

**A QUALITATIVE STUDY ON THE INTERRELATIONSHIP AMONG
PURCHASING STRATEGY, CORPORATE PURCHASERS'
BEHAVIOR AND PURCHASE PERFORMANCE:
A CASE STUDY ON THE PURCHASE DIVISION
OF EMS COMPANY IN THAILAND**



**AN INDEPENDENT STUDY SUBMITTED IN PARTIAL FULFILLMENT
OF THE REQUIREMENTS FOR THE GRADUATE SCHOOL
STAMFORD INTERNATIONAL UNIVERSITY
MASTER OF BUSINESS ADMINISTRATION
ACADEMIC YEAR 2015**

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Stamford International University
The Graduate School**

Title: A Qualitative Study on the Interrelationship Among Purchasing Strategy, Corporate Purchasers' Behavior and Purchase Performance: A Case Study on the Purchase Division of an EMS Company in Thailand

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Abstract

The objectives of the present study were (1) to define the existing relationship between Corporate Purchasers' Behavior (divided in three behavioral clusters) and Purchase Performance; and (2) to identify which variable among Purchasing Strategy and Corporate Purchasers' Behavior influence the other.

Research Methodology: the methodology approach chosen for the scope of the present study was based on the use of a qualitative tool. The sample was carefully chosen within the case study company and was made up of 5 respondents. All respondents are employed with the role of purchasers in the case study company but with different levels of seniority. The semi-structured interview made up of 28 questions, was used to analyze the proposed assumptions and verification tests of reliability, validity and replicability of the study were all considered when to develop the questions and while to code the responses.

Research findings were as follows: (1) First assumption states that Corporate Purchaser Behavior (3 behavioral clusters) has a positive relationship with Purchase Performance. This is supported for all the three proposed behavioral clusters and is concluded that all Corporate Purchasers - despite the fact that are dispatched in three different behavioral clusters - have a positive perception of their Purchase Performance. (2) On the second assumption is concluded that the dominance of one item over the other depends on the subject and it is not predictable a priori and it could have an impact on the company performance.

Keywords: Strategic purchasing, purchase performance, corporate purchaser' behavior, purchasing strategy

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Eleonora Odorizzi

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CHAPTER 1

INTRODUCTION

The following chapter is going to propose an overview of the background on which the research is based upon, research objectives to be achieved with the paper, the significance and limitation of the present study and lastly the assumptions that are going to be analyzed along with an anticipation of the expected results.

1.1 Statement of the Problem

The investigation of the relationship between companies purchasing strategy and the relative impact on the company performance is a topic that has been considerably studied in literature. It is mainly due to the growing importance of supply chain management along with the recognition of the decisive role of purchasing (Anderson & Rask, 2003) which has evolved from being merely a function into a strategic function (Chen, Paulraj, & Lado, 2004) (Ellram & Liu, 2002). In 2012 PM World Journal (Gindlesperger, 2012) was publishing an article on the magnitude of using procurement as a precious tool to achieve costs reduction while increasing existing resources efficiency to save cost throughout the purchasing process. This is one of the countless evidence of the recent studies on the topic of purchasing strategy as an antecedent of purchase performance and on the overall company performance.

In literature is founded a paper produced by authors Ellram and Carr (1994) that is a collection of previous studies that empirically assessed purchasing research; in this paper authors categorized the available past works in three groups: 1) the strategy of purchasing that can be used 2) the role that a company can play to support others firm strategy and 3) the strategic function of purchasing.

For the interest of this paper it is not considered the overall company performance but instead it will be considered the performance of the single purchasing act (either multi- item or single-item) that here after will be defined purchase performance.

In opposite to the prolific materials available on purchasing strategy as an antecedent of company performance there is very little written that considers the

interaction between corporate purchasers' behavior, the chosen corporate purchasing strategy and the subsequent impact on the purchase performance.

In this research will be proposed a study that considers how corporate purchasers' behavior given the purchasing strategy to apply, subsequently impact the purchase performance and furthermore it is scope of the present research to understand the interplay relationship influence between the corporate purchasers' behavior and the corporate purchasing strategy.

Behavior influence studies are founded in literature since the 1960 with the firstly proposed model on consumer behavior (Nicosia, 1960) (Howard and Sheth, 1969) and then subsequently adapted to corporate purchasers' behavior (Sheth, 1973). It is in the interest of researchers to understand how people behave, what exactly impact their behavior and what can be done to control it.

Studies on corporate purchasers' behavior have always considered the relationship between purchasing strategy and purchasers' behavior. Firstly there is the trend of study derived from Sheth model (1973) that considers the psychological world of decision makers and the interactions/challenges that the decision maker has to face till decision is taken (Robinson, Faris, & Wind, 1967) (Webster & Wind, 1972).

Secondly, there is another front of study that approaches the matter differently and it mainly arguments on how corporate decision makers will act if some factors coming from external environment situation are faced (i.e. relevance of purchase, availability, product lifecycle, bargaining power etc.) (Cunningham, 1982) (Hahn & Kim, 1986) (Birou, Fawcett, & Magnan, 1997).

Finally in literature is possible to find few studies that argument on the relationship between corporate buyers' behavior and the buying strategy used in a purchase performance. The most relevant for the scope of the present study is the one that was proposed form Schoenherr & Mabert (2011) and that developed a quantitative model to assess how the relationship among this two variables affect purchase performance.

This study approach is based on the corporate buying strategies matrix and their associated goals as previously defined in literature (Kraljic, 1983) (Carter, 1999) (Monczka et al., 2005). It proposes and adapts a corporate purchasers' behavioral

classification based on a cluster model taken from previous literature. This cluster classification is based on how aggressive (as defined in a previous research by Monczka et al., 1993) purchasers are in pursuing a buying strategy. This research studied only multi-item auctions but in literature is possible to find similar researches that studied single-item auctions as well (Miles & Snow, 1978) (Hambrick, 1983).

The gap left in Schoenherr & Mabert (2011) research, which is in addition indicated as a possible area of further study, is based on literature hole and it is that there is no study that assess the interplay relationship influence between the purchasing strategy and the purchaser' behavior; it is just clear that they are antecedent of the dependent variable of purchase performance.

For the scope of the present research purchasing strategy is given, is not the corporate purchaser that has the power to decide which one to apply. The Purchasing strategy is normally chosen based firstly on the company business strategy and also from the characteristics of the components needed. Is related to buyers and based on their behavioral attitude the cluster in which they will fit (definition by Freeman & Cavusgil, 2007): Strategist are purchaser that place the highest emphasis on pursuing the buying strategy goals, Opportunist are purchaser whom manifest an intermediate/average will in pursuing the strategy goals and the last category is defined Responder and it includes buyers that invest the lowest energy in pursuing purchasing strategy goals.

Filling this hole could further add to literature precious information that companies could be using when building corporate purchasing team, could perhaps allow company top management to control and understand purchasers team and moreover, based on buyers personality, company could choose purchasers that best suits business objective and goals and that might have a positive impact on purchase performance.

1.2 Objectives

Literature, due the increasing importance of supply chain management along with company purchasing habits, after years of studies finally consensus on the relevance of strategic purchasing as an antecedent of positive firms 'performance.

Based on this statement and on the issues discussed in the section above is clear how there is a necessity to further study, fill in the gap and understand the category of corporate purchasers and particularly how their behavior affect their decision making. How relevant is the purchasers' behavior in applying a purchasing strategy and how it affects purchase performance should be concerning for company and moreover could provide new knowledge on the discipline of corporate procurement and supply chain management.

Is it the buying strategy that affects purchasers' behavior or is the purchasers' behavior dominant? Afterwards given the purchasing strategy and the corporate buyer' behavior is there any presence of a positive impact on purchase performance?

Based on these questions the objectives of the study are defined as follow:

- 1 Definition of the existing relationship between Corporate Purchasers' Behavior and Purchase Performance;
- 2 To identify which variable among Purchasing Strategy and Corporate Purchasers' Behavior influence the other.

1.3 Significance of the Study

The present study involves three main variables that have already founded place of discussion in past literature due to the significant impact that a deep understanding could add to strategic procurement and for the positive repercussion that it could have on the company performance.

The purchase performance contribution to company performance is defined in literature as the contribution of the single purchase performance to the company success overall (Reck & Long, 1988).

The significance of the present study is firstly defined in the potential to add precious insight on the company key function of purchasing as it is now recognized as a strategic function (Murphy & Heberling, 1996) (Perason, 1999). Mc Ivor et al. (1997) were proposing a research paper that was stating how purchasing is equally important as the other key departments of finance, production etc.. With the growing of the relevance of this function it have simultaneously grown the importance of purchasing professionals for company, their relevance as it is viewed and the way on how companies top management deals with them (Carr et al., 1997) (Cavinato, 1999).

This is a reason of why corporate purchasers' behavior and whatever affects it have been exhaustively studied since 1960 (Nicosia, 1960) (Sheth, 1973) with priority for understanding which variables impact their behavior and how this could be utilized as an advantage. These studies have been used in the past for marketing purpose and it could be now, with the precious knowledge added throughout years and perhaps with the present research, be used to decrease company purchasing inefficiencies directly related to the subjective characteristics of industrial buyers, which is defined as one of the aspect that affects supplier choice (Cardozo & Cagley, 1971). This is the reason of why the level of strategic emphasis that buyers invest in a purchasing situation is so relevant for the scope of this present research.

Based upon buyers subjective characteristics (that have been previously indicated in different studies as a relevant influencer in making choice (Nicosia, 1960) (Sheth, 1973) (Cardozo & Cagley, 1971)) company could find a more efficient and subjective way to build purchasing team or to train their employees to learn how to use their personality as company advantage.

Furthermore a well implemented strategic purchasing could be determinant for company to gain a competitive advantage based on the capacity to have a better competitive position (Carr et al., 1999) (Mol, 2003). It is even more significant in an industry that is dependent from the implementation of the right sourcing policy for the components as it is the EMS industry (Langer, 2014).

1.4 Scope and limitation of the study

Purchasing has been recognized as a strategic function and as a decisive force for companies (Ellram & Liu, 2002) having an impact on the way that companies are performing it.

This strategic function could never be deepen understand if not associated with the understanding of the behavior of people that perform this role and particularly how corporate purchaser' behavior impact purchasing strategy.

That said the scope of the present research is to execute a qualitative study that investigate on the relationship between purchasing strategies, corporate purchasers' behavior and the consequent impact on purchase performance using a case study chosen from an EMS company in Thailand.

Limitations for the present research are identified as follow: firstly the study proposed is focus on one company and 5 respondents only: it can be defined as well regarded as an advantage for the functional focus of the study (i.e. Purchasing function of a company, using in depth qualitative interview); and secondly, limitations are identified in qualitative work limits, which include researcher subjectivity in the way how the semi-structured interview are analyzed, coded, and in the way of how result is drawn (Freeman & Cavusgil, 2007).

1.5 Conceptual Framework

Purchasing strategy is defined as the tactic that the buyer is using in the buying act of the company materials (Carter, 1999). In this research the buying strategies that could be used are 4 i.e. Price focus, Supply Security, Purchasing Efficiency, Bundle Building. Objectives and goals to be pursued are associated to each tactic. Which tactic should be used is directly related to the attribute of the needed material and furthermore it is based on the priority represented from this material for the company and consequently it depends in which of the four quadrants materials fall into (Steele & Court, 1996). Purchasing strategy for the scope of the present study is given, the selection of the strategy to apply is not up to the corporate purchaser but is given to him from the management. The buying action could be either multi-item or single-item, it is irrelevant for the scope of the study.

Figure 1.1 represents graphically the present study conceptual framework and Purchasing Strategy (Y1) is defined as an independent variable.

Second relevant variable involved in the present study is the one defined Corporate Purchasers' Behavior. This second variable expresses the purchaser behavior and it is defined as the aggressiveness that the subject invests/pursues when performing a purchasing action for the company in which the purchasing strategy and their associated goals are given (Monczka et al., 1993) (Schoenherr & Mabert, 2011).

Purchasers' behavior aggressiveness is measured with three different clusters where: Strategist is a buyer that invest the most aggressiveness on the purchasing strategy goals; Opportunist is a buyer that spends an average effort on pursuing the purchasing strategy goals and Responder is the buyer that spend the least effort in pursuing the goals (Freeman & Cavusgil, 2007) (Schoenherr & Mabert, 2010).

The variable Corporate Purchasers' Behavior (Y2) is defined (Figure 1.1) as an independent variable (due to the subjectivity (Sheth, 1973) (Cardozo & Cagley, 1971)) and is divided on the three behavioral clusters, Strategist (Y2.1), Opportunist (Y2.2) and Responder (Y2.3).

Last variable involved in the conceptual framework of the present study is the one defined as Purchase Performance. The definition of this variable is adapted from one previously used in literature in a similar study (Schoenherr et al., 2011). Is defined as corporate buyer perceived success in the purchasing act measured on his perception on how much of the purchasing strategy objectives and goals has been achieved. Goal of this variable is to measure the buying act outcome as how the buyer subjectively perceives it.

Purchase performance (X3) is a dependent variable because is the outcome of the previous two variables.

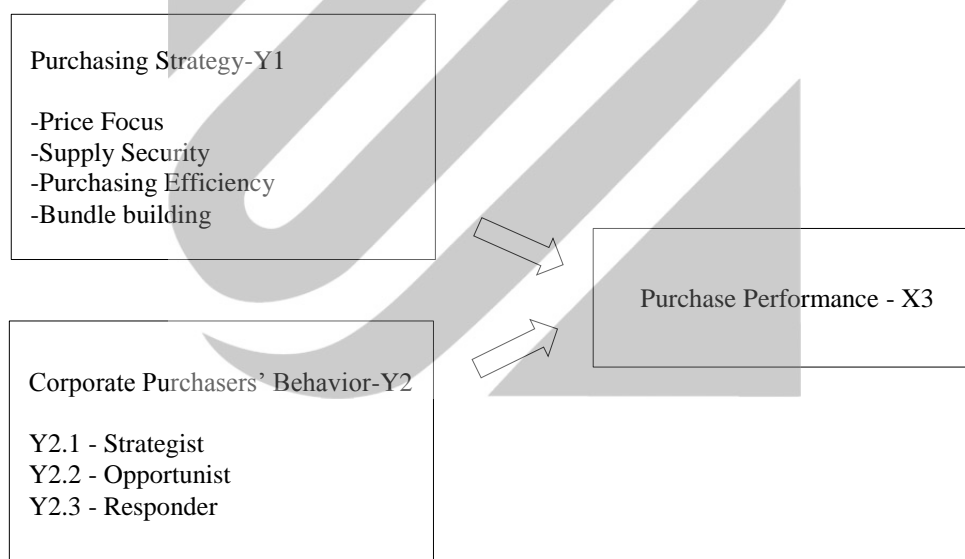


Figure 1.1 Conceptual Framework representation

1.6 Research Assumption

Based on literature previous findings and on the growing orientation that defines strategic purchasing as an antecedent of company performance (Dacko & Sudharshan, 1996) (Carter et al.,1996) (Carr et al.,1999) (Narasimhan & Das, 2001)

(Vickery, Jayaram, Droge, & Calantone, 2003) it is scope of the present study to provide a contribution to literature with a research that aims to investigate further the impact that corporate purchasers' behavior have on strategic purchasing.

Finally based on research questions and on the defined study objectives assumptions for the present research are defined as follow:

- A1: - a) Strategist Behavior has a **significant positive relationship** with Purchase Performance;
- b) Opportunist Behavior has a **significant positive relationship** with Purchase Performance;
- c) Responders Behavior has a **significant positive relationship** with Purchase Performance.
- A2: - a) Purchasing Strategy **has an influence** on Corporate Purchasers' Behavior;
- b) Corporate Purchasers' Behavior **has an influence** on Purchasing Strategy.

1.7 Basic Assumptions

Investigation of how corporate purchasers' behavior while implementing a purchasing strategy impact the purchase performance is an issue that have been previously called as a topic that need further attention from researchers (Schoenherr & Mabert, 2011).

The potential knowledge that is behind this issue could provide to companies space for improvement and other future application in the theory of purchasing.

Purchasing, as already mentioned in this chapter, has been recognized as a strategic function (Anderson & Rask, 2003) and furthermore has been recognized as a key activity positively related to company performance (Carter et al.,1996) (Carr et al.,1999) (Narasimhan & Das, 2001) (Vickery, Jayaram, Droge, & Calantone, 2003).

One assumption for the present study is that the positive relationship between purchasing strategy and company performance could be stressed from the capacity of company purchasers to finalize and accomplish the purchasing strategy objectives and

goals with the emphasis and aggressiveness needed for the company. Based upon that, examination of the proposed assumptions among the 3 purchase behavioral clusters (that express the aggressiveness invested in accomplishing the purchasing strategy goals) and purchase performance should be able to indicate that the more aggressive is the purchasers the more positive is the relationship with purchase performance.

Secondly on the interrelationship between the two independent variables is important to understand which one dominates on the other. Authors that provided literature with corporate purchasers' behavioral model indicated that the subjectivity related to the purchasers' world is unavoidable (Sheth, 1973). Sheth (1973), that is the author that mostly contributed to this topic, in his model describes the psychological world of the purchaser as an interaction hub of many different variables that are related to the person background and that impact the way on how decision maker is going to act.

As a result from the present study interview is expected to be find that is the decision maker behavioral world that dominates on the purchasing strategy and that affects it.

1.8 Definitions of Terms

Purchasing strategy is the strategy that company purchasers use in a procurement action to buy the needed components. For the scope of the study the buying strategies that purchasers can use are 4 and are defined as follow (Schoenherr & Mabert, 2001):

Price Focus the Purchaser focus on the best price deal;

Supply Security the Purchaser focus on reduction of risk related to the buying act and implement when possible a collaboration with supplier that could help in assuring the supply continuity;

Purchasing Efficiency the goal for purchaser is to implement a simpler and streamlined purchasing act while minimizing the effort;

Bundle Building is the strategy that focus on finding suppliers with an abundant product portfolio of components with the scope to group buying act can be consequently reduced in number.

Corporate Purchasers' Behavior is the behavior that the purchaser have when involved in a buying act. It is divided in 3 behavioral clusters based on the personality type of the subject and the classification is as follow (Freeman & Cavusgil, 2007) (Miles and Snow, 1978).

Strategist buyer that places the strongest effort /aggressiveness in pursuing the chosen purchasing strategy goals.

Opportunist buyer that spends an average effort/aggressiveness in pursuing the purchasing strategy goals.

Responder buyer that spends the least effort/ aggressiveness in pursuing such goals.

Behavior influence factors and variables (defined from Sheth model, 1973) that influence the way purchasers will act.

Purchase Performance it is the corporate buyer perceived success in the purchasing act measured on his perception on how much of the purchasing strategy objectives and goals have been achieved. It measures the buying act outcome as how the buyer subjectively perceives it; the definition is adapted from Schoenherr & Mabert (2001).

Impact on Company performance is defined (Reck & Long, 1988) as the contribution of the single purchase performance to the company success overall.

EMS is the acronym used to indicate the electronic manufacturing services industry. It is defined from author Luthje (2002) as the industry that design and manufacture the product, tests it and assists clients with an after sales customer service for electronic products in commission for the industry defined as Original equipment manufacturers (OEMs).

CHAPTER 2

LITERATURE REVIEWS

The following chapter is going to present a general outlook of the topics involved in the paper and of the previous written literature that discusses the theory and produced results that are relevant for the study. Investigation on the framework variables involved in the research is essential to understand the concepts related to it, the conceptual framework proposed in the previous chapter and moreover it gives to the readers the basic knowledge to derive and understand the possible outcome for the present study.

Section 2.1 of the present chapter proposes a general outlook of the Ems industry, it arguments on the history of the industry since the first development along with the overview of the industry worldwide and of the industry in Thailand.

Follows section 2.2, which focus on the analysis of the approach used to purchase raw material in the industry followed by a review of the theory of purchasing in general.

The last section of this chapter is a summary of previous studies that augmented on the relationship of the same variables involved in this one.

2.1 Overview EMS industry

2.1.1 Overview of EMS industry globally

2.1.1.1 Background

According to literature definition:

“The electronic manufacturing services (EMS) is a term used to define companies that design, test, manufacture, distribute and provide return/repair services for electronic components and assemblies to original equipment manufacturers (OEMs)”

(Luthje 2002, emphasis added)

The origin of the EMS industry goes back up to late 1970s when Solelectron was established; it is considered as the first example of an outsourced contract producer (Buetow, 2011). Previous to that moment, the majority of electronic manufacturing for

large scale products were done “on site”. These new born companies were able to provide a right level of flexibility for small companies that had only the capacity of doing limited productions. EMS companies were able to provide production services to OEMs which with this new approach could mainly focus their resources and capabilities back to their core business that is to design new electronic products.

EMS companies would instead find benefit on the created economy of scale, made possible using a concentration of resources into the different value chain stages: sourcing and buying components, prototyping, assembly, manufacturing and after-sales services.

This new “outsourcing” model become more and more attractive that in the 1990s, some of the large OEMs players would even start selling their manufacturing operations to pure EMS players (Buetow, 2011). Thereafter, a robust wave of consolidation took place and gave birth to some remarkably large EMS companies with global footprint and capabilities who, still now, dominate the markets: Hon Hai (Foxconn), Jabil, Flextronics and a few other players. Please consider Appendix A for the ranking of the top 50 EMS players.

At present, the Unites States host the largest numbers of EMS companies among the top 50, followed, at some distance, by China and thereafter the Japanese market, Taiwan and lastly Singapore. Europe also figures in the top-50 ranking with France on the top with other European countries in the list. Thailand is, today, an important market for the global EMS industry, with three companies being part of the largest 50 players: Fabrinet (domiciled in the Cayman Islands but with almost its entire operations in Thailand), Hana and SVI. Asia, counting 27 companies among the top 50, is by far the number one market of electronic manufacturing. A visual representation of this situation is presented below in Figure 2.1.

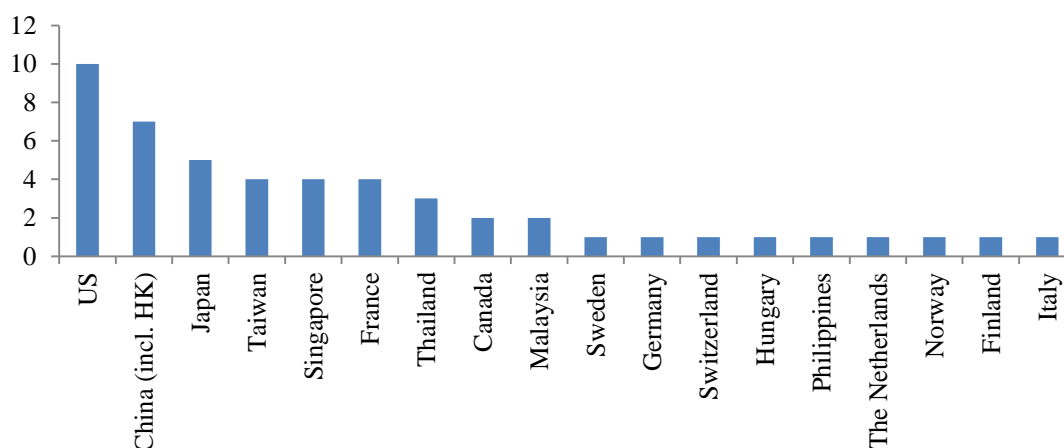


Figure 2.1 Country concentration of top 50 EMS providers

Source: Tuck, 2014

2.1.1.2 Market Segments

The EMS industry can be divided into three main buckets based on size and scope of operations (Wilson, 2014) :

- Tier 1: truly global players with revenues in excess of \$1Billion.
- Tier 2: international players with operations and output markets in different continents and with revenues in excess of USD 250m up to \$1B
- Tier 3: national EMS with revenues less than USD 250m

Another important distinction among EMS companies is between those who focus on mix (high mix – low volume) and those who focus on volumes (high volume – low mix).

High-mix players are, typically, niche EMS who specialize in more complex and sophisticated products (such as medical, aerospace & defence, industrial etc.) while, on the contrary, high-volume players manufacture many of simpler electronic products (typically consumer electronics). The first group of EMS players will realize higher margins (due to complexity and less competition) while the second will realize very low margins but on volumes that can become enormous (Iphone or tablets for instance).

2.1.1.3 Recent trends in the EMS industry

New Venture Research (Sherman, 2014) estimates that, to date, the global EMS industry amounts to approximately USD 440 billion of annual sales (2013 data), with an expansion in 2013 of approximately 4.9% and an expected CAGR (compounded annual growth rate) of 7.7% in the period up to 2018. This compares to a total electronic assembly value (OEM, EMS and ODM) of USD 1.3 trillion, with an expected rate of 5.9% from 2013 to 2018. Author Sherman (2014) in one of his research, points out that while the growth rate for outsourcing is slowing, it still represents the preferential business model used by OEMs.

As pointed out before, the EMS industry has been dominated, in the last 10-15 years, by the major Asian economies, particularly China, Taiwan and more recently Japan. The ASEAN region (with Thailand on top) is also playing an important role within the Asian context.

While the lower cost of inputs is undoubtedly one of the major competitive advantages of this region, some challenges are ahead, for example lack of availability of skilled labor forced (both technical and managerial) and an inconsistent flow of foreign direct investments.

Most recently, there has been a partial come back of other Countries such as Mexico and the United States, which can offer competitive energy prices, high productivity, skilled workforce and strong infrastructure (Sirkin, Zinser, & Rose, 2014).

Finally, some Eastern European countries such as Hungary, the Czech Republic, Poland and Romania can offer a good compromise of affordable costs (labor, energy) with the vicinity of large markets such as Germany.

2.1.2 Overview of the EMS industry in Thailand

2.1.2.1 Background

The Kingdom of Thailand is widely considered one of the most appealing countries for the manufacturing business in general and for the EMS industry in specifics, featuring well against the rest of Asia and worldwide. The main reason for such popularity is the business-friendly environment, a good level of transparency, strong infrastructure and competitive labour costs.

According to Thailand Board of Investments (BOI) (Asawachintachit, 2014), Thailand represents the ninth largest car manufacturer and a regional electronic hub. It's also ASEAN second largest economy and the 17th largest manufacturer in the World.

Thailand offers a large workforce of approximately 35 million people that ensures a solid supply of both skilled and unskilled labour. In addition, it is supported by strong infrastructure, a good communication platform, availability of energy and reliable transportation. Foreign direct investments have been increasingly steadily since the financial crisis of the '90s and are encouraged by fiscal incentives as well as a transparent and liberal regulation.

The electronics sector in the Country has recovered well since a major flooding that took place in late 2011 that disrupted the operations of many EMS players. This recover to some extent was also supported by a depreciation of the local currency. According to industry professionals, post-flood utilization rates are reaching full capacity. However, the industry is facing lately a period of weak growth due to the recent political uncertainty within the Kingdom and the general negative outlook for some primary output regions worldwide (primarily Europe).

2.2 Purchasing Approach of raw material components in the EMS Industry

Once the EMS has defined - together with its client (the OEM) - the design and specifications of the product to be manufactured, it will typically issue a Bill of Material (BOM) that will list in detail every single component, item, consumable that will be required together with the specifics of the Printed Circuit Board (PCB) upon which such items will be assembled.

There are two different approaches (Fletcher & Brent, 2013) that are used by EMS players in sourcing and purchasing the components used during the assembly process, and these two approaches are mainly dictated by the size and the scope of operations of the EMS:

- Large players tend to source, negotiate and purchase directly with the suppliers, leveraging on their scale to obtain better prices;
- Smaller players, instead, prefer to deal with distributors rather than directly with suppliers.

As pointed out by SMT Magazine (Langer, 2014) there are – in general- four different approaches to sourcing:

- Sole sourcing: only one supplier in the full supplier base
- Single sourcing: one supplier is chosen among a few choices
- Dual sourcing: two supplier are chosen
- Multiple sourcing: more than two suppliers are chosen among a larger group.

According to the article, the general trend in the industry and the most dominant strategy within supply chain management is to focus on core competencies and on value creation to suppliers: this support a trend for a smaller supplier base overall.

Another way to define a sourcing/purchasing strategy is to categorize your purchase portfolio into some major clusters: technology (i.e. rigid PCB boards, flexible/rigid board etc...); volume (low/medium/high) and eventually also business segment. According to the authors, these forward-looking decisions on how to define the right sourcing strategy can drive robust bottom line performance.

Most of the largest EMS companies operate in the consumer electronics arena and can reach a size that, at times, is far bigger than that of the largest OEMs. When such size is achieved, the balance of power can shift from the OEM and the suppliers towards the EMS, which can benefit from a strong negotiation influence given the scope of its operations and the intelligence /expertise that has cumulated. This trend did take place over the last 10-15 years, as the outsourcing model has become more mature (Fletcher & Brent, 2013).

The situation, on the other hand, could be different outside the consumer arena, in the more specialized high-mix low-volume segments where EMS are typically of a smaller size. In this respect, it is noted that OEMs – particularly the large ones – want to have increasing control on the way suppliers are selected and components are purchased. They do that by sending to the EMS a list of its preferential suppliers and by having an increased visibility on how the EMS negotiates the price for each single component. That way, the OEM reduces the flexibility by which the EMS can arbitrage prices between supplier and customer. According to Professor Li (Zetter & Li, 2014) there are two sets of strategies (development strategy and supplier

contractual strategy) currently implemented by OEMs with the goal to reduce the costs from the supply side.

Consolidation of suppliers, at the same time, can shift power away from the EMS towards the provider of components. One way to mitigate this is through vertical integration, i.e. the EMS expanding vertically along the supply chain. In this case, vertical integration can be a very risky strategy (you end-up competing with your suppliers) and is profitable only if scale is large enough: electronic components are, for the vast majority, commodities that provide very low margins furthermore few EMS companies, in the past, have tried to integrate vertically but, with poor results.

One last area of potential issues is component obsolescence, whereby some OEMs require to buy components that expose the EMS to obsolescence risk in the future and potentially with a material impact on the P&L (Fletcher & Brent, 2013). This is particularly true in niche segments of the EMS industries (defence, aerospace, medical) where components are very specialized and less commoditized.

Certainly, it is crucial for an EMS to leverage on a number of suppliers that can meet demand, particularly when there is a peak of the cycle and time to delivery is one key performance of the industry. On the other hand, inventory has a cost and inventory management tend to minimize the level of stock of components that the EMS should buy. The trade-off between optimizing inventory and ensuring a timely delivery of end-products is a constant issue for EMS companies and for their purchase/sourcing teams.

There is also a natural tension between OEM, EMS and Supplier that reflects how the relationship between these three players have become mature and such tensions, over time, tend to shift negotiation power from one end to the other.

2.3 Concept of Purchasing Strategy

Literature has copiously produced materials on the concept of purchasing strategies in particular focusing on the classification, investigation and description of procurement strategies.

The decision of which purchasing strategy to apply when is time to purchase components is linked to the competitive strategy on which the company is competing in the market (Benton, 2007) (Burt, Dobler, & Starling, 2003). The coupling between

these two is based on the competitive strategy concept that a company implement to compete in the market: a company could be pursuing a cost saving strategy that could lead to a competitive advantage or it could decide to compete on the differentiation attributes providing a unique product (Porter, 1984) . Based on the chosen competitive strategy company decision makers follow the competitive priorities that along with the environmental factors create the basic structure for the company buying criteria (Maloni & Benton, Power Influences in the Supply Chain, 2000) (Maloni & Benton, Supply Chain Relationship Pegging, 2005).

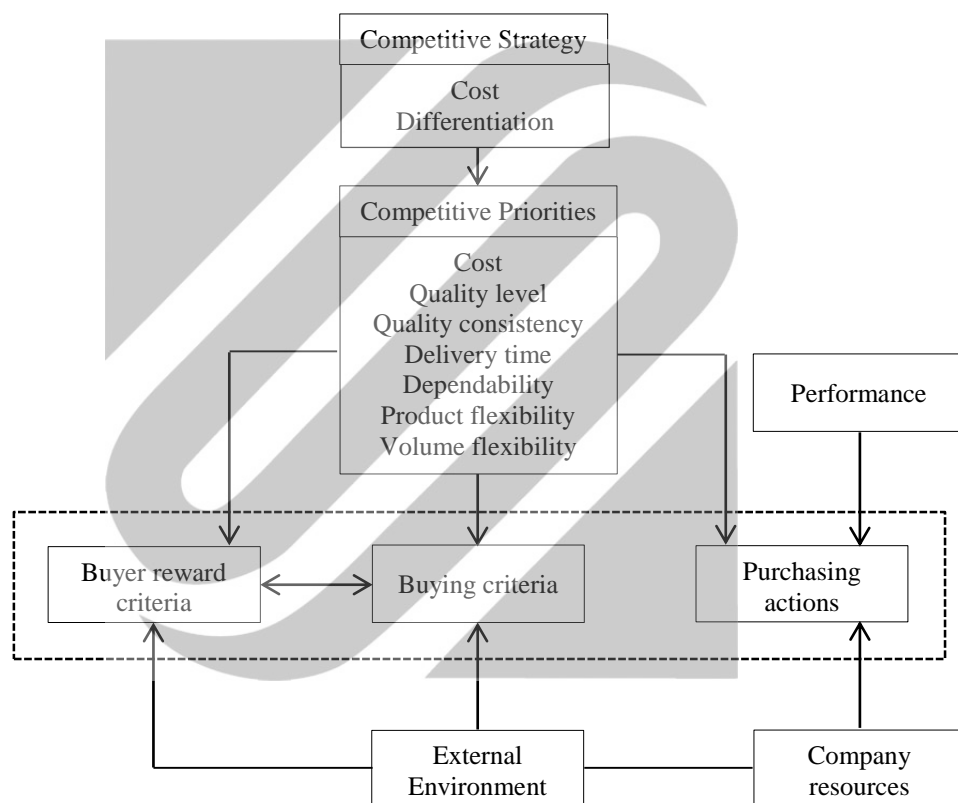


Figure 2.2 Components of Purchasing Strategy

Source: Benton, 2007

The Figure 2.2 proposed above is an example of a company that has chosen to compete on cost differentiation strategy and shows the elements involved in the purchasing strategy and the connection between those elements (Benton, 2007).

Today purchasing executives have to pursue a very challenging job because they are expected to develop a purchasing strategy that allows business units to remain competitive, achieve their goals and furthermore being consistent with the company competitive strategy (Benton, 2007).

Another interesting purchasing strategy theory, that considers the evolution of the market in the 21st century, is the one that was developed by Professor Carter and that implies that competitive firms have to implement a purchasing process that has a diverse buying approach for different items based on their relevance for the company priority (Carter J. R., 2000).

This theory is based on the supply segmentation technique approach. The logic of this technique is to implement a buying model that discriminates between the various items and services needed by a company and purchase them in a sequence that allow to meet the company priorities (Shircore & Steele, 1985).

This process starts with the supply segmentations analysis: the goods needed are located inside a 4 square graph where every square is denominated with a name that expresses the goods priority for the company (Figure 2.3).

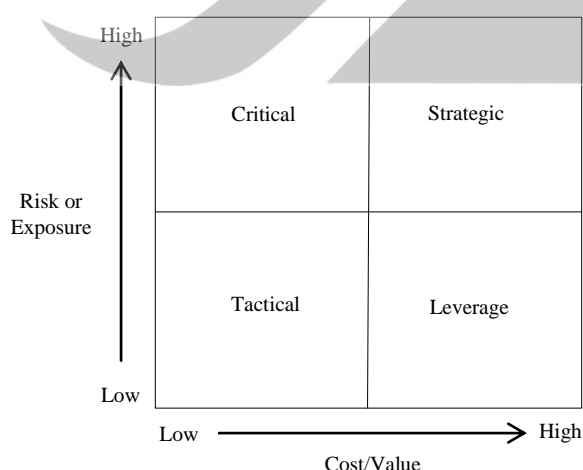


Figure 2.3 Supply Segmentation Matrix
Source: Carter, 2000

Quadrant one, defined tactical (low risk/exposure and low cost/value), includes goods that could be defined as routine items and that do not add value to the finished product of the firm. Cost of materials in this quadrant is low and materials are defined as commonly standardized with the consequence that they can be found with many suppliers.

The second quadrant is labelled leverage (low risk/exposure and high relative cost/value); it includes the generic and basic goods that represent also great expenditure and low risk for the company.

The third quadrant is denominated as critical (high risk/exposure and low cost/value) and it includes goods that have a relative low cost/value but in opposite to that are rare, which means that only few specialized suppliers can provide them and this represents for the company a high risk of exposure with consumers.

The last quadrant is the one that contains goods that represent high risk/exposure and high cost/value and is known as strategic. The goods contained in this quadrant are the most important for the company because are the one that secure to the company a competitive or distinctive advantage in the market (Carter J. R., 2000).

The segmentation of the quadrants under these names has been previously suggested in literature by few different authors (Carter J. R., 2000) (Kraljic, 1983) (Monczka, Trent, & Handfield., 2005).

Based on the logic of the matrix segmentation, goods contained in the four quadrants have a far different priority for the company; based upon this approach it is quite clear that different purchasing strategy goals and technique should be reserved to the goods contained in each section of the matrix (Steele & Court, 1996).

The supply purchasing strategies proposed in literature (Carter J. R., 2000) for each quadrant are as follow: issues related to the tactical quadrant are that the goods belonging to this category do not represent a great expenditure for the company but in opposite, transaction costs per order are high. The focus for the purchasing strategy should be on diminishing the number of buying activity with the result that total administrative costs are lower. Section Leverage contains goods that are generic and can be easily found in the market. The buying strategy should be focusing on volume, aggregating the purchase when possible between different business units and trying to

pursue a longer term contract with the supplier that should conclude in the best price for the goods.

The third quadrant contains items that are defined critical, should be focusing in buying activities that starts in the early stage of the product design (R&S) and involve the work of technical expertise buyers. The technique that should be implemented here focuses in reducing the number of sources (minimizing risk) and where possible implements supply continuity.

Last section is the one that contains strategic items; the supply strategy should be focusing on establishing a buyer- supplier relationship while using alliance partnering or joint ventures.

Implementing different purchasing approaches that are aligned with the corporate strategy could lead a company to gain advantage in the purchasing expertise strategy (Vollman, Berry, & Whybark, 1997).

For the scope of this study the previously explained 4 section of the matrix are going to be called differently using an approach based on previous literature (Schoenherr & Mabert, An Exploratory Study of Procurement Strategies for Multi-item RFQs in B2B Markets: Antecedents and Impact on Performance, 2011). The new labels that are going to be used were developed on a survey-based research and will be described in Table 2.1.

Table 2.1 Clusters' name and their associated purchasing strategy goals

Classification (Carter, 2000)	New Classification (Schoenherr & Mabert, 2011)	Association Strategy and Goals (Schoenherr & Mabert, 2011)
Tactical	Bundle Building	-find new suppliers with abundant products portfolio; -grouping products in large package and avoid cherry-picking bids;
Leverage	Price Focus	-focus on best price deal;
Critical	Supply Security	-reduction of risk; -collaboration with supplier; -securing supply;
Strategic	Purchase Efficiency	-aim to simpler and streamlined purchasing act; -minimization of efforts to spend in purchasing act;

Source: Carter, 2000; Schoenherr & Mabert, 2011;

The table shows the old name (literature by (Carter J. R., 2000)), the new name used for the scope of this research (literature by (Schoenerr & Mabert., 2011) and the purchasing goals that should be pursued when buying items belonging to each category.

The present study investigates how purchasing professionals behave when they face either multi-item (bundling) or single - item procurement and moreover which purchasing strategy they are going to apply and how they will behave. It can be an easy task to develop a purchasing strategy for a single-item procurement while in opposite is challenging to develop a single strategy for a multi-item one (Bakos & Brynjolfsson, 1999) where most likely purchasing professionals will be focusing in a combination of techniques (Schoenerr & Mabert., 2011).

Crafting the perfect combination of buying strategies in bundling purchase is defined as one of the most demanding task in purchasing particularly considering the effect that could have on the purchase performance (Schoenherr & Mabert, 2001) (2006) (2007) (2008).

The bundling of different items, beside the impact on the purchasing strategy to be pursued has an impact on the cost components (i.e. purchase price and operation cost) decreasing the relevance of this technique (Linthorst, Telgen, & Schotanus, 2008).

2.4 Concept of Purchasers 'Behavior

Purchasers' behavior is a concept that was profoundly studied in literature. It was studied under different approaches but prevalently for final applications in the marketing research industry with the goal to arrive to a stage of complete understanding and exhaustive market appliance (Ring & Farley, 1970). First models were based and developed on consumer's behavior, proposed firstly by Nicosia (1960) and subsequently by Howard and Sheth (1969). These cited models of consumer decision process were based on a similar basic structure on regards of the variables that affect the decision process but with a different approach to details (Ring & Farley, 1970).

Finally, in 1973 Sheth proposed a model of industrial (organizational) buyer behavior based on previous discoveries made from the prolific literature already available on the topic at the time (Sheth, 1973).

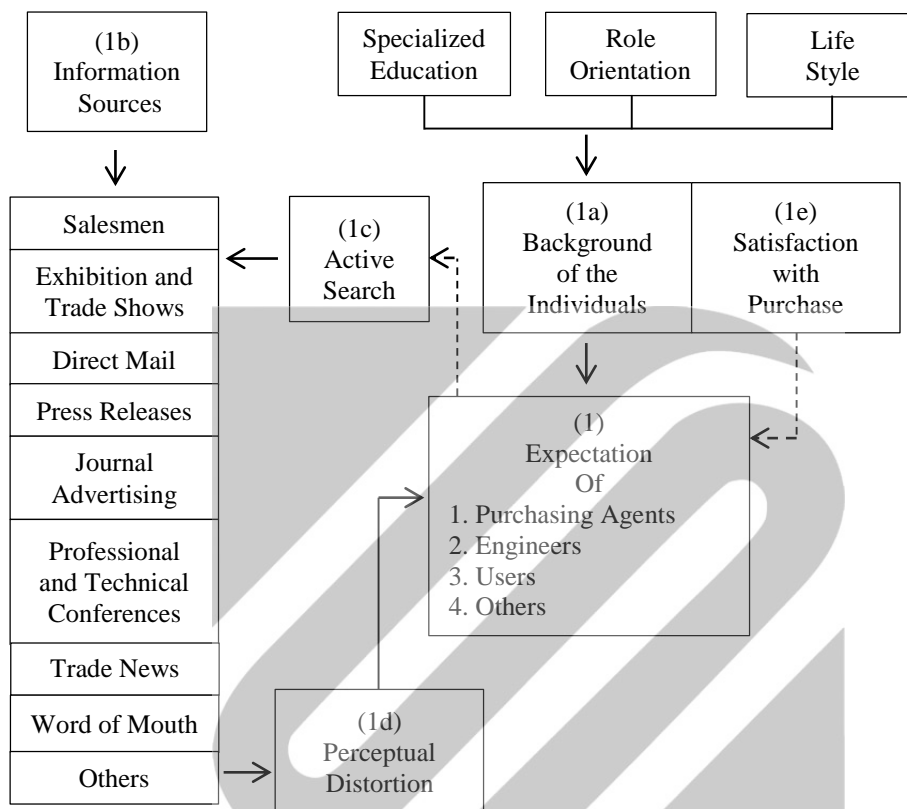


Figure 2.4 Partial reproduction of the Integrative model of "Industrial Buyer Behavior"

Source: Sheth, 1973

The study proposed by Sheth (1973) was filling a gap and integrating existing literatures to create an absolute model on corporate purchasers' behavior (Figure 2.4). The existing literature was at the time divided in three different groups: the first group was made of empirical researches assessing buying practices of organization purchasers (Levitt, 1965); the second group was made of observations on corporate purchaser behavior (Shoaf, 1959) and the third one was analyzing documents and reports on industrial buying activities practices (Westing, Fine, & Zenz, 1969).

The model of Industrial buyer behavior and his framework is explained in section 2.5 that arguments on the concept of factors that influence purchasers' behavior.

Purchaser's behavior study showed that corporate buyers act differently: all of them consider equally the objectives of the 4 procurement strategies that can be used (the strategies that can be applied are explained in the section above :purchasing efficiency, price focus, bundle building and supply security) but they invest a different level of effort in pursuing the purchasing strategies goals and in the act of buying himself (Hult, Ketchen, Cavusgil, & Calantone, 2006)(2007) (Oltra, Maroto C., & Segura, 2005). This is valid either if purchasers are doing a multi-item or single-item procurement act, this was observed in a research that was focusing on multi-item and single-item request for quotation bids in procurement made via electronic auctions (Elmagraby, 2007).

Relevant research that first proposed distinction of buyers, based upon the emphasis that they invest in pursuing the chosen strategy, is the one that was developed in 1978 (Miles & Snow, 1978) and that proposes to classify corporate purchasers in clusters based on their behavioral approach and different personality types, later on Bendloy et al. (2007) proposed a 4 labels identification method that was classifying them as: prospectors , which defines energetic and aggressive buyers; defenders that identifies passive buyers that leave things how they are; analyzers, they are an hybrid of the other two groups and last, reactors that do not have and apply a refined strategy.

For the scope of this study, the cluster classification system of behavioral types of buyers is taken from a research that empirically assessed the categorization of the clusters while using a large scale survey based on purchasing professionals (Schoenherr & Mabert, 2010).

The peculiarity of this research is in fact that researchers applied grounded theory methodology to define and quantify behavioral labels (Glaser & Strauss, 1967).

Finally it is derived a three clusters model based on labels previously proposed by Freeman & Cavusgil (2007) (Strategist, Opportunist and Responders) and behavioral characteristics somewhat fitting the one previously proposed by Miles and Snow (1978). This labels expresses the effort and aggressiveness that purchasers

invest in pursuing the chosen (single or combination) purchasing strategy goals and are defined as follow: Strategists are buyers that place the strongest effort on the purchasing strategy goals; Opportunists are buyers that spend an average effort on pursuing the purchasing strategy goals and Responders are the one that spend the least effort in pursuing the goals (Schoenherr & Mabert, 2010).

The survey used to define the label categories was based only on multi-item purchasing act while in opposite for the objective of this paper is used without distinction between multi- items and single-items purchasing action. It should be coherent based on the research done by Elmagraby (2007).

It is relevant for the scope of the present research to say that the survey discovered that corporate purchasers spend the same quantity of effort while pursuing a multi-items purchasing act for every purchasing strategy involved (Schoenherr & Mabert, 2010).

2.5 Factors that Influence Purchasers' Behavior

The first relevant model developed that argued on different variables and situations that influence Purchasers' Behavior was the one developed by Sheth (1973); this model has been used by other researchers as the base to develop and test further variables and situations that affect and influence Behavior.

The model represented in Figure 2.4 of the present chapter is the one proposed by Sheth (1973) and illustrates the variables (and their connections) that influence buying behavior and consequently affects decision makers' will.

The model of industrial buyer behavior is a complicated model that endeavors to explicate all the industrial buying decision processes and it includes variables connected to the typology of products that the corporate purchaser is attempting to buy and some that are directly related to the psychological world of the corporate purchaser.

The model, as it is proposed in Figure 2.4, is a generic and simplified version that explicates all types of industrial buying decision and moreover considers that corporate decision makers very often have to share decision making with other people in the company.

Sheth (1973) arguments on how corporate buyers' behavior is influenced from three distinct aspects; firstly from the psychological dimension of the individual, secondly from aspects that springs from shared decisions between corporate buyers and thirdly from conflicts that arise between corporate buyers that share decision making power.

For the scope of the present study corporate buyers take the final decisions singularly, which implicates that the only part of Sheth (1973) model relevant for the present study is the one that considers the Psychological dimension of Buyers.

The Psychological dimension of the Industrial Buyer Behavior Model involves and considers characteristics of the psychology of the decision makers that were developed based on research in social psychology and consumer behavior (Strauss G. , 1964). The main variable of the psychological dimension of the organizational buyer is the one defined Expectations (1) and that defines corporate purchasers' expectations. From this one are born other five main variables: background of the individuals (1a), Information sources (1b), Active search (1c), Perceptual distortion (1d), Satisfaction with purchase (1e).

All these variables together, with the interactions between each other, represent the psychological dimension of corporate purchasers.

Expectations of individuals are defined (Sheth, 1973) as the capacity of the chosen suppliers to satisfy the client expected objectives and this have an impact on the corporate buyers' behavior. The expected objectives (explicit) are quality, price, delivery time, after sale customer service and quantity (Howard & Moore, 1964) (Hays & Renard, 1964), and the implicit objectives are criteria such reputation, size of the company, technical knowhow etc. (Howard & Moore, 1964) (Hays & Renard, 1964) (Westing, Fine, & Zenz, 1969). Expectations (1) will be distinctively different for each different person because everybody subjectively considers different objectives with different relevance (Strauss G. , 1964). Moreover past researches on the matter showed how the "role" of the purchaser within the company (purchasing agent, engineer, product developer etc.) influence the relevance and the importance of the different explicit and implicit objectives (Sheth, 1973). The variables (1a to 1e) all affect buyers expectations.

The Background of Individuals (1a) is defined as the educational background and the orientation of the subject for the task and for the buying process and includes also the lifestyle that has a role on expectations (Golembiewski, 1965). The educational history of the subject has a relevant impact on his goals and values and within the task orientation that he will be pursuing; this first factor is one of the most impacting.

Second and third factors are the Information Sources (1b) which is intended as the sources and the sort of information that the purchaser is able to gather and the type of participation of the decision maker in the search which is defined as Active Search (1c).

One of the most crucial factor is defined as the Perceptual Distortion (1d) that is the different capacity of people to retain information and moreover the subjective and different interpretation of the same information; this is defined as a cognitive consistency and is a natural human tendency (Abelson, 1968).

Last factor that impacts the purchaser expectation is the one denominated Satisfaction with Past Purchases (1e) and it is the satisfaction with the purchases done in the past. This factor influences expectations of buyers based on past purchasing experience.

Throughout years several researchers, using as a base Sheth (1973) Industrial Buyer Behavior model, have proposed studies that have added knowledge with empirical test on the factors that influence decision making and have showed how environmental conditions impact purchasers' behavior and their decision making (Miller & Roth, 1994) (Frholich & Dixon, 2001) (Boyer & Hult, 2005).

The environmental conditions that affect the purchasing behavior are identified in literature as the following:

- Purchase importance – research established that the relevance of the purchase influence buyer behavior (McQuiston, 1989) (Johnston & Bonoma, 1981);
- Market uncertainty – task uncertainty factors influences buying decision (Bunn, 1993) (Ulku, Toktay, & Yucensan, 2005);
- Availability of the supply – it impact how the buyer decides to approach the negotiation (Bunn, 1993) (Cannon & Perreault, 1999);

- Buyer bargaining power – it is relevant constant in influence of corporate buyer behavior (Hunter, Perreault, & Bunn, 2006);
- Buyer experience – it impacts directly (Johnston & Lewin, 1996) buyer behavior choice and decision making (Tyler & Steensma, 1998).

The variables and factors that are described in Sheth model (1973) are affecting the psychological world of the decision makers and consequently his behavior. Furthermore, literature added the environmental dimension conditions listed above that are also affecting and influencing purchasers' behavior and purchasing strategy: i.e. to every needed item corresponds a purchasing strategy and some conditions that play influence on buyers behavior, which could be one/or more of the variables identified in Sheth model (1973) or/and one/or more of the environmental conditions factors that influence purchasers' behavior.

2.6 Concept of Purchase Performance Analysis

The importance of evaluating results is a well-known necessity in business; performance evaluation indicators are defined by the Center for Advanced Purchasing Studies as not simple to choose due to the continuous evolution of the business environment and to the necessity to evolve with it (Fearon & Bales, 1997). It is good habit for a business to create and implement a purchase performance measurement system, aligned with company necessities and with results that can contribute to improve decision- making (Stanley, 2000).

In a company many subjects such corporate purchasing managers and senior management are involved in the matter of choosing purchase performance metrics: this very often conclude to be a very complicated task because these people do not concur the same view.

Usually, each functional area chooses a performance metric which results could allow to maximize the out coming index. In opposite now, as a result of the evolvment of the market, performance measurement matrix moved from being utilized as practical measurement to be an indicator used to improve supply chain performance (Elliff, 1997). Performance indexes are commonly utilized to review and measure purchasing strategy and their alignment with the organization strategy

(Stanley, 2000); they are divided in two categories: individual performance measurement and organizational measurement.

Organization must implement a purchasing performance measurement system that perfectly suits the company necessities, provide information and is updated to the external environment changes (Stanley, 2000).

The Purchase performance measurement along with all the performance indexes are indicated (Shoham & Rose, 2001) as measurements that are subjective to the company and that are differently intended and consequently differently measured, not allowing immediate comparison between studies found in literature. For this reason, subsequently, some researchers have indicated the necessity to implement a broad definition of performance based on a unified framework (Ge & Ding, 2005) .

In opposite to the literature indication of the necessity to have a unified framework to apply to performance measurement, it must be remembered the reason of why companies and researchers always implement different performance measurements. As mentioned above each company and department implements his own performance measurement that best suits the necessities of the case. Based on this statement it has to be highlighted how the different measures of performance that a company can choose to implement are also based on the different objectives that they may want to achieve (Jacobs & Chase, 2008). It is essential that the supply chain performance evaluation indexes and measurements are regularly used and properly defined with the procedure description on how and when to use it (Monczka et al., 2009). Author Van Wheel (1984) in one of his researches explains how nowadays purchase performance measurements are dispatched in to two main categories defined effectiveness measures, which refers to the extent of which a company accomplishes a defined goal or standard , and efficiency measures that are used to quantify what a company gave up to accomplish an established goal.

Purchasing performance evaluations are truly important for a company and there are several reasons that explain why companies spend a relevant amount of energy to implement measurements that best suit their necessities. The reasons are defined by Monczka et al. (2009) as support in decision making and communication through the supply chain, performance feedback intended as how well the purchasers

performed. In addition measurements are used to motivate and direct behavior towards the company desired results.

As it is mentioned the importance and the relevance to implement measurement systems for a company, there is also the necessity to overcome the limitations of the measurement tools and particularly the one connected with the measurement of irrelevant data that are arising further problems (Brown, 1996).

For the scope of the present research the definition of purchase performance is going to be adapted from a previous research founded in literature and proposed by Schoenherr et al. (2011) where the definition was intended as follow: the buyer perceived success in the purchasing negotiation and buying act, it is based on a subjective measure which is the perception of the buyer on how much of the purchase objective has been achieved (based on the purchasing strategies) in the multi-item request for quotation (RFQ) event.

The goal of this metric is to measure the buying act outcome as how the buyer perceives it.

2.7 Theory of Relationship

In the present section it is argued and explained how different kinds of relationships can exist between two variables.

The objective of the present study is to investigate on the existing relationship among the variables cited in chapter one and moreover on the analysis of dependence or interdependence between these variables. The analysis of the relationship among two variables is generally done for either one of the following two reasons: firstly because there is an interest to explore the nature of the relationship alone or secondly to define if either one of the chosen variables can explain modification or alteration in the other one (Psomas, 2012).

Scientific research describes single phenomena and investigates on the relationship that each one of these phenomena could have among others. The study of the relationship is done using observation tools that allow to analyze the connection among these variables. The investigation starts when the researcher implies cause-effect analysis to presume dependence relationship; the present assumption can be based on previous scientific knowledge or on inference based on logic-deduction.

The stating assumption phase is based on previous known information and is defined as the phase of observation made on dependence logic among variables. An example of dependence logic could be that human being height depends from age, nutrition, race and genetic predisposition.

Dependence logic is defined as the relationship among two or more variables when between these variables it is already known a priori cause–effect relationship. Using as example the present study, it is based on a dependence logic deduction the following assumption: purchase performance depends from the purchasing strategy used and from the behavior of the purchasers.

On the opposite, independence logic is defined when (among two or more variables) it is known a priori that there is no existing cause-effect relationship. A purpose of the present research is to inspect the stated assumptions through a qualitative method and define if there is any kind of dependence or interdependence among the chosen variables.

Two different approaches can be used to investigate the eventual existing relationship among them: one approach could be the dependence analysis that studies how a variable situation changes depending from a second variable under a unilateral connection. In this case there is the involvement of an independent variable and of a dependent variable. For the present study this approach is used to address assumption number one, where the purchaser behavior is the independent variable and the purchase performance is the dependent one.

Second approach is called interdependence analysis and is used to investigate on variables that are assumed to have the same relationship among each other and the link between them is bidirectional. This approach will be used to investigate the relationship within the variables involved in assumption (and under assumptions) number two.

2.8 Previous Studies

The literature is plenty of previous studies that argument on the relevance of procurement and purchasing strategy, and their subsequent impact on the purchase performance. Literature, in addition to this, provides other studies that consider and investigate the connection between buyers' behavior and purchasing strategy; in this

section will be proposed a discussion on all relevant works belonging respectively to each stream as they are listed above.

The expanding literature arguments on the relevance of supply chain management and has increasingly stressed the prominence of the strategic role of purchasing (Anderson & Rask, 2003). The role of purchasing is defined in literature from authors Ellram and Carr (1994) as evolved throughout time until it became a company strategic function connected furthermore to the evolvement of its role in supply chain management (Ellram & Liu, 2002). The research composed by Ellram and Carr (1994) proposed a review of the available literature on the topic of purchasing strategy, the research dispatched available previous works under three different aspects (specific purchasing strategies, purchasing strategy used to help other firm and purchasing intended as a strategic function); subsequently Elmaghraby (2007) (Deng & Elmaghraby, 2005) produced several researches starting with the one (2000) that was proposing a general outlook of the sourcing strategies that are applied in operation research. Literature provides more evidences to reveal and explain how purchasing is increasingly seen by firms as a strategic function.

The most relevant researches that studied the important role of purchasing were all based on a case study approach (Van WHEEL, 1984; Reck & Long, 1988; Monczka, 1992). Literature that is currently relevant is the one proposed firstly by Freeman and Cavinato (1990) and subsequently by Cavinato only (1999). Both of these mentioned studies inspired a subsequent analytical research proposed by Paulraj et al. (2006) that connected to strategic purchasing the subsequent impact on the supply chain performance, by showing that strategic purchasing can have a deep impact on supply chain performance and furthermore highlighted the importance for executives to understand the strategic role of purchasing.

This is one example taken from the proliferation of the studies that investigated procurement strategies impact on purchase performance and company overall performance, the trend founded a pick around late '90 and it still a topic that channels remarkable attention. A relevant example is the study developed by Monczka et. al, (1993) that augments on the relationship between supply strategy and supply performance and concluded that intelligent and successful competition strategy depends on the company aggressive intention.

Despite the growing agreement in literature about the role of strategic purchasing as a pre-determinant of firms' performance, only a few authors proposed studies that accurately reviewed the influence of strategic procurement on the company performance (Carter & Narasimhan, 1996; Carr & Smeltzer, 1999;). In this trend of study the strategic procurement impact is considered both on the buyer performance and on the supplier performance because overall it was expected to lead to a "win – win" situation.

Another work that was exploring the relationship encompassed by efficiency and purchasing strategy concluded that combined negotiation between buyer and purchaser and relationship based on long- term strategy both increase the possibility to improve the firm performance (Cousins & Lawson, 2007).

Relevant addition to the existing literature that must be mentioned are the several papers done by the researchers Murray and Kotabe (1999) that added considerable important knowledge to the literature. Firstly with the investigation on location and ownership title connection with purchasing strategy and the further impact on performance (Murray & Kotabe, Sourcing strategies of U.S. service companies: a modified transaction-cost analysis., 1999) and secondly they proposed a study on the mentioned relationship on strategic alliance based sourcing strategy of foreign firms that operates in the Chinese market; these authors discovered that overall it results in a better market performance (Murray et al., 2005).

Researchers have showed how a strategic and well implemented buying strategy predetermines positive financial performance (Carter & Narasimhan., 1996) (Carr & Smeltzer., 1999) (Vickery et al., 2003) and moreover it adds positive value to the company (Narasimhan & Das, 2001).

Based upon the findings of the several researches described above is concluded that a more focused and aggressively pursued buying strategy can impact company purchase performance, overall performance and firm value.

Lastly, it is important for the scope of the present study to have a complete overview of the available literature, to mention the several investigations that debated and discussed on the relationship enclosed by firm competitive strategy and firm performance. As it is mentioned in section 2.3 that explains the concept of Purchasing Strategy, the latter is developed and based on the company business objective and

moreover on the chosen competitive strategy. Literature on strategic management proposes several empirical studies that developed theories on the relationship encompassed among strategy-performance (Mosakowski, 1993) (Parnell & Carraher, 2001). These researches concluded that in general a competitive strategy that combines quality and a unique firm capability would end in a better financial performance (Dacko & Sudharshan, 1996). A study covering the new-venture industry, investigating again on the relationship strategy- performance, detected that firms deciding to compete on broad cost leadership strategy are usually performing better and additionally they discover that investment in innovation is a stimulus for the relationship strategy-performance (Dowling & McGee, 1994). Other authors before proposed similar studies on this stream: it was found that organizations integrating innovation were potentially able to improve performance (Damanpour et al., 1989) and moreover in a subsequent research innovation was even indicated as being an essential contribute to performance (Han et al., 1998).

Last, but not least, one important relationship among concepts that interest the present study is the one between buyers' behavior and purchasing strategy which raised interest in the academic world starting between late '60 and '70. The most relevant material on the topic was the one that firstly proposed the conceptual models on the relationship between procurement strategies and industrial buyer behavior. The cited framework is denominated as the "Model of Industrial Buyer Behavior" and it was based on several similar works developed from Howard & Sheth (1969), Robinson et al. (1973), Webster & Wind (1972) and Sheth (1973). The "Model of Industrial buyer behavior" provides literature with a relevant framework that explains how corporate purchasers act and which variables (both internal to his world and external) influence their will when it is time to make a purchasing decision.

Other relevant researches that added precious knowledge to this trend of study are the one produced from Hult et al. (2006) (2007) and Oltra et al. (2005) which investigated company purchase in multi-item bundling auction where purchasers behave on a way that allow them to consider all buying strategies goals but the objectives are pursued form buyers with a different level of intensity.

Company purchasers behavioral groups classification was discussed firstly in a paper proposed in 1978 (Miles & Snow, 1978), the authors was classifying company

purchasers under behavioral clusters and strategic types, afterwards several authors focused on finding and testing variables that affect company purchasers' behavior. For instance Iyer (1996) determined that the relevance of the procurement needed has influence on buyers behavior, in particular to the degree to which buyers will consider new options and specifically as the purchase importance is elevated it increase the wiliness of the buyers to consider a bigger number of vendors (Heide & Weiss, 1995). Other important research trend is the one that proposed discussion on the relationship between buyers' behavior and purchasing strategy connection, considered the subsequent impact on purchase performance and that made several contributions to literature (Schoenherr & Mabert, 2011). Firstly the sourcing strategy and relative objectives of the strategy are influenced form the intensity invested from the buyer in pursuing the goal and secondly Schoenherr & Mabert (2001) research founded that environmental conditions are an antecedents to the choice of which sourcing strategy to pursue and to the consequent buyer behavior. This research assume that is the buyer that choses the purchasing strategy and moreover all the buying acts are done in multi-item contest which imply that more than one buying strategies are simultaneously implemented. Lastly the researchers confirmed the relationship between sourcing strategy and performance where an important role is also performed from the buyer behavior effort in pursuing the buying strategy.

This paper is not defining which one among the buying strategy and the buyers behavior influence the other or in other way if they both influence each other.

These mentioned above researches all provided precious information that have been used to define and build the conceptual framework for the present paper, including the identification of the variables involved with their possible connection and the methodology method that best suits the present research scope and objectives.

CHAPTER 3

RESEARCH METHODOLOGY

For a complete understanding of the influence of corporate purchasers' behavior and purchasing strategy on purchase performance the author has implemented a research methodology that best suits the cause. The technique used is based on previous studies approach on similar study on the topic and on the technique of theory building based on case study research.

The following section includes the analysis of the population and sample size, research methodology which includes the explanation of why the research objectives and assumptions have been addressed making use of a qualitative tool.

Come next the data collection method, description and the protocol used to analyze and code the gathered data.

3.1 Population and Sample

The population of interest for the present research is identified in people that are employed with the role of corporate purchaser; the industrial segment of the company is not really relevant, just important is that the company is not purchasing for the third sector because the purchasing strategy dynamics used in public procurement are considered wholly different from the one used in competition market (Newman, 2013).

The concept of population is very important, either in qualitative or quantitative study, because from population defined essence and peculiarities is than extracted a representative sample which should significantly reflect the same set of entities (Eisenhardt, 1989). Sampling involves a process of generalization which induce that the conclusion of the tests made only on the sample are extendable to the population of interest (Zikmund, Babin, Carr, & Griffin, 2013).

The sampling technique that is used when involved in build theory from case study is different form the one used in normal situation; this kind of qualitative research uses the theoretical sampling technique. Theoretical sampling is defined from Glaser & Strauss (1967) as to choose the sample based on theoretical reasons; could be the will to replicate a previous case study or the decision to choose borderline case

study situation. This kind of sample selection focuses on choosing case study that would make it easy to be eventually replicated in the future (Eisenhardt, 1989).

For the scope of the present research the case study (sample) is then chosen using the theoretical sampling technique instructions. Is based on the fact that the EMS industry is distinguishing for procurement costs impact on the profitability of the company and furthermore purchasers buying performance impacts company performance overall. The case study selection from the EMS industry is based on the theoretical relevance of purchasing for the sector and moreover the chosen Thai EMS company is known in the market for the outstanding financial performance. This is considers from the author as an attribute that distinguish only polar type of company (Glaser & Strauss, 1967). Pettigrew (1988) has highlighted how case study sampling methodology should focus to choose a case that is defined as polar type or extreme situation because the topic of interest will be more “transparently observable” compare to non-borderline case.

Once defined the subject of the case study, which is the Thai EMS Company, has to be chosen from it a representative sample of purchasers for the semi - structured interview.

In qualitative research the sampling process and the appropriate structure and size procedure are one the principal area of disorder for researchers; furthermore there are no exhaustive instructions in literature that approach the matter. Several researchers tried to fill in the gap but there is little agreement on procedure and moreover on the terms used the explain them (Marshall, 1996). In literature is possible to find indications on regards of the appropriate number of people that should be interviewed and it is indicated in a number comprehended between 4 to 12 people because it assure the right quantity of information without overwhelm the interviewer and subsequently affect the coding (Eisenhardt, 1989).

Author Marshall (1996) in his research arguments on sampling techniques for qualitative study, he defines the right sample size as appropriate when it amply provides insights to accomplish research questions and moreover defines that very explicit and particularized study with straight forward questions could be done with “single figures”. On the contrary for study with elaborated questions it is more

appropriate to have a large sample and moreover to implement more than one sampling technique.

As it is mentioned above for the scope of the present study it is used a theoretical sampling approach because it is the most appropriate when to build concept from grounded theory (Glaser & Strauss, 1967).

The total number of respondents for the semi-structured interview is made up from 5 purchasers that are employed in the chosen case study company; it is indicated in literature how important is to choose sample respondents that best represent the category of interest and moreover have real knowledge on the topic of the study (Morse, Barrett, Mayan, Olson, & Spiers, 2002). This is the reason of why among the several purchasers available in the case study company has been chosen these 5 subjects. All of them have at least few years of experience and have a first line active role where their decision is truly relevant and could change completely the outcome of the purchasing.

Furthermore is decisive for the research objective to have chosen an adequate sample, which means that respondents selection should be done ensuring efficient and effective saturation (comprehension and completeness) and moreover replication (Morse, 1991) which means that are collected enough data to represent all aspects of the phenomenon object of the research (Morse et al,2002).

Interesting material written from Curtis et al. (2000) proposes a discussion on the criteria described in literature that should be used when to choose a sample in qualitative research. The criteria were developed by Miles and Huberman (1994) and they propose a six items checking list that helps to evaluate if the chosen sample attribute are appropriate for a reliable and trustworthy sample. They are as follow:

1. The chosen sampling technique should be pertinent with the framework proposed in the research and to the scope of the research questions;
2. The sample chosen should be inclined to produce a relevant amount of information on the topic studied;
3. It is important that conclusion made on the sample can be generalized;
4. The information produced from the sample must be feasible (in sense of being true);

5. The sample chosen from researcher should not create conflict of interest (intended as the relationship between the researcher and the respondents) and moreover has to be considered if the sample have associated benefits or risks to the participation in the study;

6. And last considers the feasibility for the resources involved: cost of money and time that have to be invested in the sample and in the research.

In Table 3.1 is proposed the six criteria check list on regards of the chosen sample for the scope of the present study, as showed the chosen sample is suitable and congruent based upon the discussed criteria.

Table 3.1 Relevance of the criteria for to the present research chosen sample

Sampling Parameters (Miles and Huberman, 1994)	Present study sample
1- Relevance to conceptual framework and research scope	Yes – the chosen sample respondents works in the industry and have an exhaustive understanding of the subject of study
2- Potential to generate exhaustive information	Yes – the chosen sample have deep knowledge research subject
3- Generalizability of the sample	Yes- addressed in section research methodology
4- Potential to generate believable explanation	Yes – to respondents is assured their identity will be kept secret
5- Conflict of interest	No- researcher does not personally know nor have relationship with any of the chosen respondents
6- Feasibility	For the present study feasibility is not relevant

Source: Miles and Huberman, (1994)

3.2 Research Methodology

Research methodology approach that is going to be used for the present study is based on a qualitative tool; the chosen methodology is the semi-structured interview that is a qualitative method that has been previously used in literature when theories are developed using case study research.

The case study approach is classified in literature as a qualitative approach methodology (Freeman & Cavusgil, 2007) which mainly is used to draw conclusion of dynamics that are present in particular industry or company (Eisenhardt, 1989).

The research approach based on case study could involve more than one cases that are chosen using the theoretical sampling technique explained above in section 3.1 and could involve various levels of analysis either in multiple or single study (Yin R. , 1984). Case study approach involves the combination of different data collection methods (Eisenhardt, 1989), as has been done for the present study, research questions and assumptions to be investigated are developed based on previous literature evidence that could be both or either qualitative and quantitative. Literature defines Case Study approach as usable to achieve results firstly when description is needed on particular topics (Kidder, 1982), secondly to generate theory (Gersick, 1988) and lastly to test theory (Pinfield, 1986).

For the present research the case study approach is used to generate theory and it is going to be done using semi-structured interview method. Semi-structured interview is a discussion with the chosen respondents based on open ended questions that leave to them the space to answer freely (Zikmund, Babin, Carr, & Griffin, 2013). For the present research the semi-structured interview is going to be given to respondents in a hybrid form between face to face and written one. Instructions and questions are going to be read with respondents face to face in a Skype interview where, if necessary can be done a Q&A session on eventual incomprehension. Once done the reading and the discussion the respondent will be asked to answer to questions in a written mode, where he can choose to write as much as he fell like doing. In case of non-complete or non-clear responses is going to be done a second follow up face to face interview via Skype.

Is opted for the written modality due to the fact that some of the respondents are not English mother tongue and consequently this approach can simplify their comprehension of questions, their reading and furthermore the unlimited time to write answers that would make them feel more comfortable and it would play a role in the reduction of bias.

The coding approach for the semi-structured interview is based on grounded theory analysis and is going to be explained in details in section 3.4 Data analysis.

3.2.1 Semi-Structured Interview Developing Process

The development of the semi-structured interview questions is a critical stage for the study; the questions have to be developed in a way that could furnish enough information to assess the scope of the present research .

The semi-structured interview is divided in three different parts (please find Appendix B for the script of the semi-structured interview) where the first one is mainly an introduction on the scope of the study, with definition of some terms. In this part is asked to respondents to recall a purchasing act when to respond to the questions, is a method that have been previously used in literature for survey and interview that study consumer behavior (Fang, Qureshi, Sun, McCole, Ramsey, & Lim, 2014) .

The second part is divided in section A and B and questions of each of this section focus on assessing the relationship between variables. Section 2A include questions that scope is to dispatch purchasers in the three behavioral clusters and section 2B questions focus to define the relationship between corporate purchasers' behavior and Purchasing strategy. The questions proposed in the third part are developed to assess the relationship among behavioral clusters and purchase performance. In the semi-structured interview in total is made up of 28 questions (please find Table 3.2 to see semi-structured interview final questions).

A pilot study test has been used to check questions understanding and to implement reliability and validity on both the coding scheme and on semi-structured interview phases.

Table 3.2 Semi-structured interview questions

Q #	Construct analyzed	Semi-structured interview questions
Q1	Corporate Purchasers' Behavior	How would you define your behavior (how involved you are in the buying act) when you try to accomplish the purchasing of components for your company? Please explain.
Q2	Corporate Purchasers' Behavior	Please give me 3 words (or statement) that you would use to define yourself during a purchasing trade.
Q3	Corporate Purchasers' Behavior	When you think about the buying auction that you have in mind, how would you define the importance of accomplishing the buying strategy objectives and goals? Please explain.

Table 3.2 Semi-structured interview questions (Cont.)

Q #	Construct analyzed	Semi-structured interview questions
Q4	Corporate Purchasers' Behavior	Let's picture a case where the buying act is finished and you completely and successfully fulfilled all the buying strategy objectives and goal. <ul style="list-style-type: none"> • Is this a case scenario that could happen in one of your buying transaction? Why? • How would you feel about it?
Q5	Corporate Purchasers' Behavior	Let's now picture a case where for any reason the buying strategy is concluded but the objective and goals are not really fulfilled and it would have been possible to accomplish a better results. Please explain <ul style="list-style-type: none"> • Is this a case scenario that could happen in one of your buying transaction? Why? • How would you feel about it?
Q6	Corporate Purchasers' Behavior	How would you define your effort in pursuing the purchasing strategy goals and objective as explained to you. If you do not remember the classifications please have a look at the table provided - Exhibit 1/a. Please explain.
Q7	Corporate Purchasers' Behavior	If you would have to classify yourself as company buyer based on the effort/energy that you invest in pursuing the buying strategy goals which value would you choose in a scale from 1 (the lowest) to 7(the highest).
Q8	Corporate Purchasers' Behavior	Please explain why you have chosen that number.
Q9	Corporate Purchasers' Behavior	If you would have to classify yourself as company buyer based on the importance that you reserve in accomplishing the buying strategy goals and objective, which value (to the importance of accomplishing buying objectives and goals) would you choose in a scale from 1 (the lowest) to 7(the highest).
Q10	Corporate Purchasers' Behavior	Please explain why you have chosen that value.
Q11	Purchasing Strategy – Corporate Purchasers' Behavior	Once you have concluded a buying act, independently from what has been accomplished, what would be the first thing that you do or think?
Q12	Purchasing Strategy – Corporate Purchasers' Behavior	When you think about your buying auction behavior (the efforts that you invest in accomplishing the buying strategy objectives and goals), what do you think could be the reasons that explain why you behave (example achiever, competitive person, want to Not disappoint my boss etc.) like that?
Q13	Purchasing Strategy – Corporate Purchasers' Behavior	Which reason would you give to this behavior?
Q14	Purchasing Strategy – Corporate Purchasers' Behavior	Would you say that the person that you are in real life is the same person that does the company purchase or your behavior changes when you buy for the company?

Table 3.2 Semi-structured interview questions (Cont.)

Q #	Construct analyzed	Semi-structured interview questions
Q15	Purchasing Strategy – Corporate Purchasers’ Behavior	Please explain reason of your last answer.
Q16	Purchasing Strategy – Corporate Purchasers’ Behavior	Referring at the purchasing situation that you kept in mind when answering the questions, if the company was yours and you were purchasing for yourself, would you behave exactly in the same way?
Q17	Purchasing Strategy – Corporate Purchasers’ Behavior	Please specify what would be different eventually
Q18	Purchasing Strategy – Corporate Purchasers’ Behavior	Please provide three words that define yourself in life.
Q19	Purchasing Strategy – Corporate Purchasers’ Behavior	Would you say that your personality is dominant when is time to purchase or are the purchasing strategy goals and objectives (i.e. your role inside the company as a purchaser) that drives you?
Q20	Purchasing Strategy – Corporate Purchasers’ Behavior	When you successfully close a purchase act what is the first thing that comes to your mind? Explain and please specify whether you are more satisfied for yourself or for the company.
Q21	Purchase Performance	How do you fell about the purchase performance of the purchasing act that you are referring to? Please explain.
Q22	Purchase Performance	How much of the purchase objective and goals was accomplished? Please indicate with a number between 1(not accomplished at all) to 7 (completely achieved).
Q23	Purchase Performance	How do you feel about this result? Please explain.
Q24	Purchase Performance	Is the accomplishment of the purchase performance (intended as the research definition) important for you personally?
Q25	Purchase Performance	Please choose a number 1 (the lowest) to 7 (the highest) to define how relevant is the purchase performance for you intended as defined in Exhibit 1/b.
Q26	Purchase Performance	Why did you choose this number?
Q27	Purchase Performance	Given the definition of purchase performance, would you say that your performances generally conclude positively or negatively? Please specify.
Q28	Purchase Performance	How much out of 100% of the purchasing goals/ objectives would you say that was achieved?

3.2.1.1 Pilot test

The pilot test was done with one respondent taken from the identified population sample (made of purchasers employed in the chosen case study company). Scopes of the pilot testing (final script of the pilot test with all documentations is attached as Appendix C) were several: firstly to assure the conceptual comprehension,

wording and capacity of the respondent to answers to the questions. Secondly was to have a first single case transcript of the semi-structured interview to use to develop the coding scheme, and lastly to use it as base to develop the other needed verification tests.

The pilot test study started while reading the introduction of the semi-structured interview objectives. To the respondent doing the pilot study has been provided a copy of the script (to ensure total understanding of the instruction) along with 2 Exhibits (Exhibit 1/a and Exhibit 1/b) containing the definition of terms. Pilot test respondent indicated some terms that were not clear to his comprehension and that have later being substituted. In addition the pilot test study highlighted the urgency to add some more questions, necessaire to completely fulfill the scope of the present study.

3.2.1.2 Coding scheme and Reliability test on the coding scheme

Once the pilot study interview transcript was completed, the interviewer started the development of the coding scheme. The coding scheme has to be developed using a trustworthy method and has to pass reliability test, that in research based on qualitative tool, are as necessaire as they are in quantitative research (Becker, 1970) (Deutscher, 1970).

Krippendorff (1995) provides us with three types of reliability on the coding system of qualitative methods. The first one is the stability, that defines the capacity of the coder to use the same code overtime, than we have the second that is defined accuracy and intends a coding system based on another code with high reliability; and the last one, reproducibility or intercoder reliability which defines whether a different coder call to code the same script would develop the same coding system.

To assess the reliability stability for the present coding system the coder adapted few methods taken from literature (Strauss & Corbin, 1998) and in particular the open method (which focus in grouping similar concepts together) than axial method (that links these categories to similar one) and finally the selective method (that linked these categories In to the end “core” category).

3.2.1.3 Other Verification Test

Finally, based on pilot test transcript were implemented the necessary group of verification tests that would ensure the significance of the sample utilized and future time replicability of the study.

The reliability of the study is defined as the capacity of the study to be eventually replicated in future time with the same ending of the previous one (Creswell, 1994). The scope of reliability based on the definition is to decrease errors and bias included the one related to the interviewees (Yin R. K., 2003). The proposed solution is to provide the same script to every interviewees with the same questions, and this should consequently provide a good level of consistency. Questions throughout the 3 interview sections are repeating with a different wording to address reliability.

Reliability can also suffer from the capacity of the respondent to avoid bias, a deterrent used in the present study is the assurance of anonymity for the respondents and the opening the semi-structured interview with an introduction that highlight the importance of the present study for literature and the necessity to be sincere with the answers.

Other very important verification test is the construct validity. This test measures the capacity to measure exactly what is needed for the scope of study; literature argues that on qualitative study there is a subjectivity component on the definitions of construct due to the fact that words have different meaning (Campbell, Quincy, Osserman, & Pedersen, 2013; Yin R. K., 2003).

To secure constructs validity, semi-structured interview questions are phrased with words utilized in the definition of construct and that define it.

Last important verification method to be run is the one that assesses External validity, which is defined in literature as the capacity of the study sample population to reflect a bigger population (Creswell, 1994). The only method used to ensure external validity was a careful selection of the sample population, that said the present study results should be ensuring an analytical or theoretical generalization (Yin R. K., 2003) for a company that belong to the same industrial segment.

3.3 Data Collection

The collection of the data is done using technological support.

The semi structured-interview starts with a face to face Skype conference and the instructions reading, follows the questions reading and once researcher is sure that the respondent correctly comprehended the questions, starts the phase where respondent act alone and focus on question answering.

Answers are written (with the support of a computer) from respondents with the support of a file creator program (all respondents interview scripts are attached as Appendix D)

Is used a technological support because it simplify the writing understanding compare to the handwriting approach.

The respondent chooses the length of each of answer and eventually if some answers are incomplete or unclear is going to be done a face to face follow-up interview via Skype.

3.4 Data Analysis

Data analysis definition provided from Zikmund et al. (2013) defines it as the application of an appropriate analytical technique to data previously collected with the extent to determine similar pattern and subsequently produce a review of the relevant details discovered with the research. The decision of which is the appropriated analytical technique is based on the research nature of the data collected within the research. Since the present research data are collected via qualitative approach on case study and in particular with a semi-structured interview the chosen methodology that will be used to gather the data is the grounded theory.

The grounded theory approach is defined from Bernard (2000) as a process that involves several steps for classifying the similar categories that emerged from the interview and then link these categories in to theory. Is a method that through reasoning, builds up a theory that is based on the information collected with the interview (Schutt, 2011).

The process for analyzing the data, phase one, starts with the definition of problem and concepts, and the researcher defines some words and under concepts that directly relate to the main concepts. Subsequently starts the phase two that center of

attention is to analyze the semi-structured interview scripts: it focuses to highlight words and phrases that have particular meaning (the researcher should probably label them) and that are related to the main constructs. Afterward the researcher moves to phase 3, where he combines this labels in to bigger categories and the same process continues until is done the combination of the final desired categories (Schutt, 2011). In Table 3.3 is described the phase to phase adopted process and the practical platform structure that will be used to go throughout the described above phases.

Table 3.3 Platform that will be followed to code the semi-structured interview

	This first phase is starting with the researcher development of the coding structure and the expected wording and concepts that are related to the main constructs as described belowed.	
		<i>Practical application</i> <i>Concept related to the construct</i>
	<u>Semi-structured interview part 2A - Q1 to Q10</u>	
	This part of the interview focuses on dispatching the respondents in to the three behavioral clusters	Strategist Opportunist Responders
		Purchasers that invests all his energy Invests average energy but he could do more Just doing the least, could definitely do more
Phase 1	<u>Semi-structured interview part 2B - Q11 to Q20</u>	
	This part of the interview focuses on dominance between purchasing strategy and Corporate purchasers behavior	Purchasing strategy dominance Purchaser behavior dominance
		The company goals and obsj are a priority and the purchasers do the performance to fulfill his company The purchasers do it firstly for his self
	<u>Semi-structured interview part 3 - Q21 to Q28</u>	
	This part of the interview focuses on purchase performance	Positive purchase performance Negative purchase performance
		The purchaser feels positive on the outcome on the performance and he is overall satisfied The purchasers does not fell that he is satisfied with the purchase performance
Phase 2	This phase focuses on analyzing interview scripts and from them are highlighted key words, and phrases that are connected to the coding structure. With not coded words the process focus in connecting the synonymous with the coded one and words that have not any code structure will be connected to their related main concepts. The focus on this part is to confirm the coding and to dispatch the respondents.	
Phase 3	With phase three all the variables and constructs related items are coded and the three relative parts of the semi structured interview are solved into the constructs. Researcher can finally start the phase of testing of the hypotheses.	

3.4.1 Practical Application of Data Analysis and Coding

In this section are described the functional steps used on each of the respondents semi-structured interview to draw the conclusion on the collected information and subsequently the investigation either to support or not support the research assumptions.

The following description illustrates the approach firstly developed on the pilot test script that was then used for each of the other 5 semi-structured interview scripts.

The developed coding map (final version) that has been used respectively in each phases is attached as Appendix E. Every time that a script was analyzed details were added to the coding map.

The coding of the pilot test started with the phase one as described in Table 3.3 which focus is to define a priori expected words for every questions. Subsequently started phase two that consist in highlighting key words and statement used from respondents in the semi- structured interview and that were not classified/coded in phase one. Each of this word is connected with synonymous, similar words, statements of similar meaning to the coded words belonging to phase one. Lastly starts the third phase, focus here is to connect the coded words (phase one) and the under group coded in phase two to the principal constructs.

Afterwards can finally start the practical part of assumptions examination; in this phase is necessary to firstly dispatch respondents within the behavioral clusters they belong to and subsequently measure their perception on their purchase performance. This would allow to analyze Assumption 1 and establish which kind of relationship exists enclosed by purchasers' behavior and purchase performance.

Secondly will be analyzed Assumption 2 to again investigate which one among Purchasing strategy and Purchase Performance have influence over the other. In the data analysis phase is important to consider coding errors; the more the number of the codes involved grow the more cognitive difficult for the researcher increases (Fahy, 2001). There is a method, proposed from Campbell et al. (2013), that can be implemented to decrease the percentage of making errors when coding and it suggests to code each script twice but in different days.

3.5 Data Collection Procedure

The process used on the data collection for the scope of the present research was divided in two phases; the process used on the first phase allowed building the structure for the present research which was based on the gathering of information and available knowledge from secondary data. Secondary data used for the scope of the present research are mainly represented in academic papers and reports that proposed study on Theory of Purchasing and argued on the topics of Corporate Purchasers' Behavior, Purchase Performance and Purchasing Strategy. Literature, as very

normally happen when working with secondary data information, offers plenty of insight on the three mentioned topics but in opposite provides so little that is based on similar approach as the one on which the present research is based. Other secondary sources used for building the present research are books, mainly utilized in the topic of Purchasing Strategy, on Theory of Relationship and lastly for author personal understanding of how to approach the gathering of primary data. Reports and academic study discussing qualitative techniques have also represented precious support in the approach used on the data gathering and data analysis.

After collecting secondary information, started the phase of development of the existing relationship between the chosen variables and the inference on the conceptual framework. The focus of this phase was to understand how to construct the best semi-structured interview questions that would have provided the right quantity and quality of data to address the present research questions and objectives.

The development of the semi-structured interview questions concluded with the pilot test study that provided precious insight on what to change and improve to optimize interviews outcome.

Once finalized the structure for the interview questions started the primary data gathering phase; it was designed with the involvement of different kinds of technological support. One support is represented in the Skype platform that was used to introduce the interview to respondents and lastly respondents used a document processor developer to write their answers.

Finally started the phase of code development and the grounded theory reasoning approach that allowed assumptions investigations, theory building and moreover the induction of research conclusions and further study suggestions.

CHAPTER 4

RESEARCH FINDINGS

This chapter presents and overview of the coded data gained through the semi-structured interview that has been carried on with five different respondents.

The first section of the chapter explains and discusses the coded and elaborated results for each respondent taken individually. Subsequently it proposes some possible explanations based upon the case interpretation.

In the second section, the scope of the present study is briefly recalled along with the assumptions description. As a second step, the data are collectively analyzed to allow the investigation over the chosen assumptions and follows the explanation for the relative findings.

4.1 Main Findings

The present section will discuss the information that has been gained through the semi-structured interviews based on the five respondents involved. The discussion is going to be based on the coded and elaborated data, which has been used also to investigate and analyze the proposed assumptions.

The data were elaborated based on a coding structure developed specifically for the present research (the code matrix is attached as Appendix E) and is based on three phases (explained in section 3.4.1). The goal of the coding is it to connect the words used from the respondents to assess the three main variables used in the present research.

Section 2A of the interview is used to categorize respondents in their respective behavioral cluster, as follows:

- Strategist : buyer that places the strongest effort /aggressiveness in pursuing the chosen purchasing strategy goals;
- Opportunist: buyer that spends an average effort/aggressiveness in pursuing the purchasing strategy goals;
- Responder: buyer that spends the least effort/ aggressiveness in pursuing such goals.

Section 2B focuses on understanding the existing influence between Purchasing Strategy and Corporate Purchaser Behavior.

Lastly, section 3 investigates whether purchasers are satisfied with their Purchase Performance.

The process starts with the categorization of each respondent with an ordinal number (based on the order used to interview them) followed by a simple demographic analysis. The demographic analysis focused on categorizing each respondent's gender, nationality, the exact role covered within the company and the years spent in procurement/purchasing. The experience of each single individual can impact the ability of the purchaser.

Table 4.1 shows the data: all respondents are male and all of them are covering a first line role within the company. This first line role implicates that all of them have the power to make the final decision on the purchasing act but, in the opposite, the purchasing strategy goals and objectives to be pursued are not up to them but instead are defined by the management. Furthermore, it is important to highlight a certain dissimilarity in the interviewees' experience/age and consequently in their seniority within the company. This is positive as it provides additional insight on how profiles with different demographics and seniority respond differently to this analysis and moreover it assures the external validity of the sample.

Table 4.1 Demographic classification of the respondents

Respondents Number	Gender	Nationality	Role within company	Experience in purchasing
1	Male	American	Director of Global Sourcing and Purchasing	27
2	Male	Thai	Sourcing	2
3	Male	Thai	Sourcing Specialist	12
4	Male	British	Quote Manager	11
5	Male	Chinese	Sourcing Specialist/New product introduction	4

The following step is the coding phase of the scripts, the practical application of the coding map to each respondents' script is attached as Appendix F. It starts with the allocation of the five respondents into their behavioral cluster and subsequently it

moves to inducing the conclusion on the other relevant constructs. All interview scripts are attached as Appendix D and Table 4.2 shows the summary of coded results for every respondents.

Table 4.2 Summary of results

Respondent #1	Respondent #2	Respondent #3	Respondent #4	Respondent #5
Strategist	Opportunist	Responder Borderline case	Strategist	Responder
Dominance of Purchasing Strategy	Dominance of Purchasing Strategy	Dominance of Purchasing Strategy	Dominance of Corporate Purchasers 'Behavior objectives and goals in mind	Dominance of Corporate Purchasers 'Behavior slightly apathetic
Satisfied with Purchase Performance <i>PP outcome is relevant</i>	Satisfied with Purchase Performance <i>PP outcome is relevant</i>	Satisfied with Purchase Performance <i>PP outcome is relevant</i>	Satisfied with Purchase Performance <i>PP outcome is relevant</i>	Satisfied with Purchase Performance <i>Indifferent on relevance</i>

4.1.1 Respondent #1

Respondent #1 is of American nationality and is the professional with the highest level of seniority in the sample.

Respondent #1 distinguishes himself by a strong tendency of being a Strategist. Moreover, some of the answers are very similar to those estimated a priori form researchers, indicating that his behavior is very close to the definition of a Strategist personality. The Strategist is defined as buyer that invests most effort /aggressiveness to pursue the chosen strategy goals and objectives. The responses of part two of the interview clearly demonstrate how important is for Respondent #1 to pursue the chosen objectives: he feels the weight of his duty and he is determined to accomplish them to maximize the benefits for his company/employer.

Part 2B - which focuses on establishing the relationship (i.e. which variable dominates the other) among Purchasing Strategy and Corporate Purchaser Behavior – shows how Respondent #1 is characterized by the dominance of the variable Purchasing Strategy over Corporate Purchaser Behavior. Moreover from this section it is important to stress how relevant is the outcome of the Purchase Performance for the interviewee. Again, this indicates how relevant the role and the expectations related to such role are for respondent.

Lastly the 3rd part of the interview was coded, which aims to establish the Purchase Performance perception of the respondent and it is measured on the perception of purchase goals and objectives that have been achieved. Respondent #1 indicates an overall positive satisfaction over his purchase performance.

The interview is balanced and presents no strong contradictions among the answers, indicating reliability and consistency of the contents of the first interview.

4.1.2 Respondent #2

Respondent #2 is of Thai nationality and is the individual with the least experience in purchasing. Analyzing the responses he provided, he was dispatched in the Opportunist cluster. Based on what declared during the interview, Respondent #2 behaves like a true Opportunist: he tries to make a good deal but does not get involved as decisively as a Strategist does. Based upon his answers, it is inference that the behavior of an Opportunist could evolve once the right amount of experience is gained and more seniority is achieved. Furthermore, based on Q9 and Q10 - that investigate on the importance for the subject to accomplish the buying strategy and objectives - he is dispatched as belonging to the cluster above (Strategist). Respondent #2 stresses in more occasions that he still has a lot to learn which leads to the conclusion that there may be scope for improvement.

However based on the overall interview, Respondent #2 is considered as a true Opportunist.

From the analysis of section 2B, Respondent #2 is dominated from the Purchasing Strategy and from the duty of his role. Very often he uses statement such as “I do as my position..., I do it because I have to...”. Despite that, it is important to stress the fact that not even in one of his answers he recalls explicitly the importance of the buying strategy goals and objectives.

Section 3 of the interview points to the fact that the respondent is satisfied with his personal Purchase Performance and that the Purchase Performance outcome is relevant to him. Nonetheless, he is conscious that he accomplished only a relatively small percentage (50%) of the buying strategy goals and objectives and that he did not meet the company required KPI (Key performance Indicator).

Again, it is not clear if the such results impacted by the fact that the respondent has only little more than two years of experience in this function. Another explanation could be that the Purchase Performance expectation of a person could be directly related to his behavior: he is an Opportunist which means that he is an average buyer and he is satisfied with his Purchase Performance (average performance) even considering that such performance is not as good as expected by his company.

4.1.3 Respondent #3

The subject has quite a good amount of experience in his role and is of a Thai Nationality.

This is a peculiar case and it is not clear if he is truly transparent during the interview or if the given responses are somewhat biased. There are some reason to believe that the possibility of a bias in this interview is higher than in the others. Respondent #3 is dispatched as Responder, but he is considered as a borderline case. There is a small majority of responses that qualifies him with an Opportunistic behavior and is concluded that most likely he stands in the middle. Moreover two of his responses were not considered because in complete contrast with others provided before.

Based on the responses given in section 2B Respondent #3 behavior is dominated by the Purchasing Strategy that he has been assigned and he absolutely focuses on the defined objectives and goals to be pursued.

In the third part of the interview, he declares that he feels positively comfortable with his Purchase Performance outcome and that the performance is truly relevant for him.

4.1.4 Respondent #4

This respondent has a good level of seniority into his role and is of Anglo-Saxon origins.

From the analysis of Part 2A, and in similarity with Respondent #1, Respondent #4 shows a clear tendency to work as a Strategist: he is logical, looks at the big picture but also at the different elements of his strategy parameters and,

ultimately, at the final result. He is not afraid to compromise if this is the best alternative option, which shows method in assessing each specific situation.

From Part 2B of this exercise it is concluded that there is – to some degree – a dominance of the Corporate Purchaser Behavior, however, with purchasing strategy and objective that must be accomplished always clear in mind. This is different compared to Respondent #1 that in the opposite declares to be more committed to the responsibility of the role and to be dominated from the Purchasing Strategy. Respondent #4 is self-confident and self-motivated, his personality is strong and is fully aware of this. At the same time, he does not lose focus on the final goals and objective and tries to pursue them with some logic and method.

Part 3 highlights that the Purchase Performance perception for Respondent #4 is satisfactory: he is pleased with the final outcome of his purchase act and he considers such outcome as relevant. Respondent #4 believes that performance at his job is truly important and considers meeting his goals and objectives as critical. He feels comfortable and satisfied when and if he succeeds in his efforts. This is exactly what is expected from a Strategist, which by definition invests a relevant amount of energy to pursue his objectives.

4.1.5 Respondent #5

Respondent #5 is a relatively young professional of Chinese origins. From the coding of Part 2A could be concluded that the interviewee closest profile is Responder, with a light tendency of evolvement. He is generally of a calm and friendly attitude, he tries to achieve his goals and objective but, he does not believe that such objectives are as important for himself as they are for the company. He perhaps lacks some method and strategic angle when he pursues his role and his efforts into the role are not maximized.

Part 2B denotes that Respondent #5 is dominated by his Corporate Purchase Behavior, which is not surprising and is also quite consistent with the results of Part 2A. Respondent #5 puts his personality and well-being first and pursues such activities or tactics that help him optimize it (such as meditation or relaxation techniques). He sees his job and his role within the company as instrumental for achieving his primary goal, which has clearly a more personal rather than professional attribute. He strictly

follows his life principles and he is not keen to compromise in order to maximize his success in the work place.

From the coding of Part 3 collected information is again consistent with the previous two sections. Respondent #5 is generally satisfied about his Purchase Performance, which is somewhat in line with his life attitude of seeking balance and tranquility. At the same time, he believes his Purchase Performance is not particularly important in any case: his approach is to adopt a wide open attitude in life where his performance at work is an element of a much bigger picture and clearly not the most important element.

4.2 Deduced analysis and based-upon findings

This section provides a thorough analysis of the data all together gained from the respondents. In addition, the main assumptions of this exercise are examined. The proposed scope for the present study was to investigate and define the relationship among the chosen variables as follows:

- Definition of the existing relationship between Corporate Purchaser Behavior and Purchase Performance;
- Identify which variable between Purchasing Strategy and Corporate Purchaser Behavior dominates the other.

The assumptions are subsequently developed based on the above mentioned scope, to provide a comprehensive understanding on how a corporate purchaser behaves. In what follows are presented the assumptions and their related findings.

4.2.1 Findings on Assumption #1

Here the goal is to assess the first scope for the present study, which is the definition of the relationship between Corporate Purchaser Behavior and the perceived Purchase Performance. The first assumption and the relative findings are represented in Table 4.3.

Table 4.3 Findings on Assumption #1

Assumption #1	Findings
a) Strategist Behavior has a significant positive relationship with Purchase Performance	Supported
b) Opportunist Behavior has a significant positive relationship with Purchase Performance	Supported
c) Responder Behavior has a significant positive relationship with Purchase Performance	Supported

Respondents # 1 and # 4 are dispatched as Strategist and in both cases, as exhaustively explained in the previous section, they strongly express a positive satisfaction with their Purchase Performance. Moreover, from their answers and the specific wording used it can be concluded that both consider the outcome of the Purchase Performance as truly relevant. Based upon these findings, Assumption 1/a is considered supported.

Respondent # 2 is the only one that resulted as belonging to the Opportunist cluster. In his interview he states that he is satisfied with his Purchase Performance and that the Purchase Performance outcome is relevant for him. Based upon these findings, Assumption 1/b is supported.

The remaining two Respondents #3 and #5 are dispatched in the Responder cluster. Respondent #3 - compared to number #5 - is a borderline case. It is not completely clear whether he is fully transparent when he answers the questions or whether he is simply a borderline case that stands quite in the middle, but with a stronger tendency to be classified as a Respondent. However both respondents declared to be overall satisfied with their performance. The main difference is that Respondent #3 is also declaring that the outcome of the Purchase Performance is relevant for him and in opposite Respondent #5 is indifferent. Anyhow, based on these findings Assumption 1/c is also considered as supported.

4.2.2 Findings on Assumption #2

The scope of Assumption #2 was to identify, based on the 5 respondents' experience, which one among Purchasing Strategy and Corporate Purchaser Behavior influence the other or if both influence each other. Table 4.4 shows Assumption 2 and the relative findings.

Table 4.4 Findings on Assumption #2

Assumption #2	Findings
a) Purchasing Strategy has an influence on Corporate Purchaser Behavior	Supported
b) Corporate Purchaser Behavior has an influence on Purchasing Strategy	Supported

Based on the information provided from Respondents #1, #2 and # 3, their behavior is influenced from the chosen Purchasing Strategy when involved in a purchasing act. Those respondents keep in mind the Strategy Objectives and Goals: this implicates that in these three subjects there is a dominance of their role and of their duties over their persona. Respondents # 1 declares how more focused he is on the perception of the price when he is purchasing for the company compared to when he is purchasing for his personal delight. Respondents #2 and #3 highlight in their responses how they are driven from the company desired goals and they do as requested because is part of their obligations as employees. Based on this acquired facts it is concluded that the Purchasing Strategy has an influence on the Purchaser Behavior and consequently Assumption 2/a is considered supported.

In the opposite, the analysis done on Respondents #4 and #5 lead to different conclusions. Both have responded to the semi-structured interview questions indicating how their Personality dominates their Purchasing strategy.

Respondent #4 has a more distinct personality compared to #5. He is a self-motivated persona and acts in the same way both at work and in his private life. Furthermore he highlights how he constantly keeps in mind the strategy objective and goals when he pursues a buying strategy with the dominance of his persona.

Respondents # 5 is a different case: he also is dominated by his personality but in his responses he somehow envisions that he is somewhat indifferent of the results he achieves at work.

Overall, even accounting for the different situation of these two respondents, Assumption 2/b is considered supported.

As far as Assumption 2 is concerned, it is concluded that based on respondents, the result change: there is a dominance of one of the variable over the other but which variable dominates depends upon the specific personality.



CHAPTER 5

SUMMARY, CONCLUSION & RECOMMENDATIONS

In this chapter is provided an overview of the main findings, the conclusion of the work with an overview on its limitations and some recommendations for further study.

5.1 Summary & Conclusion of Findings

The scope of the present research was to investigate how Corporate Purchasers whom have a different approach to purchasing (based on the different effort levels invested to fulfill the proposed goals), perceive their relative Purchase Performance. Second objective of the present study was to identify how Corporate Purchasers behave when they are pursuing a Buying Strategy. In particular this means to investigate and establish which one between Purchasing Strategy and Corporate Purchaser Behavior dominates the other.

Both objectives of the study were successfully addressed with a qualitative method approach: a semi-structured interview based on a sample of 5 respondents. The sample includes professionals employed in the chosen company with a good mix of background and culture; each one of them has a diverse amount of experience and different seniority level. The selection was made in a way that the sample could ensure external validity.

The coding for the semi-structured interview has been developed based on the pilot test exclusively for the interest of the present research and it is based on a three phases method that allows to connect statements and words with their relative construct (the code matrix is attached as Appendix E).

The interview coding phase started with the goal to dispatch the 5 respondents into the behavioral cluster that best represent them. The clusters identified are three and are defined as Strategist, Opportunist and Responder and aim to measure the amount of effort spent from the Corporate Purchaser to pursue the Purchasing Strategy. Subsequently, the second section of the interview was coded with a focus of defining which factors between Purchasing Strategy and Corporate Purchaser

Behavior dominates the other. Lastly the third section was coded to measure the perception of the respondents on their Purchase Performance.

Finally, all the constructs of interest were collected and the data was assembled to investigate on research assumptions and draw the final conclusions on the study. The results based on the gained and coded data are represented in Table 4.2 and indicate that the proposed two assumptions (Table 4.3 and 4.4) were all supported. The first assumption states that Corporate Purchaser Behavior (3 behavioral clusters) has a positive relationship with Purchase Performance and the present assumption divided in under assumptions 1, 2 and 3 are supported. All Corporate Purchasers - despite the fact that are dispatched in three different behavioral clusters - have a positive perception of their Purchase Performance and, moreover, the majority of them define the Purchase Performance outcome as relevant. This result is probably the most interesting finding and could provide a relevant insight for companies that have a big purchase department.

On this relationship is concluded, given the fact that the different behavioral clusters express the effort/aggressiveness that the purchaser invest in the buying act, that is a logical consequence that the purchaser is satisfied with his outcome because if not he would have spent more energy to accomplish a better result. In other words, if the purchaser wants to have a better Purchase Performance he must invest more energy/effort to pursue its objectives and make sure to have a good outcome. This could have a relevant implication for the company, i.e. a company could implement a recruitment policy based on a defined competitive strategy such that the behavioral clusters of purchasers could have a material impact on the company performance.

The second assumption wants to define which variables between Purchasing Strategy and Corporate Purchaser Behavior dominates the other. Responses on the scope of the second assumption were different. Three of the 5 respondents show evidence that they are dominated by the Purchasing Strategy to be pursued and the remaining two by their personality. One of these two subjects explicitly declared that he always keeps in mind the objectives and goals to be pursued but that he acts based on the essence of his personality. On this last assumption is in fact concluded that the dominance of one item over the other depends on the subject. It is relevant for the

company to know how their employees would behave: this is not predictable a priori and could have an impact on the company performance.

The present findings reveal relevant insights about Corporate Purchasers' Behavior that could provide, along with the several studies proposed in literature on Procurement Strategies, a way for company to further improve their capacity to manage and control Corporate Purchasers and subsequently Company Performance.

5.2 Conclusion & Implications

The present study investigation proposed a framework that could offer new insight on how Corporate Purchasers' Behave and the subsequent impact on Purchase Performance. This research was proposed as a theory building based on a grounded approach since many of the assumptions proposed in the present study were never investigated in the past.

The study was developed on such a topic because there was indication in previous literature to investigate further on the matter. One paper that more than others highlighted this necessity was the one developed by Schoenherr & Mabert (2011) that proposed the same behavioral clusters classification for corporate purchasers but in a different background approach. The conceptual framework, together with the assumption development for the interest of the present investigation, was based on previous literature findings.

Firstly, it is based on the recognition of Purchase Performance as a pre-determinant for the company success overall (Reck & Long, 1988) and, secondly, on the potential to discover further insight on the Purchasing function, intended as the impact that different Corporate Purchasers' Behavior could have on it.

Purchasing is increasingly seen from companies as a strategic function (Murphy & Heberling, 1996) (Perason, 1999) and its importance is even defined equal to other key departments such as finance and production (McIvor, Humphreys, & McAleer, 1997). In addition, a purchasing department able to implement strategic planning can provide to its company a competitive advantage that would allow overcoming rivals (Carr & Smeltzer, 1999) (Mol, 2003).

Several different studies discovered that Corporate Purchasers' Behavior is affected by several factors (Nicosia, 1960) (Howard & Sheth, 1969) (Sheth, 1973) and

that has an impact on the efficient implementation of a Purchasing strategy (Cardozo & Cagley, 1971).

The first assumption was proposed to investigate whether there is an existing positive relationship among the Corporate Purchasers' Behavior (three clusters defined Strategist, Opportunist and Respondent) and their perceived Purchase Performance. The just mentioned assumption was supported for all three behavioral orientations: the groups expressed the effort/energy invested to pursue a Purchasing Strategy. It was noticed how the respondents, even when belonging to the same behavioral clusters, have a different behavioral approach to purchasing and that this is in part consistent with what was proposed by Sheth (1973). He discloses how industrial decisions from time to time are a result of a process based on methodical decision-making. The decision making process made from Corporate Purchasers' Behavior are also affected from the individuality or the collectivity of the decision making act (Sheth, 1973). The present study considers just individual subject decision making. Literature provides a study on buyers' behavior which implied that corporate buyers have the capacity to settle their behavior based on the circumstances (Clopton, 1984) but did not find any confirmation with the information collected for the scope of the present study. In opposite it was found that there is diversity among purchasers even if they belong to the same clusters and it is also concluded that Purchasers' Behavior could evolve (perhaps based on the seniority level and the respective capacity). This fact finds acknowledgments in previously produced literature, which shows how different kinds of environmental conditions impact purchasers behavior and their decision making (Miller & Roth, 1994) (Frholich & Dixon, 2001) (Boyer & Hult, 2005).

A second relevant finding was made on the information gained from the respondents relative to assumption one and particularly to the perception of Purchase Performance. Every respondent declared to be satisfied with his Purchase Performance and in addition four of them also declared to personally find Purchase Performance relevant. Furthermore, three respondents added how they had some negative and some positive outcome from the purchase performance and one of them even declared to not be able to meet the company requested KPI. These statements seem to contradict each

other: on one side respondents are satisfied with the performance but on the opposite they reveal that they do not always perform positively.

It is important to point out how literature defines purchase performance as a relative metric (Fearon & Bales, 1997) and that every company must develop a performance metric that best suits their necessity and that evolves with the industry (Stanley, 2000). For further research on the same topic it is suggested to implement a construct that allows to know purchasers performance based on their company performance metrics and performance feedback (Monczka, Handfield, Giunipero, & Patterson, 2009) to compare it with their perception.

Lastly on the relations among Corporate Purchaser' Behavior and his approach to Purchase Performance, it is concluded that Corporate Purchaser feels comfortable with his performance because he previously has chosen how much energy to spend to pursue his goals and this finds evidence in the study proposed firstly from Miles & Snow (1978) and afterwards from Schoenherr & Mabert (2011). The last cited authors also proposed that sourcing strategy is influenced from the intensity invested by the corporate buyers in pursuing the goals (Schoenherr & Mabert, 2011). Lastly it finds a partial confirmation in the theory proposed by Hult (2006) (2007) and Oltra et al. (2005) whose theory arguments how purchasers are able to consider and understand all Purchasing Strategy objectives and goals but they afterwards invest a different level of intensity to pursue them.

The second proposed scope for the study was to find which one between the Purchasing Strategy and the Corporate Purchasers' Behavior dominates the other. This scope was divided in 2 different assumptions that were phrased in both way and, as result, both of them are supported. The dominance of a variable over the other depends on the Purchaser personality. For example, among all respondents, Subject # 4 is dominated by his personality but he always keeps in mind the Purchasing Strategy objectives and goals. This finds a matching part on some literature findings that argued how strategic purchasing is based on procurement managers elaboration of more effective and improved utilization of Procurement Strategies (Freeman & Cavinato , 1990) (Cavinato, 1999).

Results of both assumptions could add further light and logics to Procurement in general and moreover to strategic purchasing that literature has defined as

influencer and antecedent of company performance (Carter & Narasimhan, 1996) (Carr & Smeltzer, 1999) (Schoenherr & Mabert, 2011).

Specifically, the present investigation proposes new insight on the effect of Corporate Purchasers' Behavior on Purchasing Strategy by displaying that:

- Independently from the kind of behavior (effort/energy) used to pursue a Purchasing Strategy objectives and goals, Purchaser will have a positive perception of the Purchase Performance outcome.
- The dominance among Purchasing Strategy and Corporate Purchaser Behavior depends on the Personality of the Purchaser.

Based on the funded existing interrelationship among the three chosen variables, that all have an impact on purchasing management it is emphasized how this different relationship could lead to improvement in future application of the theory of Purchasing.

In particular the present study could find functional application for the findings and particularly for companies that have a big and relevant purchase department and profit are highly related to the outcome of the purchasing department.

The first finding could find a field application based on the company competitive strategy: for example a company competing on cost could be building the purchasing department using Purchasers that belong to the Strategist cluster and that are more aggressive in pursuing the Purchasing Strategy goals and objectives. A purchasing department built based on the company business priority with purchasers that are able (due to their behavioral cluster classification) to pursue as best the Purchasing Strategy objectives and goals could heavy have an impact on the company performance . Furthermore, based on the possible evolvement from one cluster to the other, companies could implement sophisticated training program.

As far as the second finding is concerned, is recommended to further study and investigate what exactly makes one factor to dominate the other. More empirical research could ascertain why and how one variable influences the other and interesting patterns across companies could be found by changing industry or geography or, within the same company, by changing the set of strategic priorities. If a Company would be able to teach to purchasers to learn how to leave their personality apart and

be dominated from a specific Purchasing Strategy, this would represent great impact on the theory of Purchasing.

Spend time and effort in researching further the proposed relationship among the variables mentioned in this researcher could have a heavy and relevant impact on the theory of Purchasing and it could allow company to eliminate further inefficiencies and work on internal improvement investing on human resources in an economy that aims to keep growing in an already saturated market.

5.3 Limitations and Recommendations for Further Research

The limitations of the present study are related fundamentally to the qualitative nature of the study itself. Firstly, there is a subjectivity element with the researcher, who is restricted with a coding method based on three phases. To note, however, that the practical coding was made twice in different days to avoid the subjectivity related to humor or fatigue.

The second limitation - partly related to the first one – is based on the process of analysis for the semi-structured interviews along with the induced inference that despite the many controls systems implemented still a moot point because based on the interpretation of words and statements that can have several different meanings. Firstly it has been seriously attempted to provide all possible details on the research design and on the process used to develop the coding structure. This was done to ensure the future eventual replicability of a similar study or to provide instruction for a study that would want to develop a similar framework on a similar matter. The present study was developed on the precedent available literature that have been clearly explained and discussed in chapter two.

The present research discovery, as already mentioned above, adds some interesting insight on the topics of Procurement and Corporate Purchasers' Behavior and could potentially find practical applications in the field.

In the discussion section we pointed out some problems and concerns which could be used as indication for further research.

Another field of research could eventually consider to investigate, based on the different Purchasers Behavioral Clusters, how big is the gap between the positive perceptions of Purchase Performance outcome and the Purchase Performance metric

used by the company. It is strange that purchasers feel a satisfaction with their performance even when the outcome did not meet the company's KPI.

Moreover, is suggested to investigate why one purchaser could be dominated by his personality while another from the same company being dominated from the Purchasing Strategy. This could have an impact in practical terms since people with a weak personality could practice and be able to improve their performance if they learn to follow the company's priority without raising a personal conflict.

Finally, and similarly with the application above, it is suggested to investigate what factor exactly could make purchasers to move from a behavioral cluster the other.



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APPENDIX A
RANKING OF THE TOP 50 EMS PLAYERS
SOURCE (Tuck, 2014)

The MMI Top 50 EMS Providers in 2013												
Organization	Head-quarters	Sales calendar 2013 (millions)	Rank by 2013 sales	2012 rank	Sales calendar 2012 (millions)	Growth '12-'13 in US\$ (%)	No. of people	No. of plants	Total facility sq. ft.	Percent space in low-cost regions	No. SMT lines	No. of customers and notable customers
Hon Hai Precision Industry (Foxconn)	New Taipei, Taiwan	\$133,226	1	1	\$132,263	1	~1,100,000 estimated	not avail.	not avail.	not avail.	not avail.	Apple, Dell, HP, Cisco, Sony, Amazon, Nintendo, BlackBerry
Pegatron	Taipei, Taiwan	\$28,935 ¹	2	new	\$25,961 ¹	11	not avail.	not avail.	not avail.	not avail.	not avail.	Apple, Sony
Flextronics International	Singapore	\$24,680	3	2	\$24,644	-0	149,000 ²	not avail.	27.6 M ²	not avail.	not avail.	Alcatel-Lucent, Cisco, Ericsson, Ford, HP, Huawei, Lenovo, Microsoft
Jabil Circuit	St. Petersburg, FL	\$18,311 ³	4	3	\$17,462 ³	5	~177,000	60+	42.7 M	~80	not avail.	200+: Apple, Cisco, EchoStar, Ericsson, GE, HP, Ingenico, IBM, NetApp
New Kinpo Group	New Taipei, Taiwan	\$6,645 ⁴	5	4	\$6,634 ⁴	0	36,967	31	11.51 M	80	274	>30: HP, Seagate, Western Digital, Panasonic, Toshiba, Hitachi, TI, Casio, Pace, Nikon, Pioneer, GE, Lenovo, Asus, ASRock, Gigabyte, Sony, Buffalo, Epson, Samsung
Sammina	San Jose, CA	\$5,870	6	6	\$6,086	-4	40,909 ⁴	~75	11,886 M ⁵	~62 ⁶	not avail.	Ciena, Diebold
Celestica	Toronto, Canada	\$5,798	7	5	\$6,507	-11	~27,000	>20	~6 M	~75	not avail.	>100: Alcatel-Lucent, Cisco, EMC, HP, Hitachi, Honeywell, IBM, Juniper, NEC, Oracle, Applied Materials
Benchmark Electronics	Angleton, TX	\$2,505	8	8	\$2,468	2	~11,000	25	3,802 M	~56	157	~100: Emerson, IBM, Applied Materials
Shenzhen Kaifa Technology	Shenzhen, China	\$2,430	9	7	\$2,580	-8	18,000	4	3.2 M	100	>100	>80: Seagate, Western Digital, Hitachi, Kingston, Samsung, ZTE, Huawei, Epson, ResMed, Siemens, ENEL, Reliance
Universal Scientific Industrial (USI)	Shanghai, China	\$2,303	10	10	\$2,110	9	>12,000	6	2,742 M	81	110	>100 (EMS)
Plexus	Neenah, WI	\$2,228	11	9	\$2,308	-3	9,211	18	4.1 M	59	90	~140: GE, Coca-Cola, Inovonics, Honeywell Aerospace
Venture	Singapore	\$1,885	12	11	\$1,908	-2	12,000	not avail.	not avail.	not avail.	not avail.	>180: Agilent, IBM, ABB, HP, Micros, NCR, Oclaro, Waters, Toshiba-TEC, Honeywell, QLogic, Hypercom/Verifone, Talaris/Glory
UMC Electronics	Saitama, Japan	\$1,293	13	14	\$1,081	20	11,464	8	1,422 M	91	131	
SIX	Osaka, Japan	\$1,240	14	12	\$1,374	-10	8,014	7 ⁷	1,059 M	not avail.	110	~200
Zollner Elektronik Group	Zandt, Germany	\$1,180 preliminary	15	13	\$1,108	7	8,200	17	2,928 M	60	48	>500
Sumitronics	Tokyo, Japan	\$841	16	15	\$906	-7	~3,700	25 ⁷	not avail.	not avail.	not avail.	73
Beyonics Technology	Singapore	\$810	17	17	\$960	-16	6,185	8	1,356 M	92	72	~60
Asteelflash	Neully Plaisance, France	\$784	18	19	\$629	25	5,400	23	1,761 M	not avail.	46	265

Note: Unless otherwise indicated, data represents 2013 year-end. ¹Pegatron's DMS sales. ²As of March 31, 2013. ³Sales are from December to November. ⁴Sales represent Kinpo Electronics, Cal-Comp Electronics and Acbel Polytech (power supplies). ⁵As of Sept. 28, 2013. ⁶Does not include six plants operated by affiliates. ⁷Includes partner plants.

The MMI Top 50 EMS Providers in 2013												
Organization	Head-quarters	Sales calendar 2013 (millions)	Rank by 2013 sales	Rank by 2012 sales	Sales calendar 2012 (millions)	Growth '12-'13 in US\$ (%)	No. of people	No. of plants	Total facility sq. ft.	Percent space in low-cost regions	No. SMT lines	No. of customers and notable customers
Global Brands Manufacture (GBM)	New Taipei, Taiwan	\$733	19	16	\$783	-6	10,000	3	1,408 M	100	180	60
Kimball Electronics Group	Jasper, IN	\$732	20	18	\$651	12	3,488	6	992 K	63	37	>20: Johnson Controls, BWI Group, Grundfos, Brose Automotive, Motorola Solutions, Cosworth, Emerson, Ingersoll Rand Security, Cooper Industries
Integrated Micro-Electronics, Inc.	Laguna, Philippines	\$702 ^a	21	20	\$616 ^a	14	18,190	14 sites	2.3 M	99	130	>300 EMS: Bosch, Japan Climate Systems
Fabrinet	Grand Cayman, Cayman Islands	\$666	22	21	\$608	10	5,635	3	1,201 M	98	17	JDSU, Oclaro
3CEMS Group	Guangzhou, China	\$635	23	22	\$566	12	12,000	7	2,274 M	100	51	188: Asus, Panasonic, Finisar, Fujifilm, Goodman, Honeywell, Sony, Tridium
Enics	Zürich, Switzerland	\$554	24	24	\$503	10	3,200	8	756 K	50	not avail.	ABB, Atlas Copco, Bombardier, Danfoss, Gambio, Getinge, Honeywell, KONE, Leica Geosystems, Roche Diagnostics, Schneider Electric, Vaisala, Varian Medical
WKK Technology	Hong Kong	\$522	25	30	\$435	20	6,533	1	1.5 M	100	38	35
Creation Technologies	Burnaby, BC, Canada	\$506	26	23	\$517	-2	~2,700	13	824 K	19	37	~230
VIDEOTON Holding	Székesfehérvár, Hungary	\$501	27	28	\$444	13	7,300	15	6.2 M ^a	100	22	>50: Braun, BSH, Electrolux, 3M, Philips, Bosch, BWI, Continental, Delphi, Valeo, ABB, Alstom, GE, Barco, Carrier, Eaton, Emerson, Hager, Itron, Kopp, Kuka, Linak, Legrand, Sensus, Siemens, NCR
éolane	Le Fresne sur Loire, France	\$490	28	25	\$408	20	3,500	19	1,523 M	26	40	500
VTech Communications	Hong Kong	\$468	29	27	\$446	10	4,200	1	650 K	100	21	75
Wong's International Holdings Limited	Hong Kong	\$474	30	31	\$430	10	4,600	2	~1 M	100	~60	>20
V.S. Industry	Senai, Malaysia	\$430	31	32	\$397	8	8,649	12	3,373 M	100	41	76: Dyson, Keurig, Itron, Georgia Pacific, Sebi/Calor Group
Ducommun Inc., Electronic Systems Group	St. Louis, MO	\$421	32	29	\$437	-4	1,857	12	665 K	0	12	175: Raytheon, Sikorsky, John Deere, Parker Aerospace, Bell Helicopter
ALL CIRCUITS	Meung-sur-Loire, France	\$390	33	new	\$312	25	1,550	3	455 K	28	20	50
OnCore Manufacturing	Fremont, CA	\$375	34	36	\$352	6	1,600	9	700 K	30	40	~100

Note: Unless otherwise indicated, data represents 2013 year-end. ^a Does not include IM's sales of power semiconductor assembly and test services. ^a Includes 300 K sq ft of space that is not in operation.

The MMI Top 50 EMS Providers in 2013												
Organization	Head-quarters	Sales calendar 2013 (millions)	Rank by 2013 sales	2012 rank	Sales calendar 2012 (millions)	Growth '12-'13 in US\$ (%)	No. of people	No. of plants	Total facility sq. ft.	Percent space in low-cost regions	No. SMT lines	No. of customers and notable customers
Di-Nikko Engineering	Nikko, Japan	\$359	35	26	\$452	-21	4,100	13 ¹⁸	698 K	63	71	49: Canon
Neways Electronics International	Son, The Netherlands	\$355	36	35	\$354	~0	2,052	11	not avail.	40	17	~640: ASML, FEI, Philips, Rhein Metal, ThyssenKrupp
Hana Micro-electronics	Bangkok, Thailand	\$345	37	37	\$335	3	10,700	3	1,291 M	100	105	140: Synaptics, Avago, HID, Lumiled, Sensata, Safenet
PartnerTech	Malmö, Sweden	\$341	38	38	\$332	3	1,268	11	821 K	35	13	>200: Securitas Direct Verisure, Cavid, CybAero
Key Tronic	Spokane Valley, WA	\$325	39	33	\$367	-11	2,684	10	1,011 M	80	8	56
Computime Limited	Hong Kong	~\$320	40	return-ee	\$300	7	~5,000	4	1,224 M	100	21	60
Nippon Manufacturing Service	Tokyo, Japan	\$303 forecasted	41	new	\$330	-8	3,134 ¹¹	13	332 K	not avail.	91	360
Selcom Electronica	Bologna, Italy	\$295	42	43	\$276	7	2,048	7	646 K	45	not avail.	83
Orient Semiconductor Electronics	Kaohsiung, Taiwan	\$286	43	42	\$282	1	2,065	6	500 K	99	78	90
Kitron	Billingstad, Norway	\$278	44	40	\$291	-5	1,163	7	>431 K	28	15	Kongsberg, Sensys Traffic, Maquet Critical Care, Husqvarna, DiaSorin, HMS Networks
SMTC	Markham, Ontario, Canada	~\$268 estimated	45	39	\$296	-10	2,000	4	500 K	87	29	32: SpiderCloud Wireless, FICOSA
SMT Technologies	Sungai Petani, Kedah, Malaysia	\$263	46	41	\$284	-7	1,805	2	219 K	100	25	26: Western Digital, Dyson, OJE, Oxlane
SVI	Bangkadi, Pathumthani, Thailand	\$261	47	45	\$249	5	2,709	3	1 M	100	20	63: ABB
Scanfil EMS	Sievi, Finland	\$251	48	47	\$234	7	1,687	5	1,238 M	78	not avail.	not avail.
Sparton	Schaumburg, IL	\$241 ¹²	49	return-ee	\$173 ¹²	39	not avail.	6 ¹²	not avail.	not avail.	not avail.	not avail.
LACROIX	Vern-sur-Seiche, France	\$239	50	49	\$216	11	2,050	4	414 K	50	20	ZODIAC Aerospace

Note: Unless otherwise indicated, data represents 2013 year-end. ¹⁸ Includes six partner plants. ¹¹ As of Sept. 30, 2013.
¹² Figure represents combination of Sparton's Medical and Complex Systems segments.



APPENDIX B
SEMI-STRUCTURED INTERVIEW SCRIPTS

Introduction:

“My name is Eleonora Odorizzi and I am an MBA candidate at Stamford International University.

The present interview is relevant for the thesis that I am writing on supply chain management.

Please be informed on the relevance of the present study and on the importance to be transparent and honest when answering the questions.

The identity of respondents will be kept confidential”

Person # (for the interviewer) _____

Role within the company _____

How many years have you been working in purchasing _____

Part 1

“The purchasing strategy is the strategy that the purchaser is using when involved in a buying act.

The definition of purchasing strategy for the scope of the research is intended based on the theoretical definition of the buying strategy matrix (see following page).

The strategies that can be used are four and to each of these strategies are associated some buying objectives and goals that ideally have to be fulfilled. Which strategy is best to use depends from the type of components needed and from the business objectives of the company. For the scope of the present research we assume that the choice of which strategy to implement is already taken and we focus on the stage where corporate buyers are just undertaking the purchase. The buying strategy to be used is suggested to purchasers from their team leader or top management.

To see the 4 strategies available and the goals associated to each strategy please find Exhibit 1/a – Purchase strategies and their associated goals.

Please read it carefully.”

Exhibit 1/a - Purchasing strategies and their associated goals.

Purchasing Strategy	With which type of component is used	Associated goals and objectives
Bundle Building	goods that do not represent a great expenditure but that have high transaction costs per order	-find new suppliers with abundant products portfolio; -grouping products in large package and avoid cherry-picking bids;
Price Focus	generic goods that can be	-focus on best price deal;

	easily found in the market	
Supply Security	components that the company need since early stage (R&D) and involve the work of technical expertise buyers	-reduction of risk; -collaboration with supplier; -securing supply;
Purchase Efficiency	strategic items/ components	-aim to simpler and streamlined purchasing act; -minimization of effort to spend in purchasing act; -if possible pursue JV or alliances with supplier

Time for questions and if necessary further explanations on Part 1

Part 2A – The corporate purchasers’ behavior.

This section focus is to understand in which clusters the interviewee fits in.

It is not told to them that they will be afterward dispatched in behavioral clusters.

*“Last instruction before you start. **Please think to a specific buying act** of your choice that has no particular relevance, a simple purchasing act of everyday routine. **While responding to the questions please refer to it.** You should be able to identify which was the buying strategy that you were pursuing that day and recall the phases of the buying act intended as what have happened before and after.”*

Question #1 Pb

How would you define your **behavior** (how involved you are in the buying act) when you try to accomplish the purchasing of components for your company? Please explain

Question #2 Pb

Please give me 3 words (or statement) that you would use to define yourself during a purchasing trade.

Question #3 Pb

When you think about the buying auction that you have in mind, how would you define **the importance of accomplishing the buying strategy objectives and goals**? Please explain

Question #4 Pb

Let’s picture a case where the buying act is finished and you **completely and successfully fulfilled** all the **buying strategy objectives and goal**.

- Is this a case scenario that could happen in one of your buying transaction? Why?
- How would you feel about it?

Question #5 Pb

Let's now picture a case where for any reason the buying strategy is concluded **but the objective and goals are not really fulfilled** and it would have been possible to accomplish a better results. Please explain

- Is this a case scenario that could happen in one of your buying transaction?
Why?
- How would you feel about it?

Question #6 Pb

How would you define your **effort** in pursuing the purchasing strategy goals and objective as explained to you.

If you do not remember the classifications please have a look at the table provided - Exhibit 1/a. Please explain.

Question #7 Pb – adapted from (Cronin, Brady, & Hult, 2000)

If you would have to classify yourself as company buyer based on the **effort/energy** that you invest in pursuing the buying strategy goals which value would you choose in a scale from 1 (the lowest) to 7(the highest).

Question #8 Pb

Please explain why you have chosen that number.

Question #9 Pb

If you would have to classify yourself as company buyer based on the **importance that you reserve in accomplishing the buying strategy goals and objective**, which value (to the importance of accomplishing buying objectives and goals) would you choose in a scale from 1(the lowest) to 7(the highest).

Question #10 Pb

Please explain why you have chosen that value.

Part 2B/ dominance between Purchasing Strategy and Corporate Purchasers' Behavior**Question #11 Ps/Cpb**

Once you have concluded a buying act, independently from what has been accomplished, what would be the first thing that you do or think?

Question #12 Ps/Cpb

When you think about your buying auction behavior (the efforts that you invest in accomplishing the buying strategy objectives and goals), what do you think could be the reasons that explain why you behave (example achiever, competitive person, want to Not disappoint my boss etc.) like that?

Question #13 Ps/Cpb

Which reason would you give to this behavior?

Question #14 Ps/Cpb

Would you say that the person that you are in real life is the same person that does the company purchase or your behavior changes when you buy for the company?

Question #15 Ps/Cpb

Please explain reason of your last answer.

Question #16 Ps/Cpb

Referring at the purchasing situation that you kept in mind when answering the questions, if the company was yours and you were purchasing for yourself, would you behave exactly in the same way?

Question #17 Ps/Cpb

Please specify what would be different eventually

Question #18 Ps/Cpb

Please provide three words that define yourself in life.

Question #19 Ps/Cpb

Would you say that your personality is dominant when is time to purchase or are the purchasing strategy goals and objectives (i.e. your role inside the company as a purchaser) that drives you?

Question #20 Ps/Cpb

When you successfully close a purchase act what is the first thing that comes to your mind? Explain and please specify whether you are more satisfied for yourself or for the company.

Part 3 – Purchase Performance

This part focus is to understand how people behavior from each cluster is related to purchase performance. The following part is going to be read and given to respondent

“This is the definition of purchase performance as how we intend it for the scope of the present study.

Please read carefully Exhibit 1/b – purchase performance definition”

Exhibit 1/b - purchase performance definition (adapted from literature by Schoenherr & Mabert, 2001)

“It is the corporate buyer **perceived** success in the purchasing act **measured** on his perception of how much of the purchasing strategy objectives and goals have been achieved.”

Time for questions and if necessary further explanations on Part 3

Question #21 Pp

How do you feel about the **purchase performance** of the purchasing act that you are referring to? Please explain.

Question #22 Pp

How much of the purchase objective and goals was accomplished?
Please indicate with a number between 1(not accomplished at all) to 7 (completely achieved)

Question # 23Pp

How do you feel about this result? Please explain

Question #24 Pp

Is the accomplishment of the purchase performance (intended as the research definition) important for you personally?

Question #25 Pp

Please choose a number 1 (the lowest) to 7 (the highest) to define how relevant is the purchase performance for you intended as defined in Exhibit 1/b.

Question #26 Pp

Why did you choose this number?

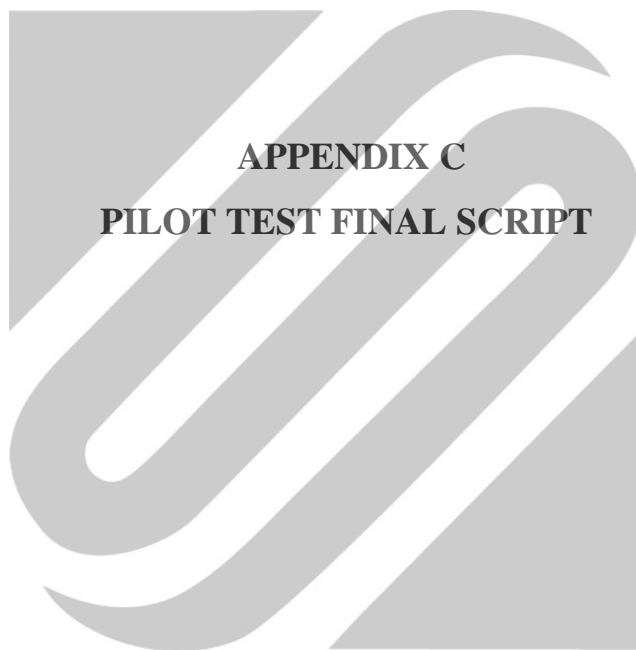
Question #27 Pp

Given the definition of purchase performance, would you say that your performances generally conclude positively or negatively? Please specify

Question #28Pp

How much out of 100% of the purchasing goals/ objectives would you say that was achieved?

Conclusion of the interview



Introduction:

“My name is Eleonora Odorizzi and I am an MBA candidate at Stamford International University.

The present interview is relevant for the thesis that I am writing on supply chain management.

Please be informed on the relevance of the present study and on the importance to be transparent and honest when answering the questions.

The identity of respondents will be kept confidential”

Person # (for the interviewer) Pilot Test

Role within the company Sourcing specialist

How many years have you been working in purchasing 4

Part 1

“The purchasing strategy is the strategy that the purchaser is using when involved in a buying act.

The definition of purchasing strategy for the scope of the research is intended based on the theoretical definition of the buying strategy matrix (see following page).

The strategies that can be used are four and to each of these strategies are associated some buying objectives and goals that ideally have to be fulfilled. Which strategy is best to use depends from the type of components needed and from the business objectives of the company. For the scope of the present research we assume that the choice of which strategy to implement is already taken and we focus on the stage where corporate buyers are just undertaking the purchase. The buying strategy to be used is suggested to purchasers from their team leader or top management.

To see the 4 strategies available and the goals associated to each strategy please find Exhibit 1/a – Purchase strategies and their associated goals.

Please read it carefully.”

Exhibit 1/a - Purchasing strategies and their associated goals.

Purchasing Strategy	With which type of component is used	Associated goals and objectives
Bundle Building	goods that do not represent a great expenditure but that have high transaction costs per order	-find new suppliers with abundant products portfolio; -grouping products in large package and avoid cherry-picking bids;
Price Focus	generic goods that can be easily found in the market	-focus on best price deal;

Supply Security	components that the company need since early stage (R&D) and involve the work of technical expertise buyers	-reduction of risk; -collaboration with supplier; -securing supply;
Purchase Efficiency	strategic items/ components	-aim to simpler and streamlined purchasing act; -minimization of effort to spend in purchasing act; -if possible pursue JV or alliances with supplier

Time for questions and if necessary further explanations on Part 1

Part 2 – The corporate purchasers’ behavior.

This section focus is to understand in which clusters the interviewee fits in.

Is not told to them that they will be after dispatched in to behavioral clusters.

*“Last instruction before you start. **Please think to a specific buying act** of your choice that has no particular relevance, a simple purchasing act of everyday routine. **While responding to the questions please refer to it.** You should be able to identify which was the buying strategy that you were pursuing that day and recall the phases of the buying act intended as what have happened before and after.”*

Question #1 Pb

How would you define your **behavior** (how involved you are in the buying act) when you try to accomplish the purchasing of components for your company? Please explain

I am committed to achieve the best deal based on the volumes needed and the time available (urgency)

Question #2 Pb

Please give me 3 words (or statement) that you would use to define yourself during a purchasing trade.

Fast, focused, involved

Question #3 Pb

When you think about the buying auction that you have in mind, how would you define **the importance of accomplishing the buying strategy objectives and goals?** Please explain

Very important – this is my job and reason why I get a salary

Question #4 Pb

Let's picture a case where the buying act is finished and you **completely and successfully fulfilled** all the **buying strategy objectives and goal**.

- Is this a case scenario that could happen in one of your buying transaction?
Why?

Certainly, I process many transactions a day and chances are that most of them will be completed successfully

- How would you feel about it?

Satisfied because once more I have made it

Question #5 Pb

Let's now picture a case where for any reason the buying strategy is concluded **but the objective and goals are not really fulfilled** and it would have been possible to accomplish a better results. Please explain

- Is this a case scenario that could happen in one of your buying transaction?
Why?

Yes it could happen although is less likely. Sometimes there is a peak in demand in the industry for certain components and consequently all objectives and goals cannot be accomplished

- How would you feel about it?

A bit concerned since I will need to provide explanations to my boss

Question #6 Pb

How would you define your **effort** in pursuing the purchasing strategy goals and objective as explained to you.

If you do not remember the classifications please have a look at the table provided - Exhibit 1/a. Please explain.

I am fully focused and committed. This is my job and I am passionate about it.

Question #7 Pb – adaptable from (Cronin, Brady, & Hult, 2000)

If you would have to classify yourself as company buyer based on the **effort/energy** that you invest in pursuing the buying strategy goals which value would you choose in a scale from 1 (the lowest) to 7(the highest).

6

Question #8 Pb

Please explain why you have chosen that number.

I try to put a considerable effort in any single transaction I make

Question #9 Pb

If you would have to classify yourself as company buyer based on the **importance that you reserve in accomplishing the buying strategy goals and objective**, which value (to the importance of accomplishing buying objectives and goals) would you choose in a scale from 1(the lowest) to 7(the highest).

7

Question #10 Pb

Please explain why you have chosen that value.

I know my role can be important for the company and I want to make sure I am able to fulfill the goals that we set for my position. I also get rewarded based on my performance

Part 2B/ dominance between Purchasing Strategy and Corporate Purchasers' Behavior**Question #11 Ps/Cpb**

Once you have concluded a buying act, independently from what has been accomplished, what would be the first thing that you do or think?

Which purchase comes next

Question #12 Ps/Cpb

When you think about your buying auction behavior (the efforts that you invest in accomplishing the buying strategy objectives and goals), what do you think could be the reasons that explain why you behave (example achiever, competitive person, want to Not disappoint my boss etc.) like that?

I like to achieve my goals and have a competitive attitude

Question #13 Ps/Cpb

Which reason would you give to this behavior?

Is part of my personality. I like to outperform and I feel good when I deliver what I promise

Question #14 Ps/Cpb

Would you say that the person that you are in real life is the same person that does the company purchase or your behavior changes when you buy for the company?

To some good extent, yes

Question #15 Ps/Cpb

Please explain reason of your last answer.

On a fundamental level, I think I am the same person at work and at home, although the work environment and the pressure on a specific transaction can emphasize certain behaviors more than if I was at home

Question #16 Ps/Cpb

Referring at the purchasing situation that you kept in mind when answering the questions, if the company was yours and you were purchasing for yourself, would you behave exactly in the same way?

I think so. I don't think I am limiting my commitment and effort only because I am an employee

Question #17 Ps/Cpb

Please specify what would be different eventually

On the specific purchasing act, nothing

Question #18 Ps/Cpb

Please provide three words that define yourself in life.

Honest, committed, out-going

Question #19 Ps/Cpb

Would you say that your personality is dominant when is time to purchase or are the purchasing strategy goals and objectives (i.e. your role inside the company as a purchaser) that drives you?

I always keep in mind my goals and objective, which I think dominate my performance at work. However, my personality does not necessarily conflict with those

Question #20 Ps/Cpb

When you successfully close a purchase act what is the first thing that comes to your mind? Explain and please specify whether you are more satisfied for yourself or for the company.

I feel some relief since I concluded one transaction and can move to the next one. I am happy for both me and the company

Part 3 – Purchase Performance

This part focus is to understand how people behavior from each cluster is related to purchase performance. The following part is going to be read and given to respondent

“This is the definition of purchase performance as how we intend it for the scope of the present study.

Please read carefully Exhibit 1/b – purchase performance definition”

Exhibit 1/b - purchase performance definition (adapted from literature by Schoenherr & Mabert, 2001)

“It is the corporate buyer **perceived** success in the purchasing act **measured** on his perception of how much of the purchasing strategy objectives and goals have been achieved.”

Time for questions and if necessary further explanations on Part 3

Question #21 Pp

How do you feel about the **purchase performance** of the purchasing act that you are referring to? Please explain.

Satisfied – I was able to buy the volumes required at a good price

Question #22 Pp

How much of the purchase objective and goals was accomplished?

Please indicate with a number between 1(not accomplished at all) to 7 (completely achieved)

6

Question # 23Pp

How do you feel about this result? Please explain

Quite happy, I got what I wanted

Question #24 Pp

Is the accomplishment of the purchase performance (intended as the research definition) important for you personally?

I think so

Question #25 Pp

Please choose a number 1 (the lowest) to 7 (the highest) to define how relevant is the purchase performance for you intended as defined in Exhibit 1/b.

5

Question #26 Pp

Why did you choose this number?

The way I perform at work is important, but does not impact completely my life. When I can, I try to separate between work and personal life

Question #27 Pp

Given the definition of purchase performance, would you say that your performances generally conclude positively or negatively? Please specify

Generally, yes. I am able to close good transactions with my preferential suppliers and provide the company the amount of components they need at a good price

Question #28Pp

How much out of 100% of the purchasing goals/ objectives would you say that was achieved?

90%

Conclusion of the interview



APPENDIX D
RESPONDENTS INTERVIEW SCRIPTS

Respondent #1

Person # (for the interviewer) - Respondent #1

Role within the company- Director of Global Sourcing & Purchasing

How many years have you been working in purchasing - 27

Part 2/A

Question #1 Pb

How would you define your **behavior** (how involved you are in the buying act) when you try to accomplish the purchasing of components for your company? Please explain

I am quite involved. I am responsible for approval when there is expected to be excess or purchase above the standard price. I am also responsible for the team's overall performance related to several metrics including purchase price variance, cost savings compared to previous year, on time delivery and other metrics.

Question #2 Pb

Please give me 3 words (or statement) that you would use to define yourself during a purchasing trade.

1) Honest 2) Relationship-oriented 3) Goal driven

Question #3 Pb

When you think about the buying auction that you have in mind, how would you define **the importance of accomplishing the buying strategy objectives and goals**? Please explain

As lead times stretch in the marketplace, it becomes much more important to develop more long term relationships with the suppliers to enhance the ability to secure supply and to minimize negative price variances. Without material availability, the production line doesn't run, which means no revenue. Therefore setting the strategy in advance and preparing for the variations in the marketplace are among the most critical actions that a company needs to take and I, given my position within the company, must accomplish.

Question #4 Pb

Let's picture a case where the buying act is finished and you **completely and successfully fulfilled** all the **buying strategy objectives and goal**.

- Is this a case scenario that could happen in one of your buying transaction?
Why?

Yes, we do hundreds of these every week in that we meet or beat price expectations and material flows in to meet demand. This is because we have implemented many controls to monitor performance and flag irregularities.

- How would you feel about it?

I consider it an expectation for the job, but always feel pleased when we reach the goal.

Question #5 Pb

Let's now picture a case where for any reason the buying strategy is concluded **but the objective and goals are not really fulfilled** and it would have been possible to accomplish a better results. Please explain

- Is this a case scenario that could happen in one of your buying transaction?
Why?

Yes it could happen because someone didn't fulfill their performance objective...the PO was placed late, the supplier delivered late, the quote was not properly completed, there was a last minute change in demand, etc.

- How would you feel about it?

It is obviously disappointing when this happens. We attempt to do root cause analysis to minimize these occurrences whenever possible.

Question #6 Pb

How would you define your **effort in pursuing** the purchasing strategy goals and objective as explained to you.

If you do not remember the classifications please have a look at the table provided - Exhibit 1/a. Please explain.

*My primary effort which is driven down into my team is to **ensure** we receive product on time (Supply Security) with minimal negative price situations (Price Focus).*

Question #7 Pb – adapted from (Cronin, Brady, & Hult, 2000)

If you would have to classify yourself as company buyer based on the **effort/energy** that you invest in pursuing the buying strategy goals which value would you choose in a scale from 1 (the lowest) to 7(the highest).

7

Question #8 Pb

Please explain why you have chosen that number.

It is the prime objective of my entire organization. Failure here means failure in all areas of the team. Proper planning is key to success.

Question #9 Pb

If you would have to classify yourself as company buyer based on the **importance that you reserve in accomplishing the buying strategy goals and objective**, which value (to the importance of accomplishing buying objectives and goals) would you choose in a scale from 1(the lowest) to 7(the highest).

7

Question #10 Pb

Please explain why you have chosen that value.

Again, it is the core portion of the job.

Part 2B**Question #11 Ps/Cpb**

Once you have concluded a buying act, independently from what has been accomplished, what would be the first thing that you do or think?

Is it correct?

Question #12 Ps/Cpb

When you think about your buying auction behavior (the efforts that you invest in accomplishing the buying strategy objectives and goals), what do you think could be the reasons that explain why you behave (example achiever, competitive person, want to Not disappoint my boss etc.) like that?

It is my job and I am responsible to complete it as a person of integrity.

Question #13 Ps/Cpb

Which reason would you give to this behavior?

I am an achiever.

Question #14 Ps/Cpb

Would you say that the person that you are in real life is the same person that does the company purchase or your behavior changes when you buy for the company?

I tend to more closely watch money when I am buying for the company.

Question #15 Ps/Cpb

Please explain reason of your last answer.

I tend to spend less time or worries on my personal purchasing habits, because I know that the goal is my own personal satisfaction, whereas for the company it is to ensure the company's goals and requirements.

Question #16 Ps/Cpb

Referring at the purchasing situation that you kept in mind when answering the questions, if the company was yours and you were purchasing for yourself, would you behave exactly in the same way?

Yes, because I have a responsibility to my employees if I own the company.

Question #17 Ps/Cpb

Please specify what would be different eventually

I would like to think that my own business decisions are more logical than in personal life, or in working for another company.

Question #18 Ps/Cpb

Please provide three words that define yourself in life.

1)Honest 2) Logical 3)Hard working

Question #19 Ps/Cpb

Would you say that your personality is dominant when is time to purchase or are the purchasing strategy goals and objectives (i.e. your role inside the company as a purchaser) that drives you?

I would say it is a mix, but primarily driven by the company goals and objectives. The dominance comes as a derivative to meet those goals and objectives...allowing nothing to get in the way of success.

Question #20 Ps/Cpb

When you successfully close a purchase act what is the first thing that comes to your mind? Explain and please specify whether you are more satisfied for yourself or for the company.

I would say that I am more satisfied for the company, but knowing I met their needs, then that drives my personal satisfaction.

Part 3**Question #21 Pp**

How do you feel about the **purchase performance** of the purchasing act that you are referring to? Please explain.

In general I feel we "mostly" accomplish the goal in this area, but only about 90% so there is much room for improvement.

Question #22 Pp

How much of the purchase objective and goals was accomplished?
Please indicate with a number between 1(not accomplished at all) to 7 (completely achieved)

6

Question # 23Pp

How do you feel about this result? Please explain

It is not good enough, because production lines were not kept fully running, so we must do better.

Question #24 Pp

Is the accomplishment of the purchase performance (intended as the research definition) important for you personally?

Absolutely yes.

Question #25 Pp

Please choose a number 1 (the lowest) to 7 (the highest) to define how relevant is the purchase performance for you intended as defined in Exhibit 1/b.

7

Question #26 Pp

Why did you choose this number?

I consider it fundamentally critical.

Question #27 Pp

Given the definition of purchase performance, would you say that your performances generally conclude positively or negatively? Please specify

Generally positively, but I always feel there is room for improvement because the team does not always get parts in on time with minimal cost variance.

Question #28Pp

How much out of 100% of the purchasing goals/ objectives would you say that was achieved?

90%

Conclusion of the interview**Respondent #2**

Person # (for the interviewer) - Respondent #2

Role within the company- Sourcing & Purchasing

How many years have you been working in purchasing - 2

Part 2/A**Question #1 Pb**

How would you define your **behavior** (how involved you are in the buying act) when you try to accomplish the purchasing of components for your company? Please explain

I try to make a good deal and I make sure supplier can do as commit.

Question #2 Pb

Please give me 3 words (or statement) that you would use to define yourself during a purchasing trade.

Don't fool me, I try, I am fast

Question #3 Pb

When you think about the buying auction that you have in mind, how would you define **the importance of accomplishing the buying strategy objectives and goals**? Please explain

The set up standard are important but I act in this way:

Waiting - see how bidders act with item.

Max – set up maximum offer and do not go over that point too much.

Last man standing – we do not have to bid all time. Just wait and see the last price if we can hit.

Question #4 Pb

Let's picture a case where the buying act is finished and you **completely and successfully fulfilled** all the **buying strategy objectives and goal**.

- Is this a case scenario that could happen in one of your buying transaction?
Why?

Yes, it could. I aim about it and I hope to success all the time.

- How would you feel about it?

Awesome

Question #5 Pb

Let's now picture a case where for any reason the buying strategy is concluded **but the objective and goals are not really fulfilled** and it would have been possible to accomplish a better results. Please explain

- Is this a case scenario that could happen in one of your buying transaction?
Why?

Yes, it could. Many things are unpredictable.

- How would you feel about it?

Try to fix it with next time purchase

Question #6 Pb

How would you define your **effort** in pursuing the purchasing strategy goals and objective as explained to you?

If you do not remember the classifications please have a look at the table provided - Exhibit 1/a. Please explain.

I am trying and I am learning from mistake, people, and history.

Question #7 Pb – adapted from (Cronin, Brady, & Hult, 2000)

If you would have to classify yourself as company buyer based on the **effort/energy** that you invest in pursuing the buying strategy goals which value would you choose in a scale from 1 (the lowest) to 7(the highest).

4

Question #8 Pb

Please explain why you have chosen that number.

I believe I am not super bad and I have many thinks to learn more.

Question #9 Pb

If you would have to classify yourself as company buyer based on the **importance that you reserve in accomplishing the buying strategy goals and objective**, which value (to the importance of accomplishing buying objectives and goals) would you choose in a scale from 1(the lowest) to 7(the highest).

6

Question #10 Pb

Please explain why you have chosen that value.

The responsibility of position is important to drive a company.

Part 2B

Question #11 Ps/Cpb

Once you have concluded a buying act, independently from what has been accomplished, what would be the first thing that you do or think?

Ok, let's focus on the next one

Question #12 Ps/Cpb

When you think about your buying auction behavior (the efforts that you invest in accomplishing the buying strategy objectives and goals), what do you think could be the reasons that explain why you behave (example achiever, competitive person, want to not disappoint my boss etc.) like that?

The responsibility of my position, than I try to do it to do not disappoint my boss

Question #13 Ps/Cpb

Which reason would you give to this behavior?

I think auction is not easy, there is more need of luck compare to skills.

Question #14 Ps/Cpb

Would you say that the person that you are in real life is the same person that does the company purchase or your behavior changes when you buy for the company?

Nothing personal I do because I have to.

Question #15 Ps/Cpb

Please explain reason of your last answer.

Business is business. I do as my position guides me to do.

Question #16 Ps/Cpb

Referring at the purchasing situation that you kept in mind when answering the questions, if the company was yours and you were purchasing for yourself, would you behave exactly in the same way?

Kind of.

Question #17 Ps/Cpb

Please specify what would be different eventually

Nothing

Question #18 Ps/Cpb

Please provide three words that define yourself in life.

Introverted, shy, I am easy to satisfy

Question #19 Ps/Cpb

Would you say that your personality is dominant when is time to purchase or are the purchasing strategy goals and objectives (i.e. your role inside the company as a purchaser) that drives you?

Yes, I hunt what I am told to and I hope I can do it.

Question #20 Ps/Cpb

When you successfully close a purchase act what is the first thing that comes to your mind? Explain and please specify whether you are more satisfied for yourself or for the company.

Relax before looking for next problem, I do it for the company

Part 3

Question #21 Pp

How do you feel about the **purchase performance** of the purchasing act that you are referring to? Please explain.

I feel it was ok.

Question #22 Pp

How much of the purchase objective and goals was accomplished? Please indicate with a number between 1(not accomplished at all) to 7 (completely achieved)

6

Question # 23Pp

How do you feel about this result? Please explain

Awesome, it makes life easier

Question #24 Pp

Is the accomplishment of the purchase performance (intended as the research definition) important for you personally?

Yes, it affects KPI at work.

Question #25 Pp

Please choose a number 1 (the lowest) to 7 (the highest) to define how relevant is the purchase performance for you intended as defined in Exhibit 1/b.

7

Question #26 Pp

Why did you choose this number?

Company uses it to evaluate KPI of buyers.

Question #27 Pp

Given the definition of purchase performance, would you say that your performances generally conclude positively or negatively? Please specify

Negative, I could not hit KPI as company sets up.

Question #28Pp

How much out of 100% of the purchasing goals/ objectives would you say that was achieved?

50%

Conclusion of the interview

Respondent #3

Person # (for the interviewer) - Respondent #3

Role within the company- Sourcing Specialist

How many years have you been working in purchasing - 12

Part 2/A

Question #1 Pb

How would you define your **behavior** (how involved you are in the buying act) when you try to accomplish the purchasing of components for your company? Please explain

I am focus on the transaction, mainly concerns for me are as follow: 1. Price, 2. Quality, 3. Service, 4. Capability

Question #2 Pb

Please give me 3 words (or statement) that you would use to define yourself during a purchasing trade.

-Responsible, Ownership and Professional

Question #3 Pb

When you think about the buying auction that you have in mind, how would you define **the importance of accomplishing the buying strategy objectives and goals**? Please explain

It is important for me to fulfill what expected based on my role, I will consider the necessity and Time(How much we really need and how long we can wait?) and my Experience and Skill: Known the market price and location to buy if the auction isn't reasonable price.

Question #4 Pb

Let's picture a case where the buying act is finished and you **completely and successfully fulfilled** all the **buying strategy objectives and goal**.

- Is this a case scenario that could happen in one of your buying transaction?
Why?
-It has to happen sometimes because we have clearly target goal to go.
- How would you feel about it?
-Fantastic

Question #5 Pb

Let's now picture a case where for any reason the buying strategy is concluded **but the objective and goals are not really fulfilled** and it would have been possible to accomplish a better results. Please explain

- Is this a case scenario that could happen in one of your buying transaction?
Why?
Always, because the defined business goal may not align with physical objective because each supplier also has individual policy.
- How would you feel about it?
It is disappointing and Challenging and it would be interesting to hit the goal next time.

Question #6 Pb

How would you define your **effort** in pursuing the purchasing strategy goals and objective as explained to you.

If you do not remember the classifications please have a look at the table provided - Exhibit 1/a. Please explain.

We call direction, and I always try to follow them.

Question #7 Pb – adapted from (Cronin, Brady, & Hult, 2000)

If you would have to classify yourself as company buyer based on the **effort/energy** that you invest in pursuing the buying strategy goals which value would you choose in a scale from 1 (the lowest) to 7(the highest).

7

Question #8 Pb

Please explain why you have chosen that number.

Professional employee.

Question #9 Pb

If you would have to classify yourself as company buyer based on the **importance that you reserve in accomplishing the buying strategy goals and objective**, which value (to the importance of accomplishing buying objectives and goals) would you choose in a scale from 1(the lowest) to 7(the highest).

7

Question #10 Pb

Please explain why you have chosen that value.

Professional employee

Part 2B**Question #11 Ps/Cpb**

Once you have concluded a buying act, independently from what has been accomplished, what would be the first thing that you do or think?

How much I helped the company to earn more benefit.

Question #12 Ps/Cpb

When you think about your buying auction behavior (the efforts that you invest in accomplishing the buying strategy objectives and goals), what do you think could be the reasons that explain why you behave (example achiever, competitive person, want to Not disappoint my boss etc.) like that?

I am try to accomplish what I am told to, in a professional way and I take responsibility for the consequences

Question #13 Ps/Cpb

Which reason would you give to this behavior?

It is what I am expected and paid to do

Question #14 Ps/Cpb

Would you say that the person that you are in real life is the same person that does the company purchase or your behavior changes when you buy for the company?

I change based on the target goal

Question #15 Ps/Cpb

Please explain reason of your last answer.

Business is not Family.

Question #16 Ps/Cpb

Referring at the purchasing situation that you kept in mind when answering the questions, if the company was yours and you were purchasing for yourself, would you behave exactly in the same way?

Not sure

Question #17 Ps/Cpb

Please specify what would be different eventually

Nothing I guess

Question #18 Ps/Cpb

Please provide three words that define yourself in life.

Family, Love and Forgiveness

Question #19 Ps/Cpb

Would you say that your personality is dominant when is time to purchase or are the purchasing strategy goals and objectives (i.e. your role inside the company as a purchaser) that drives you?

We call it direction, and are the direction that drives me.

Question #20 Ps/Cpb

When you successfully close a purchase act what is the first thing that comes to your mind? Explain and please specify whether you are more satisfied for yourself or for the company.

For the company because is a part of duty that they give to me.

Part 3

Question #21 Pp

How do you fell about the **purchase performance** of the purchasing act that you are referring to? Please explain.

Very satisfied. Business is not fair for all, it will give for the winner only. So the Goal is most important to hit or come closer.

Question #22 Pp

How much of the purchase objective and goals was accomplished?
Please indicate with a number between 1(not accomplished at all) to 7 (completely achieved)

7

Question # 23Pp

How do you feel about this result? Please explain

I fell satisfied and I feel like I am a Professional employee

Question #24 Pp

Is the accomplishment of the purchase performance (intended as the research definition) important for you personally?

Sure, it's our JD and mainly function to do.

Question #25 Pp

Please choose a number 1 (the lowest) to 7 (the highest) to define how relevant is the purchase performance for you intended as defined in Exhibit 1/b.

7

Question #26 Pp

Why did you choose this number?

The purchase performance outcome will help company know who is the best employee based on each situation.

Question #27 Pp

Given the definition of purchase performance, would you say that your performances generally conclude positively or negatively? Please specify

Some Positive but some negative. (each supplier also have individual policy)

Question #28Pp

How much out of 100% of the purchasing goals/ objectives would you say that was achieved?

75-80%

Conclusion of the interview

Respondent #4

Person # (for the interviewer) - Respondent #4

Role within the company- Quote Manager

How many years have you been working in purchasing - 11

Part 2/A

Question #1 Pb

How would you define your **behavior** (how involved you are in the buying act) when you try to accomplish the purchasing of components for your company? Please explain

I try to control everything, I focus on every single details

Question #2 Pb

Please give me 3 words (or statement) that you would use to define yourself during a purchasing trade.

Aggressive, decisive, logical

Question #3 Pb

When you think about the buying auction that you have in mind, how would you define **the importance of accomplishing the buying strategy objectives and goals**? Please explain...

Strategies are in place and need to be followed for a reason, whether it be from a supplier with good payment terms, a direct source, a supplier who gives great support, etc, etc. The decision to buy what, from whom should come from the supplier that has the best commercial terms, that in-turn fall in-line with the set strategies

Question #4 Pb

Let's picture a case where the buying act is finished and you **completely and successfully fulfilled** all the **buying strategy objectives and goal**.

- Is this a case scenario that could happen in one of your buying transaction?

Why

- Yes. Strategies fell into place and are working well. Commercial objectives achieved.
- How would you feel about it?
 - You want the best results, you got them. Now review parameters are OK

Question #5 Pb

Let's now picture a case where for any reason the buying strategy is concluded **but the objective and goals are not really fulfilled** and it would have been possible to accomplish a better results. Please explain

- Is this a case scenario that could happen in one of your buying transaction?

Why

- Yes. Dependent on how severe are your strategy parameters. However you must set them high for best possible results
- How would you feel about it?
 - A compromise is not a bad thing. Possibly not ALL boxes are ticked, so judgment calls are often needed. Though setting criteria high means you select from the best. Meaning your selection is from Ferrari's and Lamborghini's not Toyota's or Nissan's. want the best results, how much am I compromising?

Question #6 Pb

How would you define your **effort** in pursuing the purchasing strategy goals and objective as explained to you.

If you do not remember the classifications please have a look at the table provided - Exhibit 1/a. Please explain.

Following strategies is key and is a huge driving factor

Question #7 Pb – adapted from (Cronin, Brady, & Hult, 2000)

If you would have to classify yourself as company buyer based on the **effort/energy** that you invest in pursuing the buying strategy goals which value would you choose in a scale from 1(the lowest) to 7(the highest).

7

Question #8 Pb

Please explain why you have chosen that number.

The effort is there to follow strategies for sure.

Question #9 Pb

If you would have to classify yourself as company buyer based on the **importance that you reserve in accomplishing the buying strategy goals and objective**, which value (to the importance of accomplishing buying objectives and goals) would you choose in a scale from 1(the lowest) to 7(the highest).

Z

Question #10 Pb

Please explain why you have chosen that value.

The importance in following strategies is vital.

Part 2B

Question #11 Ps/Cpb

Once you have concluded a buying act, independently from what has been accomplished, what would be the first thing that you do or think?

What did I learn from that? Can I improve my next performance?

Question #12 Ps/Cpb

When you think about your buying auction behavior (the efforts that you invest in accomplishing the buying strategy objectives and goals), what do you think could be the reasons that explain why you behave (example achiever, competitive person, want to Not disappoint my boss etc.) like that?

Self motivated

Question #13 Ps/Cpb

Which reason would you give to this behavior?

Self motivated

Question #14 Ps/Cpb

Would you say that the person that you are in real life is the same person that does the company purchase or your behavior changes when you buy for the company?

Yes, same person

Question #15 Ps/Cpb

Please explain reason of your last answer.

I apply the same logic, but without the same buying power

Question #16 Ps/Cpb

Referring at the purchasing situation that you kept in mind when answering the questions, if the company was yours and you were purchasing for yourself, would you behave exactly in the same way?

Yes

Question #17 Ps/Cpb

Please specify what would be different eventually

Nothing would be different. I apply the same energy.

Question #18 Ps/Cpb

Please provide three words that define yourself in life.

Father, achiever and provider

Question #19 Ps/Cpb

Would you say that your personality is dominant when is time to purchase or are the purchasing strategy goals and objectives (i.e. your role inside the company as a purchaser) that drives you?

Yes, my personality is dominant

Question #20 Ps/Cpb

When you successfully close a purchase act what is the first thing that comes to your mind? Explain and please specify whether you are more satisfied for yourself or for the company.

Felling satisfied. Satisfied for both

Part 3**Question #21 Pp**

How do you fell about the **purchase performance** of the purchasing act that you are referring to? Please explain.

Felling satisfied

Question #22 Pp

How much of the purchase objective and goals was accomplished?

Please indicate with a number between 1(not accomplished at all) to 7 (completely achieved)

6

Question # 23Pp

How do you feel about this result? Please explain

Felling Comfortable

Question #24 Pp

Is the accomplishment of the purchase performance (intended as the research definition) important for you personally?

Yes it is, truly.

Question #25 Pp

Please choose a number 1 (the lowest) to 7 (the highest) to define how relevant is the purchase performance for you intended as defined in Exhibit 1/b.

6

Question #26 Pp

Why did you choose this number?

Is one of my principal goal and consequently I do whatever I can to accomplish it and fell comfortable with it.

Question #27 Pp

Given the definition of purchase performance, would you say that your performances generally conclude positively or negatively? Please specify

Positively overall

Question #28Pp

How much out of 100% of the purchasing goals/ objectives would you say that was achieved?

90%

Conclusion of the interview

Respondent #5

Person # (for the interviewer) - Respondent #5

Role within the company- Sourcing Specialist

How many years have you been working in purchasing – approx. 4 years

Part 2/A

Question #1 Pb

How would you define your **behavior** (how involved you are in the buying act) when you try to accomplish the purchasing of components for your company? Please explain

I just do it, is my work

Question #2 Pb

Please give me 3 words (or statement) that you would use to define yourself during a purchasing trade.

Organized, friendly, calm

Question #3 Pb

When you think about the buying auction that you have in mind, how would you define **the importance of accomplishing the buying strategy objectives and goals**? Please explain

They are very important for my company and consequently I try to score them.

Question #4 Pb

Let's picture a case where the buying act is finished and you **completely and successfully fulfilled** all the **buying strategy objectives and goal**.

- Is this a case scenario that could happen in one of your buying transaction?
Why?
 - Yes it could happen since this is what I am paid for
- How would you feel about it?
 - Satisfied

Question #5 Pb

Let's now picture a case where for any reason the buying strategy is concluded **but the objective and goals are not really fulfilled** and it would have been possible to accomplish a better results. Please explain

- Is this a case scenario that could happen in one of your buying transaction?
Why?
 - Yes it could happen – we don't always win and sometimes we need components to start NPI process
- How would you feel about it?
 - I feel ok, it can happen

Question #6 Pb

How would you define your **effort** in pursuing the purchasing strategy goals and objective as explained to you.

If you do not remember the classifications please have a look at the table provided - Exhibit 1/a. Please explain.

I buy components that are used to introduce new products (NPI) so it goes under "Supply Security". My effort is ok.

Question #7 Pb – adapted from (Cronin, Brady, & Hult, 2000)

If you would have to classify yourself as company buyer based on the **effort/energy** that you invest in pursuing the buying strategy goals which value would you choose in a scale from 1 (the lowest) to 7(the highest).

4

Question #8 Pb

Please explain why you have chosen that number.

I try to do my work because I am paid for but, I want to achieve greatness on my personal/spiritual life so my priorities are different.

Question #9 Pb

If you would have to classify yourself as company buyer based on the **importance that you reserve in accomplishing the buying strategy goals and objective**, which value (to the importance of accomplishing buying objectives and goals) would you choose in a scale from 1(the lowest) to 7(the highest).

4

Question #10 Pb

Please explain why you have chosen that value.

My job's goals and objectives are important more for my company than for me.

Part 2B

Question #11 Ps/Cpb

Once you have concluded a buying act, independently from what has been accomplished, what would be the first thing that you do or think?

I try to relax and meditate

Question #12 Ps/Cpb

When you think about your buying auction behavior (the efforts that you invest in accomplishing the buying strategy objectives and goals), what do you think could be the reasons that explain why you behave (example achiever, competitive person, want to Not disappoint my boss etc.) like that?

I feel that I have to do what I am paid for.

Question #13 Ps/Cpb

Which reason would you give to this behavior?

My job gives me salary to support my life

Question #14 Ps/Cpb

Would you say that the person that you are in real life is the same person that does the company purchase or your behavior changes when you buy for the company?

The same always

Question #15 Ps/Cpb

Please explain reason of your last answer.

My principles are what I am. I don't change for the company

Question #16 Ps/Cpb

Referring at the purchasing situation that you kept in mind when answering the questions, if the company was yours and you were purchasing for yourself, would you behave exactly in the same way?

I don't know, I don't want to be an entrepreneur

Question #17 Ps/Cpb

Please specify what would be different eventually

Nothing, my approach to life would be the same

Question #18 Ps/Cpb

Please provide three words that define yourself in life.

Good, calm, forgiving

Question #19 Ps/Cpb

Would you say that your personality is dominant when is time to purchase or are the purchasing strategy goals and objectives (i.e. your role inside the company as a purchaser) that drives you?

My personality is what dominates my behavior

Question #20 Ps/Cpb

When you successfully close a purchase act what is the first thing that comes to your mind? Explain and please specify whether you are more satisfied for yourself or for the company.

I am not particularly satisfied for anybody and I feel peace

Part 3

Question #21 Pp

How do you fell about the **purchase performance** of the purchasing act that you are referring to? Please explain.

Good, I bought what I was suppose to

Question #22 Pp

How much of the purchase objective and goals was accomplished?
Please indicate with a number between 1(not accomplished at all) to 7 (completely achieved)

5

Question # 23Pp

How do you feel about this result? Please explain

Good

Question #24 Pp

Is the accomplishment of the purchase performance (intended as the research definition) important for you personally?

Not particularly

Question #25 Pp

Please choose a number 1 (the lowest) to 7 (the highest) to define how relevant is the purchase performance for you intended as defined in Exhibit 1/b.

4

Question #26 Pp

Why did you choose this number?

I don't think is so important for me but allows for me to keep my job

Question #27 Pp

Given the definition of purchase performance, would you say that your performances generally conclude positively or negatively? Please specify

Most of the times positive but sometime negative.

Question #28Pp

How much out of 100% of the purchasing goals/ objectives would you say that was achieved?

70%

Conclusion of the interview





APPENDIX E
CODING MAP MATRIX & PILOT TEST

Phase 1			Pilot test - Respondent # 0
Q1	Strategist	Using strong words that define <u>high involvement</u> : very involved,dedicated,important to achieve the best, achiever,fighter,focused,objective focused, passionate...	committed to the best deal
	Opportunist	Using middle power words that define a <u>normal involvement</u> : i see whet happens around me, waiting, last bidder, I try to pursue goals and objs, I will do better next time...	
	Respondent	The words used to define it <u>express apathy</u> : I just do it, I spend energy only as necessaire, never mention objectives and goals, I do what I am told to...	
Q2	Strategist	Define his personality with at least <u>2 strong words</u> out of a total number of 3	focus, fast
	Opportunist	Define his personality with words that are <u>not strong</u> but define an <u>average effort</u>	involved,
	Respondent	Define his self with <u>generic</u> and <u>not strong</u> words	
Q3	Strategist	Importance is a <u>priority</u> :using strong words as very much, truly, it is my scope...	Very important
	Opportunist	Is <u>important</u> and it is expressed with <u>mid-power words</u> : use words as quite important...	
	Respondent	Words used to define it express <u>apathy</u>	
Q4/A	Strategist	It happens always, very often, mostly	most of them
	Opportunist	It happens (around 50 % of the transactions)	
	Respondent	It happens rarely, sometimes	
Q4/B	Strategist	<u>Deep satisfaction</u> with performances is expressed	satisfied, <u>once more</u>
	Opportunist	He realize <u>he could do more</u> but overall <u>is satisfied</u>	
	Respondent	It is <u>ok</u> , maybe <u>next time will be better</u>	
Q5/A	Strategist	It could happen, but not likely to	less likely
	Opportunist	It happens (the sense is indicating 50 % of the transactions)	
	Respondent	It happens often	
Q5/B	Strategist	<u>Disappointment</u> and <u>concerned</u> are strongly expressed	
	Opportunist	Disappointment, but <u>I will do better</u>	a bit concerned, worried for consequence
	Respondent	It is what it is, <u>felling neutral</u>	
Q6	Strategist	Using strong words that define <u>high involvement</u> : very much, fully, totally, completely...	fully focused and committed, it is my job
	Opportunist	Using mid power words that define a <u>normal involvement</u> :quite, or not using the adjective...	
	Respondent	The words used to defined it <u>express apathy</u>	
Q7	Strategist	6 and 7	6
	Opportunist	3 to 5	
	Respondent	1 and 2	
Q8	Strategist	Using strong words that define <u>high involvement</u> : very much, fully, totally, completely...	considerable effort
	Opportunist	Using mid power words that define a <u>normal involvement</u> : quite, or not using the adjective...	
	Respondent	The words used to defined it express <u>apathy</u>	
Q9	Strategist	6 and 7	7
	Opportunist	3 to 5	
	Respondent	1 and 2	
Q10	Strategist	Using <u>strong words</u> that define <u>high involvement</u> : very much, fully, totally, completely...	I want to make sure I can fulfill the goals,role can be important for the company
	Opportunist	Using <u>middle power</u> words that define <u>normal involvement</u> :quite, or not using the adjective...	
	Respondent	Words used to defined it express <u>apathy</u>	
Phase 3			00- Strategist

Q11	Dominance PS	The answer involves <u>company interests</u> : i.e. the boss	Which purchase come next
	Dominance CPB	The answer involves a <u>personal feeling or interest</u>	
	No dominance	No dominance	
Q12	Dominance PS	Answer involves the <u>duty</u> that has to be performed for the <u>company</u>	
	Dominance CPB	Answer involves a <u>personality attitude or behavior</u>	I like to achieve my goals, I have a competitive attitude
	No dominance	No dominance	
Q13	Dominance PS	Answer involves the <u>duty</u> that has to be performed for the <u>company</u>	
	Dominance CPB	Answer involves a <u>personality attitude or behavior</u>	My personality, I like to outperform and I fell good
	No dominance	No dominance	
Q14	Dominance PS	It changes for some reasons...	
	Dominance CPB	It is mainly like it in real life...	to some good extent, yes
	No dominance	No dominance	
Q15	Dominance PS	Answer express <u>duty</u> that has to be performed for the <u>company</u>	
	Dominance CPB	Answer that involves a <u>personality attitude or behavior</u>	I think I am the same person, the pressure could emphasize certain behavior
	No dominance	No dominance	
Q16	Dominance PS	Overall meaning is <u>no</u> : I would <u>behave differently</u>	
	Dominance CPB	<u>Yes</u> : I would <u>behave in the same way</u>	I think so, I am not limiting my commitment
	No dominance	No dominance	
Q17	Dominance PS	<u>Specification</u> of what would be different	
	Dominance CPB	<u>Nothing</u> would be different	nothing
	No dominance	No dominance	
Q18	Dominance PS	<u>More</u> words define a <u>behavior or attitude</u>	Honest,
	Dominance CPB	Most of the words define <u>personality attributes not changeable</u>	committed, outgoing
Q19	Dominance PS	Defines <u>priority for the company</u>	priority is in the goals and objectives
	Dominance CPB	Defines the <u>personality is priority</u>	
	No dominance	No dominance	
Q20	Dominance PS	Defines the <u>priority is the company</u>	
	Dominance CPB	Defines the <u>personality is the priority</u>	
	No dominance	No one is dominant - same level is defined	happy for both me and the company
Phase 3			Dominance of CPB start and ob always in mind

Q21	Sat PP	Responders express <u>satisfaction overall</u>	Felling satisfied
	Not sat PP	Responders does <u>not express satisfaction</u>	
Q22	Sat PP	5 to 7	6
	Not sat PP	1 to 3	
	neutral	4	
Q23	Sat PP	Responders express <u>satisfaction overall</u>	quite happy - I got what I wanted
	Not sat PP	Responders <u>do not express satisfaction</u>	
Q24	Importance PP person	Yes	yes
	Importance PP person	No	
Q25	Sat PP	5 to 7	5
	Not sat PP	1 to 3	
	neutral	4	
Q26	Importance PP person	It is relevant	it is important but I try to separate it from my life
	Importance PP person	It is not relevant is just my work	
Q27	Sat PP	Generally positively	generally yes
	Not sat PP	Generally negatively	
Q28	Sat PP	50 to 100%	90%
	Not sat PP	0 to 50%	
Phase 3			Overall satisfied with PP The PP outcome is relevant



APPENDIX F
CODING MAP APPLICATION ON RESPONDENTS SCRIPT

Phase 2

		Respondent # 1	Respondent # 2	Respondent # 3	Respondent # 4	Respondent # 5
Q1	Strategist	I am quite involved responsible for team performance			I try to control everything, I focus on every single details	
	Opportunist		I try to make a good deal, make sure supplier can do as committed to	I am focus on the transaction		
	Respondent					I just do it
Q2	Strategist	goal driven	fast		Aggressive, decisive,	
	Opportunist	relationship-oriented, Honest	don't fool me, waiting	Responsible,	logical	
	Respondent			Ownership, Professional		Organized, friendly, calm
Q3	Strategist	among the most crucial actions, and I must accomplish			Strategies are in place and need to be followed for a reason	
	Opportunist		set up company standards are important	is important for me to fulfill what expected		
	Respondent					They are very important for my company I try to score them
Q4/A	Strategist	yes, we do 100 of these. We implemented controls to monitor performance			Yes	
	Opportunist		yes it could, I aim about it and I hope			Yes it could happen
	Respondent			It has to happen sometimes		
Q4/B	Strategist	expectation for the job, feel pleased	awesome	Fantastic		Satisfied
	Opportunist				You want the best results, you got them	
	Respondent					

Q5/A	Strategist	yes it could happen, Someone did not fulfill objectives				
	Opportunist		yes it could, many things are unpredictable		Yes, depends on how severe are your strategy parameters	Yes it could happen
	Respondent			Always		
Q5/B	Strategist	disappointed, we investigate to minimize the occurrences				
	Opportunist		try to fix it with next time purchase	It is disappointing and challenging it would be interesting to hit the goal next time		
	Respondent				A compromise is not a bad thing	I feel ok, it can happen
Q6	Strategist	primary effort			strategies is key	
	Opportunist		I try and I am learning from...			
	Respondent			I always try to follow them		My effort is ok.
Q7	Strategist	7		7		7
	Opportunist		4			4
	Respondent					
Q8	Strategist	prime objective of my entire organization			The effort is there to follow strategies	
	Opportunist		I am not super bad, I have a lot to learn			I try to do my work my priorities are different.
	Respondent			Professional employee		
Q9	Strategist	7	6	7	7	
	Opportunist					4
	Respondent					
Q10	Strategist	it is the core portion of the job	responsibility of position is important to drive the company		importance of following strategies is vital	
	Opportunist					
	Respondent			Professional employee		goals and objectives are important more for my company
Phase 3		01- Strategist	02-Opportunist	03-Responder Borderline case	04- Strategist	03-Responder light tendency of evolvement

Q11	Dominance PS	it is correct? <i>Interpreted related to company</i>	let's focus on the next one	How much I helped the company to earn more benefit		
	Dominance CPB					
	No dominance				What did I learn from that? Can I improve my next performance?	I try to relax and meditate
Q12	Dominance PS	it is my job, I am responsible to complete it	the responsibility of my position, I try to do it	professional way and I take responsibility for the consequences		feel that I have to do what I am paid for
	Dominance CPB				Self motivated	
	No dominance					
Q13	Dominance PS			It is what I am expected and paid to do		
	Dominance CPB	I am an achiever			Self motivated	My job gives me salary to support my life
	No dominance		need luck more than skills			
Q14	Dominance PS	I am watching more closely money	I do because I have to	I change based on the target goal		
	Dominance CPB				Yes, same person	The same always
	No dominance					
Q15	Dominance PS	for the company is to ensure goals and requirement	I do as my position guide me to do	Business is not Family		
	Dominance CPB				I apply the same logic, but without the same buying power	My principles are what I am. I don't change for the company
	No dominance					
Q16	Dominance PS					
	Dominance CPB	yes, I would have a responsibility to my employees	kind of		Yes	
	No dominance			Not sure		I don't know,
Q17	Dominance PS	my own business decision are more logical compare to personal life	nothing			
	Dominance CPB			Nothing I guess	nothing	Nothing, my approach to life would be the same
	No dominance					
Q18	Dominance PS	Honest, logical		forgiveness		
	Dominance CPB	hard working	introverted, shy, easily to satisfy	Love, committed to family,	Father, achiever and provider	Good, calm, forgiving
Q19	Dominance PS	priority to company goals and objectives	Yes, I hunt what I am told to and I hope I can do it	We call it direction, and are the directions that drives me		
	Dominance CPB				Yes, my personality is dominant	My personality dominates over my behavior
	No dominance					
Q20	Dominance PS	more satisfied for the company	more satisfied for the company	company, is a part of duty that they give to me.		
	Dominance CPB					
	No dominance				happy for both me and the company	I am not particularly satisfied for anybody
Phase 3		Dominance of PS	Dominance of PS	Dominance of PS focus on the company interest	Dominance of CPB start and ob always in mind	Dominance of CPB with a tendency of apathy

Q21	Sat PP	mostly accomplish goal 90 %	I feel it was ok	Very satisfied	Felling satisfied	Good, I bought what I was suppose to
	Not sat PP					
Q22	Sat PP	6	6	7	6	5
	Not sat PP					
	neutral					
Q23	Sat PP		Awesome	I fell satisfied	Felling Comfortable	Good
	Not sat PP	we could have done better				
Q24	Importance PP person	yes	yes	Sure	Yes it is, truly.	
	Importance PP person					Not particularly
Q25	Sat PP	7	7	7	6	
	Not sat PP					
	neutral					4
Q26	Importance PP person	I consider it fundamentally critical	the company uses it to evaluate KPI	The purchase performance outcome will help company know who is the best employee based on each situation	Is one of my principal goal I do whatever I can to accomplish it and fell comfortable with it.	
	Importance PP person					Not particularly
Q27	Sat PP	generally yes		some positive	Positively overall	Most of the times positive but sometime negative.
	Not sat PP		negative	some negative		
Q28	Sat PP	90%		75-80%	90%	70%
	Not sat PP		50%			
Phase 3		Overall satisfied with PP The PP outcome is relevant	Overall satisfied with PP The PP outcome is relevant	Overall satisfied with his PP The pp outcome is relevant	Overall satisfied with PP The PP outcome is relevant	Overall satisfied with PP

discordant value non considered
respondent bias

BIOGRAPHY

NAME	Eleonora Odorizzi
DATE OF BIRTH	31/07/1986
EDUCATION	
YEAR	MASTER DEGREE
2014	MBA – International Business Management Stamford International University, Bangkok (TH)
YEAR	CERTIFICATE PROGRAM
2013	CP – Integrated Communication Marketing University of Chicago, Chicago (USA)
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