

AN EMPIRICAL ANALYSIS OF THE INDUSTRIAL BUYING PROCESS
FOR THE PURCHASE OF TEMPORARY CLERICAL HELP,

by

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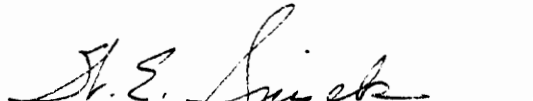
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CHAPTER I
INTRODUCTION

The recent emphasis in describing buyer behavior has dealt almost exclusively with the consumer sector while its counterpart, industrial purchasing behavior, has received much less attention.¹ One approach taken to alleviate this problem has been to transfer knowledge gained from research in analogous disciplines to industrial purchasing behavior. The fields of psychology, social psychology, and sociology have contributed to the background and knowledge applicable to consumer behavior. The users of theories taken from these disciplines have attempted to show how they can also be applied to the understanding of industrial purchasing behavior.

While some of these theories have made a significant contribution to the research and understanding of industrial buying, others have been disappointing and misleading. For example, Ozanne and Churchill attempted to apply the adoption-diffusion model, which has been useful in other

¹Wesley J. Johnston, "Reconceptualizing Industrial Buying Behavior: Toward Improved Research Approaches," Contemporary Marketing Thought. Barnet Greenberg and Danny Bellenger, editors, Chicago: American Marketing Association, 1977, pp. 247-251.

marketing areas, to industrial purchasing.² They used essentially the same methodology and asked the same questions that have been asked in research dealing with buyers of consumer goods. From their disappointing results, Ozanne and Churchill concluded that the industrial adoption process is too complex to be investigated in such a manner. While conclusions from this one study do not imply that the adoption-diffusion model is relevant or not relevant to industrial purchasing, they do suggest that direct borrowing of models and methodology from consumer behavior might not be sufficient for the study of industrial purchasing, which deserves more individualized attention, research, and study.

The limited research published in the marketing literature on the industrial purchasing process is partially explained by the difficulties associated with identifying, obtaining access to, and gaining the cooperation of those individuals involved in the industrial purchasing process.³ Webster also has attributed this lack of published research

²Urban B. Ozanne and Gilbert A. Churchill, Jr., "Five Dimensions of the Industrial Adoption Process," Journal of Marketing Research, (August, 1971), pp. 322-328.

³Frederick E. Webster, Jr., "Industrial Buying Behavior: A State-of-the-Art Appraisal," Marketing in a Changing World. Bernard A. Morin, ed. Chicago: American Marketing Association, 1969, pp. 254-260.

to the following: (1) the limited state of conceptual knowledge about industrial buyer behavior; (2) the over-emphasis on statistical analysis of consumer data, which dominates the marketing journals; (3) the complexity of industrial buying decisions in terms of multiple buying roles played by members of the decision team; (4) a lack of glamour associated with the industrial purchasing process; and (5) the negative attitudes of industrial marketers regarding the need for industrial buying research.⁴

This comparative paucity of published research in the industrial buying area, and the fact that the dollar volume involved in industrial purchases far exceeds that of the consumer market,⁵ seem to suggest the need for descriptive studies leading to a better understanding of industrial buyer behavior. The present research study was designed to aid in this understanding. The specific industrial buying process chosen for analysis was the purchase of temporary clerical help.

⁴Ibid., pp. 257-259.

⁵R. M. Hill, R. S. Alexander and J. S. Cross, Industrial Marketing, 4th Ed., (Richard D. Irwin, Inc., Homewood, Ill., 1975).

RELATED RESEARCH OF INDUSTRIAL BUYING

Since the mid-1960's, two key areas of research have widened the approach to the study of industrial buyer behavior: the understanding that industrial buying is a shared decision, subject to a variety of influences; and, industrial buying is a decision process spread over time.⁶ These areas have been the subject of several research efforts attempting to describe more clearly the industrial purchasing process.

One of the major pieces of research was done by Webster and Wind, who have developed a model viewing industrial buying as a decision process involving several individuals.⁷ As a part of this model, they classified those positions sharing in the decision making process as the buying center. Although Webster and Wind's model aided in the attempt to describe the industrial buying process, there was still a scarcity of large descriptive studies leading to an understanding of industrial buyer behavior.

⁶Gordon T. Brand, The Industrial Buying Decision, (London: Associated Business Programmer, Ltd., 1972), p. 12.

⁷Frederick Webster and Yoram Wind, "A General Model for Understanding Organizational Buying Behavior," Journal of Marketing, (April, 1972), pp. 12-19.

Studies of industrial purchasing in the past have been directed toward the conditions affecting the price and availability of needed materials rather than conditions affecting the other numerous variables which enter into the buying decision. Other studies have focused on positions within the purchasing department, and not on positions within the buying center outside the purchasing department.⁸

Although studies of the purchasing department have proven to be of some value in the understanding of industrial buying, some researchers have found that industrial buying decisions were carried on not by individuals acting alone in a single department, but by individuals acting in a buying center within complex organizations.⁹ The buying center can be defined as a group of individuals with various functional positions inside and outside the purchasing

⁸Richard Cardozo and James Cagley, "Experimental Study of Industrial Buyer Behavior," Journal of Marketing Research, (August, 1971), pp. 329-334.

Yoram Wind, "Industrial Buyer Behavior: Source Loyalty in the Purchase of Industrial Components," Unpublished Ph.D. Dissertation, Stanford University, (1966).

⁹Webster and Wind, 1972.

department who may serve as a formal committee or act as an informal committee. Since other variables affect the purchasing process,¹⁰ it is necessary to identify the positions which, in addition to the purchasing agent, make up the buying center before those variables can be analyzed.¹¹

More recently researchers have begun to identify the buying center as a part of their overall study.¹² But, as has been true in the past, most of these studies deal with the purchase of industrial goods, not industrial services. Marketing discussions pertaining to the service industries are limited, and those available are widely scattered through the literature. The research problem analyzed in this dissertation was the purchase of an industrial service - temporary clerical help.

¹⁰Sheth, 1973.

¹¹Robert E. Weigand, "Why Studying the Purchasing Agent is Not Enough," Journal of Marketing, (January, 1968), pp. 41-45.

¹²James P. Kelly, "Search for and Use of Information in an Industrial Purchasing Decision," Unpublished Ph.D. Dissertation, University of Illinois, (1972).

RESEARCH PROBLEM

The problem under study was to determine which positions in industrial organizations were involved in the decision process for the purchase of temporary clerical help; that is, which positions were part of the "buying center" for the purchase of this industrial service? The specific research questions addressed were as follows:

1. Which positions within the organization were considered to be a part of the buying center for the decision to buy temporary clerical help?
2. Which positions performed the various roles in the purchase decision? (i.e., user, influencer, decider, buyer, gatekeeper)¹³
3. Were the positions making up the buying centers the same for each type of firm studied?
4. What position was the key buying influence within the buying center?
5. Was the key buying influence the same for each type of firm studied?
6. What were the general procedures used by individuals in industrial firms in the decision process to buy temporary clerical help?

¹³The reader may be unfamiliar with these terms; therefore, they have been defined on pages 12 and 13 of Chapter I.

PURPOSE OF THE STUDY

The major purpose of this study was to investigate one segment of the industrial buying process - the buying center. The subordinate purposes were to gain a better understanding of the various roles played by positions which make up the buying center, and of the purchase process for temporary clerical help in an industrial setting.

The study identified and analyzed the organizational buying centers for the purchase of temporary clerical services and examined for differences among these buying centers based on the following variables: (1) the number of people the user firm employs; (2) the user firm's annual dollar volume of sales; and (3) its annual dollar usage of temporary clerical help. The members of the buying center were classified as being either users, influencers, deciders, buyers, or gatekeepers.

Members within these buying centers were identified on a total organizational basis, not just within the purchasing department. This approach was felt to represent more accurately the actual purchasing process. Research by Weigand supports this point of view.¹⁴

¹⁴Weigand, 1968.

Webster proposed a four-segment model of the industrial buying process, which consists of the following parts:

1. problem recognition
2. assignment of organizational responsibilities
3. the search process, and
4. the choice process.¹⁵

For the present study a more operational model consisting of the following six segments was suggested:

1. recognition of the problem
2. establishment of specifications
3. identification of buying alternatives
4. evaluation of alternative buying actions
5. purchase decision, and
6. approval of the purchase.

These segments were used to aid in the structuring of the questionnaire to determine which positions in the organization were part of the buying center for the decision to buy temporary clerical services.

¹⁵Frank E. Webster, Jr., "Modeling the Industrial Buying Process," Journal of Marketing Research, (1965), pp. 370-376.

POTENTIAL CONTRIBUTIONS

In 1975 the supplying of temporary help was an industry of over \$1 billion, making up nearly 3 per cent of the total labor force of the United States,¹⁶ and yet suppliers of temporary clerical help know little about their users. This study is intended to clarify the nature of the buying center with respect to the purchase of temporary clerical help and to yield a better understanding of the overall purchase process. The findings should aid temporary help agencies in understanding more clearly who their buyers really are, and in understanding the process these buyers go through in purchasing their service, thus allowing the agencies to adjust their marketing efforts accordingly.

The potential contributions of the study to marketing theory are an increased awareness of the responsibilities, roles, and perspectives of the members of the buying center for the purchase of an industrial service. The results allow a simple-faceted examination of some aspects of the general models of the industrial purchasing process that have appeared in the marketing literature.

¹⁶G. W. Millner, "Future Trends in Temporary Help Services," Office (January, 1975), p. 82.

DEFINITION OF TERMS

To establish a degree of consistency through this dissertation, the following definitions are used:

Temporary Help Service Industry - This industry consists of establishments primarily engaged in supplying temporary help (except agricultural) to other business on a contract basis. (S.I.C. 7398)

Temporary Help Users - Temporary help users are organizations that contract temporary workers from an outside temporary help agency. (This does not include part-time employees who are either permanently or occasionally employed by the firms themselves, but those employees who are on the payrolls of the temporary help agencies and are contracted to other firms.)

Industrial Buying - Industrial buying, or organizational buying, refers to the purchase of those items or services that are purchased either as factors of production - such as raw materials or supporting equipment necessary to modify the factors of production into finished goods - or to the purchase of items which are passed through channels of distribution from wholesaler to retailer without modification. Industrial concerns buy raw materials, components, equipment, and supplies to be used in manufacturing. Intermediate marketing organizations buy products for resale and equipment and supplies. They both buy services such as

temporary clerical help to be used in conducting the firm's activities.

Buying Center - The buying center is composed of all the positions in the organization which formally or informally in some way have been involved in the decision to make a particular purchase. They are the individual or individuals who first recognize the problem, those who establish specifications needed to solve the problem, those who identify buying alternatives, those who evaluate the various alternatives, those who make the purchase decision, and those whose approval must be received to enable the purchase to be processed.

Decider - Deciders have formal authority and responsibility for deciding among alternative brands and vendors.

Influencers - Influencers do not necessarily have buying authority but can influence the outcome of the decision through the application of constraints.

Buyers - Buyers have formal authority for consummating the buying decisions. This authority can be constrained by members of the organization who occupy more powerful roles in the buying group.

Users - Users are those who actually use the purchased service but who may have little or no buying authority and varying amounts of buying influence. Users may exert this influence either individually or collectively.

Gatekeepers - Gatekeepers control the flow of information into the buying center. These individuals could exert their influence primarily at the stage of identifying buying alternatives.¹⁷

SCOPE AND LIMITATIONS

The scope of this study was an exploratory examination of industrial buying centers as they pertain to the decision to buy an industrial service. The decision studied was the purchase of temporary clerical help. A national survey of industrial firms was made, using a mail questionnaire. The study was restricted to the use of customers of the largest temporary help firm in the industry. The reasons for selecting the particular industrial firms for the sample are discussed in the methodology section of Chapter III.

The major limitations of the study concern the survey design and methodology. The survey consists of a non-random sample of industrial corporations taken from a user list. Although it was felt that these customers represent a broad cross-section of users, generalizations to other populations

¹⁷Definitions of the components of the buying center are taken in part from: Frederick E. Webster, Jr., and Yoram Wind, Organizational Buying Behavior, (Prentice-Hall, Englewood Cliffs, N. J., 1972).

were tenuous at best. In addition, no attempt was made to identify the qualitative elements which may have had an impact on the decision process within the buying center.

Reponse bias could present another limitation for the study. Whereas only one individual within a firm responded to the questionnaire, the purchase decision process often involves several people. The problem is whether or not one person can report the activities accurately of all the persons involved.

Another possible limitation is the return rate of 27 per cent. While a return rate of this size is not uncommon for industrial studies, a greater response was expected for the present research. The problems associated with the return rate are discussed more fully in the sample profile section of Chapter III.

ORGANIZATION OF THE REMAINDER OF THE DISSERTATION

The remainder of the study is organized in the following way. Chapter II contains a review of the general and current literature in the fields of temporary help and industrial marketing. The studies selected for discussion were of a general nature in the temporary help area. The studies selected for discussion in the industrial marketing field were more specific, with studies most significantly affecting the direction and design of the research reported herein.

The procedures followed in the design and conduct of the research program are detailed in Chapter III. Sources of information and funding are also listed.

Chapter IV contains the findings and an analysis of the findings from the survey of industrial users of temporary clerical help.

Chapter V is a discussion of the final conclusions reached as a result of the study and of the implications for the practitioner. An evaluative statement of the present state of marketing theory and practice, in light of the results and recommendations for future research, completes the chapter.

CHAPTER II

REVIEW OF THE LITERATURE

This chapter reviews the literature pertinent to this research. Included is a discussion of the temporary help literature, followed by a general characterization and discussion of the industrial purchasing literature and a brief presentation of the articles, studies and models which most significantly affected the design of the research program. The purpose of this chapter is to provide the researcher with adequate background information to conduct the field study.

TEMPORARY HELP LITERATURE

An extensive literature search* found no published research related to the buying of temporary clerical help. There are, however, several studies dealing with various aspects of the temporary help industry. The first major research was conducted by Moore in 1963.¹ Moore investigated the history of the temporary office help industry,

¹Mack Arthur Moore, "The Role of Temporary Help Services in the Clerical Labor Market," unpublished Ph.D. Dissertation, University of Wisconsin, (1963).

*The initial literature search was conducted in the fall of 1976. A continuous update of this literature review was carried on until the winter of 1978.

looked at the temporary clerical worker's motives and economic characteristics, described the firms and their methods of operations, and explored the public policy issues facing the industry at that time. He also attempted to measure the impact of the industry on the labor force by describing the legal relationship between the temporary help worker, the temporary help firm, and the temporary help customers.

Kopp studied the proposition that organizations seek to buffer their technical cores from the uncertainty of the environment by using temporary help. He found that there was no significance between size of the organization and the use of temporaries in the two industries studied.^{1a}

Some research has been done on the characteristics of temporary help users. To date, the most complete study was conducted by Joray and Hulin.² In this study, distinction was made between industrial and office users. Customer characteristics, such as average number of employees and types of services used, were other variables studied.

^{1a}Daniel Kopp, "An Examination of the Relationship Between the Buffering Response of Part-Time and Temporary Workers and Technology, Perceived Environmental Uncertainty and Size in Two Manufacturing Industries," unpublished Ph.D. Dissertation, V.P.I. & S.U., (1977).

²Paul A. Joray and Charles Hulin, The Temporary Help Industry, Prepared for the National Association of Temporary service, (August, 1974).

In 1971, Smith investigated the effect that changes in the permanent labor market have upon the use of temporary clerical workers.³ His study also contains some theoretical material related to analyzing information cost.

Joray investigated the historical development of the temporary help industry.⁴ He analyzed the economic structure of the industry, discussed the public policy issues, and described the characteristics of the industrial temporary help worker.

Some non-dissertation studies include a study by Okoda who in 1969 explored the economics of the labor market and its relationship to the temporary help industry.⁵ Joray and Hulin conducted a study for the National Association of Temporary Services, Inc. to determine the economic and sociological impact of the temporary help industry upon its customers, its employees, and upon local economies.⁶ In

³Robert Steward Smith, "Analysis of Labor Market Adjustments in the Clerical Temporary Help Market: 1953-1960," unpublished Ph.D. Dissertation, Stanford University, (1971).

⁴Paul A. Joray, "The Temporary Industrial Labor Service Industry in the Chicago and St. Louis Metropolitan Areas," unpublished Ph.D. Dissertation, University of Illinois, (1972).

⁵Akhihisa Okoda, "The Industrial Temporary Help Service," (unpublished paper, 1969).

⁶Joray and Hulin, (1974).

1969 John Griswald of Arthur D. Little, Inc. conducted research on industry characteristics, competitive dynamics, industry problems, and discussed the social significance of the temporary help industry.⁷

Gannon has conducted several studies concerning the temporary help industry in the United States based on the nature of the temporary worker.⁸ He has identified reasons for being a temporary worker and studied their personal characteristics and attitudes. He concluded that temporary workers were quite similar to permanent workers, and that the best qualified temporary workers tend to leave their jobs quicker than the less qualified workers.

GENERAL INDUSTRIAL MARKETING LITERATURE

RELATED TO BUYER BEHAVIOR

Research Findings in Industrial Marketing

Review of the literature of studies of buyer behavior dealing with household goods or industrial products reveals a noticeable void in the area of industrial buying. Some model builders have suggested multi-purpose models which can be used to describe both the household consumer and the

⁷John D. Griswald, "The Temporary Help Industry," prepared for Arthur D. Little, Inc., (July, 1969).

⁸Martin J. Gannon, "A Profile of the Temporary Help Industry and Its Workers," Monthly Labor Review, (May, 1974).

industrial buyer, while others have attempted to construct models which deal specifically with the industrial buying process. The industrial buying models have been relatively few in number.

Chronologically, the concept of industrial marketing as a separate field of study did not emerge until about 1930. Although earlier literature had been published dealing with the purchasing function,⁹ the concept of industrial marketing first appeared in an article by Elder entitled "What Is Industrial Marketing?"¹⁰

Books prior to that time were for the most part descriptions of specific industries with emphasis on the channels of distribution.¹¹ Although there are disagreements as to when the first book was published dealing with industrial buying, Lewis published a book entitled Industrial Purchasing in 1933.¹² The first books published on the general subject of industrial marketing also appeared

⁹C. S. Rindsfos, Purchasing, (New York: McGraw-Hill, 1915); H. F. Twyford, Purchasing - Its Economic Aspect and Proper Method, (New York: Van Nostrand Co., 1915).

¹⁰Robert F. Elder, What Is Industrial Marketing?, American Marketing Association, Industrial Marketing Series, No. 1, New York: A.M.A., 1930).

¹¹Paul T. Cherington, The Wool Industry, (Chicago: A. W. Shaw Company, 1916); A. H. Onthank, The Tanning Industry, (Shawmut Bank, 1917); J. Chittick, Silk Manufacturing and Its Problems, (New York: J. Chittick, 1913).

¹²Howard T. Lewis, Industrial Purchasing, (Englewood Cliffs, N. J.: Prentice-Hall, 1933).

in the 1930's.¹³ They were largely descriptive, and the primary thrust was operational, as opposed to managerial. Since university courses in industrial marketing began to develop between 1930 and 1950, two more texts appeared.¹⁴ During the period between 1930 and 1960, periodical literature developed. It was composed primarily of trade journals such as Industrial Marketing, Industrial Distribution, Fortune, Purchasing, and Business Week.

During this period there was substantially more research and writing being done in the specific area of purchasing and concerning the purchasing agent than in other buying areas.¹⁵ This literature has apparently been useful to those practicing in the field. However, it has done little to guide research in the field of industrial marketing and to explain the total buying process, as was explicitly

¹³John H. Frederick, Industrial Marketing, (New York: Prentice-Hall, Inc., 1934); Robert F. Elder, Fundamentals of Industrial Marketing, (New York: McGraw-Hill Book Company, Inc., 1935).

¹⁴Bernard Lester, Marketing Industrial Equipment, (New York: McGraw-Hill Book Company, Inc., 1935); Virgil D. Reed, Advertising and Selling Industrial Goods, (New York: The Ronald Press Company, 1936).

¹⁵Howard T. Lewis, "Industrial Procurement and Marketing," Harvard Business Review, (September, 1950), pp. 49-58; Howard T. Lewis, "Marketing Research from the Standpoint of the Industrial Buyer," Journal of Marketing (July, 1950), pp. 14-20.

stated by Weigand in his article entitled "Why Studying the Purchasing Agent is Not Enough."¹⁶

INDUSTRIAL BUYING MODELS

During the period in which Weigand's article appeared there was an increase in the number of studies dealing with organizational buyer behavior. Webster has been a frequent contributor to the growth of this research. One of his prime developments was a conceptual framework for analyzing the industrial buying process.¹⁷ Webster suggested the buying process consists of four general elements:

1. Problem recognition: a buying situation created by recognition of a problem.
2. Organizational assignment of buying responsibility: buying decisions which are made by individuals working as part of an organization.
3. Search procedures for identifying product offerings and for establishing selection criteria: these tasks require the collection and analysis of information dealing with developing criteria for evaluation and identifying alternative product offerings.
4. Choice procedures for evaluating and selecting among alternatives: this stage consists of,
 - a) comparing alternative products with product

¹⁶Robert E. Weigand, "Why Studying the Purchasing Agent is Not Enough," Journal of Marketing, (January, 1964), pp. 41-45.

¹⁷Frederick E. Webster, "Modeling the Industrial Buying Process," Journal of Marketing Research, (February, 1965), pp. 370-376.

specifications, b) determining if the vender is a respectable source, c) comparing alternatives which met the stated specifications.

While this model was not meant to be predictive, it did provide a framework within which Webster and others continued their research on the buying process. From the viewpoint of the present research the important phase is the "organizational assignment of buying responsibility" meaning, which individuals in the organization actually have the buying authority.

Although Webster's article did much to stimulate interest in industrial purchasing, the elements of his model were much too general to describe the industrial buying process. To help correct this problem Robinson, Faris and Wind developed a model of the industrial buying process under the sponsorship of the Marketing Science Institute.¹⁸ The major result of their research was the identification and delineation of the "BUYGRID" framework.

The framework is composed of three buying situations (buyclasses) and eight "buyphases" which comprise the purchase process within the industrial firm. The buyclasses are used as a basis for segmenting industrial markets.

¹⁸Patrick L. Robinson, Charles Faris, and Yoram Wind, Industrial Buying and Creative Marketing, (Boston: Allyn and Bacon, 1967).

These situations are differentiated by the degree of newness of the problem, the amount of information required and the extent to which alternative solutions to the problem are considered.

Wind also suggested a model to describe the decision process used by industrial buyers.¹⁹ The model consists of four basic steps:

1. Prepare a list of possible suppliers;
2. Ask for quotations and delivery dates;
3. Evaluate the possible sources; and
4. Decide upon a preferred source.

This model again suggests the purchasing agent as the focal point and offers no more benefit than the buygrid model discussed earlier.

Feldman and Cardozo attempted to incorporate concepts from consumer behavior to industrial purchasing.²⁰ They suggested that the dichotomy between rational purchasing agents and emotional consumers may no longer be an appropriate distinction. They merged concepts from both fields

¹⁹Yoram Wind, "Analyzing the Behavior Theory of the Firm to Industrial Buying Decision," The Economic and Business Bulletin, (Spring, 1968), pp. 22-28.

²⁰Wallace Feldman and Richard Cardozo, "Industrial Buying as Consumer Behavior," Proceedings of the 1967 Summer Conference of the American Marketing Association, M. S. Moyer and R. E. Vosburgh, Editors, Chicago.

and came up with a "consumeristic" model of industrial behavior. One of their more interesting statements implied that industrial markets may be usefully segmented according to procurement executives' interests in amount and type of information.

Stiles suggested a model in which the supplier was chosen after the quotations were received.²¹ The attributes used in the decision process were: quality, service, delivery, and price. Stiles suggested that these attributes follow the above order in the decision process. The results may be questioned due to the research methodology which utilized purchase responses, which permits the subject to develop rationalizations for his behavior which may or may not have been in the original decision process. Again, this model was not complete enough to determine the total decision process or type of evaluation process model used by industrial buyers.

Howard and O'Shaughnessy used a buying tricotomy situation in an attempt to model the industrial buying process.²² The three situations are: (1) extensive problem solving; (2) limited problem solving; and (3) routinized response

²¹Gerald Stiles, "An Information Process Model of Industrial Buyer Behavior," unpublished doctoral dissertation, University of Minnesota, (1972).

²²John A. Howard and John O'Shaughnessy, "Industrial Buyer Behavior," Paper presented for a seminar on Industrial Buying, American Marketing Association, (April, 1971).

behavior. They suggest that industrial markets can be segmented on the basis of uncertainty. Specifically, they state:

Segmentation does not mean that the product itself must be tailor-made for each customer grouping; no more than it does in consumer marketing where we can segment on the basis of distribution channel or promotional media. What it does mean is that the total offering in terms of services offered, complexity and nature of communications between supplier and supplied should differ according to the sets of procedural, performance and political uncertainties anticipated or encountered.²³

The Webster-Wind model of organizational buyer behavior is probably the most comprehensive and complex. The model treats organizational buying as a decision making process carried out by individuals acting in a buying center within complex organizations. They classified four broad variables as affecting organizational buying behavior. These were environmental, organizational, interpersonal, and individual variables. Task and nontask variables were discussed within each classification. Task variables are those that relate directly to the buying problem (such as price). Nontask variables are those that attempt to explain organizational buyer behavior based on variables which do not have a direct bearing on the buying problem, although they may be important

²³Ibid

determinants of the final purchase decision²⁴ (such as personal values and needs of the individual).

The buying situation is defined as occurring when someone in the organization perceives that there is a difference between desired outcome and present situation that can be solved through the purchase of a product or service. This perception can occur at any place and at any time within the organization and at almost any state of the work process. The buying center is a group of individuals with various functional positions inside and outside of the purchasing department, who serve on a "committee" in a formal or informal manner. The roles within the buying center are decider, influencer, buyer, user, and gatekeeper.²⁵ These roles are not organizationally defined, and are not always constant from one buying situation to another, as noted by Hillier, Kelly and

²⁴Frederick E. Webster and Yoram Wind, "A General Model for Understanding Organizational Buying Behavior," Journal of Marketing, (April, 1972), pp. 12-19.

²⁵For a definition of these roles, see Chapter I, pages 12-13.

Hensel, and Metaxas.²⁶

The authors of this model have succeeded in developing at least a skeleton of a reasonably complete model of industrial buying behavior. They do not claim to know the exact buying process. Instead the model presents the major variables marketing personnel should identify in their attempt to understand buyer behavior. For the above reasons and because the authors drew from the work of several writers in the field of industrial marketing, the model influenced the design of this study in terms of understanding the buying center composition for industrial purchasing.

Cardozo developed a model suggesting that differences in various buying elements could provide a basis for segmentation of industrial markets.²⁷ A conceptual scheme showing

²⁶T. J. Hillier, "Decision Making in the Corporate Industrial Buying Process," Industrial Marketing Management, (June, 1975), pp. 99-106.

J. P. Kelly and J. C. Hensel, "The Industrial Search Process: An Exploratory Study," Increasing Marketing Productivity. Thomas V. Greer, Editor, Chicago: American Marketing Association, (1973), pp. 212-216.

T. Metaxas, "Capital Goods Buying: Teamwork's Essential," Purchasing, (August, 1962), pp. 70-73.

²⁷Richard N. Cardozo, "Segmenting the Industrial Market," in Robert L. King (ed.), Marketing and the New Science of Planning, American Marketing Association, 1968 Fall Conference Proceedings, Series No. 28, p. 435.

the inter-relationships among several constructs or factors affecting the supplier choice decision was developed (Figure 2).

Cardozo's model indicated that industrial buyers develop specific strategies to process information and select suppliers. The two basic strategies are sequential and simultaneous. In a later study Cardozo and Cagley found that over 90 per cent of the industrial buyers used a simultaneous strategy.²⁸ They suggest that this decision process may be consistent overtime. If this supplier choice is consistent, both within a buyer and cross buyers, knowledge of this process would be a significant benefit to the industrial marketer.

RELATED INDUSTRIAL BUYING VARIABLES

Despite the vast amount of research on organizational characteristics and structures in the management area, a very limited number of studies have dealt with the impact of organizational characteristics on the identification of industrial buying centers. Existing research which relates to the present study has concentrated on firm demographics

²⁸Richard Cardozo and James Cagley, "Experimental Study of Industrial Buyer Behavior," Journal of Marketing Research, (August, 1971), pp. 329-34.

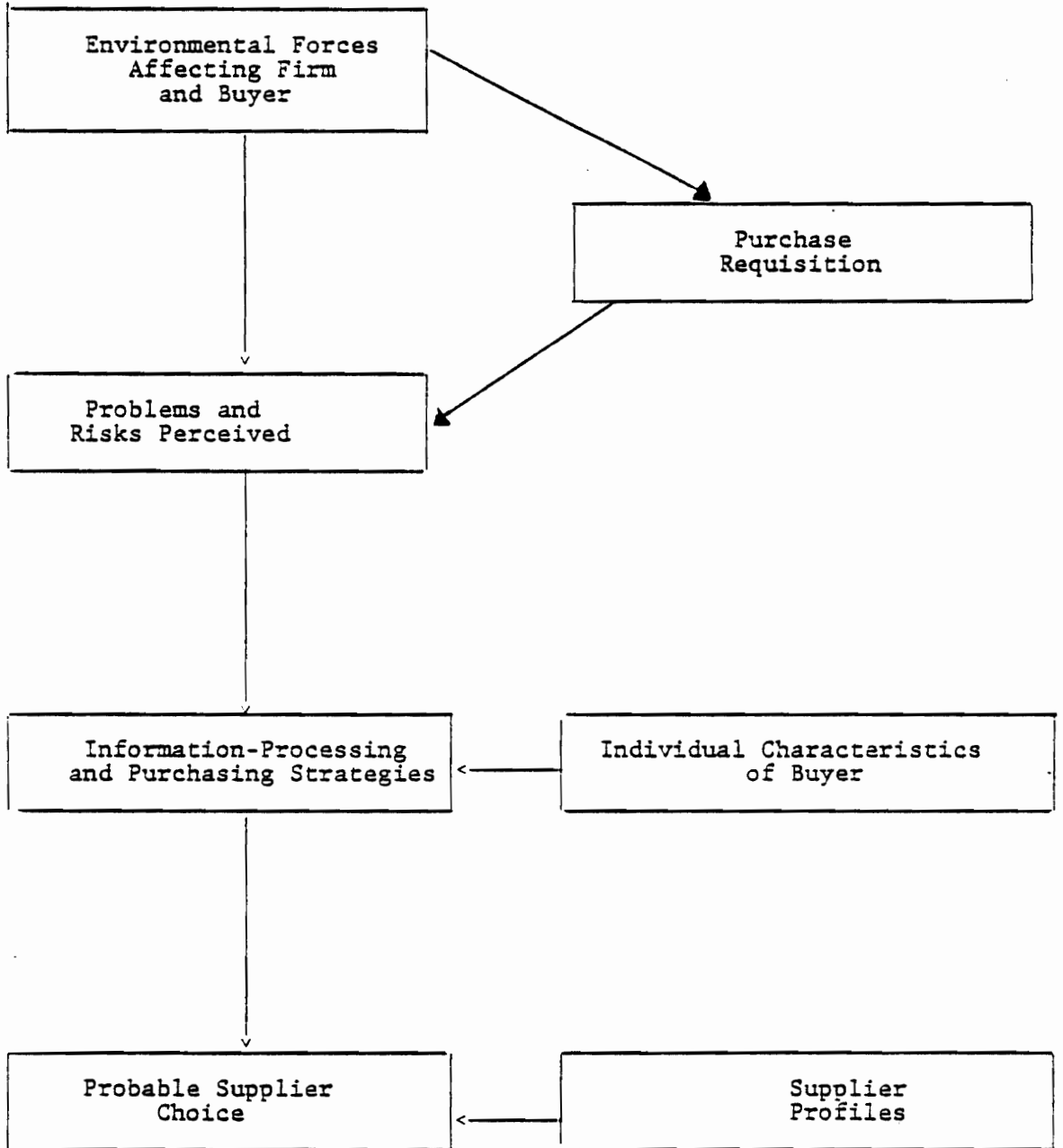


Figure 2. Cardozo's Conceptual Scheme for the Industrial Purchasing Process.

Source: Richard N. Cardozo, "Segmenting the Industrial Market," American Marketing Association Proceedings, 1968 Fall Conference, p. 437.

such as size and on organizational style, including structure and degree of centralization-decentralization. For example, Grønhaug, Peters and Venkatesan found that firm size can be used as a factor for segmenting organizations. Sheth found that the greater the size, the greater the degree of formalization which, in turn, tends to result in fewer autonomous and more committee decisions.²⁹

Bubb and VanRest conducted a study in which they found that loyalty, as a component of the industrial buying decision, is more usefully regarded as a determinant of the buying decision, and not just a summary of decision outcomes.³⁰ They regard loyalty as including "those identical influences on the buying decision not separately considered." They believe it might be useful to isolate variables usually included within the concept of loyalty to more thoroughly explain the buying process.

Other research has focused on specific tactics organizational buyers tend to adopt in order to minimize the

²⁹K. Grønhaug, "Search Behavior in Organization Buying," Industrial Marketing Management, (March, 1975), pp. 15-22.

M. P. Peters and M. Venkatesan, "Exploration of Variables Inherent in Adopting an Industrial Product," Journal of Marketing Research, (August, 1973), pp. 312-315.

³⁰P. L. Bubb and D. J. VanRest, "Loyalty as a Component of the Industrial Buying Decision," Industrial Marketing Management, (October, 1973), pp. 25-31.

risk inherent in industrial buying. One of these tactics is the development of strong source loyalty. Research has shown that for specific industrial product categories, there exists a high degree of source loyalty.³¹ However, these findings cannot be generalized for the buying of all industrial goods.

In another study Cardozo found that industrial buyers tend to employ one of two general types of purchasing strategies.³² The first was a simultaneous strategy in which the industrial buyer requested quotations from many suppliers, and then reviewed all quotations to choose the best source. The other strategy was sequential in that quotations were requested in sequential order, and the first source willing and able to supply the item was chosen. Cardozo found that if the buyer considered paying a premium price the major risk, then he would probably use the simultaneous strategy. If late delivery was considered the

³¹Saleh Farouk, B. J. Lalonde, J. Riley, and J. R. Brabner, "Modeling Industrial Buyer Behavior: The Purchase of Motor Carrier Services," in Proceedings of the American Marketing Association, Fred Allvine, Editor, (1971), pp. 402-407.

Yoram Wind, "Industrial Source Loyalty," Journal of Marketing Research, (November, 1970), pp. 450-457.

³²Cardozo, (1968).

major risk, the buyer would more likely use the sequential strategy.

Cardozo also conducted an in-basket simulation study in 1971.³³ The participants were purchasing agents who played the buying game in laboratory facilities. Each player processed eight purchase requisitions and could select up to five companies to bid on each requisition. The bids received varied in order to induce different degrees of risk into the decision. The results of Cardozo's study are:

1. Industrial purchasers clearly preferred as bidders firms with well-known names and vendors who had previously supplied the buying firm.
2. Industrial buyers preferred bids which met product specifications exactly, even at a premium price.
3. To manage high risk situations, industrial buyers sought more information and more frequently paid premium prices.

Cardozo followed the same research design which had been objected to previously in the study by Weigand:³⁴ that is, he only used responses of purchasing agents instead of all individuals involved in the decision process to determine how a given purchase is made.

³³Cardozo, (1971).

³⁴Weigand, (1964).

Leavitt conducted a study of the communication effects on industrial purchasing behavior.³⁵ His purpose was to provide a means of analyzing the appropriate mix of industrial selling effort. The procedure consisted of determining the extent to which source effect (a company's reputation for credibility), presentation effect (quality of salesmen's presentation), and audience effect (purchasing agents, technical personnel and graduate students) operate in communications between sellers and buyers of industrial products.

The conclusions of this study are summarized below:

1. A favorable influence applied due to a company's generalized good reputation (source effect) will erode with time.
2. The unfavorable influence of a company's ambiguous reputation will also erode with time.
3. The absence of callbacks or advertisements to reinforce the identity of the source and thus reduce cognitive dissonance will tend to cause a seller to lose the favorable impact of his good reputation.
4. The more risk involved in the decision which the listener to a seller's presentation is expected to make,

³⁵Harold L. Leavitt, "Applied Organization Change in Industry," New Perspectives in Organization Research. W. W. Cooper, et al, (ed.), (New York: John Wiley and Sons, Inc. 1964).

the less he is affected by what is called the source effect. The greater the risk, the less is the audience's susceptibility to the power of the source's reputation. It was pointed out, however, that the better the presenting company's reputation, the better chances of getting a favorable first hearing and likely early product adoptions.

5. The power of the source effect varies by the character and the "competence" of the receiver of the sales message. In the case of complex products, organizational buyers, who generally have a high competence level as professional purchasing agents, will be less influenced by a company's generalized segmentation than skilled (technical) personnel. Skilled personnel tend to be influenced by the seller's reputation to a degree that is higher than the influence of that reputation on the non-skilled, technically unsophisticated personnel as organizational buyers.

A major study of the individual buying process was conducted by Scientific American magazine.³⁶ Six thousand subscribers in the industrial sector of the circulation files of Scientific American were sent questionnaires related to the purchase process for materials, component

³⁶How Industry Buys/1970, (New York: Scientific American, Inc., 1969).

parts, and equipment. The report itself is largely a presentation of tabular and non-tabulated data for each of the three product areas.

The results indicated that the functional groups most often involved in the various decision processes were technologists (engineers and scientists) and purchasing agents. The results are significant for several reasons. This is a major published work which drew from a large sample of individuals involved in the industrial purchasing process without the intervention of a case writer or field interviewer. This helped to prevent the imposition of any personal bias of an individual researcher. The study verified the contention of many industrial marketing researchers that the purchasing process is indeed complex. This arose from the number of functional people involved in the decisions as well as the variations of types of decision processes resulting from the type of firms, type of product and management styles.

Multiple Buying Influences

A buying influence is anyone who becomes involved in the decision process which constitutes the procurement process. Each one influences the decision from the point of view of his own interest area. These influences could constitute any number of people performing different job functions and participating at different stages of the

process. The Webster industrial buying model stresses the importance of identifying those individuals within the buying center and understanding the relationship between them, thereby helping to correct the common tendency to concentrate attention on the purchasing agent.

It is possible to classify buying influences in several ways: (1) by primary job functions - personnel officers, purchasing, manufacturing, general management, etc.;³⁷ (2) by roles - user, buyer, influencer, decider, gatekeeper;³⁸ (3) by titles - production manager, supervisor, controller;³⁹ and (4) by levels of management - top and middle management.⁴⁰

Viewed in terms of type of transaction, the number of buying influences will vary. A study published in Business Week showed that an average of 3.5 buying influences are involved in a typical nonrepetitive purchase and 4.4 people

³⁷Patrick J. Robinson, Charles W. Faris and Yoram Wind, Industrial Buying and Creative Marketing, (Boston: Allyn and Bacon, Inc., 1967).

³⁸Frederick Webster and Yoram Wind, Organizational Buying Behavior, (Englewood Cliffs, N. J.: Prentice-Hall, 1972).

³⁹Iron Age: "How Metal Working Buys: Major Findings of the National Analysts Buying Influence Study," (Philadelphia: Chilton Company, 1960), p.3

⁴⁰"Who Makes the Purchasing Decisions?", Marketing Insights, (October 31, 1966), pp. 16-18.

when such purchases were repetitive.⁴¹ But, another study determined that 11.9 buying influences are involved in the average industrial purchase.⁴² Such disparity led a firm to study influences by tracing actual purchases backward from the purchase decision to the idea stage. For one product, eleven company personnel were involved, while for another only three were involved.⁴³

In the Scientific American study, it was found that the composition of multiple buying influence groups changed with respect to three buyphases: (1) initiation of purchase; (2) determination of kind; and (3) selection of specific make or supplier.⁴⁴

Complicating the multiple buying influence phenomenon is the key buying influence. This means that not all buying influences in a firm are equal in the influence they can exert. The key influences are those who are able to sway

⁴¹Richard H. Buskirk, Principles of Marketing: The Management View, (New York: Holt, Rinehart, and Winston, Inc., 3rd edition, 1970), p. 126.

⁴²Charles E. Walsh, "Reaching Those Hidden Buying Influences," Industrial Marketing, XLVI, (October, 1961), pp. 164-220.

⁴³"Who Makes the Purchasing Decision?," Marketing Insights, (October 31, 1966), p. 17.

⁴⁴Scientific American, 1970, p. 4

other influences their way, sometimes by design and sometimes without even realizing it. Thus, the ability to identify the key buying influences and sell them on the product or service in question is an integral part of industrial marketing.⁴⁵ According to Farouk, Lalonde, Riley, and Grabner, the problems associated with the identification of the key buying influence can be minimized if the organizations are first classified by size.⁴⁶

Another factor associated with the key buying influences is the varying use of expectancies held by members of the buying center.⁴⁷ Those who share the buying responsibility, either as a result of position or due to specialized knowledge, may not be concerned with the same attributes of the supplier. These differences in perspective may be due to varying backgrounds or organizational responsibility assigned to them. For example, the controller may be interested in cost as well as productivity, whereas the production manager's interest and responsibility covers only

⁴⁵Shyam Ramagepala Rao, "Industrial Procurement; Identifying Dimensions for Evaluating Potential Vendors," Unpublished doctoral dissertation, University of Arkansas, (1973).

⁴⁶Farouk, et al., (1971).

⁴⁷Robinson, et al., (1967), pp. 20-21

output. Differences among these key buying influences may lead to friction among the members of the buying center if they are not discovered and corrected through communication.⁴⁸

CONCLUSION

The literature review presented here reflects the present state-of-the-art for industrial marketing dealing with buyer behavior. It is clearly not an exhaustive list, but a review of literature relevant to the present research. The review clearly indicates that little is known about the decision process of organizational buyers for specific industries and that additional research will be required to obtain a more complete understanding of their behavior.

⁴⁸John I. Fosdick, "The Origins of Business," Industrial Marketing, XXXIII, (May, 1948), pp. 41-43.

CHAPTER III

RESEARCH DESIGN

The purpose of this chapter is to define the procedures utilized in the design and conduct of the research program. Included is a description of the sample procedure, followed by a general explanation of the development of the questionnaire. Also included is a discussion of the sample profile and the statistical techniques to be employed in the analysis of the data.

SAMPLE

A list of industrial firms that had previously used temporary clerical help from Manpower, Inc. was obtained from that company, the largest organization in the temporary help industry. The firms were assigned to geographical strata to insure representation of temporary clerical help users throughout the country. A sample mailing list was developed using a systematic selection process whereby every fourth firm within each stratum was selected. This generated a total sample of 957. Field testing of the questionnaire by the researcher indicated that the questionnaire should be sent to the "Director of Personnel" of each firm on the sample mailing list. The profile of the responding sample is described in a later section of this chapter.

QUESTIONNAIRE DEVELOPMENT

A mail survey was used to obtain data. A draft of the questionnaire was tested, using the field interview technique. The five field interviews took place at industrial firms in the Roanoke, Virginia, area. The purpose of the interviews was to help establish the questionnaire's appropriateness as a measure of the components of the buying center. The interviews were also used to determine to whom the questionnaire should be sent within the firm. Later, a second pretest was conducted by mail. The mail pretest consisted of 100 randomly selected industrial firms from Manpower's user list throughout the United States. A cover letter attached to the questionnaire requested the personnel director to pass along the questionnaire to another individual if he/she felt someone else in the firm had more knowledge of the buying process for temporary clerical help. The purpose of the pretest was threefold: (1) to obtain a measure of the probable expected return rate; (2) to determine the respondents' capability to understand and fill out the questionnaire; and (3) to determine if the information obtained could answer the questions addressed by this research.

The questionnaire was structured into four sections. (The questionnaire is shown in Appendix A.) Each of these

sections had a number of objectives. The principal objectives by section were as follows:

1. To provide general industrial information about each firm responding to the questionnaire;
2. To provide general information concerning the use of temporary clerical help;
3. To identify members of the buying center involved in the decision to use temporary clerical help;
4. To identify the most important members of the decision team and their per cent of influence over the decision being made.

A more detailed account of each section follows, including description of how each section fits into the framework used in analyzing the data.

In the first section basic industrial classification questions were asked, including the approximate fiscal 1976 sales volume and the number of people employed by the firm. The answers to these questions were used as a basis to discriminate between firms with respect to the decision to buy temporary clerical help, relating to research questions three and five stated in Chapter I.

Section Two was developed to yield a better understanding of the purchase process of temporary clerical

services in an industrial setting, relating to research question six stated in Chapter I. The major areas of interest include: (1) the decision method which the firm used most often in the decision to buy temporary clerical help; (2) whether a firm had a written policy concerning the buying of temporary clerical help in certain situations, and whether there were budgeted amounts earmarked especially for that purpose; (3) whether advanced plans were made, or whether need developed spontaneously; and (4) the dollar amount and man hours of temporary clerical help used.

There were three main objectives to be accomplished by the third section, which related to research questions one and two in Chapter I, concerning the identification of the buying center members. These objectives were (1) to determine who had performed each of the five purchase roles within the buying center (decider, influencer, buyer, user, and gatekeeper); (2) to identify anyone other than those performing the five purchase roles who in some way might have been involved in the decision; and (3) to identify any overlap in the roles performed by members of the buying center.

To determine which positions in the organization performed the five purchasing decision roles, the respondents were asked the following set of questions. (The

sequence in which the questions were asked corresponds to the question number.)

The individuals who performed the need function that was associated with the user were determined by asking the following:

5. Who first suggested the need for clerical help?
10. Who first suggested the need for temporary clerical help?

The following questions were asked to determine which position(s) evaluated the information, thereby associating them with the influencer:

2. Who in your organization is most concerned with the evaluation of the cost of using temporary help?
7. Different temporary help firms have unique features that offer benefits and advantages to their users. Who in your organization analyzed these benefits and advantages?

To determine which position had performed the search for information, or controlled the flow of information into the buying group, the following questions were asked:

6. Who obtained the important facts on the alternative temporary help firms that were considered?
11. Who spent the most effort in looking for information about different temporary help firms?

Determination of the position which decided which firm or supplier to choose was made by asking the following question:

8. Typically, when an organization decides to use a service like temporary clerical help, a number of firms are considered as alternatives. Who made the final selection of the firm your organization decided to use?

The individual who performs in the buying role was determined by asking the following question:

3. Who usually contacts the supplier of the service?

Before asking who else had been involved in the purchase decision, the respondents were given the definition of each of the five buying functions and asked to identify specifically the individual they thought acted in each capacity. The instructions were as follows: Based on these definitions, please identify the individuals who act in each capacity by their job title, specific job function, and departmental location. They were also informed that, because certain individuals were often involved in the decision process in several ways, an individual may be involved in more than one capacity.

After completing this series of questions, each respondent was asked the following:

Who else other than those mentioned in section three of the questionnaire was in some way involved in the decision to buy temporary clerical help? (Identify by job title, specific job function, and departmental location.)

The purpose of this section of the questionnaire was to assure the writer that the respondent had not left out any important influentials due to an instrument bias error.

As has been stated in several questions, each respondent was asked to record and identify each position by job title, specific job function, and departmental location. This information was obtained to alleviate the problem of non-congruent job titles among the various companies. Surprisingly there was considerable consistency within responses concerning the titles of the individuals who had performed the five major functions.

Section four of the questionnaire was designed to determine which members of the buying center were key buying influences, relating to research question four in Chapter I. To determine which of those mentioned as being part of the decision team were key buying influences, the following information was requested:

Please list by job title those individuals you have identified in section three as being involved in the decision to use temporary clerical help. Then, please rank those listed from most important or influential to least important or influential in this decision process, and give the per cent of influence.

The following table was set up to assist the respondent:

<u>Job Title</u>	<u>Ranking</u>	<u>% of Influence</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
		100%

Each respondent was then thanked for his/her assistance and given the option to receive a summarized copy of the findings.

DATA COLLECTION, ENCODING AND PROCESSING

The data were collected by mail questionnaire. An addressed, postage-paid envelope was included with each questionnaire. The questionnaires were mailed and returns were collected through the postal service department of Virginia Polytechnic Institute and State University. Each return was examined for completeness and correctness of response in terms of understanding and answering the questions. Those returns which were not complete or correct in any one of the four sections of the questionnaire were not used in the final analysis of the data. All usable responses were translated to a standardized numerical code and recorded on a data coding form for key punching. A single eighty-column computer card was generated for each respondent for ease of identification.

The data deck was processed, using a cross-classification program from the Statistical Package for the Social Sciences manual and the 370/158 computer in the Virginia Polytechnic Institute and State University system. The resulting frequency distributions and cross-tabulations were used to construct the tables in Chapter IV.

STATISTICAL ANALYSIS

Various statistical techniques were employed to determine whether a systematic relationship or association existed between variables. This was done to summarize the relationship depicted in the cross-tabulations not for the purpose of making inferences to other populations. The study was descriptive as opposed to inferential due to the nature of the nonprobability sample employed and for the purpose of developing hypothesis to be tested by further research.

The measure of association used was the contingency coefficient-C. This was used to measure the extent of association or relationship between two sets of attributes; i.e., the degree of association. The contingency coefficient was chosen because it can also be used with categorical (nominal scale) data and because the value computed will be the same regardless of how the categories are arranged in the rows and columns. The upper limit for the contingency coefficient is a function of the number of categories. For instance, the upper limit of C for a 2 x 2 table is = .707.

SAMPLE PROFILE

A total of 957 questionnaires was mailed, and 262 usable returns were received, for a return rate of 27 per cent. Total returns amounted to 331, yielding a return

rate of 34.5 per cent. The difference is attributed to three factors: (1) incorrect or incomplete response (12 returns); (2) returns received too late for the analysis (6 returns); and (3) respondents who did not use temporary clerical help (51 returns). The questionnaires were mailed only to users of the largest temporary help supplier. The response of not using temporary clerical help could be attributed to several reasons: (1) non-use during the time period stipulated; (2) a feeling of too little use of the service to be of importance to the research; (3) misunderstanding of the term temporary clerical help, although it was defined; and (4) unwillingness to participate in the full study, yet a feeling of helping out by returning the questionnaire with the general industrial information section completed. It is interesting that of the fifty-one respondents who said they did not use temporary clerical help, twenty-eight stated a desire to receive a summarized copy of the results.

In some cases, respondents returned the questionnaire with a cover letter explaining that company policy prohibited the participation in such studies or that the information required had to be obtained from corporate headquarters. Other respondents attached policy statements or "corporate suggestion" for the hiring of temporary help,

along with a cover letter expressing great interest and willingness to provide additional information which the researcher might require.

In most surveys nonresponse error is present. Testing for nonresponse error for the present research was limited, however, due to the request by Manpower, Inc. for total anonymity of the respondents. Therefore, no coding of the questionnaire was done to determine which firms had or had not responded. However, because the sample was divided into four geographical regions, and the majority of the questionnaires returned had postmarks, a chi-square test was conducted to determine if there was any difference between responses and non-responses geographically. The test results, shown in Appendix L, indicate that there is no statistical difference between respondents and nonrespondents based on the four geographical regions.

Although the response rate is thought to be satisfactory for this study, the figure was lower than had been expected. There are several factors which might account for this lower than expected return. The first is the impersonal nature of the mailings, which were sent to the directors of personnel by job title instead of being personally addressed to the respondents. This could have made some recipients feel less involved and less obligated to respond. Another factor might have been the nature of the questionnaire. It was long and

complicated in some areas in an attempt to collect a large amount of data from each respondent. However, it was decided prior to the mailing of the questionnaire that a change in either of these factors would not lead to a significant enough difference in the size of the return to warrant a reduction of data being collected or the time and cost required to obtain the names of each personnel director.

The sample profile was tabulated in terms of departmental location within the organization, industry classification, and size of the firm as measured by approximate fiscal 1976 sales volume and the number of people employed by the firm. Another classifying variable was the dollar amount of temporary clerical help used in 1976. There was no total market profile available with which comparisons could be made. The tabulated results are shown in Tables I through V.

Analysis of these tabulations is located in Chapter IV, along with the reporting of additional data.

TABLE I

Responding Unit's Organizational Location

<u>Category Label</u>	<u>No. Responding</u>	<u>Percentage</u>
Corporate headquarters	75	28.6
Division or plants	159	60.7
Subsidiary	17	6.5
Other (Sales office)	7	2.7
(Service Center)	2	0.8
(Single location)	<u>2</u>	<u>0.8</u>
	262	100%

TABLE II

Industry Classification of Responding Firms

<u>Category Label</u>	<u>No. Responding</u>	<u>Percentage</u>
Agriculture, forestry or fishing	1	0.4
Mining	0	0
Construction	8	3.1
Manufacturing	195	74.4
Transportation, communica- tions, or utilities	6	2.3
Wholesale trade	15	5.7
Retail trade	9	3.4
Finance, insurance, or real estate	2	0.8
Services	21	8.0
Other (Health services)	<u>5</u>	<u>1.9</u>
	262	100%

TABLE III

1976 Sales Volume of Responding Firms

<u>Category Label</u>	<u>No. Responding</u>	<u>Percentage</u>
\$300 million or more	57	21.8
\$100 to \$300 million	33	12.6
\$50 to \$100 million	50	19.1
\$25 to \$50 million	61	23.3
\$10 to \$25 million	24	9.2
\$10 million or less	<u>37</u>	<u>14.1</u>
	262	100%

TABLE IV

Number of People Employed by Responding Firms

<u>Category Label</u>	<u>No. Responding</u>	<u>Percentage</u>
1000 or more	78	29.8
750 to 999	17	6.5
500 to 749	42	16.0
250 to 499	53	20.2
100 to 249	40	15.3
50 to 99	15	5.7
Less than 50	<u>17</u>	<u>6.5</u>
	262	100%

TABLE V

Dollar Amount of Temporary Clerical Help Used
by Responding Firms in Fiscal Year 1976

<u>Category Label</u>	<u>No. Responding</u>	<u>Percentage</u>
\$18,000 or above	41	15.7
\$15,000 to \$17,999	6	2.3
\$12,000 to \$14,999	15	5.7
\$ 9,000 to \$11,999	15	5.7
\$ 6,000 to \$ 8,999	27	10.3
\$ 3,000 to \$ 5,999	44	16.8
\$1 to \$2,999	60	22.9
Did not know	40	15.3
No response	<u>14</u>	<u>5.3</u>
	262	100.0%

CHAPTER IV

RESULTS AND ANALYSIS OF THE STUDY

The theoretical and methodological foundations of this research have been developed in the preceding chapters. The purpose of this chapter is to present and analyze the empirical findings of the study. Section one deals with the identification of the members of the buying center for the purchase of temporary clerical help. The second section describes how these buying centers differ based on user firm size (number of people the firm employs and dollar volume of sales) and dollar usage of temporary clerical help. Results identifying the key buying influences within the decision team are presented in section three. Section four discusses how these buying influences differ among firms with respect to the same variables considered in section two. The final part of the chapter analyzes the decision processes used by firms in this study in their decision to buy temporary clerical help.

IDENTIFICATION OF THE BUYING CENTER

The decision making unit in most industrial buying situations is the buying center. This is a group of individuals with various functional positions inside and outside the purchasing department, who serve on a "committee"

in a very informal manner (see Chapter I, page 12, for a more complete definition). An understanding of the industrial buying process requires the identification of the members of the buying center within the organization. The buying center, as it pertains to the decision to buy temporary clerical help for this study, is defined as consisting of the decider, influencer, buyer, user, and gatekeeper.

Decider

The decider has formal authority and responsibility for deciding whether or not to buy temporary clerical help and for deciding among alternative suppliers. As shown in Table I, 47.2% of the firms surveyed indicated that the decision maker for the purchase of temporary clerical help was the personnel director. In 16.2% of the cases, the plant manager had the formal authority to decide. In an attempt to determine the consistency rate of the responses, question eight from section three of the questionnaire states: "Who makes the final selection of the firm your organization decides to use?" Answers to this question yielded similar results, with the personnel director being cited in 49.6% of the cases. This finding is not surprising considering the fact that one of the functions of the personnel director is to make personnel decisions consistent with the needs of the organization. Because temporary clerical help is a temporary personnel

replacement of a specialized nature, one would not expect other functional area managers to be final decision makers.

Influencer

The second member of the buying center identified was the influencer. Influencers do not necessarily have buying authority, but they can influence the outcome of the decision through the application of constraints or information. The results from this survey in Table I show that more than one-third (35.5%) of the respondents indicated that the various department heads were seen as being an influencer. The personnel director was cited as the influencer in 30.9% of the cases. It is interesting to note the inclusion of "other" secretaries in this Table where "other" is defined as being outside the personnel department. Some respondents, although they did not list other secretaries as influencers, did indicate by writing on the questionnaire that a form of informal pressure was applied by other secretaries to hire temporary clerical help during peak work loads.

Although it would have been helpful to determine which department each department head represented, it was not possible in this study. The response categories were not preset in order to avoid biasing the data gathering instrument. Therefore, respondents were free to use any classification scheme they wished. The questionnaire tried to alleviate this

TABLE I

CLASSIFICATION OF BUYING CENTER MEMBERS

Classification	Buying Center Members									
	Decider Freq. (%)	Influencer Freq. (%)	Buyer Freq. (%)	User Freq. (%)	Gatekeeper Freq. (%)	Decider Freq. (%)	Influencer Freq. (%)	Buyer Freq. (%)	User Freq. (%)	Gatekeeper Freq. (%)
Personnel Director	122	47.2	79	30.9	115	44.4	25	9.7	99	38.2
Industrial Relations	19	7.3	8	3.1	14	5.4	6	2.3	9	3.5
Department Head	21	8.1	91	35.5	15	5.8	186	71.8	15	5.8
Financial Service Manager	26	10.0	13	5.1	16	6.2	4	1.5	26	10.0
Office Manager	14	5.4	30	11.7	15	5.8	16	6.2	18	6.9
Purchasing Manager	12	4.6	11	4.3	74	28.6	N/A	N/A	21	8.1
President	3	1.2	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plant Manager	42	16.2	12	4.7	2	0.8	1	0.4	N/A	N/A
Other Secretaries	N/A	N/A	12	4.7	N/A	N/A	17	6.6	N/A	N/A
Secretary (Personnel)	N/A	N/A	N/A	N/A	8	3.0	N/A	N/A	31	12.0
Varies	N/A	N/A	N/A	N/A	N/A	N/A	4	1.5	N/A	N/A
Several	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3	1.2
None	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	37	14.3
Total	259	100.0	256	100.0	259	100.0	259	100.0	259	100.0

problem by asking respondents to record and identify each individual by job title, specific job function, and departmental location. This process was successful in classifying all job categories except that of the department head, in which case the responses were not as specific. In those questionnaires which listed a department head as a response, the majority answered "all department heads," "department heads," or "various department heads." Those respondents being more specific would write, "department heads of finance, marketing, production, etc." Therefore, this researcher felt it more appropriate to use the general classification of department head. The above explanation applies to all tables in which the department head is listed as one of the categories.

Buyer

The buyer has formal authority in consummating the buying decision. Respondent replies in identifying the buyer of temporary clerical help are also shown in Table I. For a majority of those surveyed (44.4%) the personnel director was seen as being the buyer. In 28.6% of the cases, the purchasing manager was cited. The buyer is the only function in which the purchasing department seemed to be "heavily" involved in the decision process.

Although the buying of temporary clerical help has been defined as an industrial purchase, the nature of the clerical

service being performed would in most cases exclude the purchasing manager from being the decider, influencer, user, or gatekeeper. But the buying function is somewhat different. In most firms the buying of an industrial product is the responsibility of the purchasing department where quality, service, price, and vendor selection is extremely important. These variables also apply to the purchase of temporary clerical help; therefore, the purchasing manager is more involved in the buying function as indicated in the preceding paragraph. Also, in some firms, the purchase of all input goods for completion of a particular job or the purchase of replacement goods is handled by the purchasing department. Temporary clerical help for some firms would fall into this category.

User

The majority of the respondents indicated that the users of temporary clerical help were the department heads. Users are those who actually use the purchased service but who may have little or no buying authority and varying amounts of buying influence. This contention is supported by the data in Table I which shows the department head as the user in 71.8% of the survey responses, while being cited as the buyer in only 5.8% of the cases. In comparing the user and influencer classification responses, most often the major

user (department head) was also reported as being the influencer. This would be expected since the department head as the major user holds a position of responsibility; therefore, he has the ability to influence the decision process.

Gatekeeper

The gatekeeper controls the flow of information into the buying center. The personnel director was said to be the gatekeeper of the buying center in 38.2% of the cases as indicated in Table I. The second most highly named category was the secretaries in the personnel office (12%). Combining these two categories, the personnel office controls the flow of information pertaining to temporary clerical help in 50.2% of the cases. By eliminating the response category of "none," yielding an n=222, the combined percent for personnel office involvement increases to 58.6%.

The category of "none" was a major factor only in the identification of the gatekeeper. Fourteen percent (14.3%) indicated that there was no gatekeeper. There appears to be an association between this response and the response from question six of section three of the questionnaire which states: "Who obtained the important facts on the alternative temporary help firms which were considered?" In this case, 17.2% indicated that there was no information collected

concerning alternative temporary help firms. The reasoning for this could be that the respondents were unaware that information was collected. Another possible conclusion could be that some respondents felt little need to differentiate between suppliers of temporary clerical help, seeing them as "equal" in their ability to fill satisfactorily their clerical needs.

In some organizations the five roles of the buying center were performed independently of each other, (i.e., different members performed different roles), while in other organizations, two or three individuals performed all of the roles. In only three of the responding firms did one individual perform all roles. Each was a small firm. The data indicate that those individuals performing more than one role most often were the personnel directors and the departments heads.

DIFFERENCES AMONG BUYING CENTERS

In the second stage of the analysis, the buying centers of the responding firms were analyzed to determine if there was a difference in the characteristics of each buying center. The characteristics used were as follows: (1) the number of people the user firm employs; (2) the user firm's dollar volume of sales; and (3) the dollar usage of temporary clerical help. The tables in this section were compiled by cross-tabulating questions E and F of section one and

question 11 of section two of the questionnaire with the results shown in Table I.

A Spearman's rho correlation coefficient (r_s) was calculated for each pair of variables to determine if there was a high degree of association among the three aforementioned size variables.¹ The purpose of calculating this coefficient was to determine if one size variable would be sufficient for all subsequent analysis involving differentiation based on firm size. Through an analysis of the variables which describe firm size, i.e., number of people the user firm employs and the user firm's annual dollar volume of sales, an r_s statistic of .7829 was calculated as shown in Table II. This positive correlation coefficient indicates that as the annual dollar volume of sales increases or decreases, the number of employees in the firm correspondingly increases or decreases.

When the dollar usage of temporary clerical help variable was measured with the two firm size variables (number of people the firm employs and dollar volume of sales), the correlation coefficient, r_s were -.2817 and -.3185 respectively. While the coefficients are statistically weak, they do denote a tendency toward an inverse relationship, indicating that as the firm size increases, the dollar amount of temporary clerical help used will decrease. This could be

¹Sidney Siegel, Nonparametric Statistics, (McGraw-Hill, Inc., New York, New York, 1956), pp. 202-213.

TABLE II

SPEARMAN RHO CORRELATION COEFFICIENT
BASED ON FIRM SIZE CHARACTERISTICS

Firm Characteristics	R_s
A & B	.7829
A & C	-.2817
B & C	-.3185

"A" denotes the number of people the user firm employs.

"B" denotes the user firm's annual dollar volume of sales.

"C" denotes the dollar usage of temporary clerical help in fiscal year 1976.

partially explained in that larger firms tend to be over-staffed, therefore, having the ability to fill clerical voids from within by shifting personnel. It also could be hypothesized that when smaller firms need additional clerical help or replacement help, they tend to use more outside assistance due to a lack of internal resources.

These summary statistics suggest that due to the strong correlation between the two firm size variables, one variable would be sufficient for all subsequent analysis involving differentiation based on firm size. Therefore, one firm size variable was chosen for analysis. The variable chosen was the number of people the user firm employs. The firm size variable was chosen over the user firm's annual dollar volume of sales variable due to the stronger correlation coefficient in some cross-tabulation tables. (Cross-tabulation using the other two size variables are shown in Appendices B through K.) The discussion pertaining to the differences among buying centers, therefore, will concentrate on how buying centers differ based on the number of employees of the user firm. However, differences in the cross-tabulation data between this variable and the dollar usage of temporary clerical help variable will be discussed due to the weak negative correlation found between these two variables.

Differences Among Deciders

As mentioned in the methodology section of Chapter III,

a contingency coefficient (C) was derived for each of the cross-tabulation tables as a summary statistic to measure the degree of association between the variables being analyzed.² A C value of .3777 for Table III indicates that there is a relationship between the decider for the use of temporary clerical help and the number of people the user firm employs. The personnel director is clearly the decider most often for large and medium-sized firms (72.1%; 52.9%). But, as the firm size decreases, the plant manager plays a more important role. The personnel director and plant manager's role as the decider are almost on an equal basis in small firms (35.4%; 32.3%). This finding varies when the data concerning the relationship between the decider and the dollar usage of temporary clerical help variable (Appendix C) are analyzed. The data indicate that the personnel director is still the decider most often for large and medium-sized firms, but to a lesser extent (51.0%; 36.3%). Also, the personnel director and the plant manager's role as the decider are not on an equal basis in small firms (47.3%; 27.3%).

The purchasing manager was the decider in only five percent of the total responses, almost exclusively in large firms. Only one firm in the small or medium-sized categories responded that the purchasing manager was the decider.

²Siegel, pp. 196-202.

Table III
 RELATIONSHIP BETWEEN
 THE DECIDER FOR USE OF TEMPORARY CLERICAL HELP CLASSIFICATION
 AND THE NUMBER OF EMPLOYEES OF THE USER FIRM

Response Row Percent	DECIDER JOB TITLES					Row Total
	Personnel Director	Industrial Relations Manager	Department Head	Financial Service Manager	Plant Manager	
1000 or more	44 (72.1)	4 (6.6)	5 (8.2)	0 (0.0)	8 (13.1)	61 (26.5)
250 - 999	55 (52.9)	14 (13.5)	10 (9.6)	12 (11.5)	13 (12.5)	104 (45.2)
249 or less	23 (35.4)	1 (1.5)	6 (9.2)	14 (21.5)	21 (32.3)	65 (28.3)
COLUMN TOTAL	122 (53.0)	19 (8.3)	21 (9.1)	26 (11.3)	42 (18.3)	230 (100.0)

$$\chi^2 = 38.286$$

$$C = .3777$$

It becomes apparent from the data shown in Table III, that for firms which have more than 250 employees, the personnel director will make the majority of the final decisions concerning the buying of temporary clerical help. In smaller firms (250 employees or less), this decision making responsibility is shared with the plant manager and, to a lesser extent, with the financial service manager. Thus, it could be hypothesized that with respect to decision making concerning temporary clerical help, job functions in large firms are more specialized, while there are overlapping functions in smaller firms.

Differences Among Influencers

Table IV shows that a relationship also exists between the influencers and the number of people the user firm employs. Respondents indicated that the influencer was most often the department head for large (58.1%) and medium-sized (43.8%) firms, although the frequency of responses for the personnel director was nearly the same in number for medium-sized firms. The data also show that as size of the firm decreases, functional specificity diminishes. This could be due to the more centralized nature of smaller firms.

It is important to realize that buying influences may be formal or informal or both, depending upon the individual customer firms. To illustrate, an industrial company's

Table IV
RELATIONSHIP BETWEEN
THE INFLUENCER IN THE DECISION TO BUY TEMPORARY CLERICAL HELP
CLASSIFICATION AND THE NUMBER OF EMPLOYEES OF THE USER FIRM

Response Row Percent		INFLUENCER JOB TITLES			Row Total
		Personnel Director	Department Head	Office Manager	
NO. OF EMPLOYEES	1000 or more	25 (40.3)	36 (58.1)	1 (1.6)	62 (31.0)
	250 - 999	35 (39.3)	39 (43.8)	15 (16.9)	89 (44.5)
	249 or less	19 (38.8)	16 (32.7)	14 (28.6)	49 (24.5)
COLUMN TOTAL		79 (39.5)	91 (45.5)	30 (15.0)	200 (100.0)

$$\chi^2 = 15.896$$

$$C = .2713$$

decision to purchase temporary clerical help might be influenced in some instances by the department head who will actually use the service. He may have little formal authority in terms of being the decider, but his suggestions regarding what firms to use may have considerable impact on what is ultimately purchased. The importance of understanding who the buying influencers are cannot be overemphasized.

Differences Among Buyers

The relationship between buyer recognition and the number of people the user firm employs was not as strong as had been observed in previous tables. This is indicated by the correlation coefficient of .1009 shown in Table V. It had been expected that the purchasing manager would play a major role in the buying function, but the data do not support this expectation.

Although the correlation coefficients show almost no relationship between buyer recognition and firm size, the column totals do yield an indication of who the buyer is for firms in general. Based on the data shown in Table V the personnel director is the buyer most often (44.4%), while the purchasing manager is the buyer in 28.6% of the total cases (259). Even though the purchasing manager has some buying responsibility, data reported earlier in this study indicate

Table V
 RELATIONSHIP BETWEEN
 THE BUYER OF TEMPORARY CLERICAL HELP CLASSIFICATION
 AND THE NUMBER OF EMPLOYEES OF THE USER FIRM

Response Row Percent	BUYER JOB TITLES		Row Total
	Personnel Director	Purchasing Manager	
1000 or more	41 (63.1)	24 (36.9)	65 (34.4)
250 - 999	50 (64.1)	28 (35.9)	78 (41.3)
249 or less	24 (52.2)	22 (47.8)	46 (24.3)
COLUMN TOTAL	115 (60.8)	74 (39.2)	189 (100.0)

NO. OF EMPLOYEES

$$\chi^2 = 1.947$$

$$C = .1009$$

that he has little influence or decision making ability with respect to the buying of temporary clerical help.

Purchasing departments of some firms seemed to be involved mainly because of organizational policies rather than any other reason. This suggests that the decision making process for the buying of temporary clerical help is more of an administrative function, not a function of the purchasing department.

Differences Among Users

The contingency coefficient of .3455 for Table VI indicates a relationship between the actual user of temporary clerical help and the number of people the user firm employs. The department head was seen as the user in an overwhelming majority of firms (76.2%), but to an even greater extent among large firms (90.2%). Larger firms generally have a greater number of department heads with each having increased administrative responsibilities due to the size of their firm. Therefore, there would be greater clerical needs and thus, the increased use of temporary clerical help. This finding should have a considerable effect on the selling strategies employed by suppliers of temporary clerical help, if it is determined that the user of the service also has influence in deciding from which supplier his firm will purchase temporary clerical

Table VI
 RELATIONSHIP BETWEEN
 THE MAJOR USER OF TEMPORARY CLERICAL HELP CLASSIFICATION
 AND THE NUMBER OF EMPLOYEES OF THE USER FIRM

	USER JOB TITLES				Row Total
	Personnel Director	Department Head	Office Manager	Other Secretaries	
1000 or more	4 (5.3)	68 (90.7)	1 (1.3)	2 (2.7)	75 (30.7)
250 - 999	17 (16.7)	68 (66.7)	4 (3.9)	13 (12.7)	102 (41.8)
249 or less	4 (6.0)	50 (74.6)	11 (16.4)	2 (3.0)	67 (27.5)
COLUMN TOTAL	25 (10.2)	186 (76.2)	16 (6.6)	17 (7.0)	244 (100.0)

$$\chi^2 = 33.0887$$

$$C = .3455$$

help. In the present study the major user, the department head, was also the major influencer.

Differences Among Gatekeepers

The last step in this section is to analyze the effect that firm size has on determination of the gatekeeper. Data from Table VII show that there is a relationship between the gatekeeper and the number of people the user firm employs. The personnel director is listed as being the gatekeeper most often in all sized firms, but this distinction is less clear in small firms. If the personnel director and secretary categories are combined to form the category of personnel department, the data show that the personnel department was the gatekeeper for information pertaining to the purchase of temporary clerical help in over 70% of the cases for large firms. Using the same category of personnel department in medium and small sized firms, this figure decreases to 58.9% and 52.7% respectively. This finding would be expected in light of the previous data in this study which indicated that the personnel director was most often the decider and buyer. This would indicate that the personnel director and/or their secretaries would be most interested in the information pertaining to the purchase of temporary clerical help and, therefore, be in a position to control the flow of information into the buying center.

Table VII

RELATIONSHIP BETWEEN THE GATEKEEPER CLASSIFICATION
AND THE NUMBER OF EMPLOYEES OF THE USER FIRM

Response Row Percent	GATEKEEPER JOB TITLES					Row Total
	None	Personnel Director	Financial Service Manager	Personnel Secretaries	Purchasing Manager	
1000 or more	11 (16.4)	35 (52.2)	4 (5.9)	12 (17.9)	5 (7.5)	67 (31.3)
250 - 999	17 (18.9)	46 (51.1)	9 (10.0)	7 (7.8)	11 (12.2)	90 (42.1)
249 or less	9 (15.8)	18 (31.6)	13 (22.8)	12 (21.1)	5 (8.8)	57 (26.6)
COLUMN TOTAL	37 (17.3)	99 (46.3)	26 (12.1)	31 (14.5)	21 (9.8)	214 (100.0)

$$\chi^2 = 17.96$$

$$C = .2782$$

KEY BUYING INFLUENCES

The importance of defining buying influences was stated earlier. There can be any number of buying influences in one firm. Complicating the problem of identifying these influences is what is commonly referred to as the key buying influences. Basically, this means that all buying influences in a firm are not equal in the degree of influence they exert on any given decision. The key buying influences are those who for some reason or another, are able to sway other influences to their way of thinking, sometimes by design and sometimes without even realizing it and sometimes by the nature of their position. The purpose of this section is to determine which member(s) of the decision team is viewed as being the most important, that is, the key buying influence.

Data used to compile Tables VIII and IX were taken from section four of the questionnaire asking respondents to rank members listed as being part of the decision team, and to give their percentage of influence. Table VIII shows the ranking of job categories and the percent cases in which each category was ranked first, second, or third out of the total of 262 responses. For example, the personnel director was ranked first (most important) in 101 cases or on 38.5% of the returns. Column totals represent how often the job category was listed as having at least some influence in the top three rankings.

Table VIII

RANKING OF JOB CATEGORIES IN TERMS OF IMPORTANCE
(INFLUENCE) IN THE DECISION TO BUY TEMPORARY CLERICAL HELP

	<u>Ranked 1st</u>		<u>Ranked 2nd</u>		<u>Ranked 3rd</u>		<u>Total</u>	
	<u>N</u>	(%)	<u>N</u>	(%)	<u>N</u>	(%)	<u>N</u>	(%)
Personnel Director	101	33.5	42	17.8	32	22.9	175	66.7
Department Head	54	20.7	99	41.8	31	22.1	184	70.2
Plant Manager	40	15.3	31	13.1	23	16.4	94	35.8
Financial Service Manager	24	9.2	19	8.0	23	16.4	66	25.2
Office Manager	16	6.1	14	5.9	3	2.1	33	12.6
Industrial Relations Manager	15	5.7	3	1.2	3	2.1	21	8.0
President	6	2.3	1	0.4	0	0	7	2.7
Purchasing Manager	3	1.1	14	5.9	5	3.6	22	8.4
P.D. Secretary	<u>3</u>	<u>1.1</u>	<u>14</u>	<u>5.9</u>	<u>20</u>	<u>14.4</u>	37	14.1
Total	262	100	273	100	140	100		

Table IX
 JOB POSITIONS
 AVERAGE PERCENT OF IMPORANCE (INFLUENCE) BY RANKING *

	<u>Ranked 1st</u> (%)	<u>Ranked 2nd</u> (%)	<u>Ranked 3rd</u> (%)
Personnel Director	63.3	28.5	14.8
Department Head	57.2	30.9	20.0
Plant Manager	56.4	29.5	16.3
Financial Service Manager	65.8	34.5	16.9
Office Manager	67.5	31.4	20.0
Industrial Relations Manager	62.0	30.0	18.3
President	75.0	50.0	0
Purchasing Manager	60.0	28.8	18.0
P.D. Secretary	46.7	31.8	18.8

* Refer to Table VIII.

Note: If a position was seen as having complete influence every time it was ranked, the average percent of influence would be 100 percent. (Ex.: The president, when ranked first, was seen as having an average of 75% of the influencing "power" in the decision to buy temporary clerical help.)

Table IX shows the average percent of the influence per job category compared to their ranking. For example, the president, when ranked first in terms of importance, is seen as having an average percent of influence of 75% in the decision to buy temporary clerical help. Referring to Table VIII, the president is ranked first in six cases. Of those six, he had an average percent of influence of 75% in the decision to buy temporary clerical help.

In analyzing each table separately, the data from Table VIII show that the personnel director was seen most often as being the key buying influence (38.5%). The department head was ranked first in only 20.7% of the responses, but was ranked second in 41.8% of the cases. He was also seen as being an influencing factor most often which is consistent with the results reported earlier.

Some interesting results were found when Table VIII was compared to Table I (where respondents were asked to identify the influencer). The personnel director was seen as being the influencer in only 30.2% of the cases in Table I while he was ranked first in terms of importance in 38% of the responses in Table VIII. The department head was seen as being the influencer in 34.7% of the cases and only as the most important member of the decision team in 20.7% of the responses. The plant manager was seen as being the influencer in 4.6% of the survey results in Table I even though he was ranked first

in 15.3% of the responses in Table VIII. While these are not extreme differences, they do point out the fact that people often view others as being influencers but would not consider them key influencers or the most important members of a decision team for a particular decision. It is apparent by the results that the recognition of key buying influences could be closely related to job position. That is, the greater the responsibility and authority of a position, the more significance is placed upon that individual's influence. For this particular set of data, identification of the key buying influence could also be a function of the respondents' position.

The data from Table IX show that the office manager, when ranked first, had an average percent of influence of 67.5%. Although this was the second highest percentage, all of the categories ranked first, except two, fell between 56.4% and 67.5%. This indicates that in most cases, the key buying influence for the purchase of temporary clerical help has a large percentage of the influencing power.

The categories of exception were the president and the personnel director's secretaries. The president had the largest percent of influence in both the first (75%) and second (50%) rankings. This is partially attributable to the small number of presidents being ranked and the fact that three of the six who were ranked first, had 100% influence. The category with the largest number of

individuals with 100% influence was the personnel director at fourteen. The personnel director's secretaries percent of influence was smaller than any other category (46.7%). This smaller percentage was also attributable to the small number being ranked and the number in the decision team being larger when the personnel director's secretaries were included.

The data from Table IX also indicate that the percent of influence associated with each position is a function of that particular position's responsibility and/or authority. This is evidenced by the high percent of influence for the president (authority) and the office manager (responsibility).

Difference Among Key Buying Influences

Although the key buying influences for temporary clerical help have been identified, it is important to determine whether or not they will differ based on the number of people the user firm employs. Table X shows the results of this analysis. The Table was compiled by cross-tabulating those job categories which had been ranked first in terms of importance in the decision to buy temporary clerical help with the firm size variable.

The data from Table X indicate that there is a relationship between key buying influences and the number of people the user firm employs. Differences exist mainly in large (54.4%) and medium sized (53.3%) firms where the

Table X

RELATIONSHIP BETWEEN KEY BUYING INFLUENCE CLASSIFICATION
AND THE NUMBER OF EMPLOYEES OF THE USER FIRM

Response Row Percent	KEY BUYING INFLUENCE JOB TITLES				Row Total
	Personnel Director	Department Head	Plant Manager	Financial Service Manager	
1000 or more	37 (54.5)	18 (26.5)	12 (17.6)	1 (1.5)	68 (31.1)
250 - 999	49 (53.3)	23 (25.0)	11 (12.0)	9 (9.8)	92 (42.0)
249 or less	15 (25.4)	13 (22.0)	17 (28.8)	14 (23.7)	59 (26.9)
COLUMN TOTAL	101 (46.1)	54 (24.7)	40 (18.3)	24 (11.0)	219 (100.0)

$$\chi^2 = 27.839619$$

$$C = .3359$$

personnel director is seen most often as being the key buying influence. Determining differences in key buying influences is difficult, however, in small firms, although the plant manager was most often cited (28.8%).

The problem of not being able to determine differences among members of the buying center as easily in the small firm category, was also seen in the analysis of the data from Table IV, dealing with the determination of differences of all influencers. It was found in the case of identifying influencers that as the size of the firm decreases functional specificity diminishes. This finding might be explained through managerial economies of scale. That is, in smaller firms there tends to be a diversity of people, each performing a variety of tasks. As firm size increases, however, there is more functional specialization and thus the performance of more uniformly defined tasks.

PROCEDURES USED IN BUYING TEMPORARY CLERICAL HELP

The first four sections of this Chapter dealt with identifying members of the buying center and identifying key buying influences for the decision to buy temporary clerical help. This final section will deal with analyzing the procedural aspects of buying temporary clerical help. Areas to be covered include: (1) the decision process used most often (e.g., formal committee, ad hoc committee); (2) determination

of who approves the final purchases; (3) whether or not a firm has formal policies, specific budgeted amounts and advanced plans for the use of temporary clerical help; (4) how much time elapses in making the decision, and (5) an analysis of loyalty as a component of the decision process for temporary clerical help.

Committee Process

As stated earlier, buying centers can be seen as either formal or informal committees. Since it has been established that in most cases there is a buying center for the decision to buy temporary clerical help, it is of interest to determine whether these buying centers are of a formal or informal nature. Data from Table XI show that the decision to buy temporary clerical help is almost never a formal or ad hoc committee process. This indicates that the buying center is informal in nature, making it even more important to be able to determine the identity of the key buying influences and deciders. (A cross-tabulation between the decision process used and the firm size and dollar amount of temporary clerical help used showed no relationship.)

Purchase Approval

The second area of discussion in analyzing the procedural aspects of buying temporary clerical help deals with the determination of who actually approves the purchase. Data

Table XI

DECISION METHOD USED MOST OFTEN BY FIRMS IN
THE DECISION TO BUY TEMPORARY CLERICAL HELP

<u>Category Label</u>	<u>Absolute Frequency</u>	<u>Relative Frequency (pct)</u>
Formal Continuing Committee	3	1.1
Formal Ad Hoc Committee	8	3.2
Individual Decision	126	48.0
Informal User Departmental Decision	<u>125</u>	<u>47.7</u>
Total	262	100.0

from Table XII indicate that the personnel director (34.5%) and plant manager (33.5%) are the major participants in approving the purchase of temporary clerical help, although neither approves the purchase on a majority basis. The row percentages show that as the firm size increases, the personnel director's participation as the approver increases, whereas the plant manager's participation increases as firm size decreases. The plant manager is cited more often as an approver of the purchases than are any of the other buying center members or key buying influences. This indicates that in a large percentage of the small firms (46.4%) surveyed, the plant manager still maintains final responsibility for the purchase of temporary clerical help, even though he may not be a member of the buying center.

Data from Table XII also indicate that there is a more decentralized style of management in the medium and larger size firms, where the department heads and personnel directors are listed more often as being the final approver of the purchase. The use of plant managers and financial service managers as approvers of the purchase in the small firms indicates a more centralized style of management.

Policy and Budget Procedures

The third section, dealing with procedural aspects, analyzes whether or not the use of temporary clerical help

Table XII

RELATIONSHIP BETWEEN
THE POSITION WHICH APPROVES THE PURCHASE OF TEMPORARY
CLERICAL HELP AND THE NUMBER OF EMPLOYEES OF THE USER FIRM

Response Row Percent	APPROVER JOB TITLES				Row Total
	Personnel Director	Plant Manager	Financial Service Manager	Department Head	
1000 or more	27 (43.5)	17 (27.4)	8 (12.9)	10 (16.2)	62 (28.4)
250 - 999	39 (39.0)	30 (30.0)	12 (12.0)	19 (19.2)	100 (45.9)
249 or less	9 (16.1)	26 (46.4)	17 (30.4)	4 (7.1)	56 (25.7)
COLUMN TOTAL	75 (34.4)	73 (33.5)	37 (17.0)	33 (15.1)	218 (100.0)

$$\chi^2 = 22.8146$$

$$C = .3078$$

is standard procedure for most firms or a spontaneous action to fill a need created by a clerical work overload. This question is answered by the data included in Tables XIII through XV. Table XIII indicates that there is very little formal policy dealing with the subject of buying temporary clerical help in most firms. Although a greater percentage of larger firms are shown to have formal policies in this area, this still represents only 11.5% of all large firms responding to the questionnaire.

Data from Table XIV show that there are formal budgeted amounts allocated for the purchase of temporary clerical help in 38.9% of the responding firms. This budget allocation occurred most often in medium and larger sized firms.

Table XV analyzes whether advanced plans were made for the buying of temporary clerical help. There is no clear distinction as to what size firm has only advanced plans. But, by combining this category with the "both" category, large and medium-sized firms are most likely to have at least some advanced plans for the purchase of temporary clerical help. Approximately 71.4% of the medium-sized firms and 61.6% of the larger firms had some advanced plans whereas only 28.9% of the smaller firms had advanced plans. These three Tables (XIII-XV) indicate that although most firms are unlikely to have formal policies on the subject of buying

Table XIII

RELATIONSHIP BETWEEN
FORMAL POLICY USED FOR BUYING TEMPORARY CLERICAL HELP CATEGORY
AND THE NUMBER OF EMPLOYEES OF THE USER FIRM

Response Row Percent	Formal Policy Used	No Formal Policy	Row Total
1000 or more	9 (11.5)	69 (88.5)	78 (29.8)
250 - 999	4 (3.6)	108 (96.4)	112 (42.7)
249 or less	5 (6.9)	67 (93.1)	72 (27.5)
COLUMN TOTAL	18 (6.9)	244 (93.1)	262 (100.0)

$$\chi^2 = 4.556$$

$$C = .1307$$

Table XIV

RELATIONSHIP BETWEEN
 FORMAL BUDGETED AMOUNTS FOR TEMPORARY CLERICAL HELP CATEGORY
 AND THE NUMBER OF EMPLOYEES OF THE USER FIRM

	Response Row Percent	Formal Budget	No Formal Budget	Row Total
NO. OF EMPLOYEES	1000 or more	29 (37.2)	49 (62.8)	78 (29.8)
	250 - 999	52 (46.4)	60 (53.6)	112 (42.7)
	249 or less	21 (29.2)	51 (70.8)	72 (27.5)
	COLUMN TOTAL	102 (38.9)	160 (61.1)	262 (100.0)

$$\chi^2 = 5.6359$$

$$C = .1451$$

Table XV

RELATIONSHIP BETWEEN THE
USE OF ADVANCED PLANS VS SPONTANEOUS NEED DEVELOPMENT CATEGORIES
AND THE NUMBER OF EMPLOYEES OF THE USER FIRM

NO. OF EMPLOYEES	Response Row Percent	Advanced Plans Made	Need Develops Spontaneous	Both	Row Total
	1000 or more		12 (15.4)	30 (38.5)	36 (46.2)
250 - 999		9 (8.0)	32 (28.6)	71 (63.4)	112 (42.7)
249 or less		11 (15.3)	44 (61.1)	17 (23.6)	72 (27.5)
COLUMN TOTAL		32 (12.2)	106 (40.5)	124 (47.3)	262 (100.0)

$$\chi^2 = 29.0627$$

$$C = .3160$$

temporary clerical help, they are likely to have advanced plans and some budget allocation for this purpose.

Time Elapsed Between Need Recognition and Purchase

The next section pertains to the elapsed time between the recognition of need for temporary clerical help and the purchase. This would account for those times in which there were no advanced plans made, which were substantial in number, especially among smaller firms. Data from Table XVI indicate that 49.3% of all firms responding to the questionnaire purchased temporary clerical help within two days of recognizing the need. By eliminating the unknown and no response categories, this figure rises to 70%. Data from Table XVII indicate that the percentages of large, medium, and small size firms which purchase temporary clerical help within two days of recognition are 59.2%, 80.8%, and 65.5% respectively. Therefore, most firms regardless of firm size, do not delay in making a decision as to which supplier firm to call. This finding indicates that suppliers of temporary clerical help need to develop promotional appeals and maintain close contacts with users if they expect to be considered as a potential supplier.

Reliance Upon Single or Multiple Sources

The final topic of discussion in this section is an analysis of buyer's reliance upon single or multiple sources

Table XVI

TIME ELAPSED BETWEEN RECOGNITION OF NEED FOR
TEMPORARY CLERICAL HELP AND PURCHASE

<u>Lapsed Time</u>	<u>Absolute Frequency</u>	<u>Relative Frequency</u> (pct.)
Immediate Purchase	72	27.5
1 - 2 Days	57	21.8
3 - 4 Days	20	7.6
One Week	12	4.6
Two Weeks	10	3.7
Longer Than Two Weeks	12	4.6
Unknown	58	22.2
No Response	21	8.0
	262	100.0
Total		

Table XVII

RELATIONSHIP BETWEEN THE
TIME ELAPSED BETWEEN RECOGNITION OF NEED AND PURCHASE
AND THE NUMBER OF EMPLOYEES OF THE USER FIRM

		TIME ELAPSED					Row Total	
		Immediate	1-2 days	3-4 days	One Week	Two Weeks		Less than Two Weeks
NO. OF EMPLOYEES	Response Row Percent							
	1000 or more	17 (34.6)	12 (24.5)	9 (18.4)	5 (10.2)	2 (4.1)	4 (8.2)	49 (26.5)
	250 - 999	35 (48.0)	24 (32.9)	5 (6.8)	3 (4.1)	3 (4.1)	3 (4.1)	73 (39.5)
	249 or less	20 (31.9)	21 (33.3)	6 (9.5)	4 (6.3)	5 (7.9)	7 (11.1)	63 (34.0)
COLUMN TOTAL		72 (38.9)	57 (30.8)	20 (10.8)	12 (6.5)	10 (5.4)	14 (7.6)	185 (100.0)

$$\chi^2 = 12.099$$

$$C = .2478$$

of supply as a component of the decision process for the purchase of temporary clerical help. The purpose of this section is to determine whether using firms rely primarily upon a single source of supply, or upon multiple sources. In so far as single source reliance is characteristic of buying decisions, the concept of source loyalty is very important from a management point of view.

This present study did not directly deal with the understanding of source loyalty in the buying of temporary clerical help. Therefore, there were no specific questions to determine the outcome of a sequence of buying decisions. However, there were answers to other questions that suggest that there was little single source reliance among buyers of temporary clerical help that were surveyed. Table XVIII indicates that the majority of the firms in all size categories considered two or more suppliers before a decision was made. Another variable, question J from section two of the questionnaire stated: "From which temporary help agency (ies) did you buy temporary clerical help?" Although for reasons of anonymity a table could not be constructed for this question, it was found that 64% of all responding firms used two or more suppliers.

There are various reasons why a purchaser of temporary clerical help may buy from multiple sources. For example, a user of the service may wish to buy from several suppliers

Table XVIII

RELATIONSHIP BETWEEN
THE NUMBER OF SUPPLIER FIRMS CONSIDERED AS ALTERNATIVES
AND THE NUMBER OF THE EMPLOYEES OF THE USER FIRM

Response Row Percent	NO. OF SUPPLIER FIRMS CONSIDERED				Row Total
	One	Two	Three	Four	
1000 or more	15 (19.2)	34 (43.6)	17 (21.8)	9 (11.5)	75 (29.3)
250 - 999	19 (17.1)	52 (46.8)	36 (32.4)	4 (3.6)	111 (43.4)
249 or less	21 (30.0)	38 (54.3)	10 (14.3)	1 (1.4)	70 (27.3)
COLUMN TOTAL	55 (21.5)	124 (48.4)	63 (24.6)	14 (5.5)	256 (100.0)

$$\chi^2 = 18.6857$$

$$C = .2608$$

to maintain contact so as to avoid the possibility of a single supplier not having a needed service available. Another reason could be the desire to see if one supplier was able to "send over" a temporary who is highly qualified and willing to take a full-time permanent position. In either case, the results show that a supplier has the possibility of increasing sales from present users who are now also being supplied by their competition.

CONCLUSION

There were a number of findings which were encouraging with respect to having a clearer understanding of the purchase process used by industrial firms in the decision to buy temporary clerical help. Buying centers were identified for the decision to buy temporary clerical help. There were distinct differences among these buying centers based on user firm size. An analysis identified key buying influences which also indicated an association with user firm size. Also, differences among firms were found in the analysis of the procedural aspects employed in the buying of temporary clerical help. A more thorough discussion of these conclusions and implications of this study are presented in the next chapter.

CHAPTER V

CONCLUSIONS AND IMPLICATIONS

This chapter, which reports the conclusions and implications of this study, is divided into three sections. The first section presents the overall conclusions, and a comparison of the goals of the study and the results of the study. There will also be a discussion of the conclusions in relation to general findings from other research studies dealing with the industrial purchasing process where applicable. The second section discusses the implications of the findings for the marketing practitioner in terms of the buying of temporary clerical help, and the third section identifies areas for further research.

CONCLUSIONS

The major purpose of this study was to investigate one segment of the industrial buying process--the buying center. The subordinate purposes were to gain a better understanding of the various roles played by positions which make up the buying center and of the purchase process for temporary clerical help in an industrial setting.

The specific research questions addressed were as follows:

1. Which positions within the organization were considered to be a part of the buying center for the decision to buy temporary clerical help?
2. Which positions performed the various roles in the purchase decision? (i.e., decider, influencer, buyer, user, gatekeeper)
3. Were the positions making up the buying centers the same for each type of firm studied?
4. What position was the key buying influence within the buying center?
5. Was the key buying influence the same for each type of firm studied?
6. What were the general procedures used by industrial firms in the decision process to buy temporary clerical help?

Overall Conclusions

Respondents were able to identify members of their firms' buying centers for the purchase of temporary clerical help. The data indicate that those individuals most involved were the personnel director and the department head. The personnel director was recorded as being the decider, buyer, and gatekeeper most often, while the department head was most often listed as being the influencer and user. This indicates that the decision making process for the buying of temporary clerical help is more an administrative function than a function of the purchasing department. Therefore, the purchase of temporary clerical help, by definition an industrial service, does not follow the "normal" buying procedures for most industrial products. The "normal" buying procedures would

include the purchasing manager as a major participant in the buying center. This was shown not to be the case in the purchase of temporary clerical help.

The results of the investigation to determine differences in the characteristics of each buying center showed that there was a relationship between firm size (i.e., annual dollar volume of sales and the number of people it employed), and the identification of the decider, influencer, user, and gatekeeper. This same relationship was not found to be as strong in the identification of the buyer.

The findings also indicated that the personnel director was most often the key buying influence, while the department head was an influencing factor, to some degree, most often. A relationship was also found between the identification of the key buying influence and the user firm's annual dollar volume of sales, and the number of people it employed. While the personnel director was found to be the key buying influence in large and medium-sized firms for each size category examined, the plant manager was seen as having the most influence in small firms.

In the analysis of procedures used by firms in buying temporary clerical help, it was found that the decision to buy temporary clerical help was clearly an informal process. While most firms were not likely to have formal policies dealing with the subject of buying temporary clerical help,

they were likely to have some budget allocation for this purpose, and to have made advanced plans for its purchase. The results also showed a lack of single source reliance among buyers of temporary clerical help.

Buying Centers

The study identified and differentiated members of the buying center for the purchase of temporary clerical help. Those positions seen as part of the buying center at one time or another include: personnel director, industrial relations manager, department heads, financial service manager, office manager, purchasing manager, president, plant manager, and secretaries. However, while the personnel director and the department head performed a majority of the roles within the buying center for the purchase of temporary clerical help, this is not the case in all industrial buying situations. The type of goods or service being purchased has an obvious impact upon the decision process. There are substantial differences in buying centers for the purchase of capital expenditure goods such as machines, buildings, raw materials, and temporary clerical services. These differences can be found in numerous empirical research studies such as those

done by Hillier, Kelly, and Metaxas.¹

The results of the present study showed that the purchasing department did not play a major role in the purchase process. The purchasing manager had little influence or decision making responsibility with respect to the buying of temporary clerical help. The nature of the service being performed would in most cases exclude the purchasing manager from being the decider, influencer, user, or gatekeeper. But, the purchasing manager was shown to have a considerable amount of buying responsibility. It is apparent that in some firms, the purchase of all input goods for completion of a particular job or the purchase of replacement goods is handled by the purchasing department.

The results also showed that the members of the buying center for the purchase of temporary clerical help varied depending on the size of the firm. Spearman's rho correlation coefficient was computed for each pair of variables to determine the relationship between the three firm size

¹T. J. Hillier, "Decision Making in the Corporate Industrial Buying Process," Industrial Marketing Management, (June, 1975), pp. 99-106.

J. P. Kelly and J. C. Hensel, "The Industrial Search Process: An Exploratory Study," Increasing Marketing Productivity. Thomas V. Greer, Editor, Chicago: American Marketing Association, (1973), pp. 212-216.

T. Metaxas, "Capital Goods Buying: Teamwork's Essential," Purchasing, (August, 1962), pp. 70-73.

variables used for this study (i.e., the number of people which the user firm employs, the user firm's annual dollar volume of sales; and the firm's dollar usage of temporary clerical help). The results indicated a positive correlation between the user firm's number of employees and annual dollar volume of sales, while there was a slight negative correlation or inverse relationship between the above two size variables and the firm's dollar usage of temporary clerical help. Therefore, differences among buying center members for this study were due to firm size (small, medium, and large categories) and not the basis upon which firm size was determined. The results also showed that for each buying center category, except the user, as firm size decreased functional specificity diminished. Research by Grønhaug, Peters and Venkatesan, and Wind and Cardozo, studying the effect of firm demographic characteristics such as size and type of organization on the identification of industrial buying centers, found results similar to those reported in the present research.²

²K. Grønhaug, "Search Behavior in Organizational Buying," Industrial Marketing Management, (March, 1975), pp. 15-22.

M. P. Peters and M. Venkatesan, "Exploration of Variables Inherent in Adopting an Industrial Product." Journal of Marketing Research, (August, 1973), pp. 312-315.

Y. Wind and R. Cardozo, "Industrial Market Segmentation," Industrial Marketing Management, (March, 1974), pp. 153-166.

This study verified the contention of many industrial marketing researchers that the identification of buying centers for specific industrial purchases is indeed a complex task. This complexity arose from the need to understand the impact of organizational as well as individual characteristics on the decision making process.

Key Buying Influences

The tendency in most industrial research has been to concentrate attention on the purchasing agent. Research has shown why this single role centered approach is deficient in the understanding of industrial buying behavior,³ especially in determining key buying influences. The present research classified key buying influences primarily by job function and title, as have other researchers,⁴ and found the personnel director to be the key influence most often in the purchase decision for temporary clerical help. It was also found that the key buying influence varies with the size of the firm and the dollar amount of temporary clerical help

³Robert E. Weigand, "Why Studying the Purchasing Agent Is Not Enough," Journal of Marketing, (January, 1964), pp. 41-45.

⁴Patrick J. Robinson, Charles W. Faris and Yoram Wind, Industrial Buying and Creative Marketing, (Allyn and Bacon, Inc., Boston, 1967).

Iron Age: "How Metal Working Buys: Major Findings of the National Analysts Buying Influence Study," Philadelphia: Chilton Company, (1960).

used in a given fiscal year. This variance due to firm size is supported in research such as that done by Saleh, LaLonde, Riley, and Grabner.⁵

The data indicated that respondents often viewed individuals as being influencers, but would not consider them key influencers or the most important members of a decision team. The recognition of key buying influencers was closely related to job position. That is, the greater the responsibility and authority of a position, the more significance was placed upon that individual's influence.

Although the personnel director was cited most often as the key buying influence, eight other job classifications were listed as having been the key buying influence for particular firms at one time or another. These classifications include: department head, plant manager, financial service manager, office manager, industrial relations manager, president, purchasing manager, and the personnel director's secretary. Most prevalent among these were the department head and plant manager. Other studies have found as many as twenty-six different positions capable of having a key influence at some point in time during the purchase process.

⁵S. Farouk, et. al., "Modeling Industrial Buying Behavior: The Purchase of Motor Carrier Services," Relevance in Marketing. Fred C. Allvine, Editor, Chicago: American Marketing Association, (1971), pp. 402-407.

Industrial purchasing involves a number of people in a number of positions capable of influencing the outcome of a particular purchase. Their suggestions regarding which firms to use may have considerable impact on what is ultimately purchased.

Buying Procedures

The results showed that the decision making process for buying temporary clerical help is very informal and that organizational characteristics such as size, are not related to the determination of autonomous versus joint decision making. This finding refutes that of Sheth, who found that the larger the size of the organization, the greater the degree of formalization which, in turn, tends to result in more formal committee decisions.⁶

Another organizational characteristic which has an impact on the decision making process is the degree of centralization-decentralization in a firm. While not the main purpose of this study, the results showed that the responsibility for the final approval of the purchase of temporary clerical help, was more decentralized in large and medium-sized firms, while final approval was more centralized in smaller firms. The personnel director and

⁶J. N. Sheth, "A Model of Industrial Buyer Behavior," Journal of Marketing, (October, 1973), pp. 50-56.

department heads had responsibility for final approval of the purchase in medium to large size firms. In a large percentage of small firms the plant manager still maintained final responsibility for the approval of the purchase of temporary clerical help, even though he may not have been a member of the buying center.

Another area of understanding the decision process dealt with source loyalty. While the present study did not solely pertain itself to the understanding of source loyalty in industrial purchasing, the results indicated a possible lack of source loyalty among buyers of temporary clerical help. Although other researchers have pointed out a high degree of loyalty shown by buyers in various industrial buying situations in an attempt to minimize the risk inherent in the purchase,⁷ this was not the case with the purchase of temporary clerical help.

⁷P. L. Bubb and D. J. Van Rest, "Loyalty as a Component of the Industrial Buying Decision," Industrial Marketing Management, (October, 1973), pp. 25-31.

Farouk, 1971.

Y. Wind, "Industrial Source Loyalty," Journal of Marketing Research, (November, 1970), pp. 450-457.

IMPLICATIONS FOR THE PRACTITIONER

"It is a basic principle of good marketing that to be successful, those in charge of the distribution policy of a company should know as much as possible about the buyers: who they are, what they want, where they are, how best to reach them, the motives which induce them to buy, the prices they are willing to pay, and so on." ⁸

Accepting this premise, and recognizing the placement of temporary clerical help as part of a total distribution structure, it is believed that the present study contributes to the understanding of industrial buying behavior. This can specifically be applied to the understanding of the buying of temporary clerical help. But the complexity of the industrial buying process does not allow any single investigation to draw conclusive inferences of general applicability to industrial buying. The following implications for marketing strategies concerning the buying of temporary clerical help should be viewed as tentative hypotheses, yet to stand the test of empirical validation.

Salesmen typically contact a number of different individuals in a firm. Advertisers attempt to reach a number of individuals who they feel are usually involved in a decision. Direct mail typically is directed to one individual within the firm. Trade journals attempt to

⁸H. T. Lewis, "Industrial Procurement and Marketing," Harvard Business Review, (September, 1950), pp. 49.

identify with a specific market segment and so on. Therefore, it is imperative to know who actually makes up the buying center and who is most influential in making the selection of which supplier to use. This study identified those individuals most involved in the buying center for the purchase of temporary clerical help. They were the personnel director and the department head. The personnel director was the most influential.

It was also shown that the buying center may vary depending on the size of the firm. Therefore a simple classification of firms based on size would be helpful in the identification of the buying center members and of those who are most influential.

Another area of interest to the practitioner is that of spontaneous need development and decision making. This study suggests that in many instances the need for clerical help develops spontaneously, especially in small firms. The results also showed that the elapsed time between recognition of this need and the purchase was usually less than two days, with the majority of the orders placed immediately. This finding indicates that suppliers of temporary clerical help need to maintain close contact with past as well as potential users.

Implications can also be drawn from the results pertaining to source loyalty. Source loyalty was not found to be

high in the purchase of temporary clerical help. Yet, it was pointed out that most industrial buyers try to develop source loyalty to reduce risk in decision making. The development of source loyalty should be viewed by suppliers as an opportunity to create habitual purchase behavior on the part of the user. While there could be several reasons why source loyalty is not currently present in the purchase of temporary clerical help, it appears that a supplier has the opportunity to increase sales by placing more emphasis on the market it currently serves.

IMPLICATIONS FOR FUTURE RESEARCH

One of the objectives of an exploratory study is to develop directions for further research. The results of this study indicated several areas in which further research is needed.

One area of additional research is to determine the effect additional decision variables would have on the decision process. Additional variables in the decision process could include factors such as supplier location and reputation, price, training required, quality of work, and availability. Additional organizational variables might include such factors as stage of life cycle of the organization, type, structure, profit responsibilities, and managerial philosophy.

The product studied in the present research was an industrial service. It was apparent that the purchasing process and buying center for industrial services may vary from that of industrial "hard goods." Therefore, a replication of this study as well as other involving industrial services seems warranted.

The role perceptions of buying center members are among those behavioral aspects which have an impact on the industrial buying process. Therefore, it is important to know whether meaningful discrepancies among different groups' perceptions exist. Further research into both the actual roles of members of the buying center and the research techniques used to identify these roles is necessary.⁹

More research is also needed in the area of source loyalty among buyers of an industrial service. Because the present research was not directly concerned with this area, the results which were generated must be seen as tentative at best.

⁹John F. Grashof and Gloria P. Thomas, "Industrial Buying Center Responsibilities," Marketing: 1776-1976 and Beyond. Kenneth C. Bernhardt, Editor, Chicago: American Marketing Association, (1976), pp. 344-348.

Yoram Wind, "Recent Approaches to the Study of Organizational Buying Behavior," Increasing Marketing Productivity. Thomas V. Greer, Editor, Chicago: American Marketing Association, (1973), pp. 203-206.

The research reported herein suggests the following working hypotheses, with respect to the purchase of temporary clerical help, for future consideration:

- H₁: Membership of the buying center will vary depending on the size of the firm.
- H₂: Key buying influencer will vary depending on the size of the firm.
- H₃: There is little source loyalty among buyers of temporary clerical help.
- H₄: The personnel director and department head will perform a majority of the roles within the buying center.
- H₅: Most buyers of temporary clerical help will place their order within two days of recognizing the need.
- H₆: The greater the responsibility and authority of a position, the more significance is placed upon that individual's influence with respect to purchasing temporary clerical help.
- H₇: Supplier selection will vary based on supplier location.
- H₈: Supplier selection will vary based on price.
- H₉: Supplier selection will vary based on quality of work.

Due to the exploratory nature of this research, no attempt was made to project the results of the study to the general population. This indicates two paths for further research. The first approach would be to replicate the present research on another sample. The second approach would involve a more broad based sample, which would be more representative of the population. This would provide practitioners and theorists alike more insight into the diversity of the purchasing of an industrial service.

This research extends the scope of previous industrial buyer behavior studies to include the purchase of a specialized service. The analysis is based only on one type of buying decision, therefore, conclusions drawn from this study must be regarded as tentative. Progress will come to the extent that comparable results can be obtained in this and other service areas.

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APPENDICES

APPENDIX A
DATA COLLECTION INSTRUMENT



COLLEGE OF BUSINESS

VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY

Blacksburg, Virginia 24061

DEPARTMENT OF BUSINESS ADMINISTRATION (703) 951-6594

March 10, 1977

Dear Sir or Madam:

Please let me introduce myself. I am a doctoral candidate at Virginia Polytechnic Institute presently working on my dissertation in the area of industrial marketing. This research is a major portion of the work I am required to do in completing the Ph.D. in Business Administration.

The title of my dissertation is "An Empirical Analysis of the Buying Behavior Process in the Decision to Use Temporary Clerical Help from an Outside Agency." Therefore, I am interested in finding out in detail the process your company (at your specific location) goes through in deciding to "buy" temporary clerical help from an outside temporary help agency.

Please take the 5 or 10 minutes needed to complete the attached questionnaire, and return it in the enclosed envelope. If you feel someone else in your company has more knowledge of this buying process, please pass the questionnaire on to that individual. As mentioned, this research is a major portion of my degree requirements. Therefore, your response is not only appreciated, but needed if this project is to be completed.

All individual returns will be kept strictly confidential. Thank you very much for your participation.

Sincerely,

Harold W. Babb

Harold W. Babb

Note: If you wish to receive a summarized copy of the findings, please indicate this request on the last page of the questionnaire.

HWB/gk

Enclosures (2)

SECTION ONEGENERAL INFORMATION

A. Name of your firm: _____

B. Your title in the firm: _____

C. Your department's organizational location within the firm:

_____ Corporate headquarters
 _____ Division or plant
 _____ Subsidiary
 _____ Other (Specify) _____

D. Please check the general industry classification of your firm:

_____ Agriculture, forestry, or fishing	_____ Wholesale Trade
_____ Mining	_____ Retail Trade
_____ Construction	_____ Finance, Insurance, or Real Estate
_____ Manufacturing	_____ Services
_____ Transportation, communi- cations, or utilities	_____ Other (Please specify) _____

E. Approximate fiscal 1976 sales volume of your firm:

\$300 million or more _____
 \$100 to \$300 million _____
 \$50 to \$100 million _____
 \$25 to \$50 million _____
 \$10 to \$25 million _____
 \$10 million or less _____

F. Approximately how many people does your firm employ?

1000 or more _____	100 to 249 _____
750 to 999 _____	50 to 99 _____
500 to 749 _____	Less than 50 _____
250 to 499 _____	

SECTION TWOTEMPORARY CLERICAL HELP USE INFORMATION

DIRECTIONS: Please answer the following questions assuming for this study the definition of temporary help users will be as follows: organizations that contract temporary workers from an outside temporary help agency. (This does not include part time employees who are either permanently or occasionally employed by the firms themselves, but rather employees who are on the payrolls of the temporary help agencies and are contracted to other firms).

A. Does your firm use temporary clerical help?

Yes _____ No _____

B. What are your primary reasons for using temporary clerical help?

C. Check the method your firm most often uses in the decision to use temporary clerical help.

- formal committee decision
 ad hoc committee for each use
 a single individual makes the decision; if so, what function does he or she have in the company? _____
 user departmental decision
 other; please specify: _____

D. Some firms have a written policy to "buy" temporary clerical help in certain situations (i.e., sickness, vacations, seasonal work load fluctuations, etc.).

Does your firm have such a written policy?

Yes _____ No _____

If yes, who sets the policy?

Please summarize the policy below, or attach a copy of your firm's policy statement.

E. Are advanced plans made for the use of temporary clerical help or does the need develop spontaneously?

- advance plans are made
 need develops spontaneously

F. Is there a budgeted amount especially earmarked for temporary clerical help?

Yes _____ No _____

G. Are user requests for temporary clerical help placed with you?

Yes _____ No _____

If yes, by whom; and if not, with whom?

H. What is the estimated dollar amount of temporary clerical help used by your firm in the fiscal year 1976?

I. What is the estimated number of man hours supplied to your firm by temporary clerical help agencies in 1976?

J. From which temporary help agency(ies) did you "buy" temporary clerical services?

If more than one, which one was used most often?

K. What do you feel are the advantages or disadvantages of using temporary help from outside of your organization versus internal shifts, overtime, etc.?

L. What is your overall evaluation of using temporary clerical help?

Very much _____ : _____ : _____ : _____ : _____ : _____ : _____ Very much
in favor 1 2 3 4 5 6 7 against

M. Please indicate () the likelihood that your firm will increase the amount of temporary clerical help used over the next two years?

_____ 100 Absolutely Certain to Increase
 _____ 90
 _____ 80 Strong Possibility of Increasing
 _____ 70
 _____ 60
 _____ 50
 _____ 40
 _____ 30
 _____ 20 Slight Possibility of Increasing
 _____ 10
 _____ 0 Absolutely No Chance of Increasing

SECTION THREE

The purpose of this section of the questionnaire is to be able to identify who is involved in the decision to use temporary clerical help within your firm. When a question requires a specific person to be identified, please do so by giving his/her job title, specific job function and departmental location. (Note: Certain individuals are often involved in the decision process in several ways. Therefore, an individual may appear in your answer several times, and in several statuses).

1. How many firms are usually considered as alternatives during the evaluation of the purchase of temporary help? _____

2. Who in your organization is most concerned with the evaluation of the cost of using temporary help?

3. Who usually contacts the supplier of the service?

4. Does your company generally contact one supplier or several?
 _____ one supplier
 _____ several suppliers
5. Who first suggested the need for clerical help?

6. Who obtained the important facts on the alternative temporary help firms which were considered?

7. Different temporary help firms have unique features which offer benefits and advantages to their users. Who in your organization analyzed these benefits and advantages?

8. Typically, when an organization decides to use a service, like temporary clerical help, there are a number of firms which are considered as alternatives. Who made the final selection of the firm your organization decided to use?

9. Who approves the "purchase" of temporary help?

10. Who first suggested the need for temporary clerical help?

11. Who spent the most effort in looking for information about different temporary help firms?

12. How much time elapsed between the time your organization recognized the need for temporary clerical help and the time of "purchase"?

Different people who are involved in purchase decisions act in different capacities, such as:

Deciders: have formal authority and responsibility for deciding among alternative firms.

Influencers: do not necessarily have buying authority but can influence the outcome of the decision through the application of constraints or information.

Buyers: have formal authority for selecting service firm and consummating the buying decision.

Users: are those who actually use the purchased service.

Gatekeepers: control the flow of information into the buying group.

Based on these definitions, please identify the individuals who acts in each capacity by his/her job title, specific job function and departmental location. (Again, an individual may be involved in more than one capacity).

Decider: _____

Influencer: _____

Buyer: _____

User: _____

Gatekeeper: _____

Who else other than those mentioned in section three of the questionnaire were in some way involved in the decision to use temporary clerical help? (Identify by job title, specific job function, and departmental location).

SECTION FOURIDENTIFICATION OF THE MOST IMPORTANT MEMBER OF THE DECISION TEAM

Please list by job title, those individuals you have identified in section three as being involved in the decision to use temporary clerical help. Then, please rank those listed from most important or influential to least important or influential in this decision process, and give the percent of influence.

<u>JOB TITLE</u>	<u>RANKING</u>	<u>% of Influence</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	100%

THANK YOU FOR YOUR ASSISTANCE IN THIS PROJECT. PLEASE MAIL THIS QUESTIONNAIRE TO:

Harold W. Babb
Department of Business Administration
Virginia Polytechnic Institute and
State University
Blacksburg, Virginia 24061

If you wish to receive a summarized copy, please indicate with a check [].

APPENDIX B

RELATIONSHIP BETWEEN THE DECIDER FOR USE OF TEMPORARY
CLERICAL HELP CLASSIFICATION AND THE FIRM'S ANNUAL
DOLLAR VOLUME OF SALES

APPENDIX B

RELATIONSHIP BETWEEN THE DECIDER FOR USE OF TEMPORARY
CLERICAL HELP CLASSIFICATION AND THE FIRM'S ANNUAL
DOLLAR VOLUME OF SALES

		DECIDER JOB TITLES					Row Total
		Personnel Director	Industrial Relations Manager	Department Head	Financial Service Manager	Plant Manager	
DOLLAR SALES	Response Row Percent						
	100 million or more	48 (66.7)	3 (11.1)	5 (6.9)	2 (2.8)	9 (12.5)	72 (31.3)
	25 - 100 million	55 (53.9)	7 (6.9)	12 (11.3)	13 (12.7)	15 (14.7)	102 (44.3)
	25 million or less	19 (33.9)	4 (7.1)	4 (7.1)	11 (19.6)	18 (32.1)	56 (24.3)
	COLUMN TOTAL	122 (53.0)	19 (8.3)	21 (9.1)	26 (11.3)	42 (18.3)	230 (100.0)

$$\chi^2 = 33.135$$

$$C = .3543$$

APPENDIX C

RELATIONSHIP BETWEEN THE DECIDER FOR USE OF TEMPORARY
CLERICAL HELP CLASSIFICATION AND THE DOLLAR AMOUNT OF
TEMPORARY CLERICAL HELP USED IN FISCAL YEAR 1976

APPENDIX C

RELATIONSHIP BETWEEN THE DECIDER FOR USE OF TEMPORARY CLERICAL HELP CLASSIFICATION AND THE DOLLAR AMOUNT OF TEMPORARY CLERICAL HELP USED IN FISCAL YEAR 1976

DOLLAR AMOUNT USED	Response Row Percent	DECIDER JOB TITLES					Row Total
		Personnel Director	Industrial Relations Manager	Department Head	Financial Service Manager	Plant Manager	
\$12,000 or more	26 (51.0)	3 (15.7)	4 (7.8)	3 (5.9)	10 (19.6)	51 (27.4)	
\$3000 to \$11,999	29 (36.3)	6 (7.5)	12 (15.0)	11 (13.8)	12 (15.0)	80 (43.0)	
\$2999 or less	26 (47.3)	2 (3.6)	2 (3.6)	10 (18.2)	15 (27.3)	55 (29.6)	
COLUMN TOTAL	91 (48.9)	16 (8.6)	18 (9.7)	24 (12.9)	37 (19.9)	186 (100.0)	

$$\chi^2 = 20.648$$

$$C = .3160$$

APPENDIX D

RELATIONSHIP BETWEEN THE INFLUENCER IN THE DECISION TO
BUY TEMPORARY CLERICAL HELP CLASSIFICATION AND THE
FIRM'S ANNUAL DOLLAR VOLUME OF SALES

APPENDIX D

RELATIONSHIP BETWEEN THE INFLUENCER IN THE DECISION TO
BUY TEMPORARY CLERICAL HELP CLASSIFICATION AND THE
FIRM'S ANNUAL DOLLAR VOLUME OF SALES

Response Row Percent		INFLUENCER JOB TITLES			Row Total
		Personnel Department	Department Head	Office Manager	
100 million or more	26 (40.6)	35 (54.7)	3 (4.7)	64 (32.0)	
25 - 100 million	41 (43.2)	40 (42.1)	14 (14.7)	95 (47.5)	
25 million or less	12 (29.3)	16 (39.0)	13 (31.7)	41 (20.5)	
COLUMN TOTAL	79 (39.5)	91 (45.5)	30 (15.0)	200 (100.0)	

$$\chi^2 = 15.39$$

$$C = .2673$$

APPENDIX E

RELATIONSHIP BETWEEN THE INFLUENCER IN THE DECISION TO
BUY TEMPORARY CLERICAL HELP CLASSIFICATION AND THE
DOLLAR AMOUNT OF TEMPORARY CLERICAL HELP USED IN
FISCAL YEAR 1976

APPENDIX E

RELATIONSHIP BETWEEN THE INFLUENCER IN THE DECISION TO
BUY TEMPORARY CLERICAL HELP CLASSIFICATION AND THE
DOLLAR AMOUNT OF TEMPORARY CLERICAL HELP USED IN
FISCAL YEAR 1976

Response Row Percent		INFLUENCER JOB TITLES			Row Total
		Personnel Director	Department Head	Office Manager	
DOLLAR AMOUNT USED	\$12,000 or more	13 (39.1)	22 (47.3)	6 (13.0)	46 (28.2)
	\$3000 to 11,999	39 (33.5)	36 (46.2)	12 (15.4)	78 (47.9)
	\$2999 or less	16 (41.0)	15 (38.5)	8 (20.5)	39 (23.9)
COLUMN TOTAL		64 (39.3)	73 (44.3)	26 (15.9)	163 (100.0)

$$\chi^2 = 1.763$$

$$C = .1034$$

APPENDIX F

RELATIONSHIP BETWEEN THE BUYER OF TEMPORARY CLERICAL HELP
CLASSIFICATION AND THE FIRM'S ANNUAL DOLLAR VOLUME OF SALES

APPENDIX F

RELATIONSHIP BETWEEN THE BUYER OF TEMPORARY CLERICAL HELP CLASSIFICATION AND THE FIRM'S ANNUAL DOLLAR VOLUME OF SALES

		BUYER JOB TITLES		Row Total
		Personnel Director	Purchasing Manager	
DOLLAR SALES	Response Row Percent			
	100 million or more	46 (67.6)	22 (32.4)	68 (35.9)
	25 - 100 million	49 (59.8)	33 (40.2)	82 (43.4)
25 million or less		20 (51.3)	19 (48.7)	39 (20.6)
COLUMN TOTAL		115 (60.8)	74 (39.2)	189 (100.0)

$$\chi^2 = 3.1679$$

$$C = .1284$$

APPENDIX G

RELATIONSHIP BETWEEN THE BUYER OF TEMPORARY CLERICAL HELP
CLASSIFICATION AND THE DOLLAR AMOUNT OF TEMPORARY CLERICAL
HELP USED IN FISCAL YEAR 1976

APPENDIX G

RELATIONSHIP BETWEEN THE BUYER OF TEMPORARY CLERICAL HELP
CLASSIFICATION AND THE DOLLAR AMOUNT OF TEMPORARY CLERICAL
HELP USED IN FISCAL YEAR 1976

		BUYER JOB TITLES		Row Total
		Personnel Director	Purchasing Manager	
DOLLAR AMOUNT USED	Response Row Percent			
	\$12,000 or more	26 (60.5)	17 (39.5)	43 (29.0)
	\$3000 to 11,999	42 (63.6)	24 (36.4)	66 (44.6)
\$2999 or less	20 (51.3)	19 (48.7)	39 (26.4)	
COLUMN TOTAL		88 (59.5)	60 (40.5)	148 (100.0)

$$\chi^2 = 1.5836$$

$$C = .1029$$

APPENDIX H

RELATIONSHIP BETWEEN THE MAJOR USER OF TEMPORARY CLERICAL
HELP CLASSIFICATION AND THE FIRM'S ANNUAL DOLLAR VOLUME
OF SALES

APPENDIX H

RELATIONSHIP BETWEEN THE MAJOR USER OF TEMPORARY CLERICAL
HELP CLASSIFICATION AND THE FIRM'S ANNUAL DOLLAR VOLUME
OF SALES

	USER JOB TITLES				Row Total	
	Response Row Percent	Personnel Director	Department Head	Office Manager		Other Secretaries
100 million or more		4 (4.8)	74 (89.2)	3 (3.6)	2 (2.4)	83 (34.0)
25 - 100 million		18 (17.3)	71 (68.3)	2 (1.9)	13 (12.5)	104 (42.6)
25 million or less		3 (5.3)	41 (71.9)	11 (19.3)	2 (3.5)	57 (23.4)
COLUMN TOTAL		25 (10.2)	186 (76.2)	16 (6.6)	17 (7.0)	244 (100.0)

$$\chi^2 = 38.341$$

$$C = .3685$$

APPENDIX I

RELATIONSHIP BETWEEN THE MAJOR USER OF TEMPORARY CLERICAL
HELP CLASSIFICATION AND THE DOLLAR CMOUNT OF TEMPORARY
CLERICAL HELP USED IN FISCAL YEAR 1976

APPENDIX I

RELATIONSHIP BETWEEN THE MAJOR USER OF TEMPORARY CLERICAL
 HELP CLASSIFICATION AND THE DOLLAR AMOUNT OF TEMPORARY
 CLERICAL HELP USED IN FISCAL YEAR 1976

		USER JOB TITLES				Row Total
		Personnel Director	Department Head	Office Manager	Other Secretaries	
DOLLAR AMOUNT USED	\$12,000 or more	3 (5.0)	43 (71.7)	10 (16.7)	4 (6.7)	60 (29.4)
	\$3000 to 11,999	11 (13.3)	57 (68.7)	5 (6.0)	10 (12.0)	83 (40.7)
	\$2999 or less	8 (13.1)	49 (80.3)	1 (1.6)	3 (4.9)	61 (29.9)
COLUMN TOTAL		22 (10.8)	149 (73.0)	16 (7.3)	17 (8.3)	204 (100.0)

$$\chi^2 = 15.06$$

$$C = .2621$$

APPENDIX J

RELATIONSHIP BETWEEN THE GATEKEEPER CLASSIFICATION
AND THE FIRM'S ANNUAL DOLLAR VOLUME OF SALES

APPENDIX J

RELATIONSHIP BETWEEN THE GATEKEEPER CLASSIFICATION
AND THE FIRM'S ANNUAL DOLLAR VOLUME OF SALES

Response Row Percent	GATEKEEPER JOB TITLES					Row Total
	None	Personnel Director	Financial Service Manager	Personnel Secretaries	Purchasing Manager	
100 million or more	9 (12.2)	37 (50.0)	5 (6.8)	15 (20.3)	8 (10.8)	74 (34.6)
25 - 100 million	23 (23.5)	47 (47.9)	12 (12.2)	6 (6.1)	10 (10.2)	98 (45.3)
25 million or less	5 (11.9)	15 (35.7)	9 (21.4)	10 (23.8)	3 (7.1)	42 (19.6)
COLUMN TOTAL	37 (17.3)	99 (46.3)	26 (12.1)	31 (14.5)	21 (9.8)	214 (100.0)

$$\chi^2 = 19.41$$

$$C = .2833$$

APPENDIX K

RELATIONSHIP BETWEEN THE GATEKEEPER CLASSIFICATION AND
THE DOLLAR AMOUNT OF TEMPORARY CLERICAL HELP USED
IN FISCAL YEAR 1976

APPENDIX K

RELATIONSHIP BETWEEN THE GATEKEEPER CLASSIFICATION AND
THE DOLLAR AMOUNT OF TEMPORARY CLERICAL HELP USED
IN FISCAL YEAR 1976

DOLLAR AMOUNT USED	Response Row Percent	GATEKEEPER JOB TITLES					Row Total
		None	Personnel Director	Financial Service Manager	Personnel Secretaries	Purchasing Manager	
\$12,000 or more	8 (17.4)	15 (32.6)	9 (19.6)	11 (23.9)	3 (6.5)	46 (28.0)	
\$3000 to \$11,999	16 (22.2)	34 (47.2)	7 (9.7)	5 (6.9)	10 (13.9)	72 (43.9)	
\$2999 or less	8 (17.4)	27 (58.7)	2 (4.3)	6 (13.0)	3 (6.5)	46 (28.0)	
COLUMN TOTAL	32 (19.5)	76 (46.3)	18 (10.9)	22 (13.4)	16 (9.8)	164 (100.0)	

$$\chi^2 = 17.20$$

$$C = .3082$$

APPENDIX L

CHI-SQUARE TEST FOR NON-RESPONSE
ERROR BY GEOGRAPHICAL REGION

APPENDIX L

CHI-SQUARE TEST FOR NON-RESPONSE
ERROR BY GEOGRAPHICAL REGION

		GEOGRAPHICAL REGION				
		North East	West	South	South West	Row Total
Questionnaires	Mailed	274	244	236	203	957
	Returned*	39	44	31	33	147
	COLUMN TOTAL	313	288	267	236	1104


$$\chi^2 = 1.8496$$

*The total returned does not equal the actual response of 262 because of the lack of geographical postmarks on some returns.

VITA

Harold W. Babb was born at Portsmouth, Virginia, on September 14, 1950, and graduated from Cradock High School in 1968. He received an Associate of Science degree from Chowan College in 1970, a Bachelor of Science degree in Accounting in 1972 from the University of Richmond, and a Master of Science degree in Marketing in 1974 from Virginia Commonwealth University.

Mr. Babb was a graduate research assistant while at Virginia Commonwealth University in 1973-74 and at Virginia Polytechnic Institute and State University in 1974-75. He was also an Instructor of Business Statistics and Marketing at Virginia Polytechnic Institute and State University, Blacksburg, Virginia, from 1974 to 1977. He is currently Assistant Professor of Marketing in the School of Business Administration, University of Richmond, Richmond, Virginia.


Harold W. Babb

AN EMPIRICAL ANALYSIS OF THE INDUSTRIAL BUYING PROCESS
FOR THE PURCHASE OF TEMPORARY CLERICAL HELP

by

Harold Wentz Babb

(ABSTRACT)

The recent emphasis in describing buyer behavior has dealt almost exclusively with the consumer sector while its counterpart, industrial purchasing behavior, has received much less attention. Of those studies dealing with the industrial sector, most have centered around the purchase of industrial services. Marketing discussions pertaining to the service industries are limited, and those available are widely scattered through the literature.

This comparative paucity of published research and the fact that the dollar volume involved in industrial purchases far exceeds that of the consumer market, seem to suggest the need for descriptive studies leading to a better understanding of industrial buyer behavior. The present research study was designed to aid in this understanding. The specific industrial buying process chosen for analysis was the purchase of an industrial service - temporary clerical help.

The major purpose of this study was to investigate one segment of the industrial buying process - the buying

center. The subordinate purposes were to gain a better understanding of the various roles played by positions which make up the buying center, and of the purchase process for temporary clerical help in an industrial setting.

The study identified and analyzed the organizational buying centers for the purchase of temporary clerical services and examined for differences among these buying centers based on firm size variables. Members within these buying centers were identified on a total organizational basis, not just within the purchasing department. This approach was felt to represent more accurately the actual purchasing process.

A mail survey of industrial firms which had previously used temporary clerical help was used to obtain data. A draft of the questionnaire was tested using the field interview technique and through a second pretest conducted by mail. A total of 262 usable responses were received.

The results of the analysis showed that respondents were able to identify members of their firms' buying centers for the purchase of temporary clerical help. Those positions seen as part of the buying center at one time or another include: personnel director, industrial relations manager, department heads, financial service manager, office manager, purchasing manager, president, plant manager, and secretaries. The data indicate that those individuals most involved were the personnel director and the department head. The personnel director was recorded as being the decider, buyer, and gate-keeper most often, while the department head was most often

listed as being the influencer and user. This indicates that the decision making process for the buying of temporary clerical help is more an administrative function than a function of the purchasing department.

The results of the investigation to determine differences in the characteristics of each buying center showed that there was a relationship between firm size (i.e., annual dollar volume of sales and the number of people it employed), and the identification of the decider, influencer, user, and gatekeeper. This same relationship was not found to be as strong in the identification of the buyer.

The findings also indicated that the personnel director was most often the key buying influence, while the department head was an influencing factor, to some degree. A relationship was found between the identification of the key buying influence and the user firm's annual dollar volume of sales, and the number of people it employed.

In the analysis of procedures used by firms in buying temporary clerical help, it was found that the decision to buy temporary clerical help was clearly an informal process. While most firms were not likely to have formal policies dealing with the subject of buying temporary clerical help, they were likely to have some budget allocation for this purpose and to have made advanced plans for its purchase.