



BUNDLING OF BUSINESS
DEVELOPMENT SERVICES AS A
MEANS TO OVERCOME
INSTITUTIONAL VOIDS

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ABSTRACT

As a driver of income generation in low-income countries, the rural food processing sector could play a major role in the fight against poverty. This research proposes product bundling as a new approach to increase the probability of success of current business development services that support the growth of small and micro food processing enterprises. The research extends literature on marketing in low-income countries as well as institutional theory and market integration by combining the well-researched concept of product bundling from marketing literature with institutional theory and applying it in the context of small and micro food processing entrepreneurs in Rwanda. Furthermore, it features the importance of latent needs in this context. A qualitative study included interviews with 21 key respondents from different fields, as well as observation techniques. Based on this, a semi-experiment of 51 small and micro food processors was conducted. The data was analysed using categorical conjoint and mixed model analysis. The results suggest that bundling of business development services can increase the probability of success of the available public and private support for at least two reasons. First, the perceived value of services that fill latent needs is higher if bundled with other, complementary services. Secondly, the results show that overall intended investments in services needed for business growth are higher if they are bundled than if they are unbundled. The thesis provides important implications for both practitioners as well as marketing- and development research by featuring the importance of latent needs in the context of development, as well as partnerships and multidisciplinary research for the design of future policies and research agendas.

KEYWORDS

Institutional theory, agro-processing, food processing, small and micro entrepreneurs, low-income countries, developing markets, product bundling, business development, business development services