

The dissemination of information among supply chain partners: A New Zealand wine industry perspective.

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ABSTRACT

Introduction

Over-capacity and changes in consumer tastes conspire to increase the difficulties of grape growing and wine production. A more efficient supply chain might contribute to mitigating these. The supply chain – the collection of individuals and businesses that link production with purchase and consumption – depends upon communication of timely, strategic information, and the common purpose of the businesses involved. Adversarial relationships, where each partner works to maximise their return, have the potential for reducing the efficiency of the transactions involved and the consequent profitability of the businesses.

One means for coping with these stresses is the development of greater cooperation between supply chain members. Such cooperation depends in no small part on the sharing of information and the trust between partners in the chain.

Purpose

The purpose of this study was to ascertain the degree to which information was shared between wineries and independent grape growers in the New Zealand wine industry. In addition, the impact of trust and overall satisfaction with the supply relationship were investigated.

Design / Method / Approach

Independent grape growers and wineries were identified through a database maintained by NewZealandWinegrowers, the winery trade organisation. This listing of independent growers and wineries was randomly sampled. Data was collected using a mailed, self-completed and anonymous questionnaire. Two questionnaires were prepared, with identical items on both where the referent concept (i.e., trust in a business partner) applied to both samples. Other items were customised where necessary to reflect the different types of businesses surveyed (i.e., my viticultural practices versus the grower's viticultural practices). Measures included assessments of the degree of information sharing (generic and market-relevant), perceived risk, and the level of relationship between partners, along with relevant particulars of the type of business surveyed. Response rates were robust (44.5%) for growers, and moderate (30.2%) for wineries.

Findings

Significant relationships were found between the level of information sharing, the level of trust, and the level of overall satisfaction among the supply chain partners. Generally, as the level of information sharing increased, so did the level of trust, and the level of overall

satisfaction with supply chain relationships. Analysis, however, did not indicate that information sharing between growers and wineries was at a consistently high level across the sample. A substantial proportion of the sample, 38% indicated that market specific information was shared at a low level or not at all amongst supply chain members.

Practical Implications

The findings highlight the relationship between information sharing and successful supply chains, and suggest that the sharing of information between wineries and growers in the New Zealand industry needs to be increased. This may in turn improve trust and satisfaction throughout the supply chain and increase the effectiveness of marketing strategies. In addition, increased information sharing and higher levels of trust could enhance the ability of the supply chain to recognise and react to changes in consumer demand.

Key Words

Wine, supply chains, information sharing, trust, satisfaction