GENERIC BUSINESS STRATEGIES IN GREECE: PRIVATE FOOD FIRMS VERSUS AGRICULTURAL COOPERATIVES

by
Helen E. Salavou
Athens University of Economics and Business, Athens, Greece

and
Panagiota Sergaki
Aristotle University of Thessaloniki, Department of Agricultural Economics, Thessaloniki, Greece

Journal of Rural Cooperation, 41(1), 2013: 44-59

Abstract

The purpose of this study is to identify differences in generic strategies and performance among organizations within the food sector in Greece. Data from a survey of 61 organizations in Northern Greece are analyzed with the help of factor analysis, one-way ANOVA, and multiple linear regression. Factor analysis reveals the existence of four generic strategies consistent with Porter’s (1980) framework. The findings suggest that in Greece private food firms (investor-owned firms, or IOFs) and agricultural cooperatives follow different generic strategies. Private firms emphasize differentiation-based strategies, whereas agricultural cooperatives show greater proclivity for the low-cost focus strategy. Two of the four generic strategies (the low-cost strategy and the differentiation focus strategy) improve organizational performance within the food sector for both organizational types. This is the first Greek survey on strategy contrasting private food-sector firms (IOFs) with agricultural cooperatives. A central message is that cooperatives, unlike private firms, sustain a more conservative attitude revealing traditional preference for low cost. The findings of this study will help practitioners and policy-makers to advance their knowledge of how organizations establish competitive advantage within the food sector of a European country.

Keywords: generic strategies, Porter strategy framework, performance, agricultural cooperatives, food firms, investor-owned firms (IOFs)