

CHAPTER 5

CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The results of the study indicate that there exist some features that are either less or highly significant in influencing the buying process in the buying centre of an organisation. The buying process consists of individuals or a group of individuals that will make decisions for the company in the selection of suppliers or service providers. Some of these features have been put into several hypotheses that are tested and analysed in the study. These features include Factor 1 – Price, Factor 2 – Transaction Value, Factor 3 – User Loyalty, Factor 4 – User Recommendation, Factor 5 – Trust, Factor 6 – Cooperation, Factor 7 – Satisfaction and Factor 8 – Commitment.

Reliability analysis was further conducted on each of the factors. Most of these factors have Alpha values between 0.47 to 0.95. The hypotheses that represent some of these factors are tested using ANOVA as well linear regression analysis with the following results:

Hypothesis 1, H_{01} : The decision of industrial buying centre is influenced by the Prices of the products or services.

The results fully support this hypothesis.

Hypothesis 2, H_{02} : The decision of industrial buying centre is influenced by the recommendations of end users who have experienced using the product or services.

The results fully support the hypothesis that end user recommendations have influence on the buying decision process.

Hypothesis 3, H_{03} : The decision of industrial buying centre is influenced by the customer loyalty to the products or services.

The results fully support the hypothesis for end user loyalty.

Hypothesis 4, H_{04} : The decision of industrial buying centre is influenced by the transaction values of the products or services.

The results partially support this hypothesis for transaction values offered by suppliers or service providers.

Hypothesis 5, H_{05} : The decision of industrial buying centre is influenced by the type of relationship developed between customer and supplier.

The results show similarity to end user recommendation, thus this hypothesis was not analysed further.

Hypothesis 6, H_{06} : The decision of industrial buying centre is influenced by the market orientation selected variables.

The results fully support this hypothesis, which include the factors of trust, cooperative norm, satisfaction and commitment by the suppliers.

5.2 Summary of Findings

5.2.1 Influence of Price on the buying centre decision process

The buying centre normally consists of individuals or groups of individuals that make decision in the selection of respective suppliers or service providers for the company. Their decisions in the selection of these suppliers are directly or indirectly influenced by the price offered by the suppliers or service providers. In the study, the results showed a significant influence either in the form of price promotion (discount) or products or services offered. Based on the regression analysis, R squared values are varied with the respondent demographic with respect to purchasing experience as well as job position of the respondents.

5.2.2 Influence of End-user recommendations on the buying centre decision process

The results of the analysis indicate that end-user recommendations do have some influence on the decision process of the buying centre of the organisation. The end-users may suggest or provide names of suppliers if asked. The results also indicate that the responses of respondents with less purchasing experience and respondents holding low position are more obvious than those with more purchasing experience and those who hold higher position in the organisation.

5.2.3 Influence of User loyalty on the buying centre decision process

User loyalty has some influence on the buying decision process as indicated by the hypothesis. Their influence have made the decision makers take another look at the brand of products used or services

provided by the suppliers. User loyalty could be due to several reasons that make the end users confident and comfortable with products or services. The lower the position of the job title, the more likely to buy the same brand.

5.2.4 Influence of Transaction Value on the buying centre decision process

The transaction values considered in this study include the suppliers who would reduce the price and supplier provide and appear to offer better bargains. The respondents with less number of years purchasing experience tend to accept the products or services when the suppliers reduce the price. However, respondents with different job positions will not be influenced by this value offer by suppliers or service providers. Similarly, respondent holding respective position or title will not be influenced by suppliers who offer better bargains. Thus, the hypothesis H_{04} is partially supported.

5.2.5 Influence of Customer-Supplier Relationship on the buying centre decision process

The customer-supplier relationship has influence on the buying decision process of the buying centre. In this study, the customer-supplier relationship identified was mainly related to end-user recommendations. The basis was that with good quality relationship between end-user or customer with supplier, it is likely that end-user who are satisfied with the products or services provided will recommend them to others.

5.2.6 Influence of Market Orientation on the buying centre decision process

Market Orientation has several factors that influence the buying decision process of the buying centre. These factors include trust, cooperative norm, satisfaction and commitment. Since these factors are also significantly correlated, they support market orientation as one of the main features that influence the buying decision of the buying centre. The results are further supported by the multiple regressions analysis which shows that between 30 to 53% were explained by these two independent variables, leaving 47% to be explained. Therefore, the study explains that these factors have influence on the buying decision process of the buying centre.

5.3 Conclusion

The study has fulfilled its objectives to determine several features that would influence the decision in the buying process of the buying centres of the industry. These features have been examined and analysed for significance in influencing the buying decision process.

Of the six hypotheses tested, five were fully substantiated and one was partially supported. Based on the results of multiple regressions, most of the variances were explained by the independent variables, it is clear that repeat purchase or user loyalty has the most influence on buying decision process that consists of individuals or group individuals especially with lower respondent education level. The next feature that most influential was customer-supplier relationship with respondents have less purchasing experience was willing to continue to do business with suppliers even if suppliers found to be ineffective. However, there are still other additional independent variables that need to be identified in future studies. Other than these additional variables, other future considerations need to be further explored in order to strengthen the hypotheses.

5.4 Future Considerations and Recommendations

Future study in relation to buying behaviour that involves the buying decision process of the buying centre of the industrial organisation should consider exploring further other influential features. The results of analysis of the hypotheses, showed that there are still additional features could influence the buying decision process of the buying centre.

These additional features may include the environment of the buying centre such as the handling of confidential information received from suppliers as well as the conflict of interest that may arise in the buying centre.

It is recommended that future studies should consider the company demographics as one of the independent variables for the respective dependent variables related to the hypotheses.