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**Title:** Creating Value through Customer Relationship Management: Evidence from the New Zealand Meat Sector

***Abstract***

Traditionally, agriculture has been assumed to be commodity driven business where farmers are price takers. As a result there has been an over-emphasis of the importance of increasing productivity in agriculture, as farmers search for additional sources of profitability or value. Increased "value" however is not only confined to closing the "productivity gap," but also concerns identifying, exploiting, and expanding the "opportunity gap." The increased speed of technological and information innovation, development, and penetration has allowed firms to become more globally responsive to consumers changing tastes and preferences and thus presenting new opportunity gaps that were previously unavailable. Multinational processors have been the first group to exploit these opportunities, however increasingly farmers and policy makers are also beginning to recognise them. However the problem is that to exploit many of these value added opportunities new and innovative supply chain structures and linkages are necessary. By restructuring their operations to exploit not only the productivity gaps but also the opportunity gaps that technological innovation and customer needs provide, farmers have the opportunity to create value.

This paper develops a theoretical model using new institutional economics to show how farmers can capture "value" through the development of credible customer relationships. Specifically, we discuss how value is created in these relationships, the opportunities and problems involved, the organizational and institutional impediments to this process, and the policy options that may facilitate restructuring, adaptation, and innovation. A series of case studies of New Zealand farmers who have restructured their farming operations to match consumer requirements are provided as empirical support.