A Study of Situational Variables

in an Organizational Marketing Scenario

by

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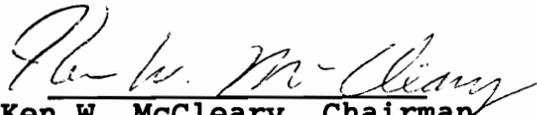
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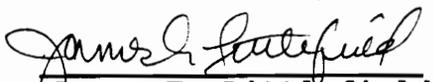
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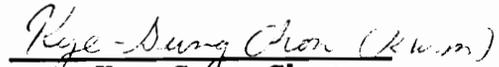
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Abstract

This study examined whether situational variables influence members of the buying center when deriving an evoked set in an organizational buying scenario. Buyclass, risk, and power were the focus of the study.

This study examined the process organizations go through when deriving evoked sets and the role situational variables played in that process. This process was examined within the context of organizational buying scenarios. The organizational buying process is different from the consumer buying process. The organizational buying process includes a series of incremental steps. A decision or decisions are made at each step.

The first step in the decision process is the recognition of a problem and the formulation of a set of potential solutions. This initial group of solutions is an evoked set.

Organizational buying decisions are made by a collection of people within the organization. These individuals interact through the phases of the purchase process making the necessary decisions. This group is called a buying center.

The buying center is influenced throughout the buying process by a number of variables. This study focused on three situational

variables: buyclass, risk, and power. However, other variables were revealed.

A proposed model for understanding the organizational buying process was constructed and presented in the literature review section (Chapter Two). This model incorporated situational variables in the overall buying process. While the study was conducted within the context of the proposed model, the proposed model was not tested. The proposed model may provide context for future studies in the area of organizational marketing.

The research questions and propositions suggested in Chapter One were examined within the context of the hospitality industry. Specifically, this dissertation has studied how situational variables influenced buying centers within associations while the buying centers were formulating evoked sets while searching for an annual convention site. The sample for the study was drawn from associations headquartered in Washington, D.C.

DEDICATION

To my daughter Crockett

Acknowledgments

I wish to acknowledge and express my appreciation to all those who have contributed to the completion of this dissertation and the doctoral program at the Virginia Polytechnic Institute and State University.

The skillful assistance given by my dissertation committee served to make this program attainable. Dr. Ken W. McCleary, chairman of the committee, constantly served as a source of encouragement and guidance. This dissertation is based upon the teachings and leadership of Dr. McCleary.

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CHAPTER ONE

Research Questions and Propositions

Purpose of the Study, The Research Questions

This study examined whether situational variables influence buying centers in organizational buying scenarios. The study investigated the nature of the situational variables affecting buying centers while evoked sets of possible solutions were being formulated by the buying center. The three specific situational variables considered were risk, power and buyclass. The study also explored the possibility that other situational variables besides risk, power, and buyclass were influencing the buying center in the described organizational buying scenario.

The two research questions were:

1. Do the situational variables risk, power, and buyclass influence members of the buying center while these members are deriving an evoked set in an organizational buying scenario?

2. Are there other situational variables that influence members of the buying center while these members are deriving an evoked set in an organizational buying scenario?

Included in the study is a proposed model of the organizational buying process. The proposed model was not tested but provided theoretical context for the study.

Seven propositions are included at the end of the chapter to support the two research questions. The study was carried out within the framework of the hospitality industry and specifically the meeting and convention industry.

Organizational Buying Defined--Differences Between Organizational Buying and Consumer Buying

The study of organizational buying has received increased attention since Robinson, Faris, and Wind; Webster and Wind; and Sheth published their models in the late 1960's and early 1970's. Since that time, a variety of authors has examined various aspects of these two models (Ozanne and Churchhill, 1971; Mattson ,1988), in an attempt to understand better the organizational buying process. However, as Webster (1978) has pointed out, it is remarkable how little attention has been given to industrial marketing as compared to consumer marketing. This is especially true when one considers that more than half of America's economic activity is accounted for by industrial marketing.

Webster and Wind (1972) define organizational buying behavior as:

> The decision-making process by which formal
>
> organizations establish the need for purchased

products and services, and identify, evaluate,

and choose among alternative brands and suppliers.

(P.2)

In a subsequent article, Webster and Wind point out that industrial buying:

...takes place in the context of a formal

organization influenced by budget, cost, and profit

considerations. Furthermore, organizational (i.e.,

industrial and institutional) buying usually involves

many people in the decision process with complex

interactions among people and among individual and

organizational goals. (p.12)

Sheth (1973) presented an integrative model of industrial buyer behavior. It was his belief that organizational buying behavior was composed of three components. He explained these components as follows:

The first aspect is the psychological world of the

individuals involved in organizational buying decisions.

The second aspect relates to the conditions which

precipitate joint decisions among these individuals.

The final aspect is the process of joint decision

making with the inevitable conflict among the decision

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makers and its resolution by resorting to a variety of tactics. (p.52)

Webster (1978) discussed the "dimensions of uniqueness" between consumer and industrial marketing. He broke down the differences between organizational and consumer marketing into four major dimensions: 1. Functional interdependence, 2. Product complexity, 3. Buyer-Seller interdependence, and 4. Buying process complexity.

Webster discussed functional interdependence, the first dimension of uniqueness, as the selling firms' greater dependence on other business function areas for effectiveness in organizational buying situations. He felt there was a special need for greater interdependence among research and development, manufacturing, inventory control and engineering with marketing within the selling firm.

The second dimension of uniqueness is product complexity. Webster points out that industrial buyers are normally trying to solve more technically complex problems than are consumers. This complexity requires greater supplier or seller flexibility. Webster goes so far as to suggest that:

> ...it can be said that in industrial marketing
> the product is not a physical entity per se.
> Rather, the product is an array of economic,
> technical, and personal relationships between
> buyer and seller. (p.23)

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Webster's third dimension is buyer-seller interdependence. In consumer marketing the actual sale often is the end of the buyer-seller relationship. In organizational marketing relationships, the sale may be only one point in a process that both precedes and follows the sale. There is often, then, a great degree of buyer-seller interdependence through this process.

Webster's fourth and final dimension is buying center complexity. Webster points out there is often longer lag time between marketing effort and buyer response because of the complexity of the buying center decision process. This process is said to reflect several factors:

> ...the influence of the formal organization, the large number of persons involved, the complex technical and economic factors that must be considered, the environment in which the firm operates, and the frequently large sums of money involved in the transaction. (p.23)

Kotler (1988) pointed out a variety of additional characteristics that differentiate consumer markets from industrial markets:

1. Fewer Buyers: Organizational marketers normally will interact with fewer customers than will the consumer marketer.

2. Larger Buyers: Often there is a higher concentration of buyer power in organizational buying. That is, a small (compared to consumer buying) number of accounts may well represent a large percentage of a selling firm's total sales.

3. Geographically Concentrated Buyers: Within industries, there is often a geographical concentration.

4. Derived Demand: The demand for industrial goods is ultimately derived from the demand for consumers goods.

5. Inelastic Demand: Price changes have little effect on total demand for industrial services and goods

6. Fluctuating demand: Demand for industrial goods and services tends to be more volatile than the demand for consumer goods and services.

7. Professional purchasing: In organizational buying situations, the purchasing function is often carried out by a purchasing professional.

Organizational buying and selling accounts for much of America's economic activity. There are more than 14 million organizations that purchase services and goods (Kotler, 1988). The successful marketing entity will be at a great disadvantage if it does not consider the unique aspects of the organizational marketing process. Future marketing entities

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will increasingly be judged by their ability to market to organizations. The organizational buying process is different from the consumer buying process. Organizational marketing, to be successful, must take into account these differences.

Organizational buying is thought to be a process that includes a number of incremental steps. These steps are worked through by a group of people who are described as a buying center or a decision-making unit (DMU) (Stock and Zinszer, 1987; Mattson, 1988). Situational variables are thought to have great influence on buying centers as these centers work their way through the incremental steps of the organizational buying process (Sheth, 1973; Robinson, Faris and Wind, 1967; Cardozo, 1980).

Organizational Buying as a Series of Incremental Steps --Evoked Sets

Organizational buying is viewed by many organizational buying authors as a process (Sheth, 1973; Webster and Wind, 1972; Webster and Wind, 1972; Cardozo, 1983; Ozanne and Churchill, 1971). The process involves a series of incremental or sequential steps that lead from problem recognition to vendor choice to evaluation and repurchase. Cordozo (1983) points out that each stage of the process yields a decision.

Webster and Wind (1972) identified the first stage of the industrial buying process as problem recognition. They

cataloged the following factors as those that help to create buying situations:

1. Regularly scheduled review of vendor performance

2. The initiative of product development and design

3. The marketing initiative of potential suppliers

4. Difficulty in maintaining the production process due to slow delivery, inadequate quality control, or unavailability of desired quantities from present suppliers

5. Value analysis programs

6. New construction, or renovation of existing facilities

7. Reaching order points for items purchased routinely (p.28)

Whatever the factor or factors which create the buying situation, a chain of decision-based events is set in motion. Within this problem recognition stage, Webster and Wind (1972) identify an additional concept. This concept is a "general solution" (p. 45). This general solution may be thought of as a set of possible answers or an evoked set. Within the consumer marketing literature, an evoked set is thought of as a restricted group of alternatives from which a final choice is made (Howard and Sheth, 1969; Um, 1989).

Similarly, Choffray and Lilien (1980) include an "evoked set of alternatives" in their model of structure of industrial

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market analysis procedure. The step following an evoked set in this model is "Organizational/Environmental Constraints: Technical, Financial, Physical, Technological, etc" (p. 48). That is, following an evoked set are constraints that pare down the original evoked set to a smaller, feasible evoked set. The individual buying center participants collectively and individually formulate an evoked set. This set is a limited number of possible solutions (from all the possible solutions) to the problem that has been recognized. Following application of the constraints mentioned above, a feasible evoked set of options is formulated. It is critical for the organizational marketer to have her/his firm included as a possible solution at this stage of the process, or in this evoked set of feasible solutions. Failure to be in the evoked set will most often remove the firm's chances for further consideration as a solution to the recognized problem of the customer.

The Buying Center Participants

A major difference between consumer and organizational marketing is the number of people involved in the decision process. Organizational purchasing decisions are made by groups within the firm. These groups are called Buying Centers. Webster and Wind (1972) point out that "Members of the organization who interact during the buying decision process can be defined as the buying center" (p. 14).

Similarly, Mattson, (1988) defined the buying center as follows: "The buying center includes all members of the buying firm who are actively and significantly involved in the purchase decision process" (p. 210).

It is important to note that the size of the buying center and organizational roles within the buying center may fluctuate as the buying organization works its way through the steps of the purchase decision process (McWilliams, Naumann, Scott, 1992).

Webster and Wind (1972) defined the roles within the buying center as Users, Influencers, Buyers, Deciders, and Gatekeepers. Each participant within a buying center may have more than one role or each may play a different role in different stages of the purchase decision process.

Users are the individuals within the organization who will use the product (goods or services) purchased. These individuals may start the organizational buying process. They also may help to specify the requirements for the good or service to be purchased.

Influencers are members of the organization who influence, directly or indirectly, the purchase decision process. They most often do this by providing information that is considered when evaluating different buying actions or

by suggesting criteria that constrains the alternatives that can be considered.

Buyers are the organizational members who have been given the power to select the supplier and arrange the purchase process once a buy decision has been made by the buying center. The buyer may be called a buyer, a purchasing agent, or some other name that indicates a position within the organization which is assigned procurement tasks.

Deciders are the persons in the buying organization who have the informal or formal power to make the purchase decision. One major goal of the organizational marketer is to determine who the decider or deciders are. The role may be played by the buyer, a high level official, or even an engineer who outlines very specific attributes for the product to be purchased.

Gatekeepers are buying center members who somehow influence the flow of information to the other members of the buying center. They may restrict or aid in the dissemination of vital information at various phases of the purchase process.

The buying center is the cluster of individuals who has been delegated the buying responsibility by the purchasing organization. This group makes the decisions at every step of the purchase decision process. Buying center size and influence may fluctuate throughout the process.

Influence Variables

As the buying center works its way through the stages of the purchase decision process, a number of variables influences the buying center. Webster and Wind (1972) outlined four variables that influence organizational buying decisions: environmental, organizational, interpersonal (buying center interactions), and individual.

The environmental influences include environments that are physical, technological, economic, political, legal, and cultural. These influences are thought of as external to the firm.

Organizational influences were described by Webster and Wind as four sets of interacting variables. These variables are organizational tasks, structure, technology and people. These influence variables are thought of as internal to the firm.

The individual and interpersonal influences deal with how individuals in the buying center make decisions both individually and as a buying center. The individual was thought to be influenced by perceived roles, the learning process and other, more individually oriented, factors. The buying center, on the other hand, makes a group decision based on a group process that includes sentiments and interactions.

Situational Variables

Robinson, Faris and Wind (1967) presented the idea of "significant events" (p. 121). It is significant to note that the "significant events" idea was presented at the end of a chapter entitled, "Environmental Influences Upon Buying Situations." The authors describe this topic as follows:

A significant impact on purchasing can be exerted by any number of events not even directly related to the procurement process. For example, a technological breakthrough, congressional investigation of the industry, major fire or fatal accident--any of these can stimulate the development of numerous buying situations, as well as changes in buying policies and patterns.

Such unpredictable events generally occur in only one or few companies at any given time (p. 121).

These numerous buying situations were caused by "significant events" or what Sheth (1972) called "situational factors." (p.145) Sheth (1972) pointed out that decisions in organizational buying processes may not be systematic. The decisions may be heavily influenced by situational factors that are not necessarily rational or realistic. Sheth went on to point out a large number of potential situational variables that could be internal or external to the firm. These situational factors included "ad hoc changes in the market

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place" temporary economic conditions and production related events (p. 146).

Situational variables are often outside an organization's systematic approach to buying. These various situations may influence members of the buying center as individuals or as a group and they may influence the buying center at different stages of the purchase decision process.

Webster and Wind (1972) suggest there are two groups of variables that influence organizational purchasing decisions. The first group of variables are task related. These are variables that seek to explain organizational buying behavior with task-related variables such as price.

Nontask variables also attempt to explain organizational buying behavior. These variables are different from task related variables in that these nontask variables do not, "have a direct bearing on the specific determinants of the final purchasing decision" (p. 12). Nontask variables may, however, be "important determinants of the final purchasing decision" (p. 12). Situational variables are thought to influence the final purchasing decision but are nontask variables.

Further, within the Sheth (1973) paradigm, situational variables are thought to be product specific. That is, situational variables are situational to a given organization.

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Situational variables are also situational to a specific purchase decision.

As Mattson (1988) pointed out:

> The industrial marketer's search should be for who has the most influence at each stage (of the buying process) rather than for the sole decision maker (p. 209).

Who has influence at a particular stage in the buying process could depend upon any of a number situational variables. The next section of Chapter One will introduce three types of situational variables.

Introduction of Three Specific Situational Variables

The three types of situational variables to be introduced here are buyclass, risk and power. All three types of situational variables are thought to influence buying centers in organizational buying scenarios. This means that situational variables influence buying center members while they are formulating evoked sets.

Buyclass as a Situational Variable

Robinson, Faris, and Wind (1967) discuss three types of buying situations or buyclasses. These buyclasses are new buy, modified rebuy and straight rebuy.

As the names imply, these are three fundamental types of buying situations. New buy is a buying situation where the

organization is going through the tasks of purchasing some product (good or service) for the first time. The buying center will have little relevant experience, and this will have a strong influence on the buying procedure.

Modified rebuy is a buying situation where the buying center participants have some experience with the product and the purchase procedure. However, a factor in the buying situation has changed. This could be some modification of the needed product or because of the consideration of new suppliers.

Straight rebuy is a buying situation where the buying center is considering a purchase that has been made many times in the past. Because the product and the buying situation are very familiar to the buying center, the tasks are thought to be routine in nature.

Robinson, Faris and Wind (1967) point out that these buyclasses may be characterized by newness of the problem, information requirements, and consideration of new options. These characteristics are considered by the buying center.

New buy purchase situations are rated "high" in newness of problem; information requirements (of the buying center) are at a maximum and consideration of new options is important. Modified rebuy situations are ranked "medium" in newness of problem; information requirements are moderate and consideration of new alternatives is limited. Straight rebuy

situations are ranked "low" in newness of problem, information requirements are minimal and there is no consideration of new alternatives.

The buyclass situation is one of the fundamental situational variables that should be considered when studying the organizational buying or organizational marketing process. The three characteristics of newness of problem, information requirements and consideration of new options will have a large impact on the way the buying center makes its decisions (Robinson, Faris and Wind, 1967).

This study will be especially concerned with buying centers engaged in buying scenarios that may be classified as new buy or modified rebuy. In each case the buying center will be formulating evoked sets of possible solutions. Evoked sets are a finite number of possible alternative sources of supply for some product.

Risk as a Situational Variable

Within organizational buying situations there are some elements of risks. Kohli (1989) described risk in buying situations as perceived risk. Perceived risk was thought to be comprised of two major conceptual elements. These two elements of risk are "uncertainty about the outcome of the decision" and the "importance of the decision" (p. 55). That is, purchase decisions carry possible consequences. Once a product is purchased it may not perform as expected. Thus,

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there is uncertainty before a purchase is made about possible
outcomes. Some purchase decisions are more important than
others. There is more perceived risk involved with important
decisions.

Murphy and Enis (1986) used Jacoby and Kaplan's (1972)
typology when explaining risk. Risk was divided into
financial and consequential risk. Financial risk was
described as being both personal and organizational.
Financial risk was defined as "The risk that the product
will not be worth the financial price" (p. 31).

The consequences of risk were described as social,
psychological, physical, and functional. These were outlined
as:

Psychological risk--The risk that a poor product choice
will harm a consumer's (client's) ego.

Physical risk--The risk to the buyer's or others'
safety in using products.

Functional risk--The risk that the product will not
perform as expected.

Social risk--The risk that a product choice may result
in embarrassment before one's friends/family/work
group (p. 31).

These types of risk can influence the members of the
buying center. Risk has the potential to be a powerful,
situational variable in organizational buying decisions. This

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could be especially true when purchasing services that are relatively intangible. This study will examine the influence of overall personal risk and organizational risk on the buying center while evoked sets are being formulated.

Power as a Situational Variable

Within the buying center there is a group of individuals who interact to make buying decisions. Some members of the buying center make influence attempts and these influence attempts are based on power (Kohli, 1989).

Kohli (1989) used French's and Raven's (1959) typology of bases of power when formulating his own typology of power in buying centers. These types of power were reward power, coercive power, referent power, legitimate power, expert power, information power and departmental power.

Reward power is the ability of one buying center participant to provide rewards to another buying center participant. The reward is usually based on the receiving participant's complying with the wishes of the rewarding participant.

Coercive power is the ability of a buying center participant to punish other members of the buying center if they do not go along with her/his wishes. Reward power and coercive power are sometimes grouped together in a single dimension called reinforcement power.

Referent power is:

...the extent to which others like and identify
themselves with that person and have regard for his or
her personal qualities. Others comply with such an
individual because of their regard for that person and
their desire to emulate his or her qualities and
actions (p. 51).

Legitimate power is the extent to which members of the
buying center comply with other members' decisions because of
their formal position (formal legitimate power) or because the
person making the decision will be "most affected by the
decision (informal legitimate power)" (p. 52).

Expert power is the power a buying center participant
has, based on her/his perceived knowledge of the issue being
studied. Other members of the buying center may comply with
participants with expert power because they believe it will
lead to the best decision (Kohli, 1989).

Information power is much like the gatekeeper position
already discussed. Here, a buying center participant is
influenced by the information provided or withheld by another
buying center participant.

Departmental power is the "...relative importance of a
department to an organization in general" (p. 53). A
participant's influence over other participants is associated
with the power in their respective departments.

Power is another important situational variable when considering buying center interactions and decisions. Purchase decisions are based on influence attempts, both subtle and manifest. Influence attempts are based on some power source.

The Research Questions and the Suggested Propositions

Organizational buying is an incremental process that results in a series of decisions being made, at least one for every step in the process. The first step in this process is the "Anticipation or recognition of a problem and a general solution (need)" (Robinson, Faris and Wind, 1967, p. 14).

The general solution may be viewed as an evoked set. It is important for organizational marketers to have their products represented in this evoked set. Inclusion at this stage most often means further consideration by the purchasing entity.

Purchase decisions in organizations are made by buying centers or decision-making units. Participants in the buying center play a variety of roles as they interact with other participants in the buying center.

Situational variables influence buying centers. Three situational variables are buyclass, risk, and power. These three situational variables influence individuals in the

buying center individually and collectively. Other influence variables were discussed in this chapter and will be discussed in Chapter Two. However, situational variables are the least studied or understood of the influence variables.

It was the purpose of this study to examine the influence of situational variables on buying centers. The study examined the influence of three situational variables--risk, power, and buyclass--on buying centers while the buying centers were formulating evoked sets of possible solutions at the beginning of the organizational buying process. The study also explored the possible influence of other situational variables in this organizational buying scenario.

The study was conducted within the context of the hospitality industry. The population studied was associations headquartered in the Washington, D.C. area. The organizational buying scenario was the site selection buying process for an association while determining where to locate an annual convention. The research questions were:

1. Do the situational variables risk, power, and buyclass influence members of the buying center while these members are deriving an evoked set in an organizational buying scenario?

2. Are there other situational variables that influence members of the buying center while these members are

deriving an evoked set in an organizational buying
scenario?

Seven propositions were suggested. The research
questions were not researched in either the general marketing
literature or the hospitality marketing literature. The seven
propositions have been studied, to some degree, in the general
marketing literature. However, these seven propositions have
not been addressed in the hospitality marketing literature.
It is important to remember that the propositions were being
examined within the context of the hospitality industry. The
seven propositions were:

Proposition One--Buying centers exist where
organizational buying decisions are being made.

Proposition Two--An evoked set is derived, formally or
informally, during the first stage of the decision
process in organizational buying scenarios.

Proposition Three--Situational variables exist in
organizational buying scenarios.

Proposition Four--Buyclass will emerge as a situational
variable in this study.

Proposition Five--Risk will emerge as a situational
variable in this study.

Proposition Six--Power will emerge as a situational
variable in this study.

Proposition Seven--There are other situational variables, not based in the literature, that will emerge in this study.

What follows in Chapter Two is a review of the organizational buying literature. A new general model for understanding organizational buying was constructed and presented. This led to a discussion of how the propositions and research questions presented above were examined.

This study is significant for general marketing, service marketing, and hospitality marketing. For general marketing this study will be an initial attempt at understanding the influence of situational variables on buying centers at a specific stage of the organizational buying process. That particular stage is at the very beginning of the buying decision process where evoked sets are being formulated by buying centers.

As will be demonstrated in Chapter Two, few of the general marketing studies in organizational buying have been based in service marketing areas. This study will add to the knowledge of service marketing in that a variety of general marketing paradigms will be examined in what could be considered a predominantly service market setting.

For hospitality marketing, this study is significant for cities, convention centers, hotels, and virtually any other

hospitality organization attempting to do business with associations. This is an initial attempt to study a specific organizational buying decision process within the context of general organizational marketing theory in a hospitality setting. A number of hypotheses or propositions will be suggested in Chapter Five. These hypotheses and propositions, suggested within the context of the hospitality industry, may intimate future research directions in the area of organizational marketing.

CHAPTER TWO

Literature Review

Overview of the Chapter and a Proposed Model of the Organizational Buying Process

The purpose of this study was to examine what situational variables influence members of the buying center when deriving an evoked set in an organizational buying scenario. Three situational variables were suggested: risk, power and buyclass. This examination studied a small part of a much larger process. It was important that an overall view be presented to provide a framework for the study. Organizational buying, problem recognition, evoked sets, buying centers, and situational variables have already been discussed. What will be presented now is a proposed model of how the organizational buying process works. This more detailed model will provide a base for better understanding the implications of the research questions. Also presented here will be a review of the literature pertinent to the research questions and the more detailed (proposed) model.

The proposed model (or organizational buying process) will be presented as encompassing four levels. These levels include:

      1. Level One--The eight stage buyphase

      2. Level Two--Buying center participants

3. Level Three--Influence variables

4. Level Four--Information Sources

This model was proposed because no current model describes the organizational buying process in a way applicable to the context of this study. The proposed model was a composite of a variety of models that will be presented and discussed.

The research questions were studied within the context of the hospitality industry. The specific examination looked at how associations make site selection decisions (host city) for annual conventions. The literature review began with an examination of associations and association conventions. The product is arguably a service rather than a good. This chapter will end with an evaluation of literature pertinent to the topic and situation examined here.

Defining and Segmenting Different Types of Associations

The Convention Liaison Council (1986) defines an association simply as "(an) Organization of people with a common purpose" (p. 23).

Rutherford (1990) goes a bit further in defining an association as:

> An association may, therefore, be considered an
> organized body that exhibits some variety of
> volunteer leadership structure, which may employ a staff,
> and that serves a group of people who have some interest,
> activity, or purpose that they share in common. The

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association is generally organized to promote and enhance that common interest, activity, or purpose (p. 14).

The American Society of Association Executives (ASAE) states that there are currently 23,000 associations operating at the national level (ASAE Factbook, 1989). Almost 100,000 associations operate at the regional, state and local levels. Associations are usually divided into two major types (ASAE Factbook, 1989): trade associations and professional societies. ASAE describes trade associations as:

> ...not-for-profit organizations that represent a group of business firms. Businesses join their associations voluntarily and manage them cooperatively. The companies work together to accomplish goals that no single firm could reach by itself. Activities include promoting business for the industry; encouraging ethical practices in the industry; setting industry standards, cooperating with other organizations; and holding conventions (p. 4).

ASAE describes professional societies as:

> ...Not-for-profit voluntary membership organizations, representing individuals with a common background in a subject or a profession such as law, medicine, and accounting (p. 4).

Professional societies are broken down into three main types: 1. The type of society that promotes some sort of common personal interest or objective; 2. organizations that work to advance, within the field, bodies of knowledge; and 3. those societies that are related to charitable, public service, religious, or fraternal activities.

The Internal Revenue Service breaks down the 960,000 tax-exempt organizations in the U.S. as follows (ASAE Factbook, p. 11):

501(c)(3): (447,525)(49.4%) Includes religious, charitable, scientific, testing for public safety, literacy, educational, fostering national or international sports competition, and the prevention of cruelty to children or animals purposes.

501(c)(4): (138,430)(14.3%) Includes civic or social welfare organizations and local associations of employees.

501(c)(5): (73,200)(7.5%) Includes labor, agriculture, and horticultural purposes.

501(c)(6): (61,275)(6%) Includes business leagues, chambers of commerce, real estate boards, and boards of trade.

Other - (246,225)(25.5%)

Hoyle, Dorf and Jones (1989) broke down the purposes of associations into 16 major activities:

1. To influence legislation

2. To offer professional education to members

3. To provide opportunities for peer interaction and networking

4. To extend career and professional development

5. To maintain social relationships

6. To disseminate general information

7. To disseminate political information

8. To make available research and statistical data

9. To provide better purchasing power through group discounts

10. To distribute specialized publications

11. To perform public relations activities

12. To handle legal affairs

13. To insure industry standardization

14. To offer group travel opportunities

15. To perform public service activities

16. To improve employer/employee relations (p.15)

The following information about associations was found in the ASAE Factbook (1989, p. 14):

1. The three cities in the U.S. with the most number of association headquarters are Washington (2,200 associations), New York (740 associations), and Chicago (323 associations).

2. Association have almost quadrupled from 1955 (5000

associations) to 1989 (23,000) associations.

3. 39% of associations have a full-time lobbyist

4. 38% of associations have political action committees

5. Average annual turnover in membership is between 10% and 24%

6. 95% of national associations hold annual conventions.

7. National association income has gone from 500 million dollars in 1967 to almost 2.5 billion dollars in 1989 (p. 14).

Association Conventions, The Economic Impact of Association Conventions, Convention Needs, and Types of Facilities Used by Association Conventions

This study examined situational variables influencing members of a buying center when deriving an evoked set. The study was conducted within the context of the hospitality industry. Specifically, the study examined the associations' site selection process for annual conventions.

Now that associations have been discussed, it was important to examine what a convention is, some details about the makeup of conventions, how many association conventions there are each year, the economic impact of conventions on a host city, and what types of facilities conventions use. This information helped to emphasize the importance of the association convention business to cities and suggested why this study was relevant to the hospitality field.

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The Convention Liaison Glossary (1986) defines a convention as an "Assemblage of delegates, representatives, and members of an organization convened for a common purpose" (p. 23).

Rutherford (1990) pointed out that conventions often:

1. Occur at specific places called facilities

2. Involve food and beverage service

3. Provide for specialized technical support such as audiovisual equipment

4. Require transportation

5. Require housing

6. Involve exhibition of products

7. Require convention or meeting delegate entertainment (p. 2)

According to Meeting and Convention (1992) magazine there were 10,200 association conventions in 1991 with attendance of 8.64 million people. Association Management Magazine (1992) reports that the average association held 2.7 conventions during 1990-1991. The average convention had an attendance of 736 members.

Falk and Pizam (1991) report that more than $15 billion were spent on conventions in 1989. Of this figure, $1.6 billion were association expenditures and $13.5 billion were delegate expenditures.

Successful Meetings Magazine (1990) reports the following spending patterns per delegate day and per delegate stay:

	Spending Per Delegate Stay	Spending Per Delegate Day
Hotel Rooms & Incidentals	$298.00	$73.00
Hotel Restaurants	$64.00	$16.00
Other Restaurants	$67.00	$16.00
Hospitality Suites	$30.00	$7.40
Entertainment	$29.00	$7.40
Retail Stores	$48.00	$11.70
Local transportation	$25.00	$6.20
Other	$23.10	$5.70
Total Spending	$585.00	$143.00

Association conventions are very lucrative for convention cities. Of the 34 city markets in the U.S. with more than 10,000 hotel rooms, 41% of these markets (cities) are expanding, constructing or have opened a new convention center within the past year (Price Waterhouse, 1991).

Association Meeting Trends (1990) broke down associations' preferences for type of facility to host conventions. These were as follows:

* Downtown City Hotel - 68%

* Airport Hotel - 9%

*   Suburban Hotel - 21%

*   Resort Hotel - 42%

*   Conference Center - 13%

*   College or University Campus - 3%

*   Association Headquarters - 2%

*   Convention Center - 17%

*   Other - 3%   (p.7)

Where associations chose to have a convention and how they made that decision ultimately affected a great number of people at potential convention locations.   How the site selection decision was made is of interest to a wide range of entities within the hospitality industry.

An Organizational Buying Model for This Study

This study specifically examined the derivation of evoked sets in an organizational buying scenario. That is, when a buying center was charged with making a decision, what group of possible solutions did the buying center come up with or formulate at the beginning of the process? Further, the study examined what situational variables impacted or influenced the buying center while the evoked set was being formulated. This study specifically examined what situational variables influenced association buying center members while they were formulating an evoked set of possible cities for the association's annual convention.

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Evoked sets are not an end in themselves. Rather, evoked sets are part of a process. To better understand this study it was important to position evoked sets within the overall context of an organizational buying situation. As was stated at the outset of this chapter, a model of the organizational buying process was presented. This model was constructed on four levels. Level One consisted of the eight stages of the buy phase model; Level Two described the buying center participants; Level Three presented the influence variables (which influenced the members of the buying center); and Level Four discussed the information sources used by the buying center members while in the decision process.

This model for decision making is now presented. Implications on how the process worked for associations while searching for a host city for a convention will also be presented.

Level One of the Proposed Organizational Buying Model--The Buying Decision Process in Eight Phases

Robinson, Faris and Wind (1967) presented three major premises for the study of the procurement process. These were the concept of purchasing, the buying situation, and the procurement process. The authors described purchasing as follows:

Purchasing includes a sequence of activities of varying complexity. Buying can actually be described as

a dynamic "decisioning" process involving diverse
functional areas and hierarchical levels within an
organization (p. 12).

The authors pointed out (pg. 12) that a buying
situation was the central unit of analysis. They wrote that
a buying situation arose when:

...some problem or need arises within an
organization in the procurement of a good or service.
Whenever an individual with some relevant authority
recognizes the existence of a problem and that its
resolution may require a purchase, a buying situation is
created and the procurement decision process begins
(p. 12).

Robinson, Faris, and Wind (1987) described the
procurement process as being an eight-stage process. This
process was performed as a resolution of the buying situation.
Once set in motion by the recognition of a problem, this
process continued until the process ended or a purchase
decision was made.

Robinson, Faris and Wind (1987), in a study for the
Marketing Science Institute, presented a procurement process
that included eight stages. These are presented in Figure
2.1.

Briefly outlined, the steps are described as follows:

Phase One: Anticipation or recognition of a problem
                 (need) and a general solution.

Phase Two: Determination of characteristics and
                 quantity of needed item.

Phase Three: Description of characteristics and
                 quantity of needed item.

Phase Four: Search for and qualification of potential
                 sources.

Phase Five: Acquisition and analysis of proposals.

Phase Six: Evaluation of proposals and selection of
                 suppliers(s).

Phase Seven: Selection of an order routine.

Phase eight: Performance feedback and evaluation
                 (p.14)

Phase One of the Decision Process and the Implications for Associations Planning Conventions

Phase one (of Level One), anticipation or recognition of a problem and a general solution, was triggered by the conscious recognition of a need or problem. This triggering was usually started by a person with enough authority to begin an examination of the problem or need. At this stage, there was at least an awareness that a best solution lay in heading down some route toward a set of destinations.

From the perspective of an association looking for a

Level One
Eight Stage Buy Phases
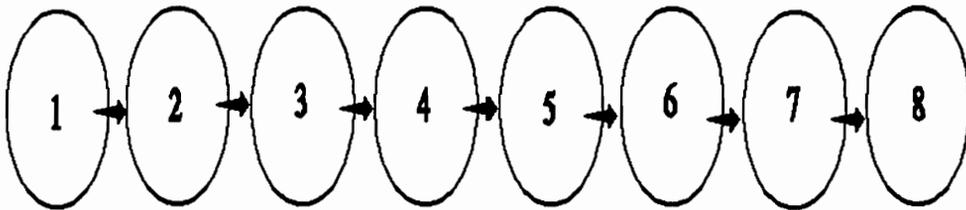
1. Anticipation or recognition of a problem (need) and a general solution (evoked set)

2. Determination of characteristics and quantity of needed item

3. Description of characteristics and quantity of needed item

4. Search for and qualification of potential sources

5. Acquisition and analysis of proposals

6. Evaluation of proposals and selection of supplier(s)

7. Selection of an order routine

8. Performance feedback and evaluation

Figure 2.1

convention site, during this phase some person within the association triggered the start of the planning of the annual convention. It could be that an established association planned all annual conventions at some predetermined point in the future (Blackwell, 1985). For instance, it may be a standard procedure to begin the planning process five or six years in advance. For new associations, there may be a recognition of a need. The need may be to gather the association together for the first time to exchange information. Whatever the case, the process has begun.

At this stage (phase one of the buyphase process) the problem or need was identified. In the case of an association, the problem or need was to exchange information and ideas. The solution was a convention. A convention necessitates a site. It was proposed that at this stage an evoked set of possible sites (or potential host cities) was formulated by the buying center.

The Second Phase of the Decision Process

Phase two of the process or the second buyphase is the "Determination of characteristics and quantity of needed item" Robinson, Faris, and Wind, 1976, p. 14).

Here, the necessary decisions were most often made within the using group. A broad solution to the defined problem or need was analyzed and broken down into component parts. The problem and solution were narrowed for more detailed

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examination. The buying center was trying to determine " What type of goods and services should be considered." (Robinson, Faris, and Wind, 1976, p. 15).

Price (1989,) described this phase as the "overall planning structure" (p. 3). Here associations would ask questions such as:

Why are we having this meeting (convention)? What do we hope to accomplish? Who will attend? Why will they attend? What will they hope to accomplish? How will the event be financed? (p. 3).

This phase was largely a mental process that resulted in a rather specific picture of what is needed to address the problem or need. The association buying center, having recognized the need in phase one, and having formulated an evoked set of possible host cities for the convention, was now beginning the process of defining the needs of the convention.

The Third Phase in the Buyphase Process, Documenting the Requirements

Phase three of the decision making process (the third part of the buyphase model) was described as "Description of characteristics and quantity of needed item." (Robinson, Faris, and Wind, 1967, p. 14).

It is at this stage of the process that the needs of the buying organization were codified. The mental picture of the specifics necessary to address the problem or need that were

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formulated in phase two were now translated into a form that may be communicated to potential vendors. The specifications for what was needed by the buying organization were organized and most often put into some written form (Price, 1989). It was important that these specifications be very precise and detailed. Failure to precisely codify the specifications needed can cause confusion and hinder the process in later phases.

Associations working on a convention site also work through this codification process. The Convention Liaison Council Manual (1989) on successful conventions recommends the compiling of a detailed report by associations planning to hold a convention.

Along with a history of past conventions, the manual (Price suggested the report or specification sheet) included the following:

1. Convention dates
2. Number and type of hotel rooms required
3. Expected pattern of arrivals and departures (for delegates)
4. Number and type of accommodations needed for food and beverage functions, meetings, exhibits;
5. Service areas, such as registration, ticket sales, and parking;

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6. Special service requirements such as

   teleconferencing (p. 39).

Price (1989) referred to this document, which gave a profile of the convention, as a prospectus. This was the document that was provided to potential convention sites for analysis by the host cities.

Compiling this prospectus required the association to work through the specifics of the convention well in advance and brought order to the process. The prospectus eventually saved the association time as it could simply supply a potential host city with a set of written specifications rather than orally recounting the specifications to each potential host city. Within the context of this buyphase process the association has recognized a convention need and formulated an evoked set of possible convention cities, thought through the convention requirements and formalized these requirements into a prospectus.

The Fourth Phase of the Buy Phase Process, Searching for and Qualifying Sources

Phase four of the purchase decision process or the fourth buyphase was described as a "search for and qualification of potential sources" (Robinson, Faris, and Wind, 1967, p. 14). During this phase the buying center narrowed the possible number of suppliers down to a smaller set of vendors to be

considered. Robinson, Faris, and Wind (1967) described the process as follows:

> The problem-solving organization shifts from its
> search for alternative ways of satisfying a requirement
> to the search for alternative sources of supply, which
> leads to the qualification of suppliers. The criteria
> for qualifying suppliers appear to vary not only with the
> buying organization and the specific buying situation,
> but also with the buying influences involved.
>
> Alternative sources are screened and evaluated (p. 16).

At this stage, it was proposed that the evoked set from phase one be narrowed to what could be called a feasible evoked set. Potential suppliers had not been exposed to the characteristics and quantity of item needed. However, the purchasing organization, with the specifications it had, did narrow down the number of potential suppliers to a set of what it thought might be feasible suppliers.

This was a very important phase of the process for potential convention cities. It was imperative for host cities to be included in this process of searching for and qualification of potential sources.

Associations narrowed the list formulated in the evoked set from phase one to a feasible evoked set. The narrowing was done by comparing the prospectus to the facilities and attributes available in the initial evoked set (Price, 1989).

The surviving set of cities or locations were considered in phase five.

The Fifth Phase of the Buyphase Process, Acquisition and Analysis of Proposals

Phase five of the buying decision process or the fifth stage of the buyphase process was the "acquisition and analysis of proposals" (Robinson, Faris, and Wind, 1967, p. 14).

It was during this phase that the prospectus was supplied to the feasible evoked set of suppliers and bids were requested. Once the suppliers provided the necessary proposals to the buying organization, the proposals were analyzed. Some potential suppliers may have dropped from consideration during this step. These suppliers were not able to meet the needs of the organization (either from the perspective of the supplier or the buying organization).

At this stage the Convention Liaison Council (1989) suggested associations do the following:

...contact convention/visitor bureaus in the areas you're considering. Request information on: hotels and convention centers, travel accessibility, bureau services, climate, shopping, tours, holidays, and the costs and advantages of off-season meetings. In return, give bureaus data on your organization, including meeting history and requirements, flexibility

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of meeting dates, style of meeting, (prospectus).
Information provided by bureaus will tell you which
areas can handle your meeting (convention) and are best
suited to the needs and tastes of your group (p. 9).

Price found at this phase the association provided a
prospectus to the feasible evoked set (cities) and asked for
bids. Once the bids were collected, they were analyzed to be
certain that the city or location could meet all technical and
nontechnical needs of the association's convention (Price,
1989). During this point the number of potential convention
cities narrowed again to a (smaller) feasible set. All of the
cities still being considered could probably handle the
technical aspects of the convention. Because of "creeping
commitment" (Robinson, Faris, and Wind, 1967, p. 19), one of
this feasible set would probably win the account. Creeping
commitment was a phenomenon of this purchase process. As the
field of potential cities is narrowed, the cities remaining in
consideration and the association worked more closely
together. There was "creeping commitment" by both parties.

The Sixth Phase of the Buyphase Process, Proposal Evaluation and Supplier Selection

Phase six or the sixth buyphase was "evaluation of
proposals and selection of suppliers" (Robinson, Faris and
Wind, 1967, p. 14).

According to the model this was the phase in which bids by the potential suppliers were evaluated and compared to each other by the purchasing organization. Negotiations continued between the purchasing organization and some or all of the potential suppliers to clarify bids and to get the best offer.

Also during this evaluation and selection phase, a particular supplier was actually chosen and the others rejected. There might be additional negotiations between the winning supplier and the purchasing organization.

Price found during this phase that the association planning the convention went on its site inspections (Price, 1989). The Convention Liaison Council Glossary (1986) defined site inspection as a "...personal, careful investigation of a property, facility or area" (p. 25). The association actually visited each of the cities still being considered as the convention site (Hoyle, Dorf, and Jones, 1989). At this point, each of the remaining cities could accommodate the convention technically. Now, the association evaluated which of the cities could best accommodate the convention (Price, 1989).

According to the ASAE Association Meeting Trends (1990) the following are the "key factors" in convention site selection (percent rated "very important" by associations in the ASAE study). These "key factors" are included here to

give some idea of the state of knowledge in the area of site selection criteria.

1. Accessibility - 29%

2. Air Transportation - 39%

3. Climate - 21%

4. Dining/Entertainment - 19%

5. Exhibit Facilities - 39%

6. Sleeping Rooms - 44%

7. Meeting Rooms - 68%

8. Recreation Facilities - 12%

9. Service Quality - 65%

10. Rotation Policies - 28%

11. City Image - 28%

12. Affordability - 43%

13. Overall Appeal - 44%   (p.xi)

At this stage of the process, it was thought that the association was looking for the best solution for its need (Blackwell, 1985). After all the site inspections, the cities were evaluated for the last time and a decision was made (Price, 1989).

The thirteen key factors listed above were indicative of the way the hospitality industry thought a meeting planner and/or an association made a site selection decision. These thirteen factors were useful and the factors did play a role in the final decision. However, thinking that these factors

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were the sole criteria for site selection is simplistic. Using these factors alone assumed that the site selection decisions were based solely on task related criteria (remember Webster and Wind's (1972) task related, nontask-related variables?). Put another way, using these thirteen criteria alone assumed that the decision process is always rational. It has been shown that decision processes are not always rational (Cyert and March, 1963). These thirteen key factors all probably fell within the internal environment variable paradigm already discussed in Chapter One and to be discussed later.

These factors could define an evoked set in the case of an association's convention being so large that only a limited number of cites could physically handle the convention. More likely, an initial evoked set was formulated by a buying center and then pared to a (smaller) feasible evoked set. One of the major influence variables used in this paring process would be the factors listed above. Thus, there may be cases where these factors almost define the evoked set. However, probably more often, these factors, while not necessarily assuring a site of inclusion in the evoked set, may prevent a site from reaching the feasible evoked set.

The Seventh Phase of the Buyphase Process, Working Out an Order Routine Between Buyer and Seller

The seventh phase of the buying decision process is: "Selection of an order routine" (Robinson, Faris, and Wind, 1967, p. 14). These authors described this process as follows:

This phase begins when an order is given to a vendor, but the procurement process is not completed until the item is actually delivered and accepted for use. The order routine that directs and monitors the remaining activities involves both external and internal aspects. The former include preparation of the purchase order for forwarding to the to the vendor, follow-up activities such as expediting, troubleshooting, securing status reports, receiving, inspection, and approval of invoices for payment. Internal activities of two types are involved in the order routine: status reporting to the using department, and inventory management, including the reordering of economic quantities at appropriate times (p. 17).

This phase included the negotiation process necessary to facilitate the actual order once a supplier had been selected. The phase also included the set up of the necessary post order routine to bring the purchase and delivery to fruition.

It was important to understand how this phase might work for an association trying to determine a convention site.

Once a city had been selected as a convention site, a series of contracts had to be negotiated (Price, 1989). The negotiations might take place with a hotel, convention center, the local convention bureau acting in behalf of the city's hospitality industry or some combination of the above. Because the convention may not take place for a number of years, the time between the signing of the contract and the actual use of the product may be considerable. Price (1989) suggested that the following elements be considered when negotiating convention contracts:

1. Dates

2. Guest/Sleeping rooms

3. Meeting Rooms

4. Food-and-beverage functions

5. Audiovisual and other equipment

6. Renovations and construction

7. Service level

8. Safety

9. Handicapped accessibility

10. Labor charges

11. Parking

12. Airport pickup and other guest services

13. Insurance, both liability and indemnity

14. Contingencies, especially if your agreement is based on factors unknown at the time the agreement is signed

15. Allowances and restrictions, which can be anything from what you are allowed to put on the walls to booking groups that may be in conflict with your organization or activities

16. Deposits, payments, and interest rates

17. Union and auxiliary contractors

18. Assurance pertaining to licenses, permits, or certificates necessary to the performance of the facility's obligation to you

19. Insurance

20. Cancellation

21. A statement of the conditions that constitute breach of contract (p.38)

Once all the components of the contract are considered and negotiated, the contract is signed. The contract may call for further negotiations as the convention dates get closer. Room blocks, room rates, are two points in an initial contract that are often negotiated as the convention dates approach.

The Eighth Phase of the Buyphase Process, Evaluating the Convention

The eighth and final part of the decision buying process or the eighth buyphase is "Performance feedback and

evaluation" (Robinson, Faris, and Wind, 1967, p. 14). Once a product had been ordered and experienced by the purchaser, the purchaser evaluated the product and provided feedback to the supplier. Feedback also was provided by the using area of the organization to other relevant departments. The purchasing department, engineering and management may be made aware of how the product performed.

ITT Sheraton Guide for Meeting Planning (1990) suggests Evaluations from attendees should have been collected throughout the meeting (convention). This data must be tallied and summarized in a report useful for rating the success of the past meeting and for planning future meetings (p. 23).

From the perspective of the planning phases, this evaluation process should include the delegates' views on how well they would rate their experience in the host city. This evaluation may be provided to the host city. The evaluation may also help in putting together future prospectus sheets.

Summary of the Buyphase Process

In summary, there are eight stages or phases in the procurement process in organizational buying situations. The steps are incremental and a decision or decisions are made at each stage. The result is a purchase decision, the establishment of an order routine and an eventual evaluation of the product by the purchasing organization.

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The Second Level of the Proposed Model, The Buying Center

The concept of a buying center and the participants was introduced in Chapter One (Webster and Wind, 1972; Mattson, 1988). This segment of Chapter Two will address specific roles played by members of the buying center, past studies of buying centers in the general marketing literature, the make-up of a buying center in an association while considering convention locations and influence within an association buying center.

Since initial studies in the field of organizational buying, the state of knowledge in the field has progressed sporadically. This chapter will reflect the wide and varied studies that make up the current body of knowledge. Studies in the field have been diverse and are not necessarily well connected. Examples of study directions within the field will be presented as part of the literature review.

Table 2.1 presents the participants of the buying center as outlined by Webster and Wind (1972). As a review from Chapter One these roles include User, Influencer, Decider, Buyer, and Gatekeeper. Figure 2.2 presents the proposed model through the first two levels. Level One includes the eight buyphases. Level Two encompasses the buying center. It is proposed that the buying center influences the decision process at each phase of the eight buyphases. The buying

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center is making an incremental decision at each step of the buyphase.

To date, buying centers have received little attention in the hospitality literature. This literature review on buying centers is intended to inform and update the reader on various research directions. Figure 2.3 is a graphic example of these directions as revealed in the literature review for this study. The proposed model on organizational buying presented in this study separates buying centers on a separate level (Level Two). It is important that buying centers as a unit of analysis be explored to some extent to provide a richer context for this study.

Expectations of the Buying Center, Autonomous Versus Joint Decisions

Sheth (1973) discussed the background and task orientation of the members of the buying center in examining the psychological world of decision makers that make up the buying center. These different participants were identified as purchasing agents, engineers, users of the product to be purchased and plant managers. All are described as having some sort of role in most of the decision phases. His model identifies five processes which account for differential expectations among decision makers in the buying center:

1. Background of the individual

2. Information sources

Table 2.1

Level Two
Buying Center Participants

* User

  * Influencer

* Decider

* Buyer

* Gatekeeper

The Model Through
Two Levels

| Level Two | User Influencer Decider Buyer Gate-Keeper | User Influencer Decider Buyer Gate-Keeper | User Influencer Decider Buyer Gate-Keeper | User Influencer Decider Buyer Gate-Keeper | User Influencer Decider Buyer Gate-Keeper | User Influencer Decider Buyer Gate-Keeper | User Influencer Decider Buyer Gate-Keeper | User Influencer Decider Buyer Gate-Keeper |

Buying
Center
Participants

Level One

Buyphases

1 → 2 → 3 → 4 → 5 → 6 → 7 → 8

Figure 2.2

3. Active search

4. Perceptual distortion

5. Satisfaction with past purchases   (p.53)

Sheth (1973) pointed out factors that determine whether a buying decision will be autonomous or joint. These factors were broken down into product-specific factors and company specific factors. Product specific factors included

1. Perceived Risk: The treater the risk, the greater the probability of a joint decision.

2. Type of purchase: New purchase or once-in-a-lifetime purchases are more likely to be joint.

3. Time pressure: If a decision is made under great time pressure, it is more likely to be delegated to one party.

Sheth's (1973) company-specific factors included:

1. Company orientation: Orientation will largely determine who dominates the buying process.

2. Company size: The larger the company, the more the likelihood of joint decisions.

3. Degree of centralization: The larger and more decentralized the company, the higher likelihood is of joint decisions.

Thus, the buying center participants may play specific roles. These roles are influenced by a number of specific variables. The way decisions are made (joint vs. autonomous)

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Expectations of the Buying Center, Autonomous Versus Joint Decisions

Alternative Group Decision Process, Buying Center Dimensions

Reward/Measurement and Influence on Buying Behavior, Organizational Buying Studied From a Buyclass Framework

Structural Sources of Influence, Purchasing Agents Perceptions of Buying Centers

The Buying Center

The Effect of Advocacy on Buying Center Decisions

Loyalty and the Organizational Buying Process

Environmental Uncertainty and Buying Center Structure, Bases of Power in the Buying Center

Buying Center Scripts, Number of Participants in a Buying Center

Opinion Leaders and Information Sources in the Buying Center

Figure 2.3--Research Directions For Buying Centers

is influenced by product and company specific factors.

A variety of studies in the general marketing literature have examined buying centers. The next area of organizational buying to be discussed (including points in the Sheth article presented above) will be concerned with structure of the buying center.

An Alternative Group Decision Process, Buying Center Dimensions

Choffray and Lilien (1980) present a decision matrix: "...as a structured measurement instrument to collect information about the composition of decision making units (p. 45).

They segment participant (both company personnel and external personnel), input and influence by five decision phases:

1. Evaluation of needs and specification of requirements

2. Preliminary budget approval

3. Search for alternatives and preparation of a bid list

4. Equipment and manufacturer evaluation

5. Equipment and manufacturer selection (p.46)

The results were that different groups of participants were involved to different degrees and at different times in the decision process. This has powerful implications both for structure evaluations and marketing decisions.

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Johnston and Bonoma (1981) took the view that:

...the buying center exists as a communication network
network that does not necessarily derive its configura-
tion nor operation from the formal organization, but
rather from the regularized patterns of communication
that reflect the individuals involved and their
relationships (p. 46).

The authors felt that five dimensions of the buying
center could be specified and measured:

1. Vertical involvement

2. Lateral involvement

3. Extensivity

4. Connectedness of those in the communication process

5. Centrality of the purchasing manager in the network
   (p.47)

These dependent variables were predicted by
organizational variables (organization size, complexity,
formalization, and centralization) and purchase situation
attributes (importance, complexity, novelty, and purchase).
Both industrial service and equipment purchases were examined.

The results indicate that:

...the purchase of industrial services seemed to
involve fewer layers of organizational authority and
fewer managers overall...purchase situation attri-
butes were stronger predictors of buying center

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communications than were organizational structure....
impressions of purchase novelty, complexity, and
especially importance were the most powerful
determinants of vertical and lateral involvement,
extensivity and connectedness (p. 153).

Reward/Measurement and Influence on Buying Behavior, Organizational Buying Studied From a Buyclass Framework

Anderson and Chambers (1985) felt that a company's
reward/measurement system was the most powerful influencer of
organizational buying behavior. They felt that individual
behavior was largely determined by the way their respective
organizations rewarded and measured their activities.

While (organizational) structure is held important,
buying behavior is viewed here as work behavior and no matter
what the individual's role, the work is performed as an
employee of an organization. Anderson and Chambers present
both a motivational model and a group consensus model taking
into account advocacy positions, rewards and performance
scales.

The authors pointed out that goals of participants in the
buying center may not match the goals of the overall organi-
zation, depending upon the measurement system. They stated
that group rewards could be more effective in getting the
buying center decision to match the goals of the overall
organization.

Anderson, Chu and Weitz (1987) looked at organizational buying from the perspective of the Robinson, Faris and Wind buyclass framework (new task, modified rebuy, and straight rebuy). These buyclasses were incorporated into a buying decision grid including newness of the problem, information requirements, and consideration of new options. Structure in the buying center is dependent to some extent on the buyclass situation.

The results of the study by Anderson, Chu and Weitz (1987) seemed to indicate that only newness of the purchase and extent of the buyers' need for more information loaded significantly as factors. Buying centers faced with a new task tended to be:

1. Large

2. Slow to decide

3. Uncertain about its needs and the appropriateness of the possible solutions

4. More concerned about finding a good solution than getting a low price or assured supply

5. More willing to entertain proposals from "out" suppliers and less willing to favor "in" suppliers

6. More influenced by technical personnel

7. Less influenced by purchasing agents (p.82)

On the other hand, buying centers facing more routine purchases (straight and modified rebuy) were found to be

1. Small

2. Quick to decide

3. Confident in their appraisals of the problem and possible solutions

4. Concerned about price and supply

5. Satisfied with "in" suppliers

6. More influenced by purchasing agents   (p.82)

From the perspective of this study, new associations planning an annual convention for the first time may have larger feasible evoked sets than more mature associations. That is, new associations would be less certain of their needs and more apt to include out or new suppliers in the evoked set of possible solutions. Further, meeting planners in new associations or planners new to a more established association may have less influence in the buying center and on the make up of evoked sets than more experienced planners or planners with more established associations.

Environmental Uncertainty and Buying Center Structure, Bases of Power in the Buying Center

McCabe (1987) examined the relationship between perceived environmental uncertainty and the perceived structure of buying decision units. His results generally support the constriction theory:

...the more perceived task uncertainty and product complexity the higher the levels of centralization in

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buying decision units and the higher the level of participation (p. 95).

From the perspective of associations selecting a convention site, new buy decisions would be more complex decisions. Anticipating needs, formulating and coding convention requirements for the first time is often a difficult and time consuming task. This greater complexity could mean that higher levels of the association organization would be involved in the site selection process. These higher levels of the association's organization might be more apt to use power to include a site in the evoked set than associations in modified or straight rebuy buying situations.

Generally, structure in these articles was found to be a function of some influence or set of influences. Buying center structure was found to change as influences and phases changed. Perhaps the biggest overall message in considering the articles as a whole is that buying centers are a dynamic. They are a communication process, a work unit, a conflict resolver, a decision maker, a forum of influence, a research vehicle, a synthesizer, a power display, an analyzer of risk, ever expanding and constricting, and no two are the same. These articles have helped us learn about particular facets of buying centers.

What follows is an examination of power and influence in organizational buying decisions. Thomas (1984) looked at

organizational buying decisions and bases of power. He based
his study on the French and Raven (1959) five power bases that
are "thought to be common and important between a source (S)
and a receiver (R) of influence in an interpersonal
relationship:

1. Reward power: Based on R's perception that S has the
   ability to mediate rewards for R.

2. Coercive power: Based on R's perception that S has
   the ability to mediate punishments for R.

3. Legitimate power: Based on R's perception that S has
   a legitimate right to prescribe R's behavior.

4. Referent power: Based on R's identification with S.

5. Expert power: Based on R's perception that S has
   some special knowledge or expertise. (p.210)

The results of the study by Thomas showed the most
important sources of power in new task, organizational buying
situations to be (a) expertise, (b) authority or legitimate
power, (c) referent status, and (d) departmental membership.
Reasons why expertise was dominant in new task situations
included (a) need uncertainty, (b) technical uncertainty, (c)
market uncertainty, (d) acceptance uncertainty and, (e)
transaction uncertainty. It was also pointed out that the
(Thomas, 1984,) "...product-specific nature of purchase
uncertainty may cut across organizational levels and diffuse
the effectiveness of authority relationships" (p. 213).

Structural Sources of Influence, Purchasing Agents
Perceptions of Buying Centers

Ronchetto, Hutt and Reingen (1989) studied the question
of structural sources of influence operative within the buying
system.   Predictor variables included centrality (degree,
betweeness   and   closeness),   distance   from   the   dominant
reference group and distance from the organizational boundary.

The authors found the following to be significant:

1. The greater the centrality of the position occupied
   by an individual within the organizational buying
   system, the greater the influence.

2. The higher the formal rank in the buying system, the
   greater the influence during organizational buying
   related activities and decisions.

3. The departmental membership of an individual in the
   buying system is associated influence during
   organizational buying-related activities and
   decisions (pp. 53-58).

Other hypotheses (the shorter the distance from the
boundary of the organizational buying system, the greater the
influence) were generally supported but not significantly so.

Jackson, Keith, and Burdick (1984) studied how purchasing
agents viewed the influence of various members of the buying
center across different products, buy classes and purchasing
decisions.   They found buy class did not appear to have a

major effect, that there were significant differences in product type, product/supplier and buying center members across the scenarios. Engineering was more important in the product decision, while purchasing was more important in the supplier decision.

The Effect of Advocacy on Buying Center Decisions

Krapfel (1985) looked at how advocacy by a boundary role person in a buying center could be stimulated and, once stimulated, whether advocacy behavior influenced vendor choice. Generally, Krapfel found that:

1. Sole possession of task relevant information affected the boundary role person's problem specific self-confidence.

2. The credibility of the attributed source of the information affected the boundary role person's problem specific self-confidence.

3. There is a relationship between the boundary role person's problem specific self-confidence and the level of advocacy on the part of the boundary role person perceived by other group members.

4. The boundary role person's perceived level of advocacy is related to the extent to which the group's post-discussion vendor choice agrees with the boundary role person's initial vendor choice (p. 56).

Within the context of these articles, power was shown to be a function of product type being purchased, buyclass, departmental membership, level of expertise, variety of structural locations within the buying center, and where one stood in regard to power as perceived between receivers and power sources. A problem here is that most of these studies concerned themselves with the purchase of goods rather than services. While conventions include the purchase of numerous goods, conventions generally are thought of as a service. Further, while these studies will be helpful in approaching association buying centers, none is configured the way a site selection buying center is configured (there probably will not be any engineers on association staffs, for example).

This part of Chapter Two will be concerned with various buying center studies that examined such topics as source loyalty, information sources, opinion leaders, trade advertising, and miscellaneous topics.

Loyalty and the Organizational Buying Process

Morris and Holman (1988,) took a dyadic perspective when examining source loyalty in organizational markets. It was their hypothesis that "Four sets of variables characterize the workings and outcomes of the buyer-seller dyad" (p. 121). These four variables include:

1. Relational variables: These focus on the nature of the interaction (power/dependence).

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2. Social-actor variables: Refer to the traits of the individuals themselves.

3. Social-structural variables: Look at the relative positions of the buyer and seller within their own organizations.

4. Normative variables: Look at the rules of the game in the buyer-seller dyad (p. 121).

The authors presented a typology of loyalties, including loyalty to technology, product class, manufacturers brand, vendor, and person. They then presented nine propositions:

1. Because of the greater relative investment made by both buyer and seller, industrial source loyalty will generally last longer than consumer brand loyalty.

2. It takes more time to establish industrial source loyalty than consumer brand loyalty, but source loyal relationships are not as easily dissolved.

3. Interaction between buyer and seller in the early stages of product development is likely to result in greater source loyalty over time.

4. Source loyalty results more from the ongoing dynamics of buyer-seller interaction than from than from specific buyer seller or product characteristics.

5. The more balanced the power relationship between seller and buyer, the more source loyalty will be exhibited in the dyadic relationship.

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6. The more similarities exist between the buyer and seller positions within their respective organizations, the more source loyalty will be exhibited.

7. The stronger the likenesses/similarities between representatives of the buyer and seller organizations, the more source loyalty will characterize the relationship.

8. The greater the perceived role congruence between buyer and seller representatives regarding one another, the more source loyalty will characterize the relationship.

9. The stronger the level of mutual satisfaction between buyer and seller representatives regarding each other's role fulfillment, the more source loyalty will characterized the dyadic relationship (pp.121-124).

In the buying centers of associations considering convention sites, loyalty may play an influencing role. The loyalty involved could be loyalty to first tier cities or first class hotels (product class), to a particular hotel chain (manufacturers' brand), or to a particular person. Loyalty could also surface in the association's use of certain companies that represent convention sites (vendor loyalty). This loyalty may be made manifest through an influence attempt

(power). Loyalty may also be a risk avoidance technique if the association member has successfully worked with a vendor, person, or chain in the past.

Opinion Leaders and Information Sources
In the Buying Center

Martilla (1971) studied opinion leaders and word-of-mouth communication in the industrial adoption process. Opinion leaders were found to:

1. Do much more advising of others in the firm

2. Be exposed more often to impersonal sources of information. These included (in this case):

    a. Advertisements in business or news magazines

    b. Advertisements in trade journals

    c. Articles in trade journals

    d. Product literature

    e. Sample books

3. Be better informed and to have read more deeply (p. 177).

Generally, impersonal information sources are used more in the early stages of the adaption process and more personal sources in the latter stages. One fourth of the people in the study by Martilla sought information from competing firms in the introduction stage and nearly one half sought information from competing firms during the consideration stage of

adoption. (Three stages were considered: introduction, consideration, and post-purchase consideration).

Moriarty and Spekman (1984) looked at information sources used during the procurement process in an industrial buying scenario. The product being purchased was a data terminal. Of the seven most highly ranked sources, six were personal and five represented noncommercial information sources. Trade shows and advertising in trade publications were not in the top seven in ranking.

Schiffman and Gaccione (1974) found that opinion leaders in institutional markets

1. Subscribe to more pertinent journals
2. Did not see a significantly greater number of salesmen
3. Did have more meetings with peers
4. Did seek information from others more often than nonleaders
5. Perceived their organizations to be more innovative and accepting of innovation (pp. 50-52).

Opinion leaders may play a role in the formulation of evoked sets within the context of this study on association's site selection decision processes. If opinion leaders are better informed from having read more periodicals and from having sought out information from a variety of sources, they

may attempt to influence the buying center through expert or information power.

Buying Center Scripts, Number of Participants in a Buying Center

Leigh and Rethan (1984) questioned whether there were buying scripts in the industrial buying process. Scripts were examined for four different scenarios: overall purchase process, initial sales call, post negotiation process and modified rebuy. In each case the authors were able to identify common script components both in a script elicitation phase and during a script validation phase.

Moriarty and Bateson (1982) examined whether the "Snow-balling" technique could be used over the phone. That is, could they begin with a single source (in an organization) and learn from this source, and the further sources that they identified, the total extent of influence in the industrial buying process within that individual buying scenario. They used extensive snowballing in an attempt to yield larger, identified, decision-making units. After "exhaustive" multi-stage snowballing, decision making unit membership (that was identified) was raised from 3.5 to 6.5 (an 86% increase) (p. 188). Word of mouth communication and opinion leaders probably exist, to some degree, in association meeting planning. The phenomenon has not been studied, however, to any degree.

Buying Centers From a Convention Perspective

Price (1989) indicates that there are at least four individuals or groups of people who take overall responsibility for planning a meeting or convention within organizations. These are meeting planner(s), decision makers, technical staff, and support personnel.

A meeting planner is described as:

> ...the central coordinator or events manager and does
> the following: negotiates and recommends contracts for
> signature; solicits bids from suppliers and hires and
> supervises suppliers; prepares and recommends budgets
> and monitors expenses throughout the planning process;
> establishes the planning schedule, sets deadlines, and
> monitors progress; recommends policies and procedures,
> supervises registration, maintains communications; sets
> up filing systems for controlling documents and reports;
> prepares personnel schedules for onsite activities
> (p. 4).

Price (1989) indicates that decision makers may include:

> ...the organization's president, CEO, executive director,
> chairman of the board, corporate officer, and certain
> department heads. They approve the concept of conducting
> the meeting (convention), the budget, and all policies;
> they sign all contracts, accept legal and statutory
> liability, supervise the meeting planner, and approve

promotional materials for consistency with the organi-
zation's public image; they are legally responsible for
payment of all bills, fees, deposits--essentially all
policy, legal, and financial issues (p. 4).

The technical staff includes a variety of specialists
that may be subcontracted or may be in-house. These
specialists may include (Price, 1989):

1. Issue, program and product specialists

2. Marketing and graphics specialists

3. Accounting department specialists

4. Public relations and media department specialists

5. Data processing department specialists

6. Legal department specialists

7. Training and personnel department specialists

8. Administrative department specialists (p.4)

Support personnel include primarily clerical staff. This
staff does the necessary follow-up work that is delegated by
the other three areas of the overall planning structure
(Price, 1989).

Within the framework of the decision makers has emerged
a new collection of people. This board or volunteer committee
is called a site selection committee (Price, 1989). This
group decides which location the association will choose for
its convention.

The <u>ASAE Meeting Trends</u> study (1989) examined influence within buying centers. The study asked respondents to assign percentages to four groups within the buying center as an indication of "Frequency with which certain individuals make the final site selection for meetings (conventions)" (p. xi). The study indicates the following:

1. Chief Staff Executive - 44%

2. Meeting Planner - 14%

3. Board or Volunteer committee - 65%

4. Other - 6% (p.xi)

(Note: Percentages total more than 100 due to multiple answers.)

Figure 2.2 shows how the proposed model works through the first two suggested levels. Level one includes the eight stages of the buyphases. Level two includes the buying center participants. Through each stage of the buyphase process, the buying center is interacting to make the incremental decisions necessary to move to the next stage of the buyphase. The next part of this chapter will examine the influences that affect the buying center participants as they work through the buyphase process.

The Third Level of the Proposed Model--
The Five Influence Variables

Figure 2.4 includes the variables that make up level three of the proposed model. This level includes five

variables that influence buying center participants. These influence variables include external environment, internal environment, situational variables, group decision (process), and individual decision (process).

Figure 2.5 shows how the proposed model would look through three levels. The five variables influence members of the buying center as they work their way through the eight buyphase stages.

Situational variables, the external environment, and the internal environment were introduced in Chapter One. This chapter will address the following aspects of level three of the proposed model(influence variables):

1. External Environment: The entities that interact within the external environmental framework will be introduced and association examples offered.

2. Internal Environment or Organizational Influences on Buying Behavior: Buying tasks and buying structure will be discussed. The culture aspect of the Webster and Wind (1972) paradigm will be examined in more detail from the perspective of Desponde and Webster (1989).

3. Individual Decision Process: This area will be discussed using Webster and Wind (1972) descriptions. This section will also discuss several models discussed by Choffray and Lilien (1980).

4. Group Decision process- This process will be discussed using the a Choffray and Lilien (1980) paradigm with some insights from Kohli (1989).

The External Environment and Institutions Shaping That Environment

Webster and Wind (1972) introduced the environmental (external) variables they proposed influenced the organizational buying process. Again (from Chapter One), these influences include physical influences (including the ecological consequences of buying decisions), technological influences, economic influences, political influences, legal influences and cultural influences.

The authors point out that it is important to consider the "...functioning of some of the most important institutions shaping the environment within which the organization operates" (p. 41). They defined these institutions as suppliers, customers, government, labor unions, trade association and professional organizations, other business firms and social institutions. A brief description of each of these institutions will also include an association convention example or insight.

Suppliers and Customers as Part of the External Environment

Webster and Wind (1972) describe suppliers as

Companies that are potential suppliers to the buying organization are certainly one of the most important

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Level Three
Influence Variables

E* - External Environment
I* - Internal Environment
S* - Situational Variables
    a. Risk
    b. Power
    c. Buyclass
G* - Group Decision
ID* - Individual Decision

Figure 2.4

The Model Through
Three Levels
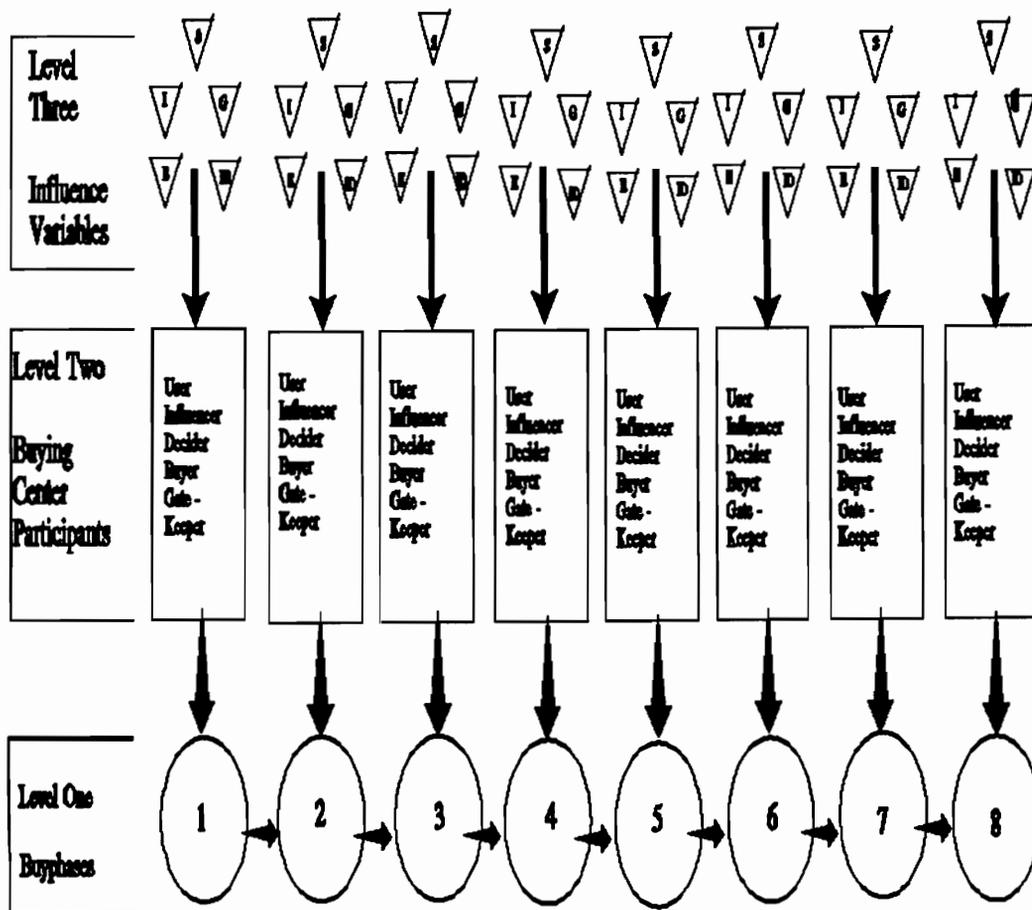
Figure 2.5

institutions in the buying environment. These potential

suppliers define the technology that is available to the

buyer and the conditions under which it is offered

for sale. Through their own promotional and distribution

efforts, and through arrangements with various

middlemen, potential suppliers must perform several

important functions prior to making the sale, including

providing an assortment of merchandise, storing the

product in convenient locations, transporting the

product, contacting potential customers, negotiating the

terms of the transaction, financing the transaction, and

providing follow-up services. The bundle of services

surrounding the product may actually be more

important than the physical product itself in defining

the best solution to the buying organization's problems.

Perhaps the major contribution of suppliers to the buying

environment, however, is through the quality of

information which they provide through channels

that have the highest probability of being useful to the

potential customers. Such information must be

consistent with the values and norms of the larger

society in terms of both message content and method

of delivery (pp. 46-47).

Suppliers within the hospitality industry that might

interact with an association that is planning a convention

could include convention and visitors' bureaus (that supply housing bureaus, site inspections, and may serve as the clearing house for bids, Price, 1989), hotels, convention or conference centers, airlines, cruise ship companies, destination management firms, speaker bureaus, ground transportation companies, attractions, caterers, novelty companies and restaurants (Hoyle, Dorf, and Jones, 1989; Rutherford, 1990). All of these entities can affect the environment in which the association and its convention operates.

In the case of associations, the customers are the members of the association. From the perspective of hospitality firms, the customers are the associations.

The environment of associations will be heavily influenced by the wants, needs and expectations of their clientele...the members.

Government as a Part of the External Environment

A third institution that strongly affects the environment of associations is government, which affects the environment in at least five ways (Webster and Wind, 1972):

1. The government is a regulator defining the legal environment within which buying decisions must be made and constraining the courses of action available to both buyers and sellers alike.

2. The government is an important economic factor influencing the availability of money, the level

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of consumer demand, and wage and price conditions in certain sectors of the economy.

3. The government, through its spending for research and development (which in the aggregate exceeds spending for research and development in the private sector of the economy), significantly influences the technological environment within which the buying organization is operating.

4. As a political entity the government influences national goals and priorities, trade relationships with other countries, the level of military spending, policies toward private industry, and spending for various kinds of private and quasi-public purposes such as aid to small business and public health. In these sales the government is also a manipulator and distributor of economic rewards which may change the buyers' cost and value balance with respect to specific situations and suppliers.

5. Government is an important customer for many suppliers (p. 47).

From the association perspective, government officials may be members of associations. Per diem is a factor that should be considered by associations with many government members when planning conventions (Price, 1989). From the perspective of the hospitality industry, government plans so

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many meetings that there is now an organization called the Society of Government Meeting Planners (SGMP).

Government policies, including economic and military policies, can have a strong effect on association conventions. A weak economy and the Persian Gulf war both had a strong effect on number of association conventions, association convention expenditures, and association convention attendance in 1991 (Meeting and Conventions, Feb. 92).

Finally, as associations become more globally oriented, the relations the U.S. government has with other governments will affect what an association can and cannot do. At present it is impossible for a U.S. association to have a convention in Cuba, for instance. Negotiations between the U.S, government and other governments on airline access and number of flights will determine access and cost for associations and their delegates to other countries and our own.

Labor Unions, Professional and Trade Associations As a Part of the External Environment

Labor unions have a far greater impact on the general marketing field than in the hospitality or association fields. As an example, there is only one unionized hotel in either North or South Carolina. Other than associations of union members or associations with a large number of members who are union members, unions do not have a large influence in associations or on their meetings and conventions.

Associations with a large number of union members may consider this fact when booking a convention and book only union hotels, for instance. The workers at some convention centers are unionized (Chicago and New York, for example) and this is a factor, especially a cost factor, that must be considered by associations when planning conventions. Potential union strikes are another consideration.

In the case of trade associations and professional organizations, associations are in a peculiar situation, here, as that is exactly what they are. There are a variety of trade and professional associations to which associations and/or association staff may belong. These groups may include (Rutherford, 1990):

1. American Society of Association Executives
2. Association of Conference and Events Directors-- International
3. Association of Convention Operations Management
4. Association of Independent Meeting Planners
5. Convention Liaison Committee
6. Exhibit Designers and Producers Association
7. Exposition Service Contractors Association
8. Health Care Exhibitors Association
9. Institute of Association Management Companies
10. Insurance Conference Planners Association
11. International Association of Auditorium Managers

12. International Association of Conference Centers

13. International Association of Fairs and Expositions

14. International Exhibitors Association

15. Meeting Planners International

16. National Association of Exposition Managers

17. Professional Convention Management Association

18. Religious Conference Management Association

19. Trade Show Bureau (p.251).

Perhaps the influence of associations is best outlined by the following thoughts (Hoyle Dorf and Jones, 1989):

These associations often have journals that provide one source of information about new products and services to members. More importantly, they may provide members with standards of behavior that must be carefully understood by those who wish to sell to these professions....he (the association member) will use his profession as a reference group for standards for his own behavior... (p. 15).

Other Business Firms and Social Institutions
As a Part of the External Environment

Other business firms may have an impact on the environment of the association planning a convention. This may be true even if the other business firms are not direct suppliers, competitors or even customers of the association.

A hospitality example might be oil prices. While not directly related to the booking of conventions by associations, prices that oil companies set can have an impact on attendance at conventions. Higher oil prices mean higher airline ticket prices or higher prices at the pump for convention attendees that might journey to a convention by car.

Finally, social institutions can influence members of the buying center. These institutions may include social, educational, religious and recreation institutions. Foundations, civic institutions, charities and other social institutions may impact buying centers. Conflict between the buying role of an individual buying center member and her/his role in these institutions is possible and may affect the process. An association convention example might be a case where a buying center participant is an Arab. This participant might feel uncomfortable planning an international convention in Israel.

These environmental influences may affect individuals in the buying center or the buying center as a whole. It is important for hospitality marketers to consider environmental influences.

The Internal Environment as an
Influence Variable

Webster and Wind (1972) describe the internal environment or the organizational influences as a combination of variables. These variables are tasks, structure, technology

people. Organizational culture is also an influencing factor. These variables were presented in Chapter One. In this chapter the emphasis will be on the cultural aspect of the internal environment.

From the outset, it is important to view the modern association as increasingly concerned with marketing. This study has pointed out that the number of associations has grown dramatically over the last ten years. As the number of associations has grown, associations have become more specialized. There is increasing competition for association members. Associations then have had to become better at marketing, and it could be argued that associations are becoming market oriented. Recent articles in <u>Executive UpDate</u> (the publication for the Greater Washington Society of Association Executives) and <u>Association Trends</u> magazine include:

1. "Getting Them And Keeping Them"

2. "Marketing Your Show"

3. "Associations Urged to Adopt 'Market--Oriented' Approach to Services"

4. "Associations Strengthen Ties To Membership With Database Marketing"

<u>The Internal Environment and Organizational Culture</u>

The purpose of the proposed model in this chapter is to depict the organizational buying process. One of the influence variables in level three of this model is internal

environment. Within the domain of an organization's internal environment is the concept of organizational culture. It is important to have an understanding of an organization's culture to understand better how an organization (like an association) makes decisions such as organizational buying decisions.

Deshpande and Webster (1989) draw from several studies in defining culture. Their thoughts on culture include:

1. Organizational Culture is defined as: "the pattern of shared values and beliefs that help individuals understand organizational functioning and thus provide them norms for behavior in the organization.

2. Culture is defined as: "...culture is a product; is historical; includes ideas, patterns, and values; is selective; is learned; is based upon symbols; and is an abstraction from behavior and the products of behavior."

3. Culture is a set of shared assumptions and understandings about organizational functioning.

4. Culture refers to the history and norms and values that members believe underlie climate (the "Why do things happen the way they do") and the meanings organizational members share about the organization's imperative (pp. 4-5).

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Deshpande and Webster (1989, p.6) used Smircichs'
paradigm to provide an overview of "theoretic features of
organizational culture paradigms." The paradigm classifies
organizational culture studies into five different paradigms.
They point out that: "In the first two, one can think of
culture as a variable and in the others as a metaphor for the
organization itself (p. 6).

The following descriptions (Deshpande and Webster, 1989)
name the organizational paradigms, suggest the key theoretical
features and describe the locus of culture:

1. Comparative Management: Grounded in functionalism
   and classical management theory. The locus of
   culture is exogenous and is considered an
   independent variable.

2. Contingency Management: Grounded in structural
   functionalism and contingency. The locus of culture
   is endogenous and is considered an independent
   variable.

3. Organizational Cognition: Grounded in ethnoscience
   and cognitive organization theory. Culture is
   considered as a metaphor for organizational
   knowledge systems.

4. Organizational Symbolism: Grounded in symbolic
   anthropology and symbolic organization theory.

Culture is considered as a metaphor for shared symbols and meanings.

5. Structural/Psychodynamic Perspective: Grounded in structuralism and transformation organization theory. Culture is considered as a metaphor for unconscious mind (p. 7).

One or a combination of these paradigms may help to explain the role that culture plays as a part of the internal environment. Culture, as part of the internal environment, can have a strong influence on buying centers.

Buying Tasks and Buying Structure

The buying tasks within the context of organizational influences on buying behavior were defined by Webster and Wind (1972) as "the work to be performed in accomplishing the objectives of the organization" (p. 53). This has implications on the internal environment, "because buying tasks are defined by organizational objectives and because the buying center may be composed of individual actors with responsibilities for different subsets of objectives, there is likely to be conflict among definitions of buying tasks within the buying center" (p. 55).

Within an association buying center, the meeting planner may be concerned with meeting logistics, the association executive with attendance, the educational department with proximity to plants to visit, and the association president

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with holding the convention in his or her hometown. These
different orientations may affect the internal or organiza-
tional environment and become an influence factor.

The buying structure within the framework of organiza-
tional buying influences is broken down into communications,
authority, status, rewards and work flow (Webster and Wind,
1972). Again, all these factors affect the internal
environment and ultimately the buying center.

The Group Decision Process as an Influence Variable

Another variable included in the proposed model on level
three or the influence variable level is the group decision
process. The buying center participants interact to reach a
decision or, in this case, a set of incremental decisions.
Choffray and Lilien (1980) state:

> Here, we define the interaction process in organiza-
> tional buying as those activities that eliminate
> conflict between individual preferences and lead to
> a choice for the organization (p. 136).

The authors introduce four models that could describe
buying center interaction (p. 138). These are the weighted
probability model, the voting model, the minimum endorsement
model, and the preference perturbation model. These are now
described in turn.

The authors describe the weighted probability model as follows:

> The weighted probability model assumes that the firm as a whole is likely to adopt a given alternative among the feasible, proportional to the relative importance of those participants who choose it.
>
> This model views the group decision as a two-step process. In step one, a member of the buying center is chosen as decision-maker, based on her relative importance in the choice process. In step two, the decision maker retained selects an alternative according to her choice probabilities. Conceptually, this model considers that a single participant is responsible for the group choice. Who that decision maker will be, however, is unknown.
>
> There are two interesting special cases of this model. First, autocracy in which a single decision participant is the only one responsible for the group choice. Second, equiprobability, where all decision participants have the same likelihood of becoming the decision maker (p. 138).

The voting model gives the same weight in the decision process to all members of the buying center. An alternative choice from a set of feasible choices is made by the group by

voting. The alternative with the largest number of votes is the alternative chosen.

The minimum endorsement model is different from the voting model in that the winning alternative must be the choice of a predefined quota of participants (Choffray and Lilien):

> Conceptually, the model considers interaction in the
> purchasing process as a dynamic voting scheme in which
> participants vote over and over again until a quota is
> reached (p. 138).

The prespecified quota may be simple majority, a unanimous vote or some level in between.

The preference perturbation model is the fourth model presented by the Choffray and Lilien:

> This model assumes that a group is most likely
> to choose the alternative that perturbs individual
> preferences the least. The probability that a given
> product be chosen by a firm's buying center is inversely
> proportional to the number of preference shifts that
> would be needed to make that alternative the first choice
> of every decision participant.

> Conceptually, this model follows from the
> observation that many decision groups seem to choose
> everybody's second choice. This mode of group behavior
> also recognizes the existence of satisfaction seeking

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decision participants rather than preference maximizers
(p. 138).

Power and the Influence of Power
As a Group Variable in the Group Decision Process

In examining how buying centers interact, Kohli (1989) used manifest influence as a dependent variable. His independent variables were individual resources (reward, coercive, referent, legitimate, expert, information, and department power), buying center characteristics (size, familiarity, and viscidity), situational characteristics (time and time pressure) and individual behavior (influence attempts). Kohli (1989) summarized his findings as follows:

To summarize, in general, expert power is the most
important determinant of manifest influence, followed by
reinforcement power. Further, expert power is related
more strongly to manifest influence in committees that
are large, viscid, and not under time pressure and when
it is not accompanied by very strong influence attempts.
In contrast, reinforcement power is related more strongly
to manifest influence when accompanied by strong
influence attempts and in committees that are small, not
very viscid and under time pressure. Referent power,
informal legitimate power, departmental power, and
information power tend to have little role except under
very specific circumstances (p. 61).

To summarize, as buying centers go through the buyphases one of the variables that affects the decision process is how the group (the buying center) interacts. How the group interacts can greatly impact the decision(s) made by the buying center.

The Individual Decision Process as an Influence Variable

The last variable to be considered on Level Three of the proposed model is the individual decision process. Even within buying centers, individuals go through an evaluation process of their own. How individuals go through this process is important because it is a group of individuals that eventually makes the buying decision.

Choffray and Lilien (1982, p. 112) outlined how individual decisions may evolve. They describe the process in four steps:

Step 1. Perception: This step refers to how decision participants perceive a product. We assume that individuals position products in a multidimensional product attribute space.

Step 2. Evaluation: This step deals with the reduction of a perceptual space to a subspace of a lower dimension, whose axis represent basic performance dimensions used by individuals to assess products in this class. An individual's evaluation of a new product may

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then be viewed as a point in this reduced space.

Step 3. Preference: Preference formation deals with the relationship between an individual evaluation of a product and his preference for it.

Step 4. Choice: Choice formation deals with the mapping of each decision participant's preferences of product alternatives into an estimate of his likelihood of endorsing each. Indeed, individuals do not always choose their most preferred product. It is usually agreed, however, that the higher an individual's preference for a product, the higher the probability that he will choose it when placed in a purchase situation (p. 112).

Choffray and Lilien (1980, p.116) then describemodels of preference including compensatory models and noncompensatory models:

1. Compensatory models allow trade-offs between attributes (we would be willing to pay $2,000 more for a cooling system with a 10 year warranty period than for one with a 5-year warranty.

2. Noncompensatory models do not admit such trade-offs. Three types of noncompensatory models are:

   a. Dominance models: these assume that when comparing alternatives, individuals identify the subset of them that dominate all others on all evaluation criteria simultaneously.

b. Conjunctive-disjunctive models: conjunctive models assert that a product to be considered for final choice has to meet minimum requirements on all evaluation criteria simultaneously. Disjunctive models evaluate product alternatives on the basis of their maximum level on some criteria. To be considered for choice a product has then to exceed the requirement on some, and not all evaluation criteria.

c. Lexicographic models: these process attribute levels sequentially. First, product alternatives are ranked in accordance with the most important evaluation criteria. If all of them can be ranked along that criterion, the remaining evaluation criteria are not considered. However, if tied alternatives are encountered on the most important criterion, the next one is considered and so on until all are ordered or all evaluation criteria have been considered (p. 116).

Webster and Wind (1972) present the view that

Although there is no universal agreement about the best way to describe human behavior, there does seem to be some consensus that individual behavior is a function

of three factors: (1) the person's personality, motivation, cognitive structure, and learning (habit and attitude formation) process; (2) his interaction with the environmental situation; and (3) his preference structure and decision model (p. 89).

Webster and Wind (1972) discussed task-oriented models and nontask oriented models in attempting to explain organizational buying behavior. These included:

1. Task-Oriented Models:

    a. The minimum price model

    b. The lowest total cost model

    c. The rational buyer model

    d. The materials management model

    e. The reciprocal buying model

    f. The constrained choice model

2. Nontask-Oriented Models:

    a. The self-aggrandizement model

    b. The ego-enhancement model

    c. The perceived risk model

    d. The dyadic interaction model

    e. The lateral relationships model

    f. The buying influences model

    g. The diffusion process model

The individual decision process is one of the influence variables on level three that does impact the inner workings

of the buying center and through the buying center, the buyphases. Figure 2.5 shows the proposed model through three levels. The influence variables interact and influence the buying center participants through all eight buyphases.

The Fourth Level of the Proposed Model-- Communication Media

The fourth level of the Proposed model includes the different media a selling organization may use to communicate with a buying organization. Table 2.2 lists these mediums (Sheth, 1973). Figure 2.6 is the proposed model with all four levels represented.

Level Four includes all the information sources available to the selling organization to communicate to Level Three, the influence variables. The information communicated from Level Four interacts with the influence variables on Level Three to influence the buying center on Level Two. This whole process from level Four through Two operates as the buying organization works its way through the eight buyphases.

In the case of an association, a city may place an ad (Level Four--information source) that influences (Level Tree) a decider (Level Two) in the problem recognition buyphase (Level One). This model is a general model but one that is proposed to reflect the way associations make buying decisions for annual convention sites.

The Marketing of Goods Versus Services

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Many of the studies used in this chapter examined organizational buying from the goods perspective. Is the marketing of goods to organizations different from the marketing of services to organizations? There is little agreement (Bell, 1986; Murphy and Enis, 1986).

Webster and Wind (1972, p. 1) began their study of organizational buying by stating:

All formal organizations, such as business firms, governmental agencies, hospitals, educational institutions, and religious and political organizations must purchase goods and services to be used in the conduct of their affairs (p. 1).

Throughout the book the authors make little distinction between the marketing of goods and services. Nor, do they dwell to any great degree on possible differences between manufacturing organizations vs. institutions vs. nonprofit organizations. They seem to consider their models to be generic.

Robinson, Faris, and Wind (1967) state:

The output of different organizations varies greatly. The nature of the end product of automobile factories, railroads, universities, food processors, and janitorial services firms will naturally have some impact on the buying patterns of the various organizations. Only manufacturing operations have been studied on this

Table 2.2

Level Four
Information Sources

- Salesman
- Exhibitions
- Direct Mail
- Press Releases
- Word of Mouth

- Journal Advertising
- Professional and Technical
- Conferences
- Trade News
- Others

Figure 2.6 - The Proposed Model For Organizational Marketing

Level Four

Inform - ation Sources

Information Sources

Level Three

Influence Variables

Level Two

Buying Center Participants

User
Influencer
Decider
Buyer
Gate - Keeper

Level One

Buyphases

1 2 3 4 5 6 7 8
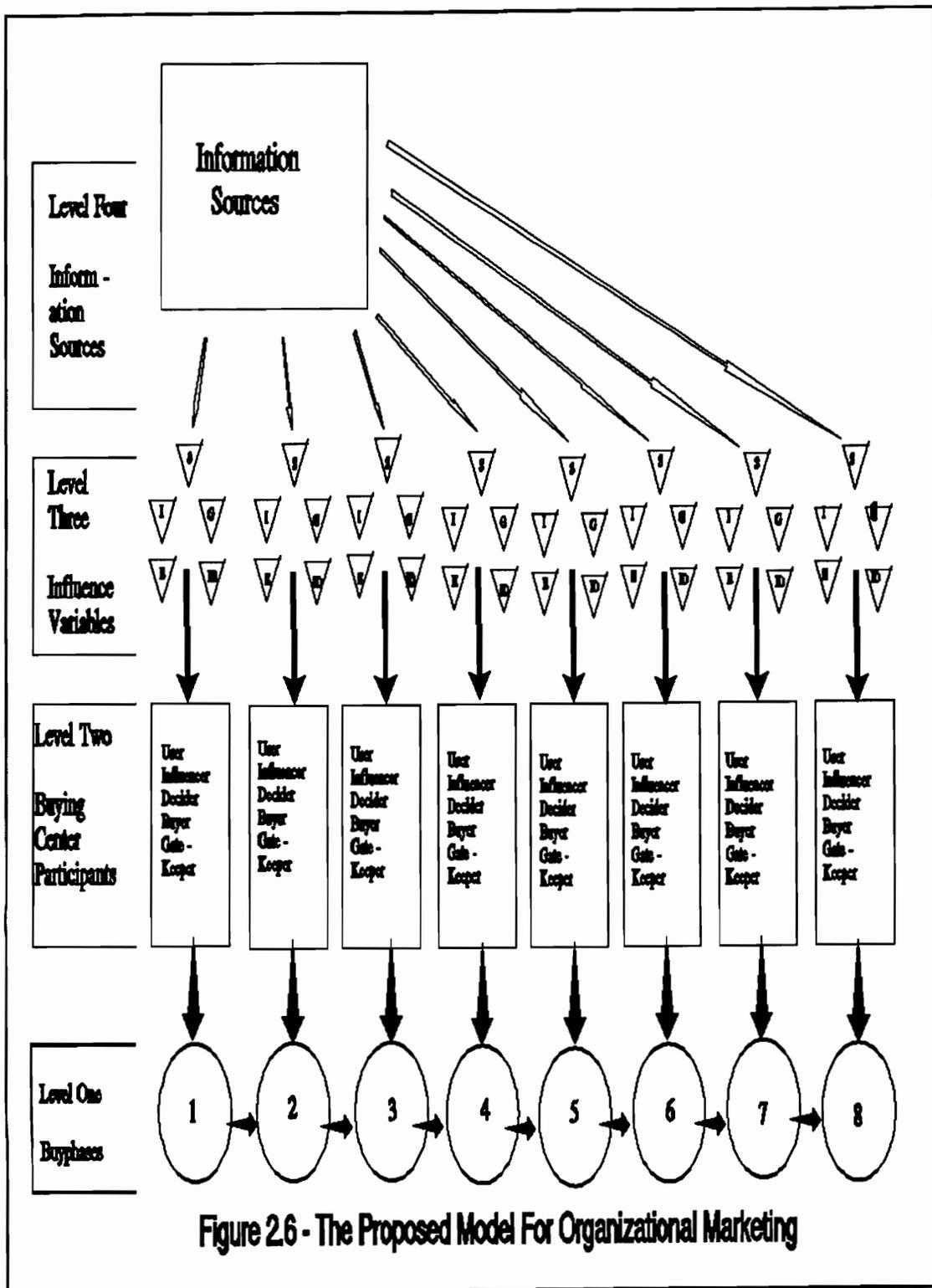
project, but it seems logical that their general purchas-
sing procedures would differ in significant aspects from
those of service firms and non-business institution (pp.
116-117).

McCleary (1977) provides his own insight:

There seems to be some difficulty in even
determining what a service is or what should be included
in service classifications. Broad definitions such as
"activities, benefits or satisfactions which are offered
for sale," are not particularly useful in pinning down
what products are services and how they can be
distinguished from goods. A more enlightening approach
used by some authors is to focus on the characteristics
of services and how they differ from goods. The
characteristic mentioned most often is intangibility.
While goods can be seen by potential customers, services
must be purchased without benefit of knowing exactly what
they will be like (p. 61).

Besides the intangibility aspect, John Rathmell
mentions several primary characteristics which distinguish
services from production goods.

First, since there is no transfer of ownership in the
sale of a service, relationships between buyer and seller
and control over the use of the product are indetermi-

nant. Upon transfer of possession in the sale of a tangible good, the buyer's control over the use of the product is absolute, except for some rather limited restrictions imposed by lenders in credit sales.

A second and related differentiating characteristic of service lies in the interrelation of production and consumption. Goods are produced, sold, and consumed. Services are sold and then produced and consumed simultaneously.

A third characteristic is what might be called the 'in-being nature of services...the capacity and capability to produce a service must exist before any transaction can take place. Note that the word is capacity, not inventory, Services are not stockpiled and the flexibility inherent in inventory is absent.

Fourth, with the exception of a few machine-intensive service industries such as electrical utilities and automated telephone systems, uniform performance standards are difficult to attain (pp.62-63).

In addition to these characteristics, Rathmell mentions the need to reconsider such traditional marketing functions as exchange and physical supply because of the difference in how these functions are performed in the services sector.

Another way of looking at the difference between a good and a services is to look at the words themselves.

One implicit distinction is to consider a good to be a noun and a service a verb--a good is thing and a service is an act. The former is an object, an article, a device, or a material...whereas the latter is a deed, a performance, or an effort. When a good is purchased, the buyer acquires an asset; when a service is purchased, the buyer incurs an expense.

It is often quite difficult to separate goods and services. There are extremes, such as management consulting, where the product is purely service, or tobacco where the product is strictly good. In order to provide utility to the user, however, most products require a combination of both goods and services.

Apart from these extremes, most goods, whether consumer or industrial, require supporting services in order to be useful; most services require supporting goods in order to be useful (p. 64).

Murphy and Enis (1986) argue that "From the buyer's perspective, it is benefits, not product features, that the individual or organization desires" (p. 25).

The authors argue that products should be classified according to two dimensions: risk and effort. They classify products as 1. convenience products; 2. preference products;

3. shopping products; and 4. specialty products. As one moves up the numbers risk and effort increase as does the "scope of marketing mix differentiating factors." In essence, they use this classification scheme rather than simply goods and services.

Bell (1986) summarizes some of his thoughts by stating:

In brief, then, we see each of the classification schemes proposed for goods can be applied to services; even though, as noted previously, a reasonable case can be made concerning important differences between them. However, the received classification schemes address either the intangibility criterion or the customer involvement criterion--not both. For this reason, it appears the existing classification methods are not completely satisfactory for the services marketing sector and, therefore, marketing generally (p. 15).

Bell (1986) constructs a three-by-three matrix to classify goods and services by degree of customization and tangibility. The results are a group of nine possible classifications. The hospitality industry probably falls in the "undifferentiated goods/services" bundle scheme.

This is probably the best answer to the goods/services question, in this case. Conventions take place in hotels and convention centers. The goods are standardized and have been augmented with services.

It might be wise to remember the words of Webster (1978, p. 23):

> It can be said that an industrial product is not a physical entity per se. Rather, the product is an array of economic, technical and personal relationships between buyer and seller (p. 23).

Summary of Chapter Two

This chapter has presented a proposed model for the understanding of the organizational buying process. The model was constructed on four levels: (a) the eight stage buyphase (b) buying center participants (c) influence variables and (d) information sources. The proposed model is intended to provide a framework for the research questions.

It is proposed that information sources affect influence variables that influence buying centers while the buying centers are progressing through the eight buyphases of the organizational decision model. That is, that the information sources serve as the information base for the influence variables and that the influence variables affect the buying center decisions.

The study will focus on the first stage of the buyphase process. Evoked sets are formulated by buying centers at this first stage. Special attention was given to the workings of buying centers in the literature review in this chapter.

Buying centers are affected by five influence variables: the internal or organizational environment, the external environment the individual and group decision processes, and situational variables. It is thought that these five variables will affect buying centers while evoked sets are being formulated.

This study will examine whether situational variables influence the buying center while evoked sets are being formulated. The intent of this chapter was to provide a theoretical base and a context for the study.

CHAPTER THREE

Methodology

Overview of Chapter Three

The research questions involve a study of the situational variables which influence buying centers while formulating evoked sets in organizational buying scenarios. This study was conducted within a hospitality setting. More specifically, the study examined the research questions from the perspective of Washington, DC associations which hold annual conventions. Chapter Three will discuss the research methodology used to examine the research questions and propositions.

The chapter will begin by presenting an overall context for the study of the research questions and the propositions. This overall context is the Research Cycle suggested by Marshall and Rossman in 1989.

The next step in the chapter will be to discuss the positivist versus interpretivist debate. The implications of the positivist paradigm for this study will be discussed.

The third part of the chapter describes how the research questions and propositions were examined in this study. A four-step method of inquiry (McCracken, 1991) will be presented as the specific method of inquiry used in this study. Within the context of these four steps will be a number of distinctive points that need elaboration. These points

denote that this study used in-depth interviewing (Marshall and Rossman, 1989), that the interviewing was elite in nature (Patton, 1990), and that protocol analysis was used (Crow, Olshavsky, and Summers, 1980).

The next points to be addressed in the chapter will be the interview subjects and the number of interviews.   A variety of perspectives will be presented on the number of interviews necessary for a good qualitative study.

Reliability and validity will be the next topics discussed in the chapter. Marshall and Rossman (1989) suggest that reliability and validity are within the positivist paradigm and are not appropriate constructs for qualitative studies.   Reliability, and validity are examined from the perspective of Kirk and Miller (1986) who present a different perspective for qualitative studies. Pre- and post-validity analysis of the suggested model (and with some groups, of the interview questions) are discussed at the end of this section (discussion of these pre and post validity examinations are further discussed in Chapter Four).   The last part of Chapter Three includes the questionnaire used in the study.

<u>The Research Cycle</u>

Marshall and Rossman (1989) present a model of the research cycle (Figure 3.1). The model is a circle which begins and ends with theory (tacit and formal). The model moves through a variety of steps that include:

1. Theory (tacit and formal)

2. Models

3. Concepts

4. Hypotheses

5. Operationalization in a particular setting or sample

6. Developing tools and indices and instrument for
   observation and measurement

7. Observation experimentation, testing, data collection

8. Data analysis

9. Description

10. Generalization

11. Explanation

12. Prediction

13. Policy and practice

14. Theory (tacit and formal) (p. 23)

The literature review process has led to the conclusion
that the theoretical base for the research questions and the
propositions, especially when considered within a hospitality
context, is in a developmental stage. This will be discussed
more fully in the section on the four-step method of inquiry.

Using the Marshall and Rossman model:

1. This dissertation is an attempt to develop and add to
   organizational marketing theory (Theory--tacit and
   formal--in Figure 3.1).

The Model of
the Research Cycle

Theory
(tacit and formal)

Policy
and practice

Models

Prediction

Concepts

Explanation

Question
Focus

Hypotheses

Generalization

Operationalization
in a particular
setting and asmple

Description

Developing tools and
indices and
instrument for
observation and
measurement

Data analysis

Observation,
Experimentation,
testing, data
collection
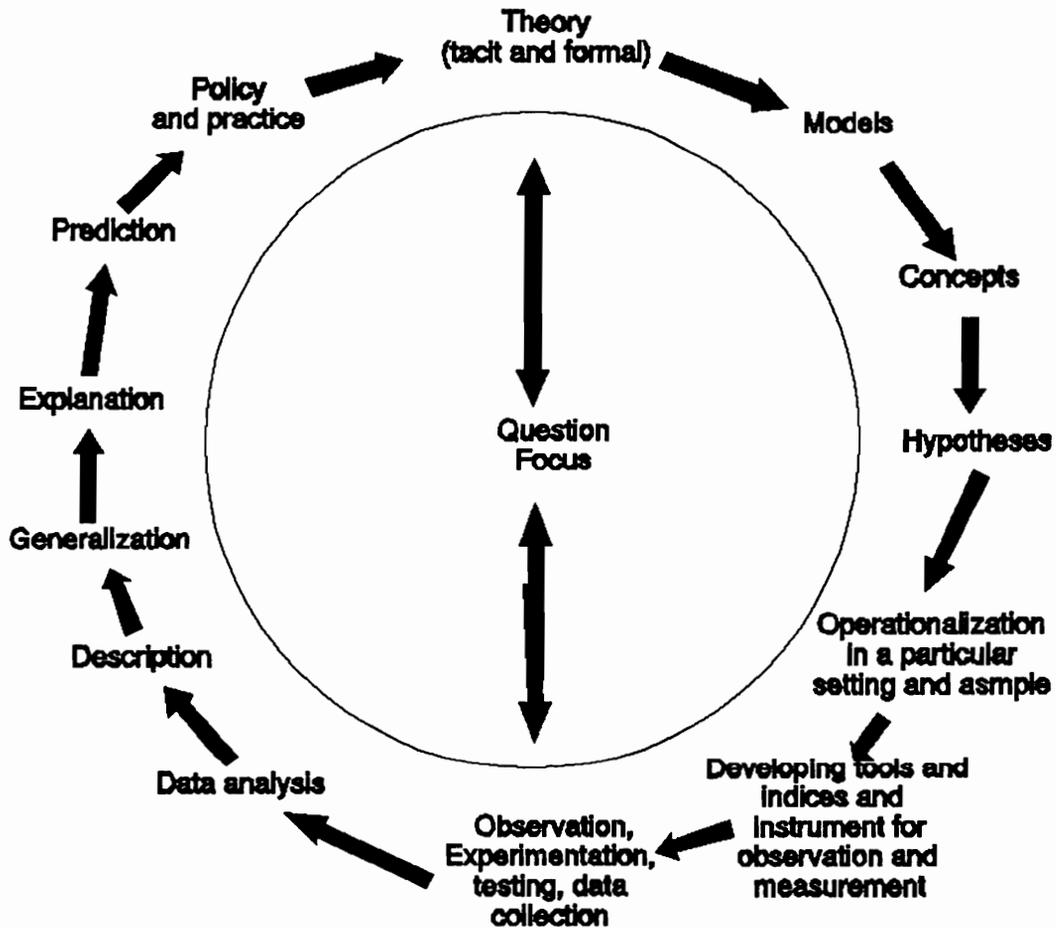
Figure 3.1   Marshall and Rossman,
1989

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2. A number of models have been reviewed and a suggested model constructed in Chapter Two (Models in Figure 3.1).

3. The formulation of concepts as a result of the model(s) has led to two research questions and a number of propositions. Because the study is exploratory, propositions rather than hypotheses, are presented (Concepts and hypotheses in Figure 3.1).

4. The research question and propositions were operationalized and the samples drawn from a hospitality setting (Operationalization in a particular setting and sample in Figure 3.1).

5. The intent of this chapter is to explain how the development of "tools and indices and instrument for observation and measurement" for this study evolved (Developing tools and indices and instrument for observation and measurement in Figure 3.1).

6. Later in this chapter there will be a discussion on how the data for the study was collected (Observation, experimentation, testing, data collection in Figure 3.1).

7. The collected data were analyzed. Since this is exploratory, the intent of the study was the next three steps in the research cycle: to

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describe, to generalize, and to explain (Data
analysis, description, generalization and
explanation in Figure 3.1). Because this is an
exploratory study we cannot go beyond description,
generalization and basic explanation.

This research cycle provides an overall context for this
study. What follows is how and why this study falls into the
interpretive paradigm.

The Positivist vs. Interpretivist Approach

Marshall and Rossman (1989) state that "...research seeks
to explain, describe, or (and) explore the phenomenon chosen
for study" (p. 21). It is important that the study be placed
within the context of a paradigm for seeking knowledge.

Hudson and Ozanne (1988) present two research approaches
for seeking knowledge: the positivist and interpretive. The
authors submit that the two approaches differ in the
assumptions on which they are based. These assumptions are
nature of reality, nature of social beings, overriding goal,
knowledge generated, view of causality, and research
relationship. The assumptions from both the positivist and
interpretive perspective are presented below:

1. Nature or reality: The positivist assumptions are
   that reality is objective, tangible, single,
   fragmentable, and divisible. The interpretive

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approach sees reality as socially constructed,
multiple, holistic, and contextual.

2. Nature of social beings: Positivists assume
social beings to be deterministic and reactive. The
interpretive approach has social beings as
voluntaristic and proactive.

3. Overriding goal: The positivists assume the
overriding goal or "explanation" as coming via
"subsumption under general laws and prediction."
The interpretive approach has as an overriding
goal "understanding based on verstehen." Verstehen was
defined as "grasping the shared meanings within
a culture of language, contexts, roles, rituals,
gestures, arts and so on" (pp. 509-510).

4. Knowledge generated: The positivists view knowledge
generated as nomothetic, time-free, context
independent. The interpretive approach views
knowledge generated as idiographic, time bound, and
context-dependent.

5. View of causality: The positivists contend that real
causes exist. The interpretive approach views
causality as being a process of multiple,
simultaneous shaping.

6. Research relationship: The positivists' approach
to research includes a privileged point of

observation separate from those being studied. The interpretive approach includes interaction, cooperation, and "no privileged point of observation" (pp. 509-510).

In the research problems presented in this study, the propositions and the context within which they are to be tested are examined more effectively from an interpretivist perspective. This is true when the exploratory nature of this study is considered.

The process described in the suggested model of organizational buying, as presented in Chapter Two, is "socially constructed" (that is, that human knowledge is developed, maintained and transmitted in situations that are social) with the nature of reality being contextural. The overriding goal of the research proposed for this dissertation is understanding. This understanding will, arguably, be based on "Verstehen" or "grasping the shared meanings within a culture of language, contexts, roles, rituals, gestures, arts and so on" (Hudson and Ozanne, 1988, p.510).

The knowledge generated in this study was time-bound and context-dependent. The approach, then, was interpretivisitic. Marshall and Rossman (1989) point out

...the researcher may find through the

literature review that previous research has raised many

questions, that there is a need to explore interactions

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among ambiguous or unclear variables, that there is a reason to suspect that the context (surrounding the question) contains important domains that must be explored. By the same token she may find that a descriptive study will yield the most important results for theory development. If any of these conditions obtains, then a qualitative study is most appropriate (p. 42).

The authors go on to point out that

One purpose of qualitative methods is to discover important questions, processes, and relationships, not to test them (p. 43).

Silk and Kalwani (1982) state that

The complex, vague, and often changing composition of the buying center makes it difficult to ascertain empirically just who is involved in organizational buying (p. 165).

Webster (1978) points out

The difficulties of measurement in industrial marketing reflect, first and foremost, the complexity of the industrial buying process. Even specifying the variables to be measured is an exceptionally difficult task, calling for a high degree of creativity. The measurement problem in industrial marketing has

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several dimensions reflecting the nature of the industrial buying process:

There is the problem of multiple buying influences, with many persons engaged in the buying decision process.

Each of these buying influences uses distinct and different buying criteria and relies upon different sources of information about products and vendors. These influences interact with and influence one another as part of the organizational buying-decision process, so the formal and informal patterns of interaction among them must be analyzed.

Because the buying decision is such a dynamic process, measurement at any one point in time may very well produce results that cannot be duplicated at a different point in time. This means that hypothetical questions and experimental studies concerned with the behavior of individual buying influences are likely to have low validity. And, as noted, earlier, there is likely to be a long time lag between marketing effort and observable buying response, which makes verification difficult (p. 25).

Finally, Johnston and Bonoma (1981) point out that:

No two buying decisions in any given company are
likely to be exactly alike, nor will any two
companies follow exactly the same procedures in even
highly similar purchase situations. However, there may
be some general patterns of interaction and social
behavior which will be the same, even across moderately
dissimilar purchase situations (p.146).

The organizational process examined for this dissertation
(organizational buying within a hospitality context) is
complex, contextural, and in a constant state of change. The
intent of this study was to describe the process. Because of
these points and the points presented above, this study used
qualitative techniques.

The Four-Step Method of Inquiry

This study is an exploratory study. Marshall and Rossman
(1989) define the purpose of an exploratory study as follows:
"To investigate little-understood phenomena, to identify/
discover important variables, to generate hypotheses for
further research" (p. 21).

The authors suggest a research strategy which uses case
studies or field studies. The examples of data collection
techniques provided by the authors include participant
observation, in-depth interviewing and/or elite interviewing.

While using an observation technique could be of value, it is not very practical in examining how associations select a host city for an annual convention. Association convention decisions may be made over long stretches of time and the steps in the buying process may be acted out in a variety of locations. A more practical data collection technique for this study was some form of in-depth interviewing.

McCracken (1988), in his book, The Long Interview, suggests a four-step method of inquiry when using the interview technique in research. This four-step approach is an effort to systematize the qualitative technique of interviewing in a way that addresses a variety of validity and reliability questions outlined by McCracken. These four steps include: (a) a review of analytic categories and interview design, (b) a review of cultural categories and interview design, (c) an interview procedure and the discovery of cultural categories and, (d) interview analysis and the discovery of analytical categories. This study was carried out within the context of this four-step method. Each step will now be explained in more detail. How the steps have been operationalized will be discussed.

The First Step of the Four-Step Method, Review of Analytic Categories, Interview Design (The Literature Review)

The first step in the four-step method is the literature review (McCracken, 1988). The first purpose of the review is

to help the researcher define problems and to assist in assessing data. The review "provides the concepts on which percepts depend" (p. 31). The review also helps the researcher formulate a set of expectations for the study that the actual research may verify. Exceptions revealed in the actual research may "signal the existence of unfulfilled theoretical assumptions (p. 31). The review may also help the researcher distance himself from the research in such a way as to "create a critical awareness of matters with which we have a deep and blinding familiarity" (p. 23).

Another purpose of the literature review is to provide insight and guidance in constructing the interview questionnaire. The review "...begins to establish the domain the interview will explore" (McCracken, 1988, p. 31).

The literature reviewed for this included the organizational buying literature from two sources: the general marketing literature (this included articles in the area of industrial marketing) and the hospitality marketing literature.

In the review of general marketing literature, two journals were examined initially. The Journal of Marketing and the Journal of Marketing Research were reviewed for organizational buying articles from 1970 until the fall of 1992. Other journals reviewed for this study included Industrial Marketing Management, the Journal of Purchasing,

Journal of Purchasing and Materials Management, the European
Journal of Marketing, and the Journal of Consumer Research.

A variety of journals were reviewed in the area of
hospitality marketing. The Cornell Hotel and Restaurant
Administration Quarterly was reviewed for organizational
buying articles from 1970 until the present. The Florida
International University Hospitality Review, the Journal of
Travel Research, and the Annals of Tourism, were reviewed from
either the inception of the publication or 1977 until the
present.

In addition to these academic publications, practitioner
publications were followed extensively for the past two years.
These publications include Successful Meetings, Meetings and
Conventions, Meeting News, Association Meetings, Insurance
Conference Planner, Association Management, Association
Trends, Religious Conference Planner, Executive Update (the
publication of the Greater Washington Society of Association
Executives, GWSAE), Convene (the publication for the
Professional Convention Management Association), and Meeting
Manager (the publication for Meeting Planners International).

Pertinent articles from this literature search were
included in the literature review in Chapter Two. This
commentary on reviewed publications is included here to
demonstrate how the literature review fit into the four-step
method of McCracken.

The review of the hospitality literature turned up very little in the area of organizational buying. None of the hospitality articles presented an organizational buying model. Only one hospitality article found in this review examined the area of buying centers (Fortin and Ritchie, 1977) and the buying centers were more or less assumed.

The research questions proposed in this study are based, to a large extent, on the seven propositions that were presented in Chapter One. For instance, buying centers and influence variables must exist for the two research questions to have meaning or context. General marketing literature supports many of the propositions. There is no hospitality literature support for the propositions. Further, most of the general marketing organizational buying studies were performed on organizations that were purchasing goods. The hospitality industry is a service industry or a uniquely mixed goods-services collection of enterprises.

The lack of hospitality literature in the area of organizational marketing, coupled with a general lack of service-related literature in this area, has implications on where the knowledge process in organizational buying, from a hospitality perspective, would fall in a model of the research cycle (Marshall and Rossman, 1989). Where this process would fall in that cycle has implications on the type of research that should be used to address the research problem. In this

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case, the approach will be exploratory, interpretivistic, and will use a four-step method for interviewing. Step One included a review of the literature that served as a "review of analytic categories and interview design"(p. 29). Step Two entailed a review of cultural categories.

The Second Step of the Four-Step Method, Review of Cultural Categories and Interview Design

The second step of the four-step method was a review of cultural categories (McCracken, 1988). At this step the "investigator begins the process of using self as an instrument of inquiry" (p. 32).

The purpose of this step is to help the researcher better understand his or her personal experience with the issues or topics under study. The researcher often has a deep familiarity with the topic to be studied. This familiarity may put the researcher in a good position to prepare for questionnaire construction. This interviewer familiarity would be coupled with the implications for questionnaire construction discovered in the literature review in Step One. This additional construction (based on familiarity beyond the literature review) would be based upon cultural categories and relationships not found in the literature review. Here the researcher's knowledge of the topic is harnessed to provide an even stronger base.

This process of assessing the researcher's experience with the topic should also help prevent a dulling of the senses of the researcher. The researcher must see the topic through a variety of perspectives and understand the implications of each. As McCracken (1988) states:

> The second step of the "four-step" method seeks, then, to engage the investigator in two processes:
>
> ...familiarization and defamiliarization. Without the first, the listening skills needed for data collection and analysis are impoverished. Without the second, the investigator is not in a position to establish any distance from his or her own deeply embedded cultural assumptions (pp. 33-34).

The suggested organizational buying model presented in Chapter Two is the visible procedure taken for Step Two. The model is a compilation of points from the literature combined with how this writer thinks an organizational buying decision is made in an association. This suggested model serves as a basis for the research questions and the propositions.

The suggested organizational buying model also serves as a method of distancing the writer from cultural assumptions. That is, the writer consciously looks at his perspective on the topics for research in the study. The "object is to draw out (from) one's own experience the systematic properties of the topic, separating the structural from the episodic, and

the cultural from the idiosyncratic" (McCracken, 1988, p. 32).
The resulting suggested model of organizational buying served
as a base for questionnaire construction.

Step Three of the Four-Step Method--
Questionnaire Construction and Interview Procedure

The interview is a part of the third step of the four-
step method and the third source of information used by the
researcher after Steps One and Two of the Four-Step process.
How the researcher conducts the interviews is of great
importance (McCracken, 1988).

The interview must allow the persons being interviewed to
respond in their own way and in their own terms. The
researcher's role is to seek knowledge in as unobtrusive a
fashion as possible (McCracken, 1988).

Grand-tour questions are designed to get the conversation
going in a general direction without being too specific or too
leading. These questions open the interview, are nondirective
as possible, yet spring the respondents to begin talking about
the topic of interest to the researcher. Floating-prompt
questions are interviewer mannerisms or unobtrusive questions
that continue the grand-tour questions. Planned prompts are
questions that are designed to unobtrusively prompt the person
being questioned to consider or discuss "phenomena that do not
come readily to mind or speech" (McCracken, 1988, p. 35).

One style of interviewing includes the use of an interview guide (Patton, 1990). This is described as:

> ...a list of questions or issues that are to be explored in the course of the interview. An interview guide is prepared in order to make sure that basically the same information is obtained from a number of people by covering the same material. The interview guide provides topics or subject areas within which the interviewer is free to explore, probe, and ask questions that will elucidate and illuminate that particular subject. Thus the interviewer remains free to build a conversation within a particular subject area, to word questions spontaneously, and to establish a conversational style--but with the focus on a particular subject that has been predetermined (p. 283).

An interview guide was used in the course of the interviews. The interview guide is included in Table 3.1. The interview guide is the list of questions that address the topics studied in this dissertation. The questions are based on the literature review, the cultural review (as outlined in Step Two of McCracken's four-step method), the research questions and the seven propositions.

<u>Interview Procedure</u>

In introducing this chapter it was suggested that in-depth interviewing was used as the research technique. What will be discussed now is in-depth interviewing, elite interviewing and the use of protocol analysis.

Marshall and Rossman (1989) describe in-depth interviewing as follows:

In-depth interviewing is a data collection technique relied on quite extensively by qualitative researchers. It is often described as "a conversation with a purpose." Once again, this technique can vary depending on the degree the interview is structured beforehand and on the amount of latitude the interviewee is granted in responding to the questions.

Typically, qualitative in-depth interviews are much more like conversations than formal, structured interviews. The researcher explores a few general topics to help uncover the participant's meaning perspective, but otherwise respects how the participant frames and structures the responses. This, in fact, is an assumption fundamental to qualitative research; the participant's perspective on the social phenomenon of interest should unfold as the participant views it, not as the researcher views it.

An interview is a method of data collection that may be described as an interaction involving the interviewer and the interviewee, the purpose of which is to obtain valid and reliable information. Interviews may range from casual conversation or brief questioning to more formal, lengthy interactions. Formal interviews are sometimes necessary in research in order to standardize interview topics and general questions. The most important aspect of the interviewer's approach concerns conveying the idea that the participant's information is acceptable and valuable (p. 82).

In-depth interviewing was the qualitative technique used in this study. This technique was used to interview persons with special knowledge about the subject being explored. This is called "elite interviewing" (Marshall and Rossman, 1989).

Elite interviewing focuses the process on gathering information from specific sources. In this study, the interviewee was the person in an association who was in charge of planning the annual convention. This person was "influential" and "well informed" on the particular topic being studied here (Marshall and Rossman, p. 94).

In this study the data-gathering technique used was elite, in-depth interviewing. In addition to this, a technique called "protocol analysis" was used to study the decision-making process in more depth.

Crow, Olshavsky and Summers (1980) describe protocol analysis as follows:

Protocol analysis involves instructing subjects to verbalize their thoughts while they are in the process of making a decision or solving a problem. The record of the subject's verbalized thought processes is referred to as a protocol. The major advantage of protocol analysis is that it allows the researcher to obtain more complete data on the details of the subject's decision making processes than can be obtained by any other method (p. 35).

In this study, the interviewee was be asked to work through the decision process used for choosing a past convention site. This is referred to as a "post-purchase protocol."

The research question and the propositions presented in Chapter One were examined qualitatively. The qualitative techniques used were in-depth interviewing and elite interviewing using post-purchase protocols.

The Fourth step of the Four-Step Method-- Discovery of Analytic Categories

The interviews were recorded on tape and then transcribed by a professional typist. This way the researcher could concentrate on the interview, and the researcher would not become familiar with the data in a way that did not serve the

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later process (McCracken, 1988).

This fourth step of the Four-Step method of inquiry consists of a five-stage process. McCracken (1988) describes these stages as follows:

The first stage treats each utterance in the interview transcript in its own terms, ignoring its relationship to other aspects of the text. The treatment of each utterance creates an observation.

The second stage takes these observations and develops them, first, by themselves, second, according to the evidence in the transcript, and third, according to the previous literature and cultural review.

The third stage examines the interconnection of the second-level observations, resorting once again to the previous acts of literature and culture review. The focus of attention has now shifted away from the transcript and toward the observations themselves.

The fourth stage takes the observations generated at previous levels and subjects them, in this collective form, to collective scrutiny. The object of analysis is the determination of patterns of intertheme consistency and contradiction.

The fifth stage takes these patterns and themes, as they appear in the several interviews that make up the

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project, and subjects them to a final process of analysis (p. 42).

Included in this process were verbal matrices (Patton, 1990) to assist in the analysis of the transcripts. These matrices will assist in the mental jump from transcripts to observations to patterns and themes. Examples of a verbal matrix and how the five stages of the McCracken's four-step method were operationalized in this study are included in Chapter Four.

This Four-Step method of inquiry was the basis for the approach to this study. Further, the study was qualitative, used in-depth interviewing, used elite interviewing, and used post-purchase protocols.

Who was Interviewed--
Number of Interviews

The associations studied in this dissertation were based in the Washington, D.C. area. As noted, more associations are located in the Washington, DC area than any other area of the country. The American Society of Association Executives (ASAE) is headquartered in Washington. The largest ASAE chapter (The Greater Washington Society of Association Executives) is located there. Almost any hospitality organization that is trying to do business with associations will inevitably have to direct its attention to Washington.

The person within the organization interviewed was the person most responsible for the planning of the annual convention. The identity of this person is not always clear. Statistics were presented from an ASAE study on who, within the organization, made the final convention site selection. As part of the pre-interview process, an effort was made to determine the most appropriate interviewee.

The Greater Washington Society of Association Executives (GWSAE) agreed to supply the author with the names of persons within the various representative associations (in GWSAE) that, through a survey, were identified as the meeting planning contact for their respective association. Approximately 200 names were supplied by GWSAE. Once duplicate contacts and groups were eliminated, 139 names were identified. These persons had a variety of titles (presented in appendix nine), but they were identified as the person in their association responsible for planning meetings and conventions by the GWSAE survey.

The interviewees were drawn from this group of identified contacts (in the GWSAE survey). This sampling may be described as typical case, purposeful sampling (Patton, 1990). That is, the sampling "illustrates or highlights what is typical, normal, average" (p. 182). Further, the sample sought to select "information-rich cases for in-depth study" (p. 182). Interviewees were complete strangers, had no

special knowledge of the subject being researched (from the organizational marketing perspective of this study), and were contrasted by age, gender, and status (McCracken, 1988).

Number of Interviews

Crow, Olshavsky and Summers (1980) state: "Large samples are not practical with protocol analysis and therefore the approach is restricted primarily to exploratory studies whose purpose is to assist in the development of theory" (p. 35).

McCracken in his book, The Long Interview, suggests that no more than eight interviews are needed when using his Four-Step method of inquiry. Weller and Romney (1988) propose several matrices designed to determine the number of interviews necessary in a qualitative study, using agreement among individuals in the sample and cultural competence to recommend sample size. The majority of instances require 20 respondents or fewer. Dunn (1986) suggests that a "universe of meaning" (p. 372) was achieved in his qualitative studies after conducting ten interviews even though he went on to conduct a total of seventeen.

Patton (1990) suggests that redundancy is the primary criteria for determining when to discontinue interviewing. The purpose of this study was to maximize information. Interviews were continued until little or no new information was being gathered from new contacts (Patton, 1990). It was proposed, at the outset of the interview process, that a

minimum of twenty interviews be conducted to ensure redundancy. The interview process was to be stopped or continued based on findings that developed during the actual process.

Interview Specifics

The interviews for this study were conducted in July of 1992 in Washington, DC. The interviews took place in the offices of the association representatives being interviewed. Each of the interviews lasted between one and one half and two hours.

Advance letters were sent to all of the 139 persons identified by the GWSAE survey one month prior to the time the interviews were conducted. The letters identified the researcher, the nature of the project, when the researcher would be in the Washington, DC area and indicated that he would follow up the letter with a phone call to set up an appointment for an interview. It was indicated in the letter that the interview would take at least an hour.

Approximately a dozen of the association representatives followed up my letter with a letter or phone call of their own indicating they would be out of town during the time the researcher was to be in Washington. One of the representatives had died, three had left the association they were identified with and one association had gone out of

business. These names were removed from the list of potential interviewees.

Phone calls were started two weeks prior to the planned trip to Washington, DC. These phone calls were to the representatives identified by GWSAE. The intent was to set up advanced appointments with the association's representatives (in most cases the association meeting planners whatever their title) to ensure access to the representative and to ensure that adequate time was allotted by the association representative for the interview.

Phone calls were made to approximately 90% of the association representatives in an attempt to make contact and to set up an appointment. The phone calls also were used to establish that the person contacted planned the annual convention for their association. Approximately half of the persons phoned were out of town or unavailable. Approximately half of the persons actually contacted were too busy for an appointment or indicated no interest in the study. Follow-up calls were made until 25 appointments, over the two-week period the study was to be conducted, were established. Two of these appointments eventually canceled.

Once the study began the interview guide was used to ensure that all the questions to be addressed in the interviews were addressed. Questions such as "Please tell me how your association went about selecting the last site chosen

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for an annual convention" served as both a grand tour question and a protocol analysis question.

Interviews were to be conducted until redundancy was apparent (Patton, 1990). After twelve to fourteen interviews, very little new was revealed. This was inconsistent with McCracken (1988) who indicated only eight interviews were necessary. A total of twenty-three interviews were conducted to ensure redundancy.

Reliability and Validity

From various sources, reliability has been defined in a number of ways. Yin (1989) describes reliability as "...if a later investigator followed exactly the same procedures as described by an earlier investigator and conducted the same case study all over again, the later investigator should arrive at the same findings and conclusions" (p. 45).

Weller and Romney (1988) suggest "In the simplest terms, reliability is synonymous with consistency. It is the degree to which an instrument, a test, a questionnaire or an interview can retrieve the same answers when applied under similar conditions" (p. 70).

Kirk and Miller (1986) discuss reliability by saying: "Observations entail the recording of the reaction of some entity to some stimulus, even if the only stimulus is the act of measurement. Reliability depends essentially on explicitly described observational procedures" (p. 41).

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All three of the above sources believe that a good test of reliability is replication. The researcher should make the study systematic, design a questionnaire (or, in this case, an interview guide) that is presented with the outcome, make the system or method used during the study known, and even offer field notes and transcripts to others for replication and/or for drawing their own conclusions.

Marshall and Rossman (1989), on the other hand, plainly state "Qualitative research does not pretend to be replicable" (p. 148). It is their assertion that replication is impossible because the real world changes. This idea is certainly supported by Hudson and Ozanne (1988) who suggest that qualitative studies are time bound.

Kirk and Miller (1986) distinguish between several types of reliability. These types of reliability are quixotic, diachronic and synchronic reliability.

Quixotic reliability "refers to the circumstances in which a single method of observation continually yields an unvarying measurement" (p. 41). When the same answer comes up repeatedly in an interview, there is danger that the answer is a party-line. Quixotic reliability is not necessarily a goal of the qualitative researcher.

Diachronic reliability is "the stability of an observation through time" (p. 42). As discussed above, qualitative research is thought to be time bound. If such

research is time bound, observations will not be stable through time. Diachronic reliability is not necessarily a goal of the qualitative researcher.

Synchronic reliability is the "similarity of observations within the same time period. Unlike quixotic reliability, synchronic reliability rarely involves identical observations, but rather observations that are consistent with respect to the particular features of interest to the observer" (p. 42). This type of reliability is a goal of the researcher. Observations that are similar with respect to particular features of interest may help to establish or uproot a point or points of the study.

The approach to this qualitative study was systematic (the Four-Step method of inquiry), the suggested question outline is presented in this chapter, and transcripts from this study are available. Chapters Four and Five will deal with synchronic reliability.

Validity

Kirk and Miller (1986) discuss validity by saying:

> In the case of qualitative observations, the issue of validity is not a matter of methodological hair-splitting about the fifth decimal point, but a question of whether the researcher sees what he or she thinks he or she sees.

To focus on the validity of an observation or an instrument is to care about whether measurements have currency (what do the observations buy?), and about whether phenomena are properly labeled (what are the right names for the variables) (p. 21).

These authors break down validity into apparent validity, instrumental validity, and theoretical validity. Apparent validity refers to a measuring instrument that is linked so closely to the "phenomena under observation" (p. 22) that the data provided are obviously valid.

Instrumental validity is said to exist when the observations generated from an alternative procedure match those of the used measurement procedure. An instrument may have instrumental validity but not apparent validity.

The third type of validity is theoretical validity. A measurement procedure is said to exhibit theoretical validity "if there is substantial evidence that the theoretical paradigm rightly corresponds to observations" (p. 22).

The suggested model for organizational buying was exposed to a diverse group of hospitality professionals and educators in advance of the interviews. The paradigm examined was based in the literature. The study itself was a validity check. As Marshall and Rossman (1989) point out:

The strength of the qualitative study that aims to explore a problem or describe a setting, a process, a

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social group, or a pattern of interaction will be its validity. An in-depth description showing the complexities of variables and interactions will be so embedded with data derived from the setting that it cannot help but be valid (p. 145).

Finally, the suggested model and the implied research questions and propositions were introduced to and discussed with the interviewees.

One of the goals of this study was objectivity. Kirk and Miller (1986) point out that objectivity may be divided into two major components: reliability and validity. They go on to state:

> Loosely speaking, "reliability" is the extent to which a measurement procedure yields the same answer however and whenever it is carried out; "validity" is the extent to which it gives the correct answer" (p. 19).
> Objectivity or truth is thought to be bounded by "the tolerance of empirical reality and by the consensus of the scholarly community" (p. 12).

Reliability (or lack of) is thought to be a weakness of qualitative studies. Validity (or lack of) is thought to be a weakness of quantitative studies (Marshall and Rossman, 1989; Kirk and Miller 1986).

What follows is the Interview guide used in this study.

The Interview Guide--
Questions

The questions which made up the interview guide and that
were used in the interviews were implied from the literature
review and the direction of this study. These questions were
exposed to several meeting planners and hospitality suppliers
in advance of the formal trip to Washington. The questions
reflected the levels of the suggested model of organizational
buying introduced in Chapter Two. The model served as the
context for the research questions. The propositions were the
base for the research questions.

Table 3.1

The Interview Guide

A. Level One

1. What steps does your association work through when making a site selection choice for your annual convention?

2. At what step are the first group of cities, be this formal or informal, formulated?

3. At what steps are cities removed from consideration?

4. At what step is a city chosen?

B. Level Two

1. Who is part of the site selection process for your annual convention?

2. How does this group change during the buying decision process?

3. Does this group stay constant from year to year? If not, how does a member of your association become involved in the site selection process?

4. When developing the first set of cities to be considered, whether this is a formal or informal process, who composes the buying center?

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C. Level Three

    1. How does a city get included in the initial set of cities to be considered?

    2. When that first set of cities is put together, who is instrumental in getting a city included for consideration?

    3. How are they able to get a city included?

    4. What factors do you think influence the people in the buying center while that first set of cities is being put together?

    5. Why do people in the site selection process champion a city in this initial city selection process?

    6. What thought processes do you go through in deciding what cities should be included in the initial group of cities to be considered?

    7. What processes does the group go through when deciding on the first group of cities to be considered?

    8. Why are some cities eliminated?

    9. Who eliminates them?

    10. Who has the most influence as the group moves through the stages of the buying process?

    11. What are the biggest reasons for the selection of the winning city?

    12. What process does the buying group use when there are disagreements?

13. How does the culture of your organization affect the initial cities that are considered? The final selection?

14. How does a participant in the buying center influence that center?

15. How does whether or not you have used a city in the past for a meeting or convention affect the selection of an annual convention location?

16. How does whether or not you have worked with or know somebody in the supplying organization affect the selection of an annual convention location?

17. Is risk a factor in this process? Personal? Organizational?

D. Level Four

1. What is the most effective way to communicate with particular members of this decision unit as the unit moves through the phases of the buying process?

E. General

1. Number of years in meeting planning

2. Number of years with this association

CHAPTER FOUR

Results

Overview of the Chapter

Included in Chapter Four will be the results of the study. The chapter will begin with some steps that were taken before the actual interviews in Washington, DC. These steps were taken at the recommendation of the dissertation committee.

The section on preinterview steps will be followed by how the Four-Step method (McCracken, 1988) was operationalized for use in this dissertation. Specifically, the five stages of the fourth step of the method (as presented in Chapter Three) will be discussed. This fourth stage is called the "Discovery of analytic categories" (McCracken, 1988; p.41). The use of a verbal matrix as part of this process is explained.

The results of the study will then be presented. The seven propositions will be restated, and the theory on which the propositions were based will be reviewed. The results of the study will then be presented and compared to the expectations set up in the review.

The two research questions will be restated and reviewed. The results of the study will then be presented.

Preinterview Steps

Two steps were taken prior to the interviews in Washington, DC. The first was to expose the proposed

organizational buying model and suggested interview questions to nine hospitality professionals. This step was taken to add credence to both the suggested model and the interview questions.

The second step was a trial run of the interview questions and the suggested model in three interviews. This step was also taken to add validity to the model and the interview questions. Three prestudy interviews were conducted. Two of the interviews were with meeting planners for large state associations. One interview was with a meeting planner for an international association. One of these interviews was conducted in Charlotte, NC and two were conducted in Raleigh, NC prior to the study in Washington, DC. The interviews used all the questions and techniques outlined in Chapter Three.

The interviews were recorded on tape, and the tapes transcribed for study. The transcriptions were reviewed for content, interviewing style and technique. Copies of the transcripts were sent to the dissertation committee for review and comment.

Prior to the interviews nine persons who could provide insight into this project were contacted and interviewed. Specifically, the suggested four-level model of the organizational purchasing process was reviewed and discussed with a group of hospitality professionals. Also discussed

were the research questions, the seven propositions, and the interview questions.

People who reviewed the above information included:

1. Mike Olson--President of Olson Management. Mr. Olson's company manages thirty-two state, national, and international associations. Mr. Olson is a former president of the American Society of Association Executives.

2. Eleanor Upton--President of Upton and Associates. Ms. Upton's firm is one of the oldest association management companies in the Southeast. Her firm manages the Association Executives of North Carolina.

3. Kay Engleby--Meeting Planner for the National Cross stitch Association.

4. Jane Richards--General Manager of the Charlotte Convention Center.

5. C. Vincent Chelena--Marketing Director of the Omni Hotel in Charlotte, NC.

6. Howard Feiertag--Department of Hospitality Management, Virginia Tech. Mr. Feiertag is a well-known writer and lecturer on the topic of meeting and convention planning.

7. Wayne Farwell--Regional director of sales and marketing for the Hilton Hotels corporation in Atlanta.

8. Wendy Mann, CAE--Executive Director of the Greater Washington Society of Association Executives (GWSAE) Foundation, the research and scholarship arm of GWSAE.

9. Jim Smith--Regional director of sales for the Radisson Hotels corporation in Washington, DC.

The discussions were revealing. There were no serious challenges to the suggested model. Based upon the findings to this point, it was decided to continue the process by conducting the interviews for the study in Washington, DC.

Step Four of the Four-Step Method--Discovery of Analytic Categories

The results of the study are used as the information base for working through the five stages of the fourth step of the four-step method (McCracken, 1988). Figure 4.1 provides a concise outline of the way the five stages of McCracken's fourth step were operationalized in this study.

Following the stages, step one was an in-depth reading of all the transcripts simply as the transcripts read. No attempt was made to link the utterances with other aspects of the study. Observations began to emerge.

Stage two was to take these observations and to begin to develop them by themselves and within the context of the transcript. These observations were then developed according to the literature and previous cultural review (as explained in Chapter Three).

In stage three the focus of the study changed from the transcript toward the observations themselves. This was done with the help of a verbal matrix (Patton, 1990). Observations were classified according to the previous cultural and literature review. An outline of a composite verbal matrix is presented in Figure 4.2.

Operationalization of McCrackens Fourth Step of the Four-Step Method.
The Five stages

Stage One

Read all the interview transcripts in an attempt to understand each, individual buying scenario.

Stage Two

Search for evidence of buying centersm evoked sets, and influence variables (Appendix One).

Stage Three

Classify the discovered variables into risk, power, buyclass and "other" (Appendices Two, Three, Four, and Five).

Stage Four

Classify the "other" variables into external, internal, personal and group (only external and internal have appendices - six and seven).

Stage Five

Use the accumulated data to form an opinion on the Research Questions.

Figure 4.1

Figure 4.2

Verbal Matrix

Item of Interest to be Searched for in the Transcripts	Interview One	Interview Two	Interview Three	Interview Four
1. The existence of buying centers				
2. The existence of evoked sets during the first stage of the decision process				
3. Discovery of influence variables				
4. Buyclass influence variables discovered				
5. Risk influence variables discovered				
6. Power influence variables discovered				
7. Other influence variables discovered				

8. Evidence of problem statement one				
9. Evidence of problem statement two				

The fourth stage was to take all these collective observations and to subject them to collective scrutiny. At this stage the objective is to look for patterns of intertheme contradiction and consistency. Figure 4.3 provides a review of the influence variables. Influence variables are any variable that influences the buying center. Only risk, power and buyclass are identified as situational variables in Figure 4.3. A situational variable is a type of influence variable. An influence variable may or may not be a situational variable (in this case only if it is classified as risk, power, or buyclass).

The fifth and final stage was to take the themes and patterns, as they were revealed in the study, and subject them to a final analysis. The results of this method make up the rest of this chapter.

Overview of the Results

The four-step qualitative method as outlined by McCracken (and described in the previous chapter) was used in analyzing the material gathered in the interview process. A total of

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Variables Affecting The Buying Center

External Environment

1. Physical
2. Technological
3. Economic
4. Political
5. Legal
6. Cultural

Internal or Organizational

1. Tasks
2. Structure
3. Technology
4. People
5. Cultural

Group Decision Process

Individual Decision Process and Learning

Situational Variables

1. Risk
2. Power
3. Buyclass
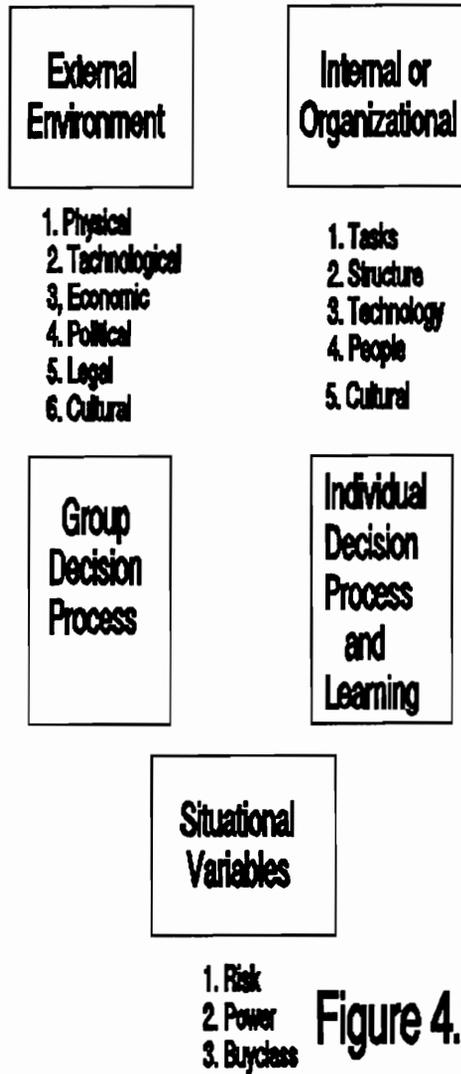
Figure 4.3

twenty-three interviews were conducted during July of 1992. All of the association representatives (almost all were meeting planners and will be referred to as meeting planners or planners for the rest of this study) interviewed were members of the Greater Washington Society of Association Executives (GWSAE). All of the persons interviewed were identified as the meeting planning contact for their particular association by a GWSAE survey. A print-out of the names was provided by Wendy Mann, executive director of the Foundation of the GWSAE.

What is presented now is an analysis of the results gathered from the study. The results were analyzed within the context of the two research questions and the seven propositions presented in Chapter One.

The next section of this chapter will deal with the seven propositions. The propositions serve as a base for analyzing the two research questions. The two research questions will be reviewed at the end of the chapter.

A number of variables are classified in the appendix section of this work. A number of these variables could have been codified into more than one classification area. The context of the answers to the questions, both in person and in the transcripts, were used to classify the variable into the classification that seemed most appropriate from the perspective of the respondents. That is, the answers were

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codified using the literature base, the context of the interviews, and the identified classifications.

Proposition One - Buying Centers

Proposition One stated that "Buying centers exist where organizational buying decisions are being made." The existence of buying centers in organizational buying scenarios has been suggested by Robinson, Faris, and Wind (1967), Webster and Wind (1972); Johnston and Bonoma (1981); Jackson, Keith, and Burdick (1984); Mattson, (1988); and Kohli, (1989).

One the intents of this study was to search for the existence of buying centers within the framework of the meeting and convention industry. The intent of the study at this stage (in this case, stage two of step four) was to determine whether buying centers were the decision source for associations while determining a site for a future, annual convention.

No association was found to have only one individual completely responsible for site selection. Although, there was no general rule for the make-up of the buying centers, the following examples of the make-up of buying centers are representative of the findings of this study. The examples break down into three decision patterns: Decision Pattern One: The site selection process is worked through by the board/executive committee; Decision Pattern Two: The site selection process is worked through by the meeting

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planner/association executive; Decision Pattern Three: The site selection process is worked through by a site selection/program committee. In all cases the buying center is not necessarily limited to just the groups making the decisions. Table 4.1 provides definitions for the terms used (discovered in the interviews) in the three decision patterns. Figure 4.4 depicts the three decision patterns.

1. Decision Pattern One: Board/Executive Committee
   a. A board makes the final decision from a set of two to three locations suggested by the meeting planner and approved, in advance, by the association executive.
   b. The meeting planner presents two locations to the association president and the board for a final decision on site selection without the involvement of the association executive.
   c. The meeting planner and the association executive present three to four cities to a board which votes on the final location site.
   d. The meeting planner reviews three cities with the association executive. The association executive then presents the cities to the association council for a vote on the location site.
   e. Sites are selected by the executive committee and

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Table 4.1
Buying Center Definitions

1. Association Board or executive board - Usually a group of eight to ten persons given a good deal of responsibility to oversee the operations of the association. Members of the baord are usually members of the association rather than association staff.

2. Association Executive - Usually the paid executive officer of the association.

3. Association Council - This is the overall congress or decision body for an association. This group is usually much larger than the association board.

4. Regional Committees - Many national associations are divided into regions. Regional committees are committees making decisions about affairs in the region. Such committees also work with the national association on national association concerns.

5. Presidents - Usually the elected head of the association. Presidents are normally elected from the general membership. The association executive usually reports to the president and/or the executive committee.

6. Site Selection Committee - Usually a committee made up of members and association staff that are charged with selecting annual convention sites.

7. Program Committee - Usually a committee made up of members and association staff charged with planning the program for the annual convention.

8. Annual Meeting Committee - Usually a committee of members and association staff charged with planning the annual convention. This may include site selection.

(Blackwell, 1985; Hoyle, Dorf, and Jones, 1989; Price, 1989; Rutherford, 1990; Carey, 1992)

Decision Patterns in Buying Centers

Decision Pattern One: Decision Responsibility.	**Site selection responsibility is controlled by the association board or executive committee.**
Decision Pattern Two: Decision Responsibility.	**Site selection is controlled by the meeting planner and/or the association executive.**
Decision Pattern Three: Decision Responsibility.	**Site selection is controlled by a site selection committee or a program committee.**

Figure 4.4

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are subject to approval by the board of
directors.

f. Regional committees submit bids which are
considered by a national site selection
committee. The association executive and the
board of directors must sign off on the site
selected by the national committee.

g. A committee of the future presidents of the
association choose the site based on
suggestions from the meeting planner which have
been approved by the association executive.

2. Decision Pattern Two: Meeting Planner/Association
Executive

a. The site selection is a decision made by
department heads, the meeting planning staff, and
the head meeting planner with some member input.

b. The association executive and the meeting
planner make the site decision taking into
account the preferences of the board of
directors.

c. Site selections for several years are made
at one time. The meeting planner assigns cities
to years with the approval the association

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executive. They both take into account
"political situations."

3. Decision Pattern Three: Site Selection/Program
Committee

a. The meeting planner and the program committee
make the site decision.

b. The association executive chooses three
locations. The annual meeting committee makes
the final decision.

c. The conference planning committee makes the site
selection on its own.

d. The final decision depends on how involved that
year's president wants to be. The president,
meeting planning staff and program committee
decide in a process that changes from year to
year depending on that year's president who may
or may not make the final decision.

Almost all the planners interviewed mentioned that
general members wishes and/or site suggestions were taken into
account in the site selection process. The makeup of the
buying centers varied from association to association.

Buying centers were found to exist in this study of
associations which were planning an annual convention. This
was consistent with the findings in the general organizational
buying literature cited at the beginning of this section.

Figure 4.5 depicts how Webster and Wind's (1972) actors in the buying center might work for an association. Remember from Chapter One that the roles in a buying center consist of users, influencers, buyers, deciders, and gatekeepers.

Moriarty and Bateman (1982), in their study of organizational buying, found that a typical buying center consisted of 6.5 persons. The intent of this study was to establish the existence of buying centers in meeting and convention planning scenarios, not to determine buying center size. However, the typical buying center in this study ranged between five and eight. This finding was not inconsistent with the findings of Moriarty and Bateman (1982).

Proposition Two--Evoked Sets

Proposition Two states, "An Evoked set is derived, formally or informally, during the first stage of the decision process in organizational buying scenarios." Both Choffray and Lilien (1980) and Moriarty and Spekman (1984) included the concept of evoked sets in their studies of the organization buying process.

Choffray and Lilien (1980) spoke of an evoked set being reduced in size to a feasible evoked set as the buying center worked through the stages of the buyphase process. Moriarty and Spekman (1984) spoke of the evoked set being narrowed during the organizational buying process. This proposition was examined within the context of the meeting and convention

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Possible Buying Center Roles In Associations*

Users ➤ Association Members
Association Staff

Buyers ➤ Meeting Planners

Deciders ➤ Presidents
Site Selection
Committees
Association Congresses

Influencers ➤ Association Executives
Association members
Association Presidents

Gatekeepers ➤ Meeting Planners
Association Executives
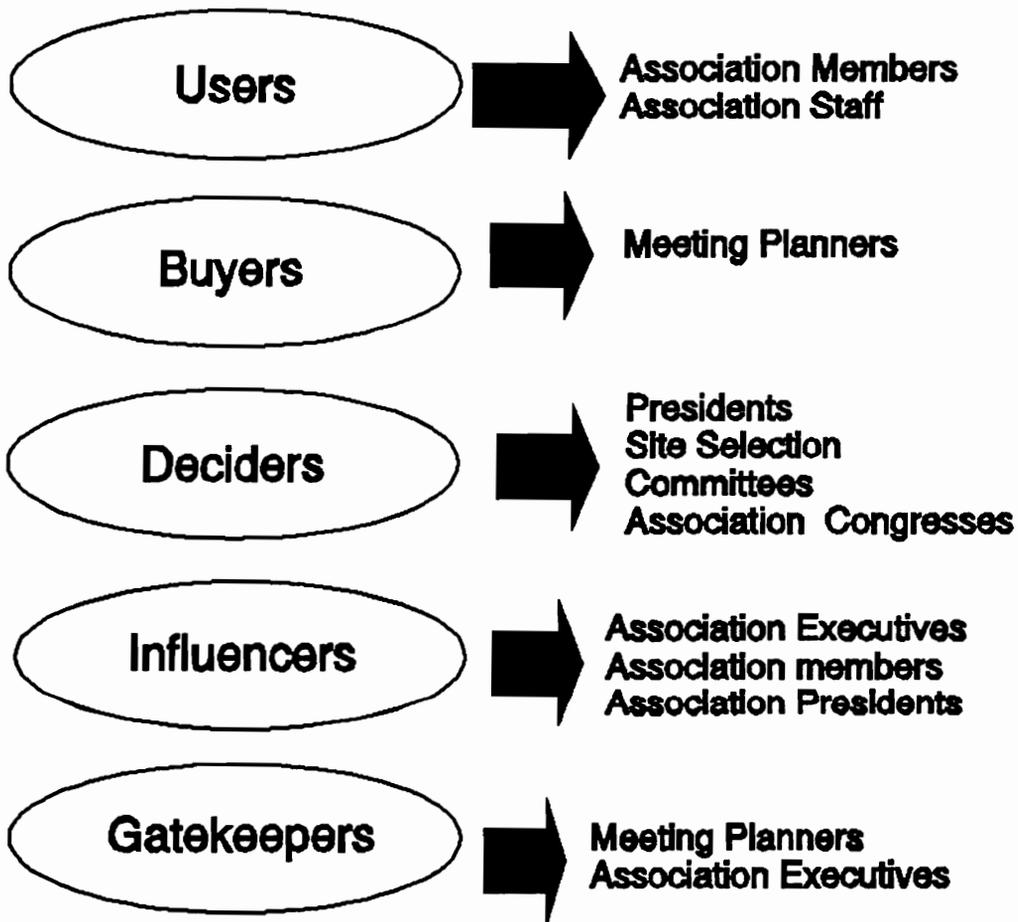
Using Webster and Wind's (1972) buying center roles.

Figure 4.5

planning industry in this study. The intent of the study was
to establish the existence of evoked sets in the annual
convention planning process of associations. Further, the
intent of the study was to establish that these evoked sets
were formed during the first stage of the buyphase process.

No example was found where an association considered only
one city as a convention site for a particular year. The
following examples of evoked sets are representative of the
associations interviewed for this study. These are specific
examples from specific associations interviewed in this study:

1. Example One--An association began with an
    evoked set of five to six and reduced that set
    to a feasible evoked set of two to three for
    consideration by the board.

2. Example Two--A "short list" of six cities
    presented by the meeting planner was narrowed to
    a feasible evoked set of one to two cities in
    committee.

3. Example Three--The meeting planner began with
    three to four cities in mind but only presented
    two to the board.

4. Example Four--The planner presented three to
    four cities to the board and only these three or
    four cities were ever considered.

5. Example Five--The planner and the association
    executive "derived" three cities for
    consideration by the council.

6. Example Six--"Dozens" of cities are considered
    at the beginning of the process. A "short list"
    of three to four locations (feasible evoked set)
    were selected by the meeting planner.

7. Example Seven--Several cities were
    considered for a number of years. That is, an
    association made site selections for more than
    one annual convention at one time. Cities in
    the evoked set were considered for a number of
    years.

8. Example Eight--Sixteen cities were initially
    considered by the meeting planner. The board
    added two cities for an evoked set of eighteen.
    The planner indicated that only seven to eight
    of the cities were really viable (feasible
    evoked set) and that the others were considered
    for political reasons.

9. Example Nine--One dozen cities were initially
    considered with the list narrowed to four to six
    (feasible evoked set) cities for final
    consideration.

10. Example Ten--Four to five cities were initially considered but only two cities were eventually asked for proposals.

11. Example Eleven--The planner began with an evoked set of three to six cities. All were eventually considered.

The associations interviewed could be split into at least two groups where evoked sets are concerned. Some associations began with a relatively large number of cities (eighteen cities to "dozens of cities") in the evoked set and then narrowed that number down as it worked its way through the decision process (that is, down to a feasible evoked set).

Other associations tended to begin with a smaller number of cities in an initial evoked set (three to six) but did not go through a narrowing process or as much of a narrowing process as the associations just described (that is, these associations did not go through a process of evoked sets, then feasible evoked sets. The initial evoked set tended to be the final evoked set with maybe one or two cites removed, if that).

The typical evoked set found in this study initially consisted of six to eight cities. This evoked set was narrowed to a feasible evoked set of two to four cities. This initial formulation of an evoked, set followed by a paring process to a feasible evoked set, is consistent with the

findings of Choffray and Lilien (1980) and Moriarity and Spekman (1984).

Robinson, Faris and Wind (1967) suggested there were eight buyphases in the organizational buying process (Figure 4.6 represents the eight buyphases). Remember from Chapter Two that the first buyphase was "Anticipation or recognition of a problem (need) and a general solution" (p. 14). This "general solution" has been treated as an evoked set in this study. That is, the results of the study were intended to demonstrate formulation of evoked sets during the first phase of the buyphase process.

In this study, evoked sets were not being formulated in the first phase of the buyphase process in most instances. The buyphase process was found to be somewhat different in the associations examined in this study. All of the associations studied were established associations with established annual conventions. Buyphases two and three (see Figure 4.6) were already long established in almost all cases, and buyphases two and three tended to become buyphases one and two. Buyphase one became buyphase three in these instances with the result that an evoked set of possible cities did not occur until the third phase of the process. In essence, associations were considering points brought out in buyphase eight (performance feedback and evaluation) from the annual convention the previous year. After considering these points

The Eight Buyphases in Organizational Buying

1. Anticipation or recognition of a problem (needs) and a general solution.

2. Determination of Characteristics and quantity of needed Item.

3. Description of characteristics and quantity of needed item

4. Search for and qualification of potential sources

5. Acquisition and analysis of proposals

6. Evaluation of proposals and selection of suppliers

7. Selection of an order routine

8. Performance feedback and evaluation

Figure 4.6

a mental process led to a reformulation of buyphase two
(determination of characteristics and quantity of needed
item). This mental reformulation in turn led to a
reformulation of buyphase three (description of
characteristics and quantity of needed item). All of this
transpired before what had previously been buyphase one
(anticipation or recognition of a problem [need] and a general
solution). This is inconsistent with the Robinson, Faris, and
Wind (1967) model.

To sum up this section, evoked sets and feasible evoked
sets were found to exist in an organizational buying process
where associations are searching for an annual convention
site. Evoked sets were not being formulated, in most cases,
at the beginning of the buyphase process. This was not
expected. Evoked sets were being formulated in the third
buyphase rather than at the beginning of the process.

Proposition Three--Situational Variables

Proposition Three states that "Situational variables
exist in organizational buying scenarios." Basically,
Proposition Three is intended to focus the study on the
existence of situational variables in the organizational
buying process in the hospitality scenario that serves as the
context for this study.

Based on the findings of Robinson, Faris and Wind (1967),
buyclass was proposed as one of the situational variables in

this study which would be found to influence buying centers in the proposed hospitality scenario. Based on the works of Jacoby and Kaplan (1972), Murphy and Enis (1986), and Kohli (1989), risk was proposed as one of the situational variables in this study that would be found to influence buying centers in associations planning annual conventions. Based on the work of French and Raven (1959) and Kohli (1989), power was proposed as one of the situational variables in this study that would be found to influence buying centers.

Appendix One presents the influence variables found to affect associations as the associations worked through the buyphase decision process to select a site for an annual convention. Remember that influence variables represent all the variables identified on level three of the proposed organizational buying model. Only risk, power and buyclass are identified as being situational variables. These influence variables were found to have influence on the make-up of the evoked set of cities that were eventually considered for an annual convention site.

Appendix One simply lists all 108 variables that were found to influence associations in the context of this study. Appendices two, three, four, and five break the 108 influence variables into categories of buyclass, risk, power and other.

Based upon these results, Proposition Three was found to be true. Situational variables do exist in the organizational

buying scenarios that served as the context for this study. This is consistent with the general marketing literature cited earlier in this section.

<u>Proposition Four--Buyclass</u>

The fourth proposition states that "Buyclass will emerge as a situational variable in this study." Remember from Chapter One that buyclass is described as three possible buying situations: new buy, modified rebuy, and straight rebuy (Robinson, Faris, and Wind, 1967). These three situations were proposed as being an influence on the members of a buying center as they formulated an evoked set in an organizational buying scenario. The intent of the study was to examine the influence variables found in the first part of this chapter (and presented in Appendix One) and to determine if any of these variables could be categorized within the buyclass framework.

Those influence variables classified under the buyclass framework are listed in Appendix Two. There were no examples of a new buy situation in this study. There were no examples of an inexperienced association meeting planning buying center planning an annual convention for the first time.

Example (9) (in the original 108 identified variables) is an example of a modified rebuy situation. Number (9) is an example of an association that wants "a city that offers something new." In this instance the members of an

association have grown tired of previously used sites and are looking for a new location to add energy to the annual convention. This situational variable influenced the buying center of the association in question and the eventual composition of the evoked set. The city selected will be new, but the buying center has been through the process before. Thus, this is a modified rebuy situation.

An example of a straight rebuy buying situation would be example (4). This is a case of an association using "cities that are automatic choices at a set interval of years" (Washington every third year, for instance). Here the association automatically rebooks a city at a set interval.

An example of a modified rebuy situation would be example (20). This is a case where an association "favors cities that have hotels represented by regional and/or national sales offices in Washington." Here an association may be planning a convention in a different city but prefers to work with a hotel company that already knows the specifications of the association's convention. This saves the planner time and trouble. The city is different, but the chain remains the same. Thus, modified rebuy is suggested as the buyclass.

Another example of a modified rebuy situation is example (22), "Favor cities where there are hospitality representatives the meeting planner has worked with before."

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This is a situation where the planner has worked with a certain hospitality representative in the past. This hospitality representative may or may not be at the original location where they met the planner. However, the planner knows that the representative "knows" the association and the association's convention. This makes the buying situation a modified rebuy.

Most of the situational variables found in the buyclass framework were classified as modified rebuy. This is not surprising when it is considered that none of the associations interviewed was a new association. Further, none of these associations was planning an annual convention for the first time. Buyclass was found, in this study, to be a situational variable. This is consistent with the findings of Robinson, Faris, and Wind (1967). The makeup of the group of people interviewed for this study excluded emerging associations. It is for this reason that no new-buy situations were found. The implications of buyclass as a situational variable will be expanded in Chapter Five.

Proposition Five--Risk as a Situational Variable

Proposition Five states: "Risk will emerge as a situational variable in this study." The influence variables presented in Appendix One of this chapter will now be reviewed from the perspective of risk. Did risk act as a situational

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variable influencing members of the buying center while they formulated evoked sets in this hospitality scenario?

Based on the work by Jacoby and Kaplan (1972), Murphy and Enis (1986), and Kohli (1989), risk was suggested as a situational variable in this study. Appendix One was reviewed and those influence variables characterizing risk were expanded into Appendix Three.

An example of risk is demonstrated in example (15) in Appendix Three. Here, associations "Favor cities that fit the tone of the meeting." A mismatch between city and association can affect attendance and/or the outcome of the convention. In most cases the association needs a good match or the planner and/or the association could be in trouble.

Another example of risk as an influencing situational variable is example (16). Here the association "Favor(s) a city with drawing power. A city with general appeal for numerous delegates." Poor attendance at a convention can cost a planner his or her job and weaken the association.

Still another example of risk as an influencing situational variable is example (24). Here the association tends to "Prefer cities the meeting planner has been to and seen." Meeting planners usually inspect a city before booking. This is to ensure that the planner believes the convention will "work" at a destination. Busy planners may

not have time for inspections and only allow cities they have visited into the evoked set.

A final example of risk as an influencing situational variable is example (38). Here, associations "Prefer locations where there has been 'great member feedback' either from past conventions or from the visit of an individual member." If the association planner books such a destination and the convention does not go well, the association and/or the planner may not be held accountable, thus reducing the risk of booking the convention at that particular site in the first place.

In Chapter One four types of risk were introduced: psychological, physical, functional and social risk. Psychological risk was described as the risk that a poor product could harm a consumer's (client's) ego. Within the context of this study, risk variable (38) could be used as a an example of psychological risk. Variable 38 states that the meeting planner and association "prefer locations where there has been 'great member feedback' either from past conventions or from the visit of an individual member."

Here the client(s) are the association members. Locations with positive feedback from members indicate a desire from the association membership to return to a location (or to select a location visited by an association member). To select another location could hurt the ego of the

association members. The potential problem with a member's ego could be exacerbated if another location is chosen and the subsequent convention does not go well. The risk here could be to the planner if the planner played a large role in not selecting the recommended convention location.

Physical risk was described in Chapter One as the potential risk to the buyer's or other's safety in using products. Risk variable (27) is an example of physical risk. Variable (27) states that meeting planners and associations "prefer cities that are safe--especially for women."

In the case of variable (27), potential harm to both clients (association members) and to association staff is a consideration in the site selection decision. The physical risk is shared by both the members and the staff. New Orleans and Los Angeles were mentioned by meeting planners in this study as cities where security was a factor in these cities' not being chosen as a convention site.

Functional risk was described in Chapter One as the risk that the product will not perform as expected. Risk variable (96) is an example of functional risk. Variable (96) states that meeting planners and association "prefer locations where the hospitality entities have had great continuity of staff."

The product in this case is an annual convention. One of the major elements of this product is the service levels at convention hotels and convention centers. Hospitality

entities with continuity of staff are thought to have a happy and more experienced staff that would translate into better service levels. Better service levels help reduce functional risk.

Social risk was described in Chapter One as "the risk that a product choice may result in embarrassment before one's friends/family/work group." Risk variable (15) is an example of social risk. Variable (15) states that meeting planners and associations "favor cities that fit the tone of the meeting."

Associations with an exclusive membership need to meet at exclusive locations. Religious groups might not feel comfortable in Las Vegas because of the gambling. Conventions with a history of sports activities might not fit well in an inner-city hotel. A lack of fit between location and convention functions could result in social risk for the planner and/or the association.

Risk, in this study, was found to be an influencing, situational variable within the context of convention planning in associations. This is consistent with the works of the general marketing authors cited at the beginning of this section on risk. Further, within the context of this study, the four types of risk introduced in Chapter One were found to exist.

Proposition Six--Power as a Situational Variable

Proposition Six states that, "Power will emerge as a situational variable in this study." The concept of power as a situational variable was introduced in Chapter One. French and Raven (1959) and Kohli (1989) have suggested that power is an influencing variable that affects decision processes in organizations.

Appendix One was reviewed for evidence of influencing variables that could be classified as power variables. Those variables classified as power variables are presented in Appendix Four. The search through Appendix One was an attempt to identify variables which influenced members of the buying center while an evoked set was being formulated. Specifically, this is being examined within the context of an association considering convention locations for an annual convention.

An example of power was example (72). In this example "The association has a new chairperson every year. This chairperson has great influence on what cities are considered." In this example an elected chairperson is rotated into the chair's position every year. This chairperson then has considerable power over the convention site picked that year. Another example is number (101). Here "Some locations are considered because they have been recommended by a major association player--they (locations)

are considered so as not to anger that player." In this case this "major player" has some power over what cities are included in an evoked set of possible convention sites.

A final example of power as a influencing situational variable is example (60). Here an association "will strongly consider a location that is pushed by a board member." The board member becomes an unofficial host (for the convention in the city the board member pushed if that city is chosen as the convention site). Board members tend to be powerful players in associations. When they champion a city for a convention, that city is often included in the evoked set. This is clearly a demonstration of power in the buying center.

In Chapter One a variety of power types were introduced (French and Raven, 1959). Table 4.2 redefines these power types. It was not the intent of this study to classify the power variables identified in Appendix Four within the typologies of power introduced in Chapter One. Rather, Appendix Four was reviewed for examples of power to confirm the literature introduced in Chapter One.

An example of reward power is power variable (26). Variable (26) states that meeting planners and associations "consider cities that are strongly recommended by the chairperson, the president, or a member or group of members." This variable (and many of the variables in this study) could be classified under more than one category. This variable

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Table 4.2
Typology of Power Bases

1. Reward Power - The ability of one buying center participant to provide rewards to another buying center participant.

2. Coercive Power - The ability of a buying center participant to punish other members of the buying center if they do not go along with her/his wishes.

3. Referent Power - The extent to which others like and identify themselves with that person and have regard for his or her personal qualities. Others comply with such an individual because of their regard for that person and their desire to emulate his or her qualities and actions.

4. Legitimate Power - The extent to which members of the buying center comply with other members decisions because of their formal position or because the person making the decision will be most effected by the decision.

5. Departmental Power - A participant's influence over other participants is associated with the power in their respective departments.

Table 4.2 (continued)

6. Expert Power - The power a buying center participant has, based on her/his perceived knowledge of the issue being studied. Other members of the buying center may comply with participants with expert power because they believe it will lead to the best decision.

7. Information Power - A buying center participant is influenced by the information provided or with held by another buying center participant.

could also be classified under the legitimate power heading. However, within the context of the example, reward power played a role. The people identified in this example have the power to reward meeting planners who take their recommendations seriously. This is taken into account by many planners when choosing a location.

An example of coercive power is power variable (101). This variable states that "some locations are considered because they have been recommended by a major association player. The location is considered so as not to anger that player." Here the threat of reprisal influences the buying center to consider a location. Association employees do not want to be punished for going against the wishes of a major association player.

An example of referent power is power variable (51). Variable (51) states that buying centers "give strong preference to locations where there is involvement by particular (important and/or strong) members." Here the buying center considers a location based upon the involvement of an important association member in the bid of a particular city. The buying center considers the location because of the referent power of the important member.

An example of legitimate power is power variable (60). Variable (60) states that buying centers in associations "will strongly consider a location that is pushed by a board member.

The board member becomes an unofficial host." Here the board member has the right as a board member to influence locations decisions in the association. The board member uses his or her legitimate power to influence site selection.

An example of information power is power variable (23). Variable (23) states that the buying center "will consider locations that have recently contacted a planner by direct mail, trade show, or by the local convention and visitors bureau." Here the meeting planner is an information gatekeeper. The planner has current information about destinations that they may use or not use in the buying center to influence site selection decisions.

An example of expert power is power variable (108). Variable (108) states that "planners in some cases will 'veto' a destination that is being pushed by some member of the buying center because the location would be a logistical nightmare." The planners' expert power in the actual production of a convention is used to prevent a site from being considered.

An example of department power is power variable (104). Variable (104) states that "in some instances the association executive will not allow cities to be considered unless the convention department approves them as a viable site." The convention department has departmental power over the sites considered and ultimately selected.

Power was found to be an influencing situational variable within the context of this study. This is consistent with the work of the two authors in the area of general marketing cited at the beginning of this section on power. Further, the French and Raven (1959) typology of power in buying centers was confirmed with examples from the study.

Proposition Seven--"Other Situational Variables"

Proposition Seven states, "Other situational variables, not based in the literature, will emerge in this study." The one hundred and eight variables that were found to influence the buying centers of associations formulating evoked sets were presented in Appendix One. Appendices Two, Three, and Four broke out the variables of risk, power and buyclass. The remaining variables are presented in Appendix Five.

Before Proposition Seven could be explored, the influencing variables listed as "other" in Appendix Five had to be reviewed within the context of the overall suggested model for organizational buying. If other situational variables existed, they would have to be included in this appendix. This study was an attempt to discover situational variables. However, the suggested organizational buying model presented in Chapter Two indicated that situational variables were but one type of influencing variables. Recall from Chapter Two (and Figure 4.3) that the other types of influencing variables were environmental (external),

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organizational (internal), group decision and individual decision variables.

Appendix Five was reviewed from the context of the overall model. Any variables not classified under one of the five types of influence variables presented in this study would qualify as a variable described in Proposition Seven-that is, an influence variable that was situational to a given decision that could not be classified as risk, power, or buyclass.

Most of the variables in Appendix Five were easily classified as external (Appendix Six) or internal (Appendix Seven). Group and individual influences were not broken out but examples of both were present in the variables.

An example of a group variable is variable (76). Variable (76) states that "locations are chosen depending on the mood of the site committee and the planning staff on that day." An example of an individual influence is variable (41). Variable (41) states that planners "favor locations where the planner has taken a vacation." The existence of all suggested types of influence variables added legitimacy to the proposed model of organizational buying.

All the original 108 influence variables could be classified under one of the influence types already presented in this study. Therefore, Proposition Seven was not found to be true.

The Two Research Questions

The first research question asked: "Do the situational variables--risk, power, and buyclass--influence members of the buying center while these members are deriving an evoked set in an organizational buying scenario?" This research question was based on the existence of buying centers, evoked sets, situational variables, and the manifest influence of three situational variables--risk, power and buyclass,--in an organizational buying scenario. The organizational scenario was that of an association considering sites for an annual convention. All of these elements had to be present to confirm the first research question.

Buying centers and evoked sets were found to exist in this study. Situational variables were found to influence members of the buying center while evoked sets were being formulated. Risk, power and buyclass were found to be three situational variables influencing buying centers and evoked sets. Therefore, it is reasonable to answer the first research question in the affirmative. The situational variables of risk, power, and buyclass do influence members of the buying center while these members are deriving an evoked set in an organizational buying scenario.

The second research question asked: "Are there other situational variables that influence members of the buying center while these members are deriving an evoked set in an

organizational buying scenario?" This study explored Proposition Seven and found no evidence that "other" situational variables were affecting the buying center or evoked set makeup in the general organizational buying process. It is not reasonable to conclude, then, that "other" variables are influencing evoked sets or buying centers formulating evoked sets. Therefore, research question two, on the basis of this study, could not be affirmed. Other situational variables were not found to exist. This finding is consistent with the literature in organizational marketing.

Summary

Chapter Four began with a discussion of some validity steps suggested by the committee. The chapter then dealt with the fourth step of the four-step method (McCracken, 1988) of qualitative inquiry using a long interview. Next, the chapter dealt with the examination of the data for evidence of buying centers, evoked sets, and situational variables. The last part of the chapter was an examination of the data to see if examples could be found of situational variables that could be classified as risk, power, buyclass and other.

Seven propositions and two research questions were suggested at the beginning of this study. After performing the study and the analysis of the data, six of the seven propositions were accepted. "Other" situational variables were not found to exist in this study.

The first research question was answered in the affirmative. Risk, power and buyclass were found to influence members of the buying center while evoked sets were being formulated. The second research question was not answered in the affirmative. No "other" situational variables were found to influence buying centers while evoked sets were being formulated in organizational buying scenarios within the context of this hospitality example. These findings are consistent with the literature review.

CHAPTER FIVE

Conclusions

Purposes and Approach of the Study

The major purposes of this study were: (1) to explore whether the situational variables--risk, power, and buyclass--influenced members of a buying center while these members were deriving an evoked set in an organizational buying scenario, and (2) to determine if there were other situational variables not based in the literature that influenced members of the buying center in this scenario (an organizational buying scenario). Evoked sets were described as the finite number of possible solutions that were formulated during the first stage of the buystage process.

This exploratory study was conducted within the context of the hospitality industry. Specifically, the study explored the variables that influenced buying centers of associations while conducting a search for a host city for an annual convention. The influence of situational variables on the derivation of evoked sets was a particular point of interest. The study also explored which situational variables influenced association meeting planners as they derived evoked sets of potential host cities for an annual convention.

The results and conclusions are based on a study conducted during the summer of 1992. Twenty-three meeting planners were interviewed. It is important to note that the

results of this study are based on the perspective of the meeting planning entity within the associations included in the study. No other members of the buying center were included in the study. A four-step, qualitative process (McCracken) was used to explore the two research questions.

The seven propositions provide the groundwork for the examination of the research questions. The research questions are based on the existence of buying centers, the existence of evoked sets, the existence of situational variables, and the existence of risk, power and buyclass as specific situational variables. All of these existence assumptions were addressed by one of the seven propositions.

This section of conclusions will begin by examining the seven propositions first. Conclusions on the research questions will follow the discussions on the propositions. Hypotheses and propositions suggested by this study are included at the end of the discussion on each proposition. The suggested hypotheses and propositions are proposed within the context of a hospitality framework.

Proposition One--The Existence of Buying Centers-- Conclusions

Proposition One stated that buying centers exist where organizational buying decisions are made. This proposition was explored within the context of the hospitality industry. All 23 interviews with association meeting planners pointed toward the existence of buying centers. In no case did one

person make the site-selection decision when an association was searching for a host convention city for an annual convention. In all cases, there were multiple influencers while evoked sets were being formulated. Chapter Four presented a number of examples of the makeup of the buying centers as discovered in this study. There was participation from a variety of center members while evoked sets were being formulated. Within the context of this study, buying centers were found to exist. This supports the findings of Robinson, Faris, and Wind (1967) and Webster and Wind (1972).

Proposition One--The Existence of Buying Centers and Implications for the Hospitality Industry.

The primary implications suggested by the existence of buying centers for the hospitality industry would be in the area of marketing. It is important for hospitality marketers to recognize that more than one individual in an organization may have influence in convention destination decisions. Simply marketing to only meeting planners may not be particularly effective depending on the inner workings of a particular buying center in an association (Anon, 1959; Walsh, 1961; Harding, 1966; Weigand, 1968).

One of the goals for future hospitality marketers should be to gain insight quickly into the inner workings of buying centers of organizations the marketer is attempting to sell to. Association members, board members, presidents, executive

directors, staff members, meeting planners, and/or a site selection committee must all be considered when planning a marketing strategy for a particular association. It is especially crucial for hospitality marketers to determine who in the buying center has influence when evoked sets are being formulated and when the final site selection is being determined (Grashoff, 1978; Bellizzi and Walter, 1980).

From the standpoint of the association the group aspect of the decision needs to be considered. Group rewards in the internal culture of the association may be more effective in matching the goals of the association with the goals of the buying center than individual goals (Anderson and Chambers, 1985).

Of special note is the meeting planner. Webster and Wind (1972) identified roles within the buying center as users, influencers, buyers, deciders and gatekeepers. Within the context of a buying decision within an industrial organization, the influencer might be the company engineer, the buyer might be a person in the purchasing department, a secretary might be the gatekeeper and the line workers might be the users of the product purchased.

Engineers often influence industrial buying decisions because of their expertise. In this study the "experts" are often meeting planners. For example, the meeting planner is also often a gatekeeper for both personal and professional

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reasons. The meeting planner may favor a city and want to keep information about other cities from reaching members of the buying center. The meeting planner may also want to curtail information from certain cities to other buying center members because of the difficulties in holding a meeting or convention at that particular location. Certainly, the meeting planner is almost always the purchasing agent. The result may be that meeting planners play a more important role in the decision process for choosing a host convention city than a purchasing agent in an industrial buying situation. The meeting planner is both the purchasing agent and the person with the special expertise (the engineer in an industrial example).

Within the context of this study, there seemed to be a distinction between meeting planners who had been in their roles for a relatively short time and those who had been in their positions longer. Meeting planner influence in the buying center seemed to grow as their length of service increased. Further, the sources of information used by meeting planners changed as their years in their positions increased. More personal sources of information were used by experienced planners. Thus, the hospitality marketer may need a variety of marketing strategies depending upon the length of time a planner has worked at a particular association. It was important that influence and information sources be mentioned

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here to explain buying centers. Hypotheses pertinent to these two areas will be stated later in the chapter.

All of the hypotheses and propositions suggested below are suggested within the context of the hospitality industry. Many of the hypotheses are implied from the literature review in Chapter Two. The pertinent author(s) will be noted following the statement of the hypotheses. The hypotheses or propositions with no citings were implied from the study.

> H1 - Different people in the buying center are actively involved in the decision process at different stages of the buyphase process (Johnson and Bonoma, 1981).

> H2 - Group rewards are more effective in getting the buying center decision to match the goals of the overall organization than individual rewards (Anderson and Chambers, 1985).

The Existence of Evoked Sets--Conclusions

Proposition Two stated that an evoked set is derived, formally or informally, during the first stage of the decision process in organizational buying scenarios. In approximately half of the cases formulation of the evoked set was an informal process. Evoked sets were formed by the buying center but the process was not a conscious process. In half the cases there was a formal, conscious derivation of the evoked set. No example was found in this study where only one

city was considered as the site for convention. In every case, more than one city was initially considered. From this group of cities, which were initially considered, emerged the ultimate site for the convention.

The number of cities initially considered varied from three to "dozens of cities." Two-thirds of the buying centers in this study formulated an evoked set of six to eight possible convention sites and then reduced this to a feasible evoked set of two to four cities. One-third of the cases in this study were either much larger or smaller (two to three cities in the evoked set). Within the context of this study it is reasonable to conclude that evoked sets are derived at an early stage of the organizational buying process. It was proposed that evoked sets, in the context of this study, would be formulated in the first phase of the buyphase process. It was found that evoked sets were formulated during the first three phases of the buyphase but not necessarily during the first stage of the buyphase process.

This is consistent with the findings of Choffray and Lilien (1980) and Robinson, Faris, and Wind (1967). Where evoked sets were being formulated, the buyphase process was not consistent with that of Robinson, Faris and Wind (1967). The implications are that the buyphase process is circular and not linear where a buying center has been through a particular buying task before. This will be explained in detail in the

section of this chapter on testing the face value of the
model, level one.

<u>Proposition Two--Existence of Evoked Sets--</u>
<u>Implications for the Industry</u>

The concept of evoked sets is important for hospitality
marketers to consider. Final selection as a host city for an
association convention depends upon first being included in
the association's evoked set of considered cities. This would
seem to break the hospitality marketer's strategy into two
phases or goals. The first phase or goal is to be included in
the evoked set of cities being considered by an association.
The second phase or goal is to be the city chosen as the host
convention city from among the cities within the evoked set.

From a marketing perspective these two goals may be
accomplished in two different ways. Being included in the
evoked set means competing with all of the cities that are
capable of handling the particular needs of an association's
convention. In eighty percent of the cases in this study, all
the cities in an association's evoked set could physically
handle the convention in question. That is, each city in the
evoked set has a large enough convention center, enough hotel
rooms and enough transportation outlets to comfortably handle
the association's convention. Being chosen for the evoked set
from the universe of capable cities requires a marketing
effort that is potentially far different than being chosen as

the destination city from an evoked set. As Moriarty and
Spekman (1984) discovered, different information sources are
used at different stages of the buying process. Information
sources that might be relatively effective early in the
process (i.e., formulation of evoked sets) might not be
effective later in the process (i.e., choosing the winning
city from that evoked set). As an example, a magazine ad
might help a city get noticed initially and could aid in that
city's being included in an evoked set. Meeting planners in
this study indicated that a magazine ad would probably have
little influence later in the process when the cities in the
evoked set had been considered in some detail.

Thus, a hospitality marketers might need to consider the
marketing process in at least two parts. The first of the
parts is how to market to organizations formulating evoked
sets.

H3 - The buying center is influenced by different
     information sources during the formulation of evoked
     sets than during other stages of the buyphase
     process. (Moriarty and Spekman, 1984)

H4 - Buying centers in a new-buy situation are less
     certain about the appropriateness of possible
     solutions (evoked sets) than buying centers in
     modified rebuy situations (Anderson, Chu and Weitz,
     1987).

Proposition Three--The Existence of Situational Variables--Conclusions

Proposition Three states that situational variables exist in organizational buying scenarios. This proposition was explored in this study within the context of the hospitality industry. In Chapter Four a variety of influence variables (Appendix One) was subsequently identified as buyclass variables (Appendix Two), risk variables (Appendix Three) and power variables (Appendix Four). Buyclass, risk and power variables were identified as situational variables in Chapter One. Within the context of this study it was concluded that situational variables do exist in organizational buying scenarios.

Proposition Three--The Existence of Situational Variables--Implications to the Hospitality Industry

This study revealed a wide variety of variables (Appendices Two, Three, and Four) which were situational to a purchase decision being considered by an organization. These situational variables influenced the makeup of an evoked set and where that association eventually booked an annual convention.

The heart of strategic marketing is segmenting, targeting, and positioning (Kotler, 1988). Worldwide, dropping hotel occupancies are forcing more and more facilities to consider targeting the convention market.

To market successfully to an organizational buying entity, the marketer must understand the variables which influence the buying center (Webster and Wind, 1972). Studies such as the 1990 ASAE Association Meeting Trends outline a series of key factors (presented in Chapter Two) which purport to explain the variables which most influence association meeting planners. However, six of the top seven key factors are really concerned with the infrastructure of a potential convention site.

Two problems exist with lists of key factors as outlined by the 1990 list of Association Meeting Trends. 1. A list such as this purports to explain why and how an association makes a convention destination decision. The message to the hospitality industry would seem to be: simply read this list, provide what is suggested on the list, and the result will be a successful convention entity. 2. The compilers of these lists assume that there are common influence variables (mostly nonsituational, task-related variables) affecting association's site selection decisions. This approach also assumes that decision making within associations is rational.

This study revealed three types of situational variables (risk, power and buyclass) that, to a given association, are as important or more important than any of the factors revealed in the ASAE list when it comes to an association choosing a convention site. Further, these variables are

situational to the given association. No two associations interviewed in this project considered the same specific influence variables. Infrastructure needs may play a decisive role in determining a convention location if only a limited number of potential locations can fulfill those needs. However, with 65% of association conventions being attended by 600 persons or fewer (80 % with 800 persons or fewer) (Successful Meetings, 1992) infrastructure arguably becomes less of the telling factor. Further, there is dramatic growth in the building and/or renovation of convention centers in the United States (Coopers and Lybrand, 1991). Infrastructures being equal, other variables, such as situational variables, may gain in importance. As has been pointed out, an increasing supply of infrastructure arguably makes infrastructure a less important factor in an association's decision process. Reducing the effect of infrastructure increases the effect of other, more situational, variables. This is especially true where smaller conventions are being located.

This study revealed no universality in decision making influence variables. This is important for hospitality marketers to consider. Each account will be different and must be treated that way. Each account will have to be studied carefully to determine which marketing approach would be the most successful.

The decision process in organizations is not necessarily rational (Cyert and March, 1963). A quick perusal of the situational variables revealed in this study backs up the 1963 study of Cyert and March. Such variables as "A city that offers something new" or "Favor a city favored by the meeting planner" do not neatly fit any of the lists mentioned above, nor are these variables necessarily rational.

The hospitality marketer should not assume that the decision-making process of an association is rational. The marketer should study and come to understand the decision process of each association. Success may be enhanced by recognizing important variables that may be situational to an individual association.

> P1 - Situational variables are a more important
> influential variable in buying decisions that
> involve smaller conventions than bigger conventions.
> P2 - Situational variables have more influence on
> the buying center while evoked sets are being
> formulated than at any other stage of the buyphase
> decision Process.

Proposition Four--Buyclass as a Situational Variable

Proposition Four stated that buyclass would emerge as a situational variable in this study. Buyclass, in organizational marketing scenarios, was broken down into three types. These three types were new task, modified rebuy, and

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straight rebuy (Robinson, Faris, and Wind, 1967).

In Chapter Four, seven buyclass variables were identified. Examples were found of different buyclass types.

Within the context of this study and based on the findings in Chapter Four, it is reasonable to conclude that one of the situational variables influencing buying centers is buyclass. Evidence in this study only supported two types of buyclass. These two types were modified rebuy and new-buy.

Proposition Four--Buyclass as a Situational Variable --Implications to the Industry

Going into this study there was little precedent, within the hospitality literature, to follow in terms of classifying buyclass types (new buy, modified rebuy, straight rebuy). It seemed logical that within the context of this study most of the buying situations would be modified rebuys. The study revealed no examples of straight rebuy scenarios, which seemed to indicate that a different convention site was being chosen for most years by the associations studied. However, the need (an annual convention) was not new to the organization (the association). This, in turn, would imply a modified rebuy scenario.

There were few scenarios which could be described as new buy. A new buy situation would imply a new product and, in this case, a very inexperienced buying center. A new buy situation, in this study, would involve an association

planning an annual convention for the first time by a buying center that had never planned an annual convention.

This study revealed few inexperienced buying centers. The associations interviewed had all been in existence for some time. All of the associations interviewed had been planning and holding annual meetings for some time. The meeting planners interviewed had, with few exceptions, been in the meeting planning business for some time, even if not with their current association. In planning conventions for a major Washington association, there are a limited number of potential convention sites. After past and current jobs, attendance at various trade shows, and past conventions, there were few viable locations that a veteran planner had not experienced in some way.

A new association with a new buying center might experience a true new-buy scenario. However, these situations seem to be rare. This may be due to sampling only those associations strong enough to belong to the Greater Washington Society of Association Executives. According to the American Society of Association Executives more than 600 new associations are started each year. Few new associations, however, would be likely to be in organizations such as the Greater Washington Society of Association Executives during the first year or so of existence.

Modified rebuy situations are suggested by a number of examples in the study:

1. Some associations rebook a particular city at regular intervals (every three to five years, for instance). This may be done for political reasons or because a city is a good draw. Though a city is rebooked in this fashion, a particular hotel rarely is. New hotels are considered for most rebookings making the situation a modified rebuy.

2. Meeting planners working for associations will usually book a different city every year but they will book the convention only with a national hotel chain represented in Washington. A representative with the national hotel chain already knows the meeting specifications for the association's meeting, and he/she already knows the meeting planner. The planner already knows the level of service to expect, what the contract will entail, and is able to negotiate a better deal because of the overall view of the association's business by the hotel's national sales office.

3. A very common technique used by planners is to

test a potential convention site with a small meeting first. A planner may then book a convention in the "tested" town.

The implications of the buyclass to the hospitality seem clear:

1. To compete for convention business in the Washington association market a hotel chain must have a regional or national office there.

2. A city, convention and visitors bureau, or local chain hotel attempting to book business with the Washington association market might well consider marketing to pertinent, hotel, Washington national sales offices. That is, a local Hilton or a city with a Hilton might consider marketing itself to representatives in the Hilton national sales office in Washington-- "working" these national hotel sales representatives formally and informally to ensure a city or a particular hotel its share of the business being generated by the national sales office.

3. Marketing to associations might well be viewed in two stages. The first stage is the attempt to book a smaller meeting in a particular hotel or city. This allows the planner and the hotel/city representative(s) to get to know one another. This first stage allows the planner to test the city and/or the facility(ies). The second

stage is the attempt to book the association's bigger
meetings based on the developed relationship and the
comfort the planner has, hopefully, developed with the
destination. This type of booking process might work
best for second tier cities trying to work their way
into the association meeting market for the first time.
4. Destinations should closely monitor the job changes
by meeting planners in associations. A planner who
switches to a new association and who is already
familiar with a destination could be a prime business
source.
5. Destinations should monitor attendance at conventions
held at the destination. If the attendance is especially
good, there may be a possibility for working the
destination into a set rotation pattern.
6. Some patterns are noticeable in association
booking habits. Some associations had been going to
many of the same locations for years. Planners
with some of these associations indicated they were
getting ready to break out of these patterns and book
the conventions in new places. Other associations had
been booking conventions in different locations for
many years and were looking for more stability.
Some locations were considering more set rotation
patterns to set cities. The point here is that

association booking policies are often more dynamic than might first be assumed. The wise destination will monitor association booking policies continually, even if the policies do not at first appear to favor the destination.

7. Destinations should keep tabs on new and emerging associations. Decisions made by planners in new associations today may have real impact on where that association books business in the future (when that association is considerably larger and more established).

Based on the findings of this study it is hypothesized:

H5--Buying centers, in modified rebuy situations, will be relatively quick to make decisions compared to buying centers making new buy decisions (Anderson, Chu, and Weitz, 1987).

H6--Buying centers in new-buy situations will be more willing to entertain proposals from "out" suppliers and less willing to favor "in" suppliers (Anderson, Chu, and Weitz, 1987).

Proposition Five--Risk as a Situational Variable

Proposition Five stated that risk would emerge as a situational variable in this study. Thirteen examples of risk (Appendix Three) as a situational variable were found in the

course of this study.

During the interviews many meeting planners indicated the economy had affected associations. Many indicated that membership and/or attendance at meetings and conventions was down (Grimaldi, 1992). Meeting planners felt there was a potential for cutbacks in their departments. They also indicated there was competition between similar associations for new and current members. Risk seemed to be an especially big factor for meeting planners and for associations at this time. A bad convention site could put a meeting planner and/or an association in serious jeopardy. This risk factor clearly had an impact on which destinations were included in the evoked set.

Within the context of this study it is reasonable to conclude that risk is a type of situational variable. Risk was found to affect the decisions made by the meeting planners and the buying center.

Proposition Six--Risk as a Situational Variable
--Implications to the Industry

Because meeting planners and associations are risk averse, especially during current times, the hospitality marketer should take risk into account. From a general standpoint, the marketing mix should include a message or messages on how booking a destination is either a safe choice or how the destination can reduce or handle risk for the

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meeting planner and the association. Ignoring the risk
concept may harm a destination's chance of getting into an
evoked set.

Risk, for this part of the conclusions, is broken into
personal risk (most often for the meeting planner) and group
risk (most often for the buying center and/or the
association).

The study suggests ways for a destination to approach
personal risk:

1. Meeting planners greatly prefer cities they have been
to and seen. Seeing a destination helps the planner
overcome fears. Several examples were given during the
interviews where a planner agreed to visit a destination
he/she did not think would work for his/her group only to
find that it could upon actually seeing the destination.
Destinations too often get caught up in the here and
now with site inspection trips. If an association does
not have a potential meeting to book in the near future,
the planner may not be invited to a city. On the other
hand, the planner will not book a city or destination
without visiting first. From a long range point of view,
a destination cannot get too much exposure with meeting
planners.

2. Meeting planners indicated that they strongly
considered destinations that either were recommended by

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association members or that received positive feedback from association members. A destination which received positive feedback took some of the pressure off the planner if he/she booked the destination and all did not go well. Recommendations by powerful members were dangerous to ignore. Destinations should have local marketing campaigns to identify association members who could assist in getting an association to book at the destination. A word of caution. Meeting planners expressed negative emotion at convention and visitor bureaus that pushed this marketing method too aggressively.

3. Some meeting planners said they preferred to use locations other meeting planners had used with success. A marketing campaign that involved well-known planners familiar with the destination could be effective.

4. Many meeting planners said they preferred working with national hotel chains with good reputations and that they preferred properties that had continuity of staff. Most independent properties trying to market to associations would do well to consider some sort of affiliation. Continuity of staff, where it exists, could be used as a marketing tool.

The study also suggests some ways the destination might approach the issue of group risk:

1. Associations prefer cities that have good drawing power for their conventions. If a city has drawing power, this fact is a strong advertising point. Another approach is for destinations to demonstrate how they will help an association build attendance. This can be done with advertisements in the association's newsletter or magazine, having a booth at the association's convention a year or two in advance to build interest, or with the destination agreeing to do mail outs or provide staff phone banks in advance of the convention.

2. A number of meeting planners indicated that the percentage of female delegates attending their conventions was increasing. Safety, to these planners, has become a major factor. A destination needs to demonstrate its ability to provide a safe experience. National reporting of "incidents" such as the Los Angeles riots or high crime rates in the New Orleans French Quarter need to be addressed both with increased emphasis on safety and with some sort of public relations campaign.

3. A number of meeting planners indicated that their associations and, therefore, their conventions, were

becoming more technical in nature. Several meeting planners indicated that they preferred destinations that had demonstrated the ability to handle highly technical meetings (especially in a certain niche, for example, medical meetings). A destination that has gone through the learning curve of handling a highly technical meeting and/or has invested in the technology to handle such a meeting might do well to market this ability.

4. A city and an association's convention should match. That is, the tone of the meeting needs to match the tone of the city. A conservative group might not do well in the French Quarter in New Orleans, for instance. Why have a convention oriented toward golf in New York City? Destinations should segment and target conventions that match the tone of the city and demonstrate that match to planners.

Planners in this study reflected more on risk-types than either buyclass or power. The hospitality marketer should consider risk as the important situational variable that it is.

The findings on risk suggest the following Propositions for future study:

P3 - Of all the situational variables, risk is the most influential while evoked sets are being formulated.

P4 - Personal risk is more powerful than group risk while evoked sets are being formulated.

P5 - Across the phases of the buying decision, risk is at its most powerful while evoked sets are being formulated.

H7 - Social risk is the most powerful form of risk considered by meeting planners. (Murphy and Enis, 1986)

Proposition Six--Power as a Situational Variable

Proposition Six stated that power would emerge as a situational variable in this study. Meeting planners generally were reluctant to talk about power. Hints as to the inner-workings of an association and the effects of power often came near or at the end of the interviews.

Twenty-nine of the situational variables detected in this study were related to the power paradigm (see Appendix Four). Within the context of this study it is reasonable to conclude that power is a situational variable and that it is a situational variable when buying centers are formulating evoked sets.

Proposition Six--Power as a Situational Variable --Implications to the industry

Power has been demonstrated to have effects in organizational marketing scenarios (Kohli, 1989). The hospitality marketer should learn to recognize power as an

important variable which may influence the makeup of an evoked set.

From a hospitality marketing perspective the power paradigm and the results of this study provide a number of marketing opportunities.

1. Some associations must go to locations where they receive invitations from member institutions. A local marketing campaign to identify such groups could provide some excellent convention leads. In this case the first job of the hospitality marketer is to identify and market to the local contact of the association.

2. In some associations there is a new chairperson every year. This chairperson often has great power over the staff and other members of the association. This power may include the ability to affect which destinations are considered and eventually chosen as the convention location for some time in the future. The hospitality marketer should consider a project to identify such persons in their vicinity. The initial marketing effort should be aimed at the chairperson.

3. A number of planners indicated that their association gave strong preference to locations where there was strong involvement by members who were very

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influential in the association. The hospitality marketer should attempt to identify such association members. The marketing effort should begin by marketing to these influential constituents.

4. A number of meeting planners indicated that the convention site was chosen many years in advance. Many of these associations also knew in advance who the president would be in a given year. Either tradition or bylaws relegated much of the decision power on site selection to the person who would be president the year of a particular convention. The hospitality marketer should attempt to identify such persons. The marketing effort would begin with the future president.

5. Many planners indicated that they had included cities in an evoked set because they had been recently updated about the city and/or they had recently received a sales call from the city. The hospitality marketer must update planners on pertinent points about their destinations. Further, they must keep their product visible to planners to be considered.

6. This study revealed that most of the cities included in the evoked set were put there by

the meeting planner. To be included in the evoked set a city must be favored by the planner. In such situations the meeting planner should become the focus of the marketing effort. More personal types of marketing and communication would probably be the most effective. The role and power of the meeting planner increases with his/her length of service to a particular association.

7. Sometimes the association's executive director would not allow cities to be considered as a convention site unless the meeting planning department had given prior approval to the site. In these cases it is foolish for the hospitality marketer to begin anywhere except in the meeting planning department. The meeting planning department has veto power; to begin marketing elsewhere in the organization could prove dangerous. Both expert and legitimate power have a role in this situation.

Power is an important situational variable which influences the makeup of the evoked set differently in almost every association. The hospitality marketer would do well to train his or her staff to look for the influence of power on the site decision process to determine how to market their destination most effectively.

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H8 - Of all the forms of power, expert and legitimate
       power are the most influential forms as evoked sets
       are being formulated (Thomas, 1984).

P6 - The power of meeting planners in the buying
       center grows as their length of service to a
       particular association increases.

P7 - Of all the buyphases, the meeting planner has the
       least amount of influence in the buying center
       while evoked sets are being formulated.

Proposition Seven--"Other Situational Variables."

Proposition Seven stated that other situational
variables, not based in the literature, would emerge in this
study. No variables emerged in the course of this study that
could not be classified as one of the influence variables in
the proposed model. Proposition Seven is rejected in the
context of this study. No new hypotheses are suggested.

The First Research Question--Conclusions

The first research question asked whether the situational
variables of risk, power, and buyclass influenced members of
the buying center while these members were deriving an evoked
set in an organizational buying scenario. In examining the
propositions, it was concluded that buying centers, evoked
sets and situational variables exist. Further, it was
concluded that the situational variables of risk, power and

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buyclass influence the makeup of the evoked set. This first problem statement was based on the first six propositions.

Within the context of this study, it was reasonable to conclude that the answer to the first research question is in the affirmative. The implications to the industry have been presented with each of the first six propositions in this chapter.

The Second Research Question--Conclusions

The second Research Question asked whether there were other situational variables which influence members of the buying center while these members are deriving an evoked set in an organizational buying scenario. No new situational variables were found. The answer to the second research question is in the negative.

Testing the Face Value of the Model

In the second chapter of this dissertation a suggested model of the organizational buying process (Figure 2.6) was presented. The intent of the model was to assist in explaining points in the literature review. Another intent was to assist in providing a philosophical framework for the study of evoked sets and situational variables. The model was not the focus of the dissertation.

The dissertation committee, however, recommended that the meeting planners interviewed as part of this project be surveyed as to the validity of the model. The insights

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provided by the meeting planners had the potential to add face validity to the entire process if they generally supported the model.

Questioning meeting planners about the model was included as part of the interview process in Washington, D.C. Meeting planners were not given a copy of the model until the part of the interview concerning evoked sets and situational variables was completed. This was done so that the model did not bias the planners during earlier questioning.

Once the earlier part of the interview was completed, the planners were given a copy of the model (Figures 2.1, 2.4, 2.6, and Table 2.2). The four levels of the model (buyphases, buying center participants, influence variables, and information sources) were explained in detail. The planners were asked throughout the explanation process and at the end of the process for their thoughts, insights and opinions. These planner reflections were taped, transcribed, and analyzed like the other data in this project.

The major insights provided by the planners were summarized by levels (one through four). Any further hypotheses suggested by this process and study will also be included.

Level One--Buyphases--Planner Insights

The 23 planners generally agreed with the seven buyphases outlined in level one of the model (Figure 2.1).

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Many felt that the process should be looped from phase eight back to phase one. The phases, as they are now placed, seemed to indicate a new-buy situation where every decision begins anew. There were no new-buy situations. Thus, phase eight, feedback and evaluation, had impact on the next year's buyphase process.

Once a planner and an organization had been through the process a number of times, Figure One no longer seemed the best order of how events actually occurred. After going through the decision process a few times, the process does seem to loop back from phase eight, but not to phase one.

Instead, performance feedback and evaluation (phase eight) seemed to loop back to "determination of characteristics and quantity of needed item" (phase two) and then to "description and quantity of needed item" (phase three). Phase one moved to phase three in this situation. Fashioned in this way, the process is, arguably, no longer a new buy but a modified rebuy. The suggested model appeared to almost all of the meeting planners as a model of a new-buy situation. Further, evoked sets would not emerge in this scenario until the third phase.

There was considerable discussion about phase seven (selection of an order routine) with the meeting planners. Described in the initial way, serious negotiation with a vendor would not begin until after phase six (evaluation and

Level One
Eight Stage Buy Phases
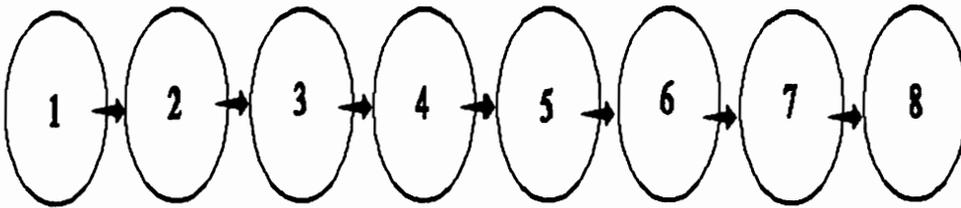
1. Anticipation or recognition of a problem (need) and a general solution (evoked set)

2. Determination of characteristics and quantity of needed item

3. Description of characteristics and quantity of needed item

4. Search for and qualification of potential sources

5. Acquisition and analysis of proposals

6. Evaluation of proposals and selection of supplier(s)

7. Selection of an order routine

8. Performance feedback and evaluation

Figure 2.1

Level Three
Influence Variables
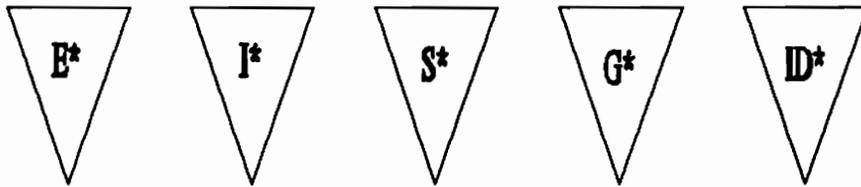
E* - External Environment
I* - Internal Environment
S* - Situational Variables
    a. Risk
    b. Power
    c. Buyclass
G* - Group Decision
ID* - Individual Decision

Figure 2.4

Table 2.2

Level Four
Information Sources

- Salesman   - Journal Advertising
- Exhibitions   - Professional and Technical
- Direct Mail   - Conferences
- Press Releases   - Trade News
- Word of Mouth   - Others

Figure 2.6 - The Proposed Model For Organizational Marketing

proposals and selection of supplier(s).

More experienced planners did not think this order realistic. Many experienced planners tended to play destinations off one another as part of the negotiation process. Once a destination was chosen, many planners felt they lost a good deal of negotiating leverage. Many planners indicated that they began negotiations in phase three and four. An order routine was established at phase seven, but most negotiating was done before phase six.

P8--Where a planner begins serious negotiations in the
buyphase process is related to how long a planner has
been in the meeting planning business. More experienced
planners will begin the negotiating process earlier in
the buyphases than inexperienced planners.

P9--The buyphase order as presented in Figure 2.1
reflects a new-buy situation.

P10--Evoked sets emerge later in the buyphase process in
modified rebuy situations than in new-buy situations.

Level Two of the Model--Buying Center Participants
--Planner Insights

Buying center participants were outlined in level two of Figure 2.7. These participants were delineated as users, influencers, deciders, buyers, and gatekeepers.

All of the planners agreed on these classifications and none had other classifications to offer. Several planners

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were reluctant to admit that there were gatekeepers in their organizations, but such roles usually emerged after some discussion.

The meeting planners generally thought of themselves as the buyer in the buying center. Most thought they played a role as influencer and user. Some thought of themselves as the decider and some did not. No real pattern emerged with the decider question. The decider varied from association to association.

It seems apparent that meeting planners play a larger role than just that of a buyer. Meeting planners are often the experts in these scenarios, so their roles as influencers and deciders is potentially enhanced compared to buyers (purchasing agents) in more industrial examples (meeting planners for associations are also users in that they attend and participate in the convention. Purchasing agents in industrial examples are rarely users). The planner's role is so enhanced that a new category of participant (buyer-guide, buyer counselor) might be suggested. Planners' roles in their organizations seemed to expand in relation to the length of time with the association.

P11--Meeting planners will attempt to gain more control over the site selection decision. These attempts will increase in number and intensity the longer a planner has been at a particular association.

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Level Three--Influence Variables--Planner Insights

Most planners agreed that influence variables did exist and that variables influenced members of the buying center. Much of this dissertation has been concerned with these influence variables, so there is little now to report.

Perhaps the major point that came from this level was concerned with the role of the group decision processes. Once a group or buying center had been through the convention-decision process, there was some group learning. This group learning tended to have more influence on organizational decisions where organizations have actually been through the process.

> P12--The group decision variable will be stronger in organizations that have been through a particular decision process in the past.

Level Four--Information Sources--Planner Insights

In discussion about level four (Table 2.2), two clear patterns emerged as the model was presented to planners. First, the information sources used by planners in the early stages of their careers were different from the information sources used in later years. Second, the information sources used were different at each planning stage.

New planners tended to use more formal information sources. New planners seemed more apt to read periodicals, to

attend trade shows and to go on site inspections.

Veteran meeting planners tended to use more informal sources of information, especially, word of mouth. Experienced planners seemed to have an information network of friends and trusted industry people who, with a phone call, could provide insight on a destination or service. These sources were considered more trustworthy than formal sources who were thought to be presenting the best possible image.

Planners indicated that the information sources used were different depending upon the stage of the decision process. Sources seemed to become more informal as an organization worked through a decision. Journal advertising and trade shows could have an effect in the early stages of the decision. These same media had almost no effect during latter stages of the process.

Recommendations for Further Study

The 20 hypotheses or propositions already presented provide a basis for future research in this area. Little scholarly research has been completed in the hospitality field in the area of organizational marketing.

It would be interesting to analyze the 108 influence variables in a study using factor analysis. Many variables identified in the study would probably load on similar factors. Underlying themes would then be established.

The identified factors could then be used in a study

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using regression analysis. This sort of analysis could assist in identifying which of the factors was the most influential in the decision process used to choose a convention location.

Hypotheses and propositions for future study are recommended below. These hypotheses were suggested as a result of the literature review and/or the study itself.

H9--"The more perceived task uncertainty and product complexity the higher the levels of centralization in buying decision units (buying centers) and the higher the level of participation" (McCabe, 1987, p. 95).

H10--Buying centers in new-buy situations will be larger than buying centers in modified rebuy situations (Anderson, Chu, and Weitz (1987).

P13--Evoked sets are larger in new-buy situations than in modified rebuy situations.

P14--Feasible evoked sets are more likely to occur in new-buy situations than in modified rebuy situations.

P15--Buying centers use fewer personal information sources during the formulation of evoked sets than at any other stage of the buyphase process.

P16--Experienced meeting planners will use more personal information sources during all phases of the

buyphases process than inexperienced meeting planners.

H11--Buying centers in new-buy situations will be more concerned about finding a good solution than getting a low price or assured supply (Anderson, Chu, and Weitz, 1987).

H12--"The greater the centrality of the position occupied by an individual within the organizational buying system (buying center), the greater the influence" (Ronchetto, Hutt, and Reingen, 1989).

H13--"The higher the formal rank in the buying system (buying center), the greater the influence during organizational buying related activities and decisions" (Ronchetto, Hutt, and Reingen, 1989).

Services vs. Goods.

In Chapter Two there was a discussion of the marketing of goods versus services. The suggested model of organizational buying presented in Chapter Two was based on models formulated in the general (goods) marketing or industrial marketing areas. Further, most of the articles covered in the literature review were from the general marketing or industrial marketing areas. The works of Murphy and Enis (1986) and Bell (1986) were cited as suggested classification

schemes that did not completely separate the marketing of goods and services.

The general models of organizational marketing used in this study (Robinson, Faris, and Wind, 1967; Webster and Wind, 1972; Sheth, 1973; Choffray and Lilien, 1980) did an excellent job of describing the organizational buying process. The suggested model for organizational buying presented in this study was reviewed with hospitality professionals prior to the study in Washington, DC and was well received. This same suggested model was reviewed with the meeting planners interviewed in this study and was well received. The fact that the models for this study were based in the goods/industrial marketing field did not seem to make much difference on the outcome of the study.

Bell (1986) classified products on two continua: degree of customization, and tangibility. Within this framework was a matrix with nine cells where goods and services were bundled to varying degrees. Bell classified a hospitality product (a shuttle airline) in an undifferentiated goods/services bundle. He defined this as "Standardized goods which have been augmented with services or industrialized services which have been augmented with tangible components" (p. 16).

Bell's classification works well within the context of this study. The standardized goods, for example, are hotels, convention centers and airports. The augmented services are

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provided by convention and visitors bureaus, hotel sales offices, decorating companies, ground transportation companies, etc.

Murphy and Enis (1986) classified products on the two dimensions of risk and effort. Products with the least amount of effort or risk for the purchaser were described as convenience products (see Chapter Two). Next were preference products, then shopping products, and finally specialty products.

One goal of hospitality marketers could be to make their product a specialty product. That is, no shopping is done and only one product will be accepted. The Waldorf=Astoria Hotel in New York or the Boca Raton resort in Florida could be hospitality examples of this type of product. This sort of differentiation is rarely possible in the hospitality industry.

Murphy and Enis (1986) classify hospitality products such as airlines, hotels and rental cars as preference products. However, in the case of association conventions, this classification does not seem adequate. Rather, the association convention appears to be more of a shopping product in the Murphy and Enis scheme. Here the product is one where the buyer wants to compare price, quality and style. The buyer is willing to expend time, effort and energy in evaluating potential products.

Generally, the Bell model (1986) and the Murphy and Enis model (1986) did an excellent job of classifying the product examined in this study.

Delimitations of the Study

The study was limited to 23 interviews. Thus, the sample is not representative of American associations. All the interviews were conducted in one geographical area (Washington, DC). Interviews were limited to associations planning annual conventions. The interviews were limited to associations which were members of the Greater Washington Society of Association Executives. Only one person in a buying center was interviewed. All the associations in the study were predominantly American associations. All of the interviews were conducted during one time span (summer of 1992). All interviews were conducted by one person. All of the associations included in the study had been in existence for some time. Being more mature organizations, all of the buying situations found in the study were modified rebuys. With hundreds of new associations coming on line each year (Association Factbook, 1990), there are certainly new-buy situations. However, this study did not include any new-buy examples. Finally, the information from the associations in this study were from one perspective--the perspective of the person in the organization responsible for planning that association's convention.

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1. The location of the general population (U.S.) to the cities being considered.	2. The location of member institutions or clusters of members.
3. Rotation policy (For example, east coast, central, west coast, etc.).	4. Cities that are automatic choices at a set interval of years (Washington every third year, for instance).
5. A city's ability to attract families (and thus increase attendance).	6. A city's ability to offer pre- and post-convention vacation opportunities.
7. A city's ability to offer short flight times to the most number of delegates.	8. Favor cities that are a short driving distance to a large number of delegates.
9. A city that offers "something new."	10. Favor cities that offer the delegates "arts opportunities."
11. Favor cities that offer a good deal in the way of programming opportunities.	12. Favor cities that have a good general "advertising base" to stir member interest.
13. Favor cities that have a hotel large enough to accommodate the entire room block--"everybody under one roof."	14. Want a city that has major convention hotels.
15. Favor a city that fits the tone of the meeting.	16. Favor a city with drawing power--a city with general appeal for numerous potential delegates.
17. Favor cities favored by the meeting planner.	18. Favor cities that offer delegates the most number of direct flights.
19. Favor cities that offer delegates a short trip from the airport to the convention site.	20. Favor cities that have hotels represented by regional and/or national sales offices in Washington.

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21. Will consider a city or location that had a good recent advertisement.	22. Favor cities where there are hospitality representatives the meeting planner has worked with before.
23. Will consider locations that have recently contacted a planner by direct mail, trade show, or by the local convention and visitors bureau.	24. Prefer cities where the meeting planner has been to and seen.
25. Likes to consider new hotels that are offering pre-opening deals.	26. Consider cities that are strongly recommended by the chairperson, the president or a member or group of members.
27. Prefer cities that are safe - especially for women.	28. Some conventions must go to resorts - some may not go to resorts.
29. Prefer cities that offer strong spouse programs.	30. Must go to or simply prefer locations that offer golf and tennis.
31. Favor cities that have hotels that offer good hotel services.	32. Prefer to book cities where association has held a convention before.
33. The planner tries to fit the personality of the meeting together with the personality of the destination.	34. Favor locations that offer the possibility of plant visits (that are pertinent to the association).
35. Favor locations that offer a good perceived value for the dollar.	36. In one case, most of the members of an association were from the Northeast. The members preferred a meeting location that was "someplace warm."
37. Favor a location where there is a member hospital (medical association).	38. Prefer locations where there has been "great member feedback" either from past conventions or from the visit of an individual member.
39. Prefer locations that have low costs.	40. Prefer locations that offer "ritz appeal."

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41. Favor locations where the planner has taken a vacation.	42. Prefer locations where one association can tie in its convention with the convention of another, related association.
43. Some associations rotate conventions into Washington to tie in with important lobbying efforts of the association.	44. Will sometimes consider locations the association has a file on.
45. Will sometimes consider locations that came up in the convention wrap-up meeting the year before.	46. Will sometimes consider cities that have made recent sales calls showing how their location can be a good draw.
47. Will sometimes consider an area that has recently updated planners on upgrading in an area.	48. Will not go to areas that have unfavorable taxes (the Florida ad tax and the new taxes in Canada).
49. Some associations must go to locations where they receive invitations from member institutions.	50. Prefer locations where the association will receive institutional support from a member institution.
51. Give strong preference to locations where there is "involvement by particular (important and/or strong) members."	52. Will consider locations where there are available dates.
53. Will not go to gaming locations because of the perception problem.	54. Prefer locations where there are hotels capable of handling highly technical meetings.
55. Prefer locations that are represented by hotel chains that the association often deals with--to take advantage of accumulated buying power.	56. Prefer cities that have a number of good restaurants.
57. Prefer locations that have a good understanding of medical meetings (medical groups).	58. Prefer sites that have hosted medical meetings and have done them well (medical group).

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59. An association will test a location with a small meeting. If the location handles the small meeting well it is strongly considered for the annual convention.	60. Will strongly consider a location that is pushed by a board member. The board member becomes an unofficial host.
61. Has enough time passed since the last time an association met in a particular city?	62. Prefer locations that have hotels chains that have preferred agreements with the association.
63. Must have conventions in the town of a member company.	64. Will not meet in a location where the major hotel is unionized.
65. Prefer locations where there is strong state association involvement.	66. Prefer cities that are "wheeling and dealing."
67. Association bylaws require a meeting in the first quarter of the year. This tends to limit the association to locations in the lower half of the U.S. to avoid bad weather.	68. If a previous meeting in the location has gone poorly, there is a reluctance to rebook the location.
69. The host hotel cannot be so big the association "gets lost."	70. Hotels in the city must have a reputation for paying subcontractors on time (subcontractor's association).
71. Only considers five or six cities because of the large size of the convention.	72. The association has a new chairperson every year. This chairperson has great influence on what cities are considered.
73. Association bylaws require that the site be chosen six years out. The person in line to be president that year has great influence in the site selection.	74. Cannot go back to a state that has hosted a convention in the recent past. Too much monetary involvement required from the state association.
75. Steer away from locations where there are few members or where the draw in the past has been poor.	76. Locations are chosen depending on the mood of the site committee and the planning staff on that day.

77. Some cities have been banned by associations (New Orleans because of crime, for instance).	78. Will not go offshore because of perception or to New York because of price.
79. Will not go to the Southwest - too hot.	80. Personal favoritism of the meeting planner - use sense of what the board likes.
81. One association goes to Chicago and San Francisco two of every four years.	82. In some cases a new board will change the site decision of a former board.
83. Do not want to locate a convention in a city where a big convention is already booked.	84. The association's board must be comfortable with all the cities being considered - "safe choices."
85. Conventions are held every other year.	86. Some cities will not book a convention very far in advance unless the convention is city-wide.
87. Prefer a city with a host hotel or hotels within walking distance of the convention center.	88. Prefer locations where the association does not have to pay for shuttle buses
89. Location must offer a block of rooms at government rates for government members.	90. Will only consider locations with four and five star properties.
91. Trends in the association have it becoming more of a lobbying group. More conventions in Washington.	92. Associations "listens to vibes."
93. The Martin Luther King decision precludes some groups from going to Arizona.	94. Prefers to use locations where colleges are close by. Speakers and equipment.
95. Prefer locations that other meeting planners have used and have had a good experience.	96. Prefer locations where the hospitality entities have had great continuity of staff.

97. Strongly consider sites where allied associations have recently met and had a good experience.	98. A formal rotation policy is instituted so that the site selected makes sense for the full organization - not subject to the whims of who a chair is that particular year.
99. Prefer locations that have national chain hotels - for reputation and consistency.	100. Prefer locations where the planner and/or a staff member has visited recently.
101. Some locations are considered because they have been recommended by a major association player - they are considered so as not to anger that player.	102. Prefer locations that the association has used before and liked. In this situation mistakes by the hotel tend to be blamed on the hotel and not the planner.
103. Sometimes locations are included for consideration because the planner senses the location will be recommended by someone in the buying center and the planner wants to appear knowledgeable and up to date.	104. In some instances the association executive will not allow cities to be considered unless the convention department approves them as a viable site.
105. Some cities are considered because the planner does a "selling job" for the city.	106. A limited number of sites are submitted to the board to prevent a long discussion on which locations are included in the evoked set.
107. In some instances some member of the buying center has the power to determine which cities will be considered.	108. Planners in some cases will "veto" a destination that is being pushed by some member of the buying center because the location would be a "logistical nightmare."

Appendix Two: Situational Variables Classified as Buyclass

(4) Cities that are automatic choices at a set interval of years.	(9) A city that offers something new
(20) Favor cities that have hotels represented by regional and/or national sales offices in Washington	(22) Favor cities where there are hospitality representatives the meeting planner has worked with before.
(32) Prefer to book cities where association has held a convention before	(59) An association will test a location with a smaller meeting. If the location handles the small meeting well, it is strongly considered for the annual convention.
(68) If a previous meeting in the location has gone poorly, there is a reluctance to rebook the location.	

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Appendix Three: Situational Variables Classified as Risk

(15) Favor cities that fit the tone of the meeting	(16) Favor a city with drawing power--a city with general appeal for numerous delegates
(24) Prefer cities where the meeting planner has been to and seen.	(27) Prefer cities that are safe--especially for women
(32) Prefer to book cities where association has held a convention before	(38) Prefer locations where there has been "great member feedback" either from past conventions or from the visit of an individual.
(58) Prefer sites that have hosted medical meetings and had done them well (medical group)	(75) Steer away from locations where there are few members or where the draw in the past has been poor.
(95) Prefer locations that other planners have used and have had a good experience.	(96) Prefer locations where the hospitality entities have had great continuity of staff.
(99) Prefer locations that have national chains--for reputation and consistency.	(101) Some locations are considered because they have been recommended by a major association player. They are considered so as not to anger that player.
(103) Sometimes locations are included for consideration because the planner senses the location will be recommended by someone in the buying center and the planner wants to appear knowledgeable and up to date.	

(49) Some associations must go to locations where they receive invitations from member institutions.	(92) Associations "listen to vibes."
(72) The association has a new chairperson every year. This chairperson has great influence on what cities are considered	(84) The association's board must be comfortable with all the cities being considered-- "safe choices."
(93) The Martin Luther King decision precludes some groups from going to Arizona	(101) Some locations are considered because they have been recommended by a major association player. They are considered so as not to anger that player.
(51) Give strong preference to locations where there is "involvement by particular (important and/or strong) members."	(60) Will strongly consider a location that is pushed by a board member. The board member becomes an unofficial host.
(97) Strongly consider sites where allied associations have recently met and had a good experience.	(26) Consider cities that are strongly recommended by the chairperson, the president, or a member or group of members
(38) Prefer locations where there has been "great member feedback" either from past conventions or from the visit of an individual member.	(45) Will sometimes consider locations that came up in the convention wrap-up meeting the year before.
(73) Association bylaws require that the site be chosen six years out. The person in line to be president that year has great influence in the site selection.	(25) Likes to consider new hotels that are offering pre-opening deals.
(46) Will sometimes consider cities that have made recent sales calls showing how their location can be a good draw.	(47) Will sometimes consider an area that has recently updated planners on upgrading in an area.

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(66) Prefer cities that are "Wheeling and Dealing."	(103) Sometimes locations are included for consideration because the planner senses the location will be recommended by someone in the buying center and the planner wants to appear knowledgeable and up to date.
(108) Planners in some cases will "veto" a destination that is being pushed by some member of the buying center because the location would be a "logistical nightmare."	(17) Favor cities favored by the meeting planner.
(23) Will consider locations that have recently contacted a planner by direct mail, trade show, or by the local convention and visitors bureau.	(80) Personal favoritism of the meeting planner--use sense of what the board likes.
(95) Prefer locations that other planners have used and have had a good experience.	(100) Prefer locations where the planner and/or staff member has visited recently.
(105) Some cities are considered because the planner does a "selling job" for the city.	(106) A limited number of sites are submitted to the board to prevent a long discussion on which locations are included in the evoked set.
(98) A formal rotation policy is instituted so that the site selected makes sense for the full organization--not subject to the whims of who a chair is that particular year.	(104) In some instances the association executive will not allow cities to be considered unless the convention department approves them as a viable site.
(107) In some instances some member of the buying center has the power to determine which cities will be considered.	

Appendix Five: Situational Variables Classified as "other."

1. The location of the general population (U.S.) to the cities being considered.	2. The location of member institutions or clusters of members.
3. Rotation policy (for example, east coast, central, west coast, etc.).	4. A city's ability to attract families (and thus increase attendance).
6. A city's ability to offer pre- and post-convention vacation opportunities.	7. A city's ability to offer short flight times to the most number of delegates.
8. Favor cities that are a short driving distance to a large number of delegates.	10. Favor cities that offer the delegates "arts opportunities."
11. Favor cities that offer a good deal in the way of programming opportunities.	12. Favor cities that have a good general "advertising base" to stir member interest.
13. Favor cities that have a hotel large enough to accommodate the entire room block--"everybody under one roof."	14. Want a city that has major convention hotels.
18. Favor cities that offer delegates the most number of direct flights.	19. Favor cities that offer delegates a short trip from the airport to the convention site.
21. Will consider a city or location that had a good recent advertisement.	28. Some conventions must go to resorts--some may not go to resorts.
29. Prefer cities that offer strong spouse programs.	30. Must go to or simply prefer locations that offer golf and tennis.
31. Favor cities that have hotels that offer good hotel services.	33. The planner tries to fit the personality of the meeting together with the personality of the destination.
34. Favor locations that offer the possibility of plant visits (that are pertinent to the association).	35. Favor locations that offer a good perceived value for the dollar.

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36. In one case, most of the members of an association were from the Northeast. The members preferred a meeting location that was "someplace warm."	37. Favor a location where there is a member hospital (medical association).
39. Prefer locations that have low costs.	40. Prefer locations that offer "Ritz appeal."
41. Favor locations where the planner has taken a vacation.	42. Prefer locations where one association can tie its convention in with the convention of another, related association.
43. Some associations rotate conventions into Washington to tie in with important lobbying efforts of the association.	44. Will sometimes consider locations the association has a file on.
48. Will not go to areas that have unfavorable taxes (the Florida ad tax and the new taxes in Canada).	50. Prefer locations where the association will receive institutional support from a member institution.
52. Will consider locations where there are available dates.	53. Will not go to gaming locations because of the perception problem.
54. Prefer locations where there are hotels capable of handling highly technical meetings.	55. Prefer locations that are represented by hotel chains that the association often deals with - to take advantage of accumulated buying power.
56. Prefer cities that have a number of good restaurants.	57. Prefer locations that have a good understanding of medical meetings (medical groups).
61. Has enough time passed since the last time an association met in a particular city?	62. Prefer locations that have hotel chains that have preferred agreements with the association.
63. Must have conventions in the town of a member company.	64. Will not meet in a location where the major hotel is unionized.

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65. Prefer locations where there is strong state association involvement.	67. Association bylaws require a meeting in the first quarter of the year. This tends to limit the association to locations in the lower half of the U.S. to avoid bad weather.
69. The host hotel cannot be so big the association "gets lost."	70. Hotels in the city must have a reputation for paying subcontractors on time (subcontractor's association).
71. Only considers five or six cities because of the large size of the convention.	74. Cannot go back to a state that has hosted a convention in the recent past. Too much monetary involvement required from the state association.
76. Locations are chosen depending on the mood of the site committee and the planning staff on that day.	77. Some cities have been banned by associations (New Orleans because of crime, for instance).
78. Will not go off-shore because of perception or to New York because of price.	79. Will not go to the Southwest--too hot.
81. One association goes to Chicago and San Francisco two of every four years.	82. In some cases a new board will change the site decision of a former board.
83. Do not want to locate a convention in a city where a big convention is already booked.	85. Conventions are held every other year.
86. Some cities will not book a convention very far in advance unless the convention is a city-wide.	87. Prefer a city with a host hotel or hotels within walking distance of the convention center.
88. Prefer locations where the association does not have to pay for shuttle buses	89. Location must offer a block of rooms at government rates for government members.

90. Will only consider locations with four and five star properties.	91. Trends in the association have it becoming more of a lobbying group. More conventions in Washington.
94. Prefers to use locations where colleges are close by. Speakers and equipment.	102. Prefer locations that the association has used before and liked. In this situation mistakes by the hotel tend to be blamed on the hotel and not the planner.

1. The location of the general population (U.S.) to the cities being considered.	4. A city's ability to attract families (and thus increase attendance).
6. A city's ability to offer pre and post convention vacation opportunities.	7. A city's ability to offer short flight times to the most number of delegates.
8. Favor cities that are a short driving distance to a large number of delegates.	10. Favor cities that offer "arts opportunities."
12. Favor cities that have a good general "advertising base" to stir member interest.	18. Favor cities that offer delegates the most number of flights.
19. Favor cities that offer delegates a short trip from the airport to the convention site.	21. Will consider a city or location that had a good recent advertisement.
29. Prefer cities that offer strong spouse programs	36. In one case, most of the members of an association were from the Northeast. The member preferred a meeting location that was "someplace warm."
43. Some associations rotate conventions into Washington to tie in with important lobbying efforts of the association.	48. Will not go to areas that have unfavorable taxes (the Florida ad tax and the new taxes in Canada).
55. Prefer locations that are represented by hotel chains that the association often deals with--to take advantage of accumulated buying power.	56. Prefer cities that have a number of good restaurants.
57. Prefer locations that have a good understanding of medical meetings (medical groups).	69. The host hotel cannot be so big the association "gets lost."
70. Hotels in the city must have a reputation for paying subcontractors on time (subcontractor's association).	71. Only considers five or six cities because of the large size of the convention.

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77. Some cites have been banned by associations (New Orleans because of crime, for instance).	79. Will not go to the Southwest--too hot.
83. Do not want to locate a convention in a city where a big convention is already booked.	86. Some cities will not book a convention very far in advance unless the convention is a city-wide.
87. Prefer a city with a host hotel or hotels within walking distance of the convention center.	94. Prefers to use locations where colleges are close by. Speakers and equipment.

2. The location of member institutions or clusters of members.	3. Rotation policy (for example, east coast, central, west coast.
11. Favor cities that offer a good deal in the way of programming opportunities.	13. Favor cities that have a hotel large enough to accommodate the entire room block--"everybody under one roof.
14. Want a city that has major convention hotels.	28. Some conventions must go to resorts--some may not go to resorts.
30. Must go or simply prefer locations that offer golf and tennis.	31. Favor cities that have hotels that offer good services.
33. The planner tries to fit the personality of the meeting together with the personality of the destination.	34. Favor locations that offer the possibility of plant visits (that are pertinent to the association).
35. Favor locations that offer a good perceived value for the dollar.	37. Favor a location where there is a member hospital (medical association).
39. Prefer locations that have low costs.	40. Prefer locations that offer "Ritz appeal."
41. Favor locations where the planner has taken a vacation.	42. Prefer locations where one association can tie a convention in with the convention of another related association.
50. Prefer locations where the association will receive institutional support from a member institution.	52. Will consider locations where there are available dates.
53. Will not go to gaming locations because of the perception problem.	54. Prefer locations where there are hotels capable of handling highly technical meetings.

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61. Has enough time passed since the last time an association met in a particular city?	62. Prefer locations that have hotels chains that have preferred agreements with the association.
63. Must have conventions in the town of a member company.	64. Will not meet in a location where the major hotel is unionized.
65. Prefer locations where there is strong state association involvement.	67. Association bylaws require a meeting in the first quarter of the year. This tends to limit the association to locations in the lower half of the U.S. to avoid bad weather.
74. Cannot go back to a state that has hosted a convention in the recent past. Too much monetary involvement required from the state association.	78. Will not go off shore because of perception or to New York because of price.
81. One association goes to Chicago and San Francisco to of every four years.	82. In some cases a new board will change the site decision of a former board.
85. Conventions are held every other year.	88. Prefer locations where the association does not have to pay for shuttle buses.
89. Location must offer a block of rooms at government rates for government members.	90. The association will only consider locations with four and five star hotel properties
91. Trends in the association have it becoming more of a lobbying group. Thus, more conventions are being planned in Washington.	

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Appendix Eight
Associations Interviewed

1. Industrial Truck Association
2. Club Manager's Association of America
3. American Gas Association
4. American Osteopathic Hospital Association
5. Council for Advancement of Education
6. National Association of Professional Insurance Agents
7. Pharmaceutical Manufacturers Association
8. General Federation of Women's Clubs
9. National Association of Schools of Public Affairs and Administration
10. Mortgage Bankers Association of America
11. American Psychiatric Association
12. National Telephone Cooperative Association
13. National Association of College and University Business Officers
14. Chemical Manufacturers Association
15. American Academy of Facial Plastic and Reconstructive Surgery
16. American Association of Retired Persons
17. American Subcontractors Association
18. American Astronomical Society
19. American Society for Public Administration
20. Society of Industrial and Office Realtors
21. American Road and Transportation Builders Association
22. National Newspaper Association
23. American Consulting Engineering Council

Appendix Nine
Titles of the Persons Interviewed in the Study

1. Manager, Statistics Programs
2. Director, Conferences and Exhibitions
3. Director of Meeting Services and Exhibits
4. Manager, Meetings and Conventions
5. Director, Professional Education Services
6. Assistant Vice President, Executive Division
7. Conference Director
8. Meeting Planner
9. Conference Coordinator
10. Associate Director
11. Director, Meetings Management
12. Senior Meeting Planner
13. Director, Professional Development
14. Meetings Manager
15. Director of Meetings and Membership Development
16. Program Coordinator
17. Convention Coordinator
18. Conference Coordinator
19. Manager, Conferences and Seminars
20. Senior Director of Meetings
21. Director of Meetings
22. Director of Member Services
23. Executive Director

The Size of the Association	Number of Associations
499 or less	5
500 to 999	1
1,000 to 1,999	2
2,000 to 4,999	5
5,000 to 9,999	5
10,000 to 14,999	2
Above 15,000	3

Number of Persons		Number of Associations Interviewed
Less than 249	2	
250 to 499	6	
500 to 999	3	
1,000 to 1,499	5	
1,500 to 1,999	1	
2,000 to 4,999	4	
5,000 to 9,999	1	
Above 10,000	1	

Appendix Twelve--
The Number of Years the Interviewees
Had Been involved in Meeting Planning

Years	Number of Planners
1 to 5	3
6 to 7	3
8 to 9	4
10 to 11	3
12 to 13	4
14 to 15	2
16 to 17	1
18 and above	3

Appendix Thirteen--
Gender of the Persons Interviewed in the Study

Gender	Number of Persons
Female	19
Male	4

Vita

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Clark is a member of the National Tour Association, the American Hotel and Motel Association, and The Professional Convention Managment Association. Clark serves on the board of the North Carolina Travel Council and the marketing committee of the North Carolina High Country Host.