community.

There are some factors that make Australia a different environment. For example, with a population of approximately 18 million people, Australia has a very small scale and so issues like segmentation are less important than they are in larger markets such as the US and the EU. However, issues such as small scale are also felt in a large number of small national and regional markets. With respect to preferences and values, the victory of global brands such as McDonalds and Coca Cola stems from the fact that the homogenization of product taste has been quite dramatic. Differences between social groups within a country are now becoming much more defining than differences between countries (Harper and Quelch, 1995). While some clear taste differences remain (it is still very hard to get

TABLE 1. Appeal of Australia as a Separate Research Community

Criterion	Score Out of Ten
Demand Side Factors	
Australia is a different research environment	3
Australian business/academia will value peculiarly Australian research	4
Australia has a different response	4
Australia has different communication vehicles and communication outlets	2
Supply Side Factors	
Australian academics can't survive globally	2
A niche play will support our objectives	2
TOTAL	17 out of 60

Americans to try the taste of Vegemite twice), these examples are very much exceptions rather than the rule.

The same principle applies in management and specifically in marketing. Global marketing communications firms, an emphasis on world best practice, regional headquarters, and increasing managerial and academic mobility are all leading to managers everywhere being eager to seize ideas from any country leading to a homogenization of taste functions. In looking at the market for research, there is a serious question as to whether business and academia will value peculiarly Australian research. In a recent survey, Roberts, Morrison and Keenan (2000) reported that Australia's top general management research journal, the *Australian Journal of Management* was ranked after all of the top global journals that they surveyed with respect to readership amongst a cross section of Australian academics. International Journals included the *Harvard Business Review*, *Management Science*, *Sloan Management Review*, and the *Academy of Management Journal*. The distribution of these international journals within Australia is much greater than the distribution of Australian journals within Australia. On this basis, it is hard to argue that Australian research by Australians on Australian problems is more valued than other management research coming in to Australia from overseas.

The final demand side factor is communication. Australia no longer has highly specific communication vehicles or distribution outlets. Until recently Australia

has been used as a Japanese test market to isolate the effects of failure from the larger English-speaking markets of the US and the UK, but this trend is disappearing. Management practice is now communicated very broadly and very quickly. Management consultants both directly and through vehicles such as the *McKinsey Quarterly* ensure that diffusion of management ideas occurs quickly and efficiently. Thus, from the demand side there seems to be little justification for looking at research which focuses only on the Australian environment.

From the supply side an examination of the Australian academic community shows that Australians certainly can survive globally. The editorial boards of the *Journal of Marketing Research*, the *Journal of Consumer Research*, the *International Journal of Research in Marketing*, the *Journal of Forecasting*, the *Journal of Product Innovation and Management*, and most of the world's top international journals in marketing are well represented by Australian researchers, resident in Australia.

The Australian and New Zealand Academy of Marketing has an annual competition to recognise researchers who have made a major contribution to marketing in the previous five years. In each instance, all of the finalists have been able to claim publications in the world's very top journals. Increasingly, international marketing scholars of great renown are spending time in Australia, while Australians are visiting the world's top international universities. While there may be some doubt as to the depth of this performance, there is no doubt that it is happening. The final issue on whether an Australian research agenda might be justified is that a niche play could support our objectives. With increasing globalization and the immediate publishing of research material so that it is available ubiquitously and immediately, it is hard to see how a strategy of isolation can be the most effective. Review by both universities and federal funding agencies places greater value on research targeted at an international audience. The score of 17 out of 60 in favor of pursuing a local research strategy seems to me to be a fair reflection on its appeal for the average player. Dramatically different assumptions are necessary to change the qualitative nature of these findings.

DISCUSSION AND CONCLUSION

Segmenting research according to whether it is based in Australia or tackles problems of international interest is one way to address the market. There may be some small leverage to be gained from doing that. However, there is also leverage to be gained from segmenting the market in other ways; for example industrial/consumer, by the management tasks of new product development, communication, sales force management, etc; by disciplinary approach of qualitative and quantitative; etc. There seems to be more potential to specialize on dimensions other than geographic dimensions to gain competitive advantage.

In closing it is worth pointing out that all of my arguments to date have been at the aggregate level, discussing the Australian research community as a whole. A geographic segmentation strategy may make sense for individual scholars. Small groups of people can survive in smaller niches than large groups of people. Thus, there may perfectly well be room for a number of scholars to carve out perfectly respectable research careers looking at specifically Australian problems. However, because these problems appear little different to problems faced in other parts of the world it does not appear as though this is going to be a strategy which will be highly valued by large segments of the academic or managerial population within this country.

For those who do chose the world arena for their research, based either on the logic spelt out in this paper or simply by their own need to push out intellectual frontiers at a global level, the question remains as to the strategy that will best accomplish that objective. Lilien (2000) outlines a seven-point plan for succeeding in the international environment. We are fortunate to have the guidance of someone who is both one of the top international scholars in marketing today and who also knows the Australian and business marketing scene intimately. The migration of Australia into the world research community has begun. With such assistance it is likely to continue to move forward rather than retreat comfortably back into its shell.

REFERENCES

Bahra, Parminder (2000), "The Rankings" *Financial Times* (January 24).

Cheng, Allen (1999), "Compete or Perish," *Asia Inc.* (October) 18-25.

Harper, Jamie and John A. Quelch (1995), "The Coca Cola Company: the Global Teenager Project," Case N 1-595-065 Soldiers Field: Harvard Business School Publishing.

Lilien, Gary L. (2000), "A Seven Point Program for Successful Academic Research in Marketing" *Australasian Journal of Marketing*, 8 (2), 69-72.

Porter, Michael E. (1980), *Competitive Strategy: Techniques for Analysing Industries and Competitors*, New York: The Free Press.

Roberts, John H., Pamela D. Morrison, and Mary-Anne Kennan (2000), "Determinants of Access to Management Journals through Electronic Media," Working Paper, Kensington, Australian Graduate School of Management.

Wills and Spurgeon (1997, 1998), "The Anbar League Tables: A Quality Guide to Management Journals," *Anbar Management Magazine* (2) 7-20.