

Seeking Marketplace Information and Advice: the Practices of Small Business Owners

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Abstract

In a survey of 197 small business owners, the research explored the antecedents and outcomes of specific types of information and advice seeking. Operating in a dynamic environment, and having complex marketing activities were both found to have a direct correlation with the frequency of seeking marketplace information and advice. Marketplace advice seeking, in turn, was positively linked to the owners' perception of business performance. Seeking information about competitors' strategies was unrelated to dynamism, complexity or performance. The usefulness of the findings for owners and business-support advisors was discussed.

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All organizations require a basket of resources as inputs if they are to operate efficiently and effectively. These resources include materials, finance and personnel, as well as information. Marketplace information and advice is one category of information that is essential for business success. Such success depends on serving target customers well, and better than competition, on a sustainable basis. In order to do this, businesses require reliable and adequate marketplace information about customers, potential sales, competitors, prices and environmental trends, for example. It is a truism that in a competitive marketplace, lack of information can be the death knell of many businesses, especially those that are relatively small players in their industry.

While many small business owners may be repositories of information gleaned from their own social and informal networks, other sources of marketplace information and advice include government and para-public agencies like Statistics Canada, trade and professional bodies, business consultants, academics and owners of other business. Yet available evidence suggests that owners are sometimes reluctant to seek information actively, often preferring to rely on their own experience and intuition (Pineda, Lerner, Miller and Phillips, 1998). Various factors may be responsible for this reluctance on the part of the small business owner. Some researchers suggest that independent-minded owners treasure their autonomy and are reluctant to accept advice, which may lead to feelings of dependence on the advisor (Zinger, Blanco, Zanibbi and Mount, 1996). Moreover, asking for and receiving information may imply that the business owner does not know enough about the area in which they seek information and, oftentimes, owners are reluctant to make such an admission (Curran and Blackburn, 2000). Another explanation is that the small business culture is also frequently based on an “I do it my way” approach (Gibb, 2000).

On the other hand, there is also evidence that shows that small business owners do seek specialized information and advice in particular areas of need. While they may treasure their autonomy and be fiercely independent, owners also respect technical information and advice in areas where they clearly do not have the expertise (Mole, 2002). Frequent sources of technical advice for small business owners, for example, are lawyers and accountants. Interestingly, small business owners also see marketplace related issues as specialized (Pineda, Lerner, Miller and Phillips, 1998). Thus small business owners may engage in intensive information-search when they must make decisions regarding the marketplace, for example, product quality, the product line and pricing (Pineda, Learner, Miller and Phillips, 1998).

This study reports on the small business owner=s propensity to seek information and advice about the marketplace, and the effect that this information seeking has on business success. We are particularly interested in marketplace information and advice since, among small firms, customer needs, markets, and competition are seen as the most important aspects of the environment (Brush, 1992; Smeltzer, Fann and Nikolaisen, 1988). There is also growing support for the view that businesses that are oriented to their marketplaces tend to be more profitable and successful (Narver and Slater, 1990; Slater and Narver, 1994; Slater and Narver, 2000). Westhead and Storey (1996) note that small firms have little power in the marketplace. In addition, these firms operate in an extremely uncertain environment. It will be useful therefore to try to identify (i) some of the factors that influence small business owners to collect information about marketplace activities and (ii) whether information seeking has an impact on business performance.

We begin with the premise that information seeking and advice by the small business owner will be a function of factors that are external to the firm, as well factors that are internal to the firm. Competitors,

suppliers, governmental regulations, demographic trends and technological changes are examples of external environmental factors that may have an important impact on the firm. The internal environment of the firm, such as the characteristics of the owner and of the business, will also have an impact on the firm. What follows is a description of the external and internal factors considered in this study.

Environmental Dynamism: For organizations to survive and grow they must inevitably interact with their external environment. Organizations do not exist in a vacuum, they influence and are influenced by the environment in which they exist. They influence their environment, for example, with the products and services they produce, the salaries they pay to their employees and the suppliers they use. Employees, suppliers, competitors and government, for example, can also transmit environmental influences to the organization. The smaller the organization, the more likely it is that it will react to and be affected by environmental changes.

The environment of an organization may be relatively stable, remaining unchanged over some period of time with trends that are relatively easy to predict. Alternatively, it may be quite dynamic with the occurrence of rapid, frequent and complex changes. What is the impact of a stable versus a dynamic environment on information and advice-seeking activities of the small business? Small business owners often work long hours, face numerous pressures, and consequently do not have the time or the inclination to process and to make sense of abundant and sometimes conflicting environmental data. For small firms with limited resources, however, a rapidly changing environment can be particularly threatening (Westhead and Storey, 1996). Owners who operate in a dynamic environment will be forced to overcome some of the natural reluctance to seek information and advice. The tendency, therefore, will be for the small business owner to seek information and advice that pertains to the marketplace in order to ensure survival of the enterprise.

Smeltzer, Fann and Nikolaisen (1988) found that small business owners pay attention to their environment even when they perceive it to be relatively stable. With increases in the dynamism and complexity of the environment, however, there is a greater tendency for owners to seek environmental information and advice (McGee and Sawyer, 2003). These authors contend that owners of small businesses are particularly sensitive to changes in the environment. Mathews and Scott (1995) also found that small business owners pay more attention to the environment when there is increased environmental uncertainty, even if the firms lack a sophisticated planning process. These authors suggest that, in a highly dynamic environment, sophisticated planning may be less efficient than merely paying close attention to the environment and responding as opportunities arise. Thus although there may be little planning, there may be great attention paid to the external environment.

A dynamic and rapidly changing environment will increase the opportunities and threats perceived by the owner. Perceived opportunities and threats are directly related to information seeking behaviour (Lang, Calantone and Gudmundson, 1997). Consequently, the more dynamic the environment of the firm, the more the owner will be motivated to seek out marketplace information and advice. Miller and Friesen (1982) found that for conservative as well as for entrepreneurial firms, there is a positive correlation between a dynamic environment and innovation. This is suggestive for our purposes, since successful innovation requires information, particularly marketplace information. Our view, therefore, is that the owner/manager of small firms, when faced with a rapidly changing environment, will pay increasing attention to the marketplace, focussing in particular on the behaviour of competitors and possible changes in the preferences of customers. Thus our first hypothesis follows from the preceding argument:

H1a: The greater the dynamism of the firm=s environment, the greater the frequency of marketplace advice seeking.

Complexity of Marketing Decisions: The seeking of marketplace information and advice is likely to be a function of both the external environmental context as well as the internal characteristics of the firm. Small business owners make decisions about their internal operations each day, as they try to ensure the survival and growth of their enterprises. Some of these decisions may be quite routine and require little effort, especially if the owner has had experience making similar decisions in the past. Other non-routinized decisions can be quite complex, however. Because the decision is non-routinized, the owner may have little experience in the domain, and may not know which variables to consider or even how to evaluate the variables once they have been identified. It is in situations like these that one would expect the owner to seek help.

A decision to hire a new salesperson may be perceived as relatively straightforward and simple by the small business owner. On the other hand, the decision to develop a new product, launch a new business, or add new retail outlets may entail complex decision making processes. Complexity, which can be seen as the number of marketing variables involved in the decision and the inter-relations among them, can also increase depending on the number of market segments being served and the decision to use a differentiated or undifferentiated strategy.

Complex marketing decisions are inherently uncertain. Collecting information and seeking advice is one way of reducing uncertainty. One would expect therefore that the more complex the marketing decision, the more frequently the small business owner would seek marketplace information and advice. As Pineda, Lerner, Miller and Phillips, (1998) suggest, the extensiveness of the business owner=s search is directly related to the importance attached to the decision. Consequently our hypothesis is as follows:

H1b: The greater the complexity of marketing decisions within the firm, the greater the frequency of marketplace advice seeking.

Education of the Owner, Age and Size of the Firm: Increasingly the owners of small businesses include highly educated members of the population. The reasons for this are many but they include the increasing number of educated immigrants who turn to self-employment and the growing trend among the population, of creating one=s own business (Industry Canada, 2004). One would expect that educated small business owners would be relatively more exposed to diverse sources of information and advice. They may read more, attend small business workshops and conferences, and have social networks that include business people, administrators and professionals who were once their classmates. They may also be more aware of services provided by their community, provincial, and federal governments. Beyond having a greater chance of collecting useful business information or advice, highly educated owners may be more capable of understanding how the information can be useful in a complex and changing environment, and of making appropriate linkages with their own businesses. Thus we propose that:

H2a: The education level of the owner will moderate the relationships between dynamism, complexity, and marketplace information/advice-seeking.

Age and size of the firm may also have an impact on the frequency of seeking out marketplace information. Mohan-Neill (1995) found that, compared to older and larger firms, younger and smaller firms use less marketplace information when they make decisions. She explains that this occurs because

new and smaller firms are constrained by having minimal financial and human resources, which makes collecting information a difficult task. Pearce, Chapman and David (1982) also shared this point of view. McGee and Sawyer (2003) found that the age of the firm moderated the relationship between strategic uncertainty and environmental scanning behaviour. We therefore wanted to test the impact of age and firm size on marketplace/information and advice seeking, in a context of marketing complexity and environmental dynamism. We propose, therefore, that

H2b: The age and the size of the firm will moderate the relationships among environmental dynamism, marketing complexity and marketplace information/advice-seeking.

Frequency of Marketplace Advice Seeking and Business Success: The discussion so far suggests that the small business, which operates in a dynamic environment and faces complex marketing decisions, will be motivated to seek information and advice about its marketplace. This is so because marketplace information and advice are critical ingredients in marketplace success, and ultimately, business success. Information and advice about, for example, buyers and consumers, competitors, pricing and promotion, allows the owner to evaluate the potential for business success.

Being close to the market and to consumers is the basic premise upon which the practice of marketing is based. It is clear, therefore, that there should be a close relationship between paying attention to the marketplace and business success. The underlying logic is that the successful marketing of the goods and services of the organization, requires that the owner/manager pay close attention to what buyers and consumers require. In practice this philosophy has been shown to increase the firm's profitability. Narver and Slater (1990) and Slater and Narver (1994, 2000) show, for example, that there is a close relationship between marketing orientation and business performance.

Thus our research hypothesis is as follows:

H3: The greater the frequency of marketplace advice seeking, the greater the business success.

The major relationships predicted are displayed in Figure 1 below.

 Figure 1 here

Method

Participants

The sample included 197 small business owners, 129 men and 68 women, from two metropolitan areas in Canada. Starting with some contacts, a list of entrepreneurs provided by a non-profit organisation and cold calls, we created a list of potential participants. For some of the interviews, participants suggested the names of other business owners who could be included in the sample. Most were between 25 and 54 years of age (79%) and they had been in business for an average of 8.7 years. The firms owned by these participants were from very diverse industries, including retail, food services, general services, information and manufacturing. For a slight majority of owners (55%), this was the first business that they had owned, and 68% had started the business themselves. All were small businesses; the average number of full-time employees was 15. Seventy percent of the firms had sales of less than \$500K; 19% had sales between \$500K and \$5 million, and about 11% of the firms had annual sales of over \$5 million.

Each participant completed a paper-and-pencil survey about the firm's activities, and his or her own information- and advice-seeking practices. Questionnaires were administered at the owner's firm in a face-to-face context.

Measures

Environmental dynamism was measured using a five-item scale developed by Miller and Friesen (1982). Items asked participants to indicate the rapidity of change in a variety of environmental factors such as the need for frequent changes in marketing practices, the rate of technology change and the predictability of their competitors' strategies. Items were rated on a seven-point scale and an average of the five items formed our index of dynamism. This measure was found to be moderately consistent in our sample (Cronbach's alpha = .64), just below the normal cut-off for reliability coefficients. We judged, however, that there was no theoretical reason to assume that the dynamism of these diverse business factors was a unitary characteristic. Thus we concluded that the index was acceptable for use in this research.

Complexity of marketing decisions was a tailor-made seven-item scale. Owners rated the significance to their business of several aspects of marketing. These comprised 1) Having a broad range of products; 2) Having a large number of customers; 3) Selling to numerous market segments; 4) Having broad geographical markets; 5) Managing numerous distribution channels; 6) Having innovative marketing techniques; and 7) Developing innovative products and services. The list was informed by Ostgaard and Birley's (1994) research on strategic decision-making, and to their categories we added others that were likely to be relevant to our small business sample. To the extent that all these factors were rated as critical to success (on a five-point scale), the business was seen as having to make complex marketing decisions. Our index of complexity was the average rating of these seven items. The internal consistency reliability of this measure was .65. Again the reliability was just below the traditional level of acceptability, but because of the diversity of factors that are included in the measure, we decided that the coefficient was adequate for use in this research.

Frequency of marketplace advice seeking was a tailor-made scale. The content of the items drew on pilot research in which entrepreneurs were interviewed about their information and advice requirements related to a variety of business activities. In our measure, we did not differentiate between information and advice seeking. Earlier pilot interviews suggested that owners were reluctant to admit to seeking advice as such; on the other hand, we got a better response when our questions were phrased in terms of *information and advice*. For brevity in this report, we will simply refer to this variable as **advice seeking**.

Five marketing-related challenges were identified in the pilot research. These all fall within the domain that Brush (1992) called the "immediate" marketplace. The marketing challenges included: Pricing, Marketing communications, Customer preferences, Sales forecasting and Customer-related problems. The participants rated their frequency of advice seeking in each of these five areas of marketing. Ratings were done on a five-point scale and an average rating was computed. The measure of frequency of advice seeking achieved an acceptable level of reliability (Cronbach's alpha = .77).

A sixth aspect of marketplace information and advice dealt more broadly with the strategies of competitors. The ratings of this aspect did not correlate highly with the ratings of the previous five aspects. It was therefore retained as a single-item measure and analysed separately.

Business success. A ten-item measure was taken from Beal (2000). The respondent rated on a five-point

scale the importance to the business of five indicators of performance: Amount of profits, Profit as a percentage of sales, Profit as a percentage of investment, Growth in sales and growth in profits. Next the respondent's satisfaction with the performance of the business on the same five factors was rated, also on a five-point scale. For each factor, importance was multiplied by satisfaction and the products were averaged to form a composite measure of business success. This measure of perceived business success was found to have acceptable reliability in the sample ($\alpha = .80$). Appendix 1 shows the items used to measure the above variables.

Other measures of interest on our questionnaire included the owner's level of education, the number of years the firm had been in operation, whether this was the first venture owned, and firm size, measured in terms of annual sales as well as number of full-time employees.

Results

Overall, the participants were moderately willing to seek marketplace information and advice, including marketing practices and their competitors' strategies. The most frequent area of advice seeking was about customer preferences (mean = 2.38) followed by pricing (2.44), marketing communications (2.56), customer problems (2.74), and the least frequent area was sales forecasting (3.07). Seeking advice about competitors' strategies got an average rating of 2.94, almost exactly at the mid-point of the scale.

In general, participants reported that the environment in which they operated was moderately dynamic -- the mean rating fell near the centre of the seven-point scale at 4.17 (standard deviation = 1.17). The complexity of the marketing decisions also fell near the midpoint (mean = 2.46, s.d. = .74 on a five-point scale). A regression analysis showed that the greater the dynamism in the firm's environment, and the greater the complexity of marketing decisions within the firm, the greater the frequency of advice seeking ($F = 15.00$; $p < .001$). Examining the individual predictors, we found that complexity made the stronger contribution to the variance ($t = 4.52$; $p < .001$), though environmental dynamism was also significant ($t = 2.02$; $p = .045$). Thus Hypothesis 1b was strongly supported, and Hypothesis 1a was also supported. On the other hand, neither dynamism nor complexity of marketing decisions was related to seeking advice about competitors' strategies ($F = 1.30$; not significant).

Did the education of the owner play a significant part in determining marketplace advice-seeking frequency? Thirty-eight percent of the participants had achieved an education level of college or less; 24% had undergraduate degrees and 37% had post-graduate degrees. The data showed a weak link between participants' education level and the frequency with which they sought advice about marketing practices ($F = 2.56$; $p = .080$). More specifically, the post-graduate owners were slightly more likely to seek advice than the college-level owners, but this relationship was quite tenuous ($p = .09$; post-hoc Bonferroni comparison). Education level was unrelated to seeking advice about competitors' strategies ($F = .24$; not significant).

When we controlled for education, we found that the relationships between environmental dynamism, complexity of marketing decisions and frequency of advice seeking persisted (both partial correlations $< .01$). Thus we concluded that education did not moderate the relationship between dynamism, complexity and frequency of seeking advice about marketing practices.

Next we considered whether the experience of the owner had an impact on marketplace advice seeking.

First we looked at the age of the firm. The analysis showed that the longer the firm had been in operation, the lower the frequency of marketing advice seeking (Pearson correlation = .171; $p = .022$, two-tailed). This was opposite to the relationship predicted. When we partialled out the effects of firm age, the relationships among dynamism, complexity and frequency of advice-seeking continued to be strong and significant ($p < .005$), so the age of the firm did not have a moderating effect on these relationships. There was no relationship between firm age and the frequency of seeking advice about competitors' strategies ($p = .192$).

Another measure of the owner's experience was whether or not this was the first business that he or she had owned. Fifty-eight percent of the owners told us that the current firm was their first venture. There was no link between being a first-time business owner and frequently seeking advice about marketing practices. On the other hand, first-time owners had a slight tendency to report less frequent information/advice about competitors' strategies compared to owners who had owned other firms previously ($t = 1.91$; $p = .076$, two-tailed).

Finally the size of the firm, measured both in terms of number of employees and in terms of annual sales, was unrelated to the frequency of seeking advice about marketing practices. These two aspects of size were also unrelated to seeking advice about competitors' strategies. In sum, none of the moderators considered in Hypothesis 2 had a significant effect on the relationships between dynamism, complexity and advice seeking.

The last relationship tested was that between the frequency of marketplace advice seeking, the frequency of seeking information about competitors' strategies, and the major dependent variable, perceptions of business success. A regression analysis of these three variables indicated that the relationship was statistically significant ($F = 4.44$; $p = .013$). Examining the individual coefficients, we found that the frequency of marketing advice seeking was the significant contributor to explaining business success ($t = 2.97$; $p = .003$). This provided support for Hypothesis 3. Frequent advice seeking about competitors' strategies, however, was not related to success ($p = .801$).

Discussion

We found that small business owners whose firms existed in a dynamic and unpredictable environment were more likely to seek information and advice about marketing practices such as customer preferences and problems, pricing, market communications, and so on. Moreover, when the firm's marketing decisions are complex, involving, for example, diverse products, services or market segments, broad geographical markets, innovative products and techniques, owners seek information and advice more frequently. Frequent advice seeking was related, in turn, to greater business success.

We were able to rule out the possibility of a direct relationship between environmental dynamism and marketing complexity, and our dependent variable, business success. A regression analysis found that neither of these two predictors was significantly related to success ($F = .289$; not significant). This bolsters our claim that the frequency of marketplace advice seeking mediates the relationship between environment, complexity, and business success.

In general, this research shows that regardless of age, size of the firm or education of the owner, the more dynamic the environment, the more the small business owner will seek information and marketing

advice. It demonstrates that small business owners are sensitive to the environment in which they exist. Thus in spite of the research that suggests that owners do not like showing their ignorance about their businesses (Curran & Blackburn, 2000), when the environment is sufficiently unstable and threatening, owners will seek out information and advice.

This is an important finding for business support personnel who might be interested in developing a programme of advising. The dynamism of the environment may be used to identify businesses that are more likely to be seeking information and support, and be potential clients for the advisor's services. In other words, businesses whose immediate environment is the most dynamic are most likely to need and want marketplace advice.

The results also show that the more complex the marketing decision, the more the small business owner is likely to seek marketplace advice. In fact, this variable had a greater impact on frequency of advice seeking than environmental dynamism. This result suggests that owners are willing to seek advice when the firm has many different products, market segments and customers. Again business support advisors can use this particular result to identify business owners who might be amenable to receiving and accepting advice. It is likely that when these two conditions -- environmental dynamism and decision-making complexity -- come together, the owner automatically sees the importance of making good decisions and is most likely to seek information (Pineda, Lerner and Miller, 2003).

The provision of information and advice is ultimately sterile unless it results in some kind of behavioural change on the part of the recipient of the advice. This research implies that seeking advice, where the antecedent conditions are complex marketing decisions in a rapidly changing environment, is likely to result in perceived business success. In brief, advice seeking works. Our results support this conclusion especially since there was no direct relationship between our antecedent conditions and business success. In this sample of small business owners, advice seeking mediated the relationship between change/complexity and business success.

The results of this study also have implications for small business owners. When business owners face complex marketing decisions, seeking advice about the marketplace would appear to be a profitable use of their time and resources. The same holds true for businesses that may be experiencing rapid environmental changes. While this study does not address the issue of the competence or expertise of the advice providers, it is evident that business owners should seek advice from those who are knowledgeable about the industry as well as about marketplace activities. From a subtler point of view, our results also imply that the small business owner, who is sensitive to environmental changes and who is able to recognise when s/he is not "able" and thus must seek help, is the owner who is most likely to survive in the long run.

This result is somewhat different from that of Brush (1992) who reported that the frequency of use of several marketplace information sources were "weakly and significantly negatively correlated" (pg 49) with performance. One possible explanation for these conflicting results is the fact that Brush's measure focussed on information only, whereas our measure looked at information and advice. It is possible that asking for advice gave owners more constructive ideas for developing business strategies; information alone may be less helpful. Another possibility is that our measure of performance was perceptual, based on satisfaction with financial measures. Brush's measure of performance seems to have focussed on sales figures as well as number of employees. Because we used firms from a wide range of industries, raw sales figures were a less compelling measure of success. Brush's sample was more constrained,

including only manufacturers, however the types of manufacturing ranged from “wallpaper to microchip production” (pg 44). Sales, profits and employee data are probably incommensurate in this range of businesses, which might explain why relationships were depressed.

Neither education of the owner nor size of the business had any impact on the frequency of information and advice seeking. The younger the business, however, the more frequent the advice seeking. This result was consistent with the results reported by McGee and Sawyer (2003). Mohan-Neill (1995) found, however, that younger and smaller firms used less marketplace information than older firms. Mohan-Neill provides no data about the industries to which the participant firms belonged, but it is possible that this explains her inconsistent findings.

Limitations: Having used a cross-sectional, correlational design, we cannot be certain that the causal interpretation we offer is the only explanation. We are unable to rule out the possibility that reverse causation obtained -- frequent seekers of information and advice might be more attentive observers of the internal and external environments of the firm, and might thus see more dynamism and complexity than owners who do not seek advice. In other words, these “head in the sand” owners simply do not recognize the changes and complexities that surround them. We think this alternative explanation is less likely, however. Measures like the number of market segments served and the breadth of geographical markets, for example, are not very amenable to cognitive distortion.

Another possible reverse-causal explanation is that perceived business success caused more frequent recall of advice-seeking behaviour. Since these are both subjective measures, this alternative direction of causality is certainly possible. From what we know of the human attribution processes studied by social psychologists, however, people tend to attribute their success to their own actions, and their failures to the actions of others or the environment. Thus attribution theory would predict that perceived business success might lead to *lower*, not greater, recall of advice received from others. Longitudinal research would increase our confidence in ruling out both of these competing causal links.

More problematic is the fact that “seeking information about competitors’ strategies” was a single-item measure. To draw firm conclusions about this variable, future studies will have to design a more reliable, multi-item measure. The external validity of the findings could also be improved by collecting data from a broader population than just the two urban areas sampled here.

Conclusion: At the core, all small business owners, whatever their education, experience or firm size, are seeking success. When owners must make complex marketing decisions in an environment that is rapidly changing, they perceive a dramatic increase in the risk of failure. One way of reducing this risk is to seek out information and advice. Marketplace information and advice allows small business owners to reduce the uncertainty inherent in decision-making and turn their complex, dynamic business activities into business successes. Both seekers and providers of marketplace advice can be assured by our results that the process works.

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Appendix 1

Items used to measure the principal variables in the study

A. Environmental Dynamism

For the questions below please circle the appropriate number.

The following questions relate to the **rapidity of change** in your industry.

Our firm must rarely change its marketing practices to keep up with the market and competitors	1 2 3 4 5 6 7	Our firm must change its marketing practices frequently (e.g. semi-annually)
The rate at which products / services are getting obsolete in the industry is very slow (e.g. basic metal like copper)	1 2 3 4 5 6 7	The rate of obsolescence in very high (as in some fashion goods and semi-conductors)
Actions of competitors are quite easy to predict (as in some primary industries)	1 2 3 4 5 6 7	Actions of competitors are unpredictable
Demand and consumer tastes are fairly easy to forecast (e.g. for milk companies)	1 2 3 4 5 6 7	Demand and tastes are almost unpredictable (e.g. high fashion goods)
The production / service technology is not subject to very much change and is well established (e.g. steel production)	1 2 3 4 5 6 7	The modes of production / service change often and in a major way (e.g. advanced electronic components)

B. Complexity of Marketing Decisions

How **significant** are the following factors to the success of your business? Please circle the number that corresponds to the **emphasis** you place on each of the following:

	Extremely significant			Not at all significant	
Having a broad range of products	1	2	3	4	5
Having a large number of customers	1	2	3	4	5
Selling to numerous market segments	1	2	3	4	5
Having broad geographical markets	1	2	3	4	5
Managing numerous distribution channels	1	2	3	4	5
Innovative marketing techniques	1	2	3	4	5
Developing innovative products or services	1	2	3	4	5

C. Frequency of Marketplace Advice Seeking.

When challenges arise in the business, owners often seek information from others. How often do you seek information or advice on the following areas of the business? Please rate the **frequency of advice-seeking** on the scale by circling the appropriate number.

	very often			never	
Pricing	1	2	3	4	5
Marketing communications	1	2	3	4	5
Customer preferences	1	2	3	4	5
Sales forecasting	1	2	3	4	5
Customer-related problems	1	2	3	4	5
Policies & strategies of competitors	1	2	3	4	5

D. Business Success

The following is a list of factors that some business owners believe to be important for their business. We are interested in how **important** they are to you as a business owner. Please check the appropriate box.

Factors	extremely important	quite important	important	slightly important	not at all important
Amount of profits					
Profit as percentage of sales					
Profit as percentage of investment					
Growth in sales					

Growth in profits					
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How **satisfied** are you with the performance of your business in the following areas? Please check the appropriate box.

Factors	extremely important	quite important	important	slightly important	not at all important
Total amount of profits					
Profit as percentage of sales					
Profit as percentage of investment					
Growth in sales					
Growth in profits					

Figure 1: Proposed correlates of marketplace advice-seeking

