

## **Chapter 5: Conclusion and Recommendations**

### **5.1 Summary and Conclusion**

Out of the six hypotheses tested, five were substantiated and one was not. From the results of the multiple regression analysis, it is clear that “time pressure” is the most influential factor in determining the level of brand sensitivity in an organization purchasing context in the construction material industry. The higher the time pressure the purchasing agents faced during the purchase evaluation process, the higher the level of brand sensitivity of the purchasing agents.

The ANOVA result also indicates that the differences in the roles and function of the purchasing agent, i.e. procurement, contracts (QS), construction, design & planning and distribution influences the level of their brand sensitivity in the purchasing evaluation process. However, the level of brand sensitivity is not significantly different for men or women as originally hypothesized.

The Pearson Correlation Matrix indicates that purchase importance, purchase complexity and time pressure are positively correlated to the level of brand sensitivity. Hence, marketers should focus their brand building activities on product and services that are classify as importance and complicated type of purchases; Brand building activities for commodity products and/or products and services that are use for relatively less importance functions (either

functionality, or financially), and/or less complicated purchase situations may have limited success rates.

## **5.2 Limitation of the Study**

Respondent for the questionnaire survey were not asked to react to a specific product, beyond that of an “architectural items”. This was determined because the advantages of broad external validity seemed to offset advantage of focus and precision at this stage of research. On the other hand, one could argue that not specifying a particular product may have been limiting; Focusing on a specific product might be able to reduce noise and lead to new insights. For instance, the variance in the technical complexity, and even cost of the product under consideration was sure to be substantial. Some respondents may have considered fairly standardized product offerings whereas others may have considered extremely customized product offerings.

In addition, the study does not intend to infer the results to entire construction materials industry in Malaysia, and is intend to interpret within the limit of 318 sample size. Larger sample sizes which cover wider geographical coverage will be more representative to infer the results to entire construction materials industry in Malaysia.

### **5.3 Suggestions for Future Research**

No doubt the variables under this study explain the variance of brand sensitivity in an organizational buying context; the results on regression analysis only able to significantly explain approximately 13% on the variance of brand sensitivity. Further studies can move toward the direction of hypothesize and test other more complex models, particularly those that involve different moderators and mediators. More efforts can also be place to address questions concerning the role of perceive purchase risk as it relates to various brand-related topic.

The focus of this study was on organizational buyers and the factors that influence their sensitivity to brands in procurement of construction materials. Future studies can also consider branding strategy from a seller's perspective, in view that sellers appear to be faced with choices involving when and how to strategically invest in branding activities.

There is also an opportunity to study the best practices of B2B marketers faced with enhancing the importance and complexity of their product offering.

### **5.4 Managerial Implications**

The results of this study have important implications for B2B marketing managers. It is apparent that brands play a meaningful role in context where prospective organizational buyers perceive high level of "time pressure",

“purchase importance”, “purchase complexity” and seek to mitigate the “perceived purchase risks” – both organizational and individual basis.

It is imperative that the B2B marketing managers need to work on product/brand specification starting the design & planning stage, and to convince the developers, architects and consultants to insert the brand into the bill of quantities prior to the tendering stage, to increase the chances of the brand being selected during the construction stage. Specification/branding works is significant for products that are classified as importance – either functionally or financially; as well as relatively complicated to the construction projects. Brands that are specified and stated by the owner and architects in bill of quantities will be perceived by the contractors as a risk mitigation factor toward possible performance risks. Brand that is specified in bill of quantities will play an important role in a tight construction schedule situation, where the contractor faces limited time resources in sourcing and evaluating alternative product/brand to what has been specified in bill of quantities. Contractors will be more likely to buy the product/brand that is specified in bill of quantities to mitigate any possible purchase risk that may cause any performance issues to the project, as the selection of brand was done by the owner and its design & planning team. Hence, the responsibility of making a wrong product/brand choice will not be borne by the contractors.

However, products that have relatively low purchase importance to the project will enjoy limited benefits from being specified in bill of quantities as the perceived purchase risk on performance and economic loss are not significant.

Nevertheless, products that have relatively low purchase complexity will also enjoy limited benefit from specifying the brand in bill of quantities as it will be relatively easy for the contractors to source for alternative product/ brand. Hence, the level of brand sensitivity will be relatively low compare to a product/ brand that has high purchase complexity.

In a nutshell, branding will play a meaningful role in construction material industry, especially on the products that have high purchase importance, and purchase complexity. B2B marketers should put in efforts in specification works for such products to increase the level of brand sensitivity of the contractors in the construction stage.