

Determinants of sustainable economic relationships in German agri-food chains

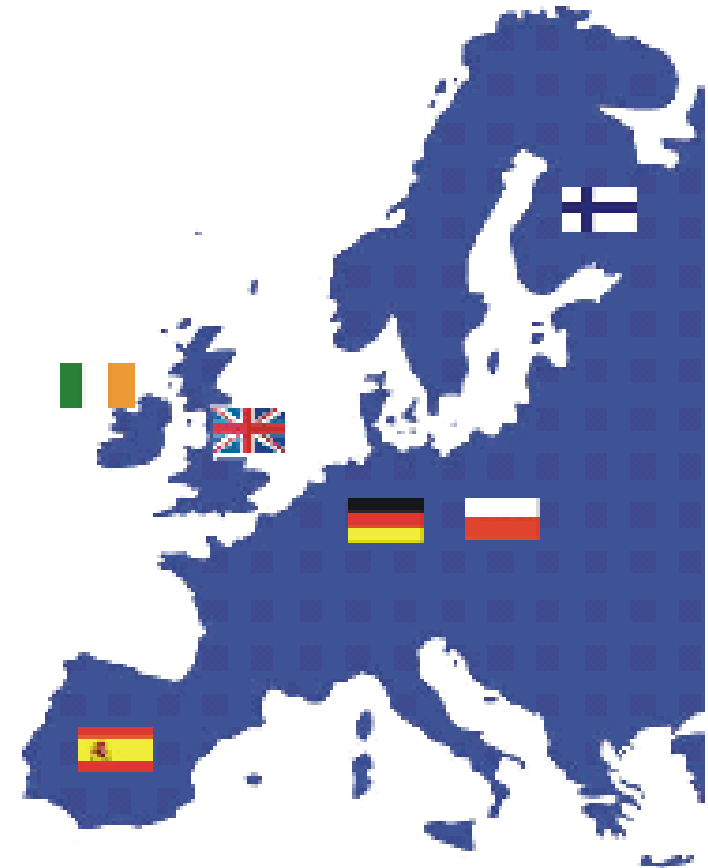
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Research project

- Acronym: FOODCOMM
- Key factors influencing economic relationships and communication in European food chains
- More information at www.foodcomm.eu



Introduction

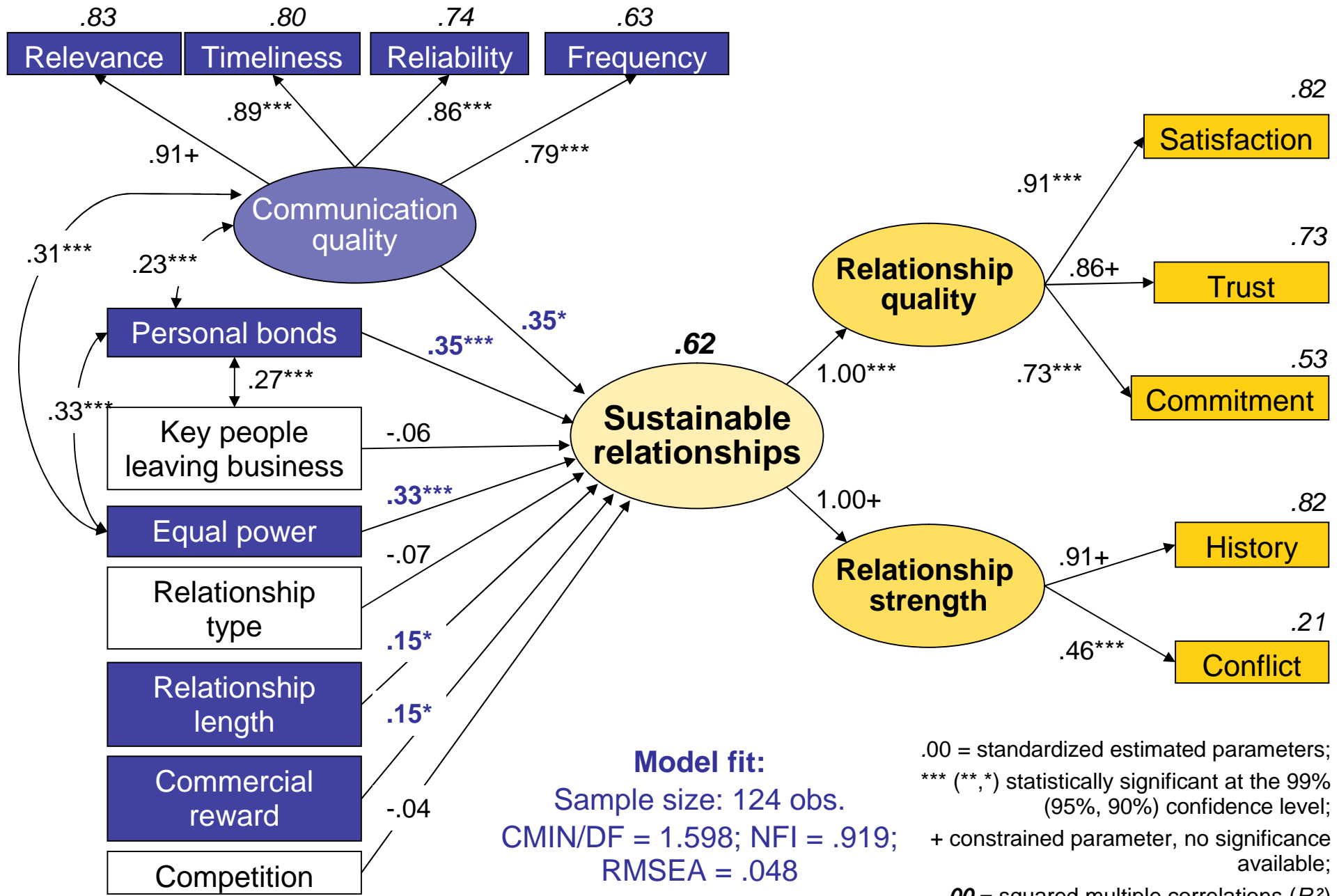
Research questions

- Insights into the status quo on sustainable relationships
- Identification and measurement of key driving forces

Sustainable B2B relationships

- Relationship quality focuses on inter-personal social-emotional factors (Lang and Colgate, 2003)
- Relationship strength covers dynamic aspects and considers non-coercive and coercive behaviour and past chain experiences (Pressey and Tzokas, 2004) .

SEM results from the analysis of the pooled dataset



Path	Standardized Parameter	Significance	Notes
Communication quality → Relevance	.83		
Communication quality → Timeliness	.80		
Communication quality → Reliability	.74		
Communication quality → Frequency	.63		
Communication quality → Personal bonds	.91+		Constrained
Communication quality → Sustainable relationships	.35*	*	
Personal bonds → Sustainable relationships	.35***	***	
Key people leaving business → Sustainable relationships	-.06		
Equal power → Sustainable relationships	.33***	***	
Relationship type → Sustainable relationships	-.07		
Relationship length → Sustainable relationships	.15*	*	
Commercial reward → Sustainable relationships	.15*	*	
Competition → Sustainable relationships	-.04		
Relationship quality → Sustainable relationships	1.00***	***	Latent variable
Relationship strength → Sustainable relationships	1.00+		Constrained
Sustainable relationships → Relationship quality	.62		R^2
Sustainable relationships → Relationship strength	.62		R^2
Relationship quality → Satisfaction	.91***	***	
Relationship quality → Trust	.86+		Constrained
Relationship quality → Commitment	.73***	***	
Relationship strength → History	.91+		Constrained
Relationship strength → Conflict	.46***	***	
Satisfaction	.82		R^2
Trust	.73		R^2
Commitment	.53		R^2
History	.82		R^2
Conflict	.21		R^2

SEM results from the analysis of the aggregated dataset

Determinants of sustainable relationships	Farmer-Processor	Processor-Retailer
High communication quality	.366***	.289***
Strong personal bonds	.265***	.463***
Equal power distribution between partners	.366***	.368***
Key people leaving the business	-.202***	.149*
High degree of competition	-.196***	.193***
Commercial rewarding	—	.298***
The length of relationship	.187**	—
Type of relationship	—	—

*** (**, *) statistically significant at least at the 99% (95%, 90%) confidence level

 **Positive influence**

 **Negative influence**

Conclusions

The sustainability of German B2B relationships can be improved by

- improving communication quality - a high communication quality increases transparency of exchange and builds up trust,
- develop personal bonds through retention of key staff that fit with those they transact with,
- treating their business partner equally,
- putting a higher emphasis on commercial reward.

Thank you for your attention