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Business is business but People are people

A study of buyer behavior and brand sensitivity in the hotel and restaurant sector

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Abstract

- Title:** Business is business but People are people; A study of buyer behavior and brand sensitivity in the hotel and restaurant sector
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- Authors:** Jennifer Blomdahl and Linnea Elfström
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- Five key words:** Brand sensitivity, organizational buying behavior, B2B, Hotel and restaurant, organizational purchasers
- Purpose:** The purpose of this paper is to elucidate and increase the comprehension of the relationship between organizational buyer behavior and brand sensitivity, and factors that drive them. This purpose includes presenting a theoretical framework and if possible develop this through empirical findings.
- Methodology:** This thesis is a qualitative case study of three products purchased and used in the kitchen of hotels and restaurants. Initially we developed a framework based on a literature review. This framework was tested through semi structured interviews with responsible purchasers at 22 hotels and restaurants. Finally the theoretical framework was developed through analysis of our empirical findings.
- Theoretical perspectives:** This studies theoretical perspectives are theories regarding organizational purchasing, organizational buyer behavior and brand sensitivity, both in organizational and consumer contexts. It also includes theories on brand awareness and branding in B2B.
- Empirical foundation:** Our empirical foundation is based on Semi structured interviews, observation, and desktop research. An interview guide based on our theoretical framework was used and complemented with observations in the storage space of kitchens as well as information regarding our three case products; bouillon, ketchup and olive oil.
- Conclusions:** We through our study created a substantial tool that easier presents the relationship between organizational buyer behavior and brand sensitivity, along with those factors influencing it. Our conclusion is that brands always play a role, and organizational buyers are thus brand sensitive. We found that the individual in the organisation is important as it shows that not all B2B-theories are applicable at all times. Besides factors affecting brand sensitivity, which in turn influences organizational buyer behavior, we have also detected a new possible outcome which we refer to as a type of negative brand sensitivity. Earlier research on the subject points out reasons for a person choosing one brand in front of another because he or she associates it with positive feelings. We have found reasons for choosing a certain brand only to escape one that comes with negative associations.

Preface

Lund, May 13th 2011

This thesis has been a journey. From a spark of interest in January, we have got the chance to get to know chefs, purchasers and the dynamic world that is the restaurant industry. For helping us on this journey we would like to thank our supervisor, Thomas Kalling, for firm guidance through the labyrinths of academic writing and always being available for input when needed. Further we would like to thank Unilever Food solutions in Helsingborg for useful insights in B2B marketing towards restaurants and ways to talk to chefs in their own terminology.

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Jennifer Blomdahl

Linnea Elfström

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CHAPTER 1

INTRODUCTION

1. Introduction

The waiter finally arrives with your main course, sirloin steak with sautéed primeurs and a light frothed decoction of red wine... and a large bottle of ketchup. Did that just spoil your experience?

We are to an increasing extent eating out, and at the same time raising the level of our home cooking. With TV chefs like Gordon Ramsay, Tina Nordström and Per Morberg teaching us all about how to cook authentic food and the importance of ecological products, the average consumer cares more about cooking than we did a few decades ago. The increased interest for food has put new pressure on chefs and restaurant owners to always deliver that perfect experience, a feeling of novelty and being far away from your own kitchen, but at the same time eating healthy.

1.1 Problem discussion and background

Restaurants are companies, and just like any other company they have suppliers and customers. The concept of organizational buying is well known, but the hotel and restaurant industry puts a new angle to it. Considering that the products used are often available to consumers as well as organizational purchasers puts extra pressure on the purchase decision and the refining process. The increased interest in society for food, cooking and ecologically grown products is one of the reasons why we chose this subject. The everyday consumer is known to be brand aware (Aaker, 1996), and the concept of brand sensitivity is making its way in to business-to-business branding research. Consumers care about brands, but do chefs and purchasers in restaurants? The interesting implication of purchasers often being active chefs and working with the products they purchase, we believe might affect the way they make their decisions.

A brand has the same general role irrespective of the market; it differentiates the product from competitors and makes it easier to identify. Further, brands are an effective means to mediate added value and benefits provided by the product as well as guarantee its performance. By this they increase the customer's perceived value and reduce the risk implied by the buying decision (Kotler, Pfoertsch & Michi et al, 2006). Studies on branding and its impact on us as individual consumers are many and well-developed (Aaker, 1996; Armstrong & Kotler, 2006). Restaurants, however, are a part of the business-to-business environment (B2B), where these kinds of studies are limited. And to our knowledge no research on brand sensitivity from an organizational perspective has been made, leaving B2B marketers in the dark.

While intangible attributes and extended values often draw individuals to a specific brand, businesses have in the history been known to put greater emphasis on price and other functional attributes of products making their buying process more rational. An increased

interest in the area of branding in industrial markets has lately shown that intangible attributes has proven to matter, often just as much as in the business-to-consumer market (B2C).

The subject is, however, not close to exhausted. Although studies on branding within the B2B-environment has increased, they mainly focus on technologically advanced or complex products (Hutton, 1997; Mudambi, 2002; Bendixen 2004; Brown, 2007). These are businesses that purchase expensive high-tech machines or large amount of computers for the office all at the same time. Their procurements often cost a lot and if something were to go wrong in the buying process it could have devastating consequences (Hutton, 1997).

An increased understanding of how a purchaser's choice of food supply is affected by brands would give us a distinction between restaurants and other businesses characterized as more typical B2B-actors. Through the literature review, we have found that these typically contain a buying centre that could involve several people from many different functions in the company. It implies all member's having to agree on specific products and brands (Brown, 2007), which results in a complexity not found in our area of study. This is why we hope to make a theoretical contribution as we will test current B2B theories in a new empirical context.

We acknowledge purchasers in hotels and restaurant as being part of the B2B market, but they also act as an individual making a decision for their company. There are though exceptions, some hotels and restaurants we have been in contact with are closely tied to a chain, with pre-negotiated agreements limiting ability to make individual choices. We want to examine the role brand sensitivity has on the organizations buyer behavior¹ by the intangible assets and the value added by a specific brand. By applying the findings from prior research in organizational buyer behavior and brand sensitivity on hotels and restaurants we will increase the knowledge of the importance of brands, from a buyer perspective, and gain understanding which could be helpful for marketers active on the industrial market. In order to do this we have selected three product cases; bullion, ketchup and olive oil. These will be further elaborated on in chapter three, methodology.

1.2 Problem formulation

An increased interest in branding in the B2B market makes it important to study all types of industries and buyers. We want to clarify in what ways brand sensitivity is present when making a purchase decision regarding food in the restaurant business by examining it along with organizational buyer behavior. We have chosen these theoretical areas because they both affect

¹ Organisational buyer behavior refers to the behavior of businesses that buy products and use these in their own production or refinement process

decision making, and we want to examine the relationship between them in order to widen our knowledge. Studies up until now have only been made on larger companies (Hutton, 1997; Brown, 2007), which puts us in a different context. In order for a supplier to, in the most effective way, communicate what attributes their products and brands bear, this is important to have deeper knowledge of.

We would through examining this relationship between brand sensitivity and organizational buyer behavior further like to establish in what ways our findings differ depending on the purchaser being an active chef or not, whether the restaurant is tied to a chain or independent, if the products is being displayed for customer's or finally, if there is a difference between restaurant of top range and low range regarding price paid for a meal. We believe it's important to study these variables in order to develop a thorough understanding of the subject and its applicability to the hotel and restaurant industry. Although we have a small sample, 22 respondents, performing in depth interviews and categorizing them as stated above will give us a rich empirical foundation to build our analysis on.

Our study takes an organizational buyer perspective and examines which factors affect the role brands play in the purchase decision process in hotels and restaurants. The interest of the kitchen has increased. It has become a trend, and wanting to know what affects their decision making is a natural effect of this. A study including the relationship between organizational buyer behavior and brand sensitivity along with food products is a phenomena not yet found in theory, why we choose to highlight these areas.

Our theoretical problem can thus be formulated as; The lack of research clarifying the relationship between organizational buying behavior and brand sensitivity as well as previous research applicability to smaller companies such as restaurants. This leads to the practical problems addressed in this thesis; the lack of understanding for what effects the decision making of purchasers in the hotel and restaurant industry. An increased understanding of this will be helpful to marketers within this area as well as managers wishing to increase their understanding of the local purchasers in their chain.

1.3 Purpose

The purpose of this paper is to elucidate and increase the comprehension of the relationship between organizational buyer behavior and brand sensitivity, and factors that drive them. This purpose includes presenting a theoretical framework and if possible develop this through empirical findings.

1.4 Limitations

The study is limited to examining the buyer perspective in industries, hence leaving out the view of both the seller and the marketer. This will however, allow us to develop a deeper understanding of the buyer behavior and what influences it. We have also made the limitation of only interviewing those in charge of making purchases, not other's who are affected by brands present around them in hotels and restaurants, such as chef's and waitresses. This limitation is made in the light of it being closer to our purpose to study those actually in charge of making decisions and have a thorough experience of having to choose between different products and brands.

We have further limited our study to the commercial part of the hotel and restaurant business, as opposed to the social part which involves geriatric care and schools. We believe the commercial part of the restaurant industry provides a more dynamic environment with a greater possibilities choosing between brands and thereby develop emotional aspects of the products, as well as not being as economically bound, hence more interesting for our paper's purpose.

Lastly, this study will include hotels and restaurants in large cities where the density of restaurants is higher and we consider the culture of eating out being more widespread. Because of this, we believe these restaurants to be greater effected by the previously mentioned trend and hopefully clarify the relationship that brands has on the purchasing behavior. Due to our geographical position we also choose to limit our study to Sweden, something that can possible color our results. This does not however exclude the possibility of this study's results being applicable to restaurants in large cities elsewhere. .

1.5 Thesis disposition

The paper opens by reviewing the literature on branding theories regarding brand equity and brand awareness, followed by organizational buyer behavior and what affects purchase decisions in this context; such as intangible attributes of a product, procedural control and the person within the organization. Further, we will thoroughly go through the meaning of brand sensitivity including its determinants, for whom it is important and in what situations it matters, supported by some of the most eminent researches in the area. To finalize, we will present a theoretical framework clarifying the relationship between organizational buyer behavior and brand sensitivity and by this give a first answer to our purpose. In chapter three, we will present our method based on the theoretical framework and the approach used for gathering of empirical data. After this, our empirical findings will be introduced, that is, a presentation of the content of our interviews in order to analyze in what ways actions of hotels and restaurants

might differ from earlier examined industries. We hope to be able to develop the theoretical framework with our own findings and by that make a theoretical contribution. Finally, we will present our conclusion in order to answer the purpose and question formulation of the study.

CHAPTER 2

LITERATURE REVIEW

2. Literature review

In this chapter we will present a literature review which is the foundation to the theoretical framework used for our study. We will start with a short introduction to the history of branding and organisational buying and then further present current research on the areas of brand awareness, organisational buyer behavior and brand sensitivity. We end this chapter by introducing our specific areas of interest; how they are connected and what makes them valuable to our further studies.

2.1 Introduction literature review

Studies on brands have occupied the minds of researchers for many decades now, developing different areas such as brand awareness, brand loyalty, brand sensitivity etc. Our view is that brand awareness is the core of it all, since recognising and recalling a brand is a prerequisite for brand sensitivity. Being brand sensitive, and considering brands in the purchase decision process, opens up for the possibility of loyal consumers. A consumer not caring about brands will never be loyal other than out of pure laziness. Brand equity refers to all of the intangible attributes associated with a brand and is important to brand sensitivity since a purchaser cannot be brand sensitive without the intangible attributes belonging to the brand being known to him/her. Many of these factors also play an important role in organisational buyer behavior as they all connect to pre-existing perceptions in the minds of the buyer and factors affecting the purchaser.

Consumer related research on brands are plenty, however research on the importance of branding in organisational buying lags behind (Brown, 2007). In the following literature review we will present findings from consumer and organisational brand research as well as research on organisational buying behavior in order to get a solid framework to build our study upon. We will in regards to the concept of B2B branding, focus on product branding, not corporate branding. From the buyer perspective there might be a perceived value connected with a brand depending on how aware they are of the brand, what image the company behind has communicated and what reputation it has in the business.

2.2 Branding in the B2B environment

A brand is “a sign or set of signs certifying the origin of a product or service and differentiating it from the competition” (Kapferer, 2008, p. 10). Branding of goods has existed since the ancient Greek distributors of olive oil and wine used trademarks, or brands, to mark the amphoras containing their products. This created, just as it does today, an added value in the eyes of the consumers by ensuring that the product came from a certain origin and producer. During the

14th century, papermakers in France and Italy started using water stamps to decorate and mark their products with, and in the 16th and 17th century craftsmen marked their work with a stamp to guarantee that the quality was the same as on the rest of their products (Melander, 2003).

The evolvement of branding followed the evolution of consumer markets in general, until the industrial revolution during the 19th century. During this time, the consumers no longer required a relationship and trust to the salesperson in their local store, but could to an increasing level rely on the brand to promise quality (Haig, 2003). Local producers were pushed aside by larger industries and nation wide brands. The connection between the producer and the consumer decreased, replacing the previous personal communication with a brand promise (Melander, 2003).

At the end of the 19th century many large American brands, that still exist today, were introduced. Examples from the food industry are Campbell's, Quaker oats, Heinz and Kellogg's among others (Melander, 2003; Haig, 2003). In order to manage the loss of personal relation between the producers and consumers, the brands were given identities of their own to stand out against competitors. For example, W. Kellogg initially personally signed each package leaving the factory to help consumers distinguish "the original", meaning their brand, from the other 42 cereal producers in the district (Kellogshistory.com), a strategy that obviously worked since his signature today is the logo of the brand Kellogg's.

2.2.1 Industrial marketing

In industrial marketing, brands have traditionally played a quieter role as organizational buyers were thought of as rationally evaluating the product's functionality and quality, prior to making their purchase decisions. However, research has increasingly proved that this is not the case and that branding has indeed a very important role in industrial purchasing (Melander, 2003).

Due to the industrialisation, producers were forced to reach consumers through middlemen on the organisational side, leading to corporate functions such as specialist purchasing departments being created and the professional buyer emerged (Seth & Parvatiyar, 1994).

During the 1950's and 1960's fast economical growth, marketing along with an increased demand from consumers further developed the concept of branding, both in research and reality (Melander, 2003). At the end of the 1980's, brands started to earn their place as a means of competition that could severely impact the profitability of a company. The year 1988 was named "the year of the brand" by the Economist due to the large number of brand acquisitions made

that year (Melin, 2007). This was also the year of Kapferer and Laurent's introduction of the concept brand sensitivity as an important part of brand research.

2.2.2 Brand equity

Much of the research on brand sensitivity originates from brand equity (i.e. Hutton, 1997; Bendixen, 2004) since the two concepts are closely intertwined. There are many different definitions and views on what brand equity is depending on which point of view you take. For the purpose of this study we will focus on consumer based equity and accept the definition by Keller (1993) stating that: *"a brand is said to have positive (negative) customer-based brand equity if consumers react more (less) favourably to the product, price, promotion, or distribution of the brand than they do to the same marketing mix element when it is attributed to a fictitiously named or unnamed version of the product or service."* (Keller, 1993, p. 8). A brand with high equity is more likely to be able to charge premium price due to the added value and positive associations connected to it (Hutton, 1997). High brand equity can thus be connected to brand sensitivity since the later describes the consumer's perception and reaction to a brand and the role this plays in the purchase decision process. According to us, brand equity will not matter in the case of a non brand sensitive consumer since this person will not include the notion of brand related attributes in their decision process. Consumer based brand equity is according to Hutton (1997) present in the B2B-market through three types of equity behaviors; a buyers willingness to pay a price premium for a preferred brand, recommend the brand to others and try other products with the same brand name. Brand equity, is further the most important factor to customer loyalty (Taylor , Celuch & Goodwin, 2004).

2.2.3 Brand Awareness

The general understanding of the concept brand awareness is that it relates to the probability of a brand name coming to mind and how easy it does it (Keller, 1993). It plays an important role in decision making since the higher the buyer's awareness of a brand is the higher is the likelihood that the brand is considered for purchase (Baker, Hutchinson, Moore & Nedungadi, 1986; Nedungadi, 1990). Further, brand awareness can affect one's decision making even though no other brand associations exist. Some consumers have for example proven to only buy familiar and well-established brands (Jacoby & Mazursky, 1984; Roselius ,1971).

2.2.3.1 Recognition and recall

The general perception is that there are two different levels of brand awareness; brand recognition and brand recall (Aaker, 1996, Keller 1993). Brand *recognition* is when you recognize a brand and get associations from previously having been exposed to the brand. Brand *recall* is when a certain brand comes to mind when talking about a certain product category.

Aaker (1996) also considers a third level called *Top of mind*, which is the first brand that comes to mind when ever you mention a product category. The top of mind concept is generally something associated with the B2C context. However, we believe it to be an important factor in our study as all three of our products are normally thought of as consumer goods. Which along with the fact that the type of purchasers we are investigating often makes decision as an individual, not a part of a buying center.

Kapferer (2008) makes a similar division as Aaker and Keller, using the categories *aided brand awareness* that measures if the brand has at least some level of minimal recognition, *spontaneous brand awareness* which is similar to Aaker's brand recognition meaning that the brand stands out and gets recognized when shown the specific product. They both agree that the most important time of brand recall is at the point of purchase. Kapferer (2008) also speaks of *unaided awareness* which according to him is the most important type of awareness. It implies that a brand holds a spot on the mental shortlist of brands that a purchaser immediately recalls when making a purchase decision.

If we tie this to brand sensitivity, we claim that this would mean that a purchaser who is brand sensitive might choose a brand from this list and making his or her decision before examining the brands more in depth. However, top of mind would be the ultimate level of brand recognition since it opens up for the possibility for a brand to be chosen in situations where the purchaser do not have the time to do an extensive evaluation process or in cases of low involvement (Petty & Cacioppo, 1986, Kapferer, 2008)

2.2.3.2 The Graveyard Model

Young and Rubicam Europe (Aaker, 1996) developed a model that explains why, even though a brand has high recognition, still gets overlooked at the point of decision. It is called the Graveyard model (appendix 1) and shows the relation between *brand recognition*, aided awareness, and *brand recall*, unaided awareness, and how they have to be balanced in order to take the full advantage of brand awareness. The brands located in the graveyard part of the graph are the ones with either both low recognition and recall but also the ones with high recognition but low recall, meaning that a brand that most purchasers would recognize but fail not recall at the point of purchase will not be purchased. This would, according to us, be an important implication for brand managers in both B2B and B2C settings, as it indicates that building brand recognition is not enough unless you also secure a position in the purchasers or consumers top of mind.

2.3 Organisational buyer behavior

In order to evaluate to what extent organizational buyers are brand sensitive, we must examine their buying behavior and what is considered important to business buyers. Organisational buyer behavior refers to the behavior of businesses that buy products and use these in their own production or refinement process. The products of choice are determined in the business buying process (Armstrong & Kotler, 2006). Unlike consumer purchases, organisational purchases normally involve more decision participants and decision makers; a group called buying centre. The more complex the purchase is, the more people are likely to be involved (Armstrong & Kotler, 2006). Our products of choice are all considered non-complex, hence less likely to involve several decision makers.

Demand in business markets is a *derived* demand, meaning that it ultimately comes from the demand of the consumed product (Armstrong & Kotler, 2006). In our case this means that there is a derived demand for bouillon, ketchup and olive oil through the demand for a finished dish served at a restaurant. These three products are all part of the refining and production process, cooking, where the dish is made. In our case, the three products; bouillon, ketchup and olive oil, are all purchased in businesses by restaurants, but they are probably more thought of as consumer products used in homes and bought in super markets and convenience stores. Hence, customers at restaurants are very much aware of different brands within our three product categories, which might affect the decision makers, as opposed to for example the tyre industry, where the end customer might not have that knowledge of the separate parts that together form the finished product.

2.3.1 The business buying process

Several models exist explaining the different phases gone through by organizational purchasers when buying products, and they all are very similar. Two examples of these are the *Buygrid Model* (Robinson, Faris & Wind, 1967) and Armstrong and Kotler's (2006) *Stages of the Business buying process*. They both start with a problem or need recognition followed by a need description, product specification, supplier search, proposal solicitation, supplier selection, order-routine specification and finally the performance review (Armstrong & Kotler, 2006).

Lancaster and Jobber (1994), claim that you need to understand the structure, the process and the content of organizational buying behavior in order to understand how they make their purchases. The structure refers to the buying centre and its composition, while the process refers to different steps from need to evaluation of the purchased product. The content is about evaluating the criteria used to make a purchase decision. These criteria are usually known as economic and non-economic criteria, or otherwise known as tangible and intangible attributes.

These factors and the role they play in a purchase decision is of great importance as they connect to brands and might raise a certain emotion, which is why we will look more closely into this rather than the buying process as a whole.

2.3.1.1 New task or re-buy

When examining these stages it is important to make a distinction between a first time buy, a modified re-buy and a straight re-buy. A purchase made for the first time is considered more complex as more decision makers are involved as well as other influences on the buying situation. A straight re-buy, on the other hand, normally means that the company more quickly passes through the process (Fearne & Mawson, 1996). One difference between the three mentioned buying situations is the required information search. A straight re-buy is a routine decision in which a buyer buys something without modifying the order, hence no information search. In a modified re-buy, the buyer wishes to modify product specifications, terms or prices. A new task situation implies a larger number of participants in the decision making since it involves a higher risk and more decision making, making it a situation where thorough information search is necessary (Armstrong & Kotler, 2006).

2.3.2 Factors affecting organizational buyers' decision

Organizational buyers have a history of being thought of as analytical and technical when making decisions, which has led to the assumption that what is known to work in B2C may not be applicable in a B2B-setting (Soderlund, Vilgon & Gunnarson, 2001). Sherlock (1991) along with Hutton (1997) objected to this, and proposed that psychological features, such as emotions and perceptions, should be taken into consideration in order to understand the decision process in industrial markets, and thereby give the process more of those characteristics normally associated with B2C. Although many researchers agree that industrial buyer behavior and consumer behavior differ, some propose that their marketing practices could be if not the same, at least similar (Bennett, Hartel & McColl-Kennedy, 2005; Coviello & Brodie, 2001). In order to support this, it is stressed that both industrial buyers and consumers share the element of the actual decision makers being human, which would imply emotions having an influence also in the industrial environment (Mudambi, 2002; Zainuddin, Russel-Bennett & Hartel, 2007). Armstrong and Kotler (2006), stress emotions as one of the influences in decision making, this would imply that the brand together with its intangible values has an increased affect on decision makers. It's important to remember, however, that the role emotions play for purchasers may differ within the buying centre. What is considered important for one member might be of more functional character, while others are rather focused on the emotions brought to them by a brand (Lynch & De Chernatony, 2004).

2.3.2.1 Intangible and Tangible attributes

As mentioned, earlier researchers' findings would suggest organizational buyers to value functional attributes above all others. Later studies argue that they in fact appreciate intangible aspects other than the functional ones connected to the product (Mudambi, 2002), even though the studies in this area are far from exhausted. There are, however, several explanations and definitions of what in fact is an intangible attribute and not. An online marketing dictionary defines it as *"the unobservable characteristics which a physical good possesses, such as style, quality, strength, beauty, etc"* (Babylon dictionary). Lynch and De Chernatony (2004), on the other hand, makes a connection more specifically to the brand and suggest it being the emotional and psychological elements of brands such as trust, image, reputation and reassurance. In their definition, quality is rather a tangible attribute along with price, product specification, customer service and supplier reliability. Mudambi (2002) claims quality to be something tangible as well.

Also Bendixen (2004) emphasizes on reputation and gives examples on how it has been found to be highly rated as important in earlier made studies. Levitt (1995), for example, stated that reputation was more important than the actual sales representation, especially in high risk situations. His findings supported an earlier study made 1974 by Lehmann and O'Shaughnessy that showed supplier reputation being one of the most highly rated attributes. Bendixen (2004) further brings up perceived product reliability as an important intangible attribute, together with incomplete or conflicting information about the product, general reliability, willingness of the company to help in case on an emergency, service quality, the understanding between service providers and customers, country of origin, trustworthiness and pleasantness. Tangible attributes according to Bendixen considered to be something that is quantifiable by measures and suggests it to be number of defects, the product life, and the lead time, number of late deliveries, technical and financial support and the financial stability of the supplier.

The business climate of today puts sellers in the position of having to differentiate in other ways than through the bare product (Mudambi 2002). Both tangible and intangible assets affect a buyer's perception of a brand and what in the end differentiates are dimensions far beyond functional features (Zaichkowsky, Parlee & Hill, 2010). Competence, attitudes and relationships are examples of intangible assets highlighted as value creating for B2B-firms according to Zaichkowsky, Parlee & Hill (2010). The creation of added value is suggested to be connected to the emotions generated, that is; added value to a product is affected by emotional feelings for a brand (Lynch & De Chernatony, 2004).

Having our specific study in mind, we have decided to define intangible attributes as all the

attributes you cannot touch, for example reputation and perceptions of a certain brand, including trust and perceived product performance. The concept of quality will be considered potentially tangible as well as intangible. Various definition of quality refers to the product actual performance and not the perceived performance, we choose to keep an open mind since we believe that tangible attributes could in turn evoke intangible attributes such as trust. The concept of quality in the hotel and restaurant industry will be further elaborated in our empirical findings

2.3.2.2 Organizational factors

Clearly, there are other factors that influence decision making besides emotions, such as organizational factors (Armstrong & Kotler 2006). An example of this is to what extent procedural control is present within the organization, which refers to how formalized the decision process is. It can include special manuals to follow, approved lists and other kinds of rules-of-thumb guidelines (Brown, 2007), prior experience is another factor present in a purchase decision. Mudambi (1997) brings up product performance as important for value creation, and a critical point in the decision process being the experiences of earlier purchases of specific brands. Even if two products appear identical, the expertise developed through earlier purchases of a similar product may have great influences on the actual decision.

2.3.2.3 Decision characteristics

Organisational buyers usually face a different complexity in the decision making than consumes. Significant economic consideration is generally taken into account together with a high technical level on the product, making it necessary for consideration of expert judgements. In the end, large sums of money is at stake implying a more formalized and detailed process that can take a considerable amount of time. Also, in the B2B environment, buyers and sellers tend to have a much closer relationship and be more dependent on each other. Some sort of customization of the product is also usually made (Armstrong & Kotler, 2006). Normally, purchase decisions are conducted by a buying centre consisting of all those, individuals and units, involved in and playing a role in the decision process. This is everyone from the actual users and those who influence to those actually making the purchase decision.

2.3.2.4 The individual within the buying centre

Hutton (1997) tested in his study certain principles of organizational buying theory. He found support for earlier studies suggesting that industrial buyers wish to achieve personal goals based on their specific organization's reward structure. This is an interesting angle, that is somewhat missing in many theories regarding organizational buyer behavior, since it brings up the individual within the buying centre. The earlier study was made by Anderson and Chambers

(1985) and they claim that individual's behavior when in an organization is strongly affected by how they are awarded and measured. There are, however, some problems regarding this approach. As opposed to a selling part of an organization, the buying function is more difficult to reward as it is harder to measure and evaluate the activities made by the employee. This would imply difficulties for an organization to control those in charge of purchases (McQuiston & Dickson, 1991). Personal failure along with perceived risk and time pressure was ultimately shown to be important factors in brand decisions (Hutton, 1997). This is supported by Armstrong and Kotler (2006), as they state that individual factors influence business behavior. Besides the personal attitude towards risk, they also bring up personal motives and preferences along with personal characteristics such as age, education and professional identification.

A main conjecture in organizational buying behavior theories is that the more an individual believes the purchase will have personal consequences, either good or bad, the more he or she will try to affect the outcome and decision making. The individual will under these circumstances also participate more in the problem recognition, information search, alternative evaluation and the different stages of the purchase decision (McQuiston & Dickson, 1991).

2.3.3 Risks

Risk can be defined as a perception of unfavorable consequences and uncertainties connected to a purchase (Dowling, Staelin & Valenzuela, 1994). Purchases within the organizational context are often characterized by being considerably large, and thereby involving a higher degree of risk than for buyers in the B2C-sector (Zainuddin, Russel-Bennett & Hartel, 2007). Brands have taken the role of making it possible to anticipate the consequences of a purchase as they come with the perception of a product that is the same every time you buy it. Kapferer (2008, p. 11) stresses that a brand must communicate certitude and trust, and claims that: *"where there is no risk, there is no brand"*.

2.3.3.1 Brands as risk reducers

In all buying situations, brands have a role of lowering the perceived risk connected to the purchase (Hawes & Barnhouse, 1987). As discussed by Mudambi (2002), and supported by Brown (2007), there are certain situations when brands have more significance than others, one of which is a purchase concerning products of great importance to the company. In these situations, the buyer is expected rely on products with a well-known brand. Known brands, as opposed to unknown, come with a perception and could have an emotional benefit that reduces both risk and uncertainty, two concepts that have recognizable costs to both the individual and the company (Mudambi, 2002). Unlike an individual consumer, who only has to be concerned with his own personal risk, buyers in an organizational context face two types of risks; both a

personal and an organizational (Mitchell, 1995). Because of the extra dimension of organizational risk, it is suggested that this role of risk reduction is even more important in B2B (Hawes & Barnhouse, 1987). Choosing a well-known brand could benefit the buyer by rising confidence over the purchase as well as predicate earlier experience and relationships to the brand (Mudambi, 2002).

2.3.3.2 Personal and organizational risk

This second dimension of organizational risk, would imply that a typical B2B company making more rational purchase decisions (Bunn, 1993). Hutton (1997) shows through his studies that organizational risk seems to be of larger concern conceptually, but the fear of individual failure shines through and might be the more important factor when deciding on a brand. Brown built on this in his dissertation from 2007, where he concluded that the perceived effects of taking risks has a strong impact on brand sensitivity in organizational settings. He also examines the concept of buyers using brands as a way to reduce risk and concludes that even though the potential effects of taking risks moderate brand sensitivity, individual risk attitude does not (Brown 2007). In previous research, buying a well known brand is generally considered as a safe bet and a way to avoid risk, for example *"nobody ever got sacked for buying IBM computers"* (Hutton, 1997, p. 438). We choose to define the majority of people as being risk averse and does not expect to find any evidence of risk-prone personalities within the group of purchasers interviewed.

2.4 Brand Sensitivity

Current research on brand sensitivity focuses mainly on the brand sensitive consumer, leaving the organisational buyer relatively unexplored. Studies on brand sensitivity in various food segments made by Moskowitz, Porrett and Silcher (2005) suggest that teenagers are more brand sensitive than adults but make no other segmentation. Besides research preformed by Hutton (1997) and Brown (2007, 2010) brand sensitivity in a B2B environment is basically unexplored territory. In the interest of this thesis we choose to accept findings regarding consumer research as potentially applicable to the purchasers in the hotel and restaurant industry. Even though the area of brand sensitivity in B2B has been of interest to researchers since the mid 1990s, few studies challenge each other but tend to rather build on existing research to further develop this somewhat under prioritised area of research.

2.4.1 Definitions of brand sensitivity

Lachance, Beaudoin & Robitaille (2003) defines in their research consumers and their brand sensitivity in clothes purchases as *"a psychological construct that relates brands to a buyer's decision-making process"* (Lachance, Beaudoin & Robitaille 2003, p 48). Hutton (1997, p. 430),

being one of the first to study brand sensitivity in an organisational context describes brand sensitivity as *"the likelihood of buying a well-known brand instead of an unknown or "generic" brand of product based on differences in product and situation variables"*. This is the definition generally accepted by researchers within the field of brand sensitivity (Brown, 2007; Amine, 1998). For the purpose of this study we chose to define brand sensitivity according to Kapferer and Laurent's (1988) description: as being a concept that describes the role that brands and branding plays in the decision process preceding a buying act. This definition is based on consumer research but considering that purchasers in hotel and restaurants often works individually and not in buying centres we argue that a more broad definition is to prefer. Further this allows us to examine the relative role of well known brands plays against each other in the decision process.

2.4.2 Variables of brand sensitivity

In their study, comparing well known brands with unbranded or private label brands, Kapferer and Laurent (1988) recognised for the first time a need to measure to which extent brands affect the buyer's decision-making process. They introduced the idea of measuring a brand's strength not by its market share or number of buyers, but by calculating the number of customers who are brand sensitive (Hutton, 1997). They concluded that one cannot measure average brand sensitivity in a market because the within-market variation is so large. Rather, one must categorise buyers in subgroups of high, moderate and low sensitivity. These findings lead to the conclusion that consumers do not express an even level of brand sensitivity across all product categories, and that there are a certain set of variables significantly associated with brand sensitivity. Variables with a positive correlation to brand sensitivity where: perceived difference of performance between brands, consumer's competence in product category, symbolic value of brand, perceived risk/importance of brand choice and the purchasers own interest in product category. Negative correlation was detected for the two variables past disappointment with product and fast-moving or fast-changing category (Kapferer & Laurent, 1988). The results of Kapferer's (2008) further studies enforced the notion that brand sensitivity differs between different product categories. He drew the conclusion that few consumers are concerned about the brand when buying for example a writing pad, toilet paper or a pencil. He also suggests that this is applicable to companies and the B2B market as well.

Brand sensitivity, as described by Kapferer and Laurent (1992), is a concept describing the role brands and branding play in the decision making process preceding a buying act. This is not the same as brand loyalty which refers to the repeated buying of a certain brand over time. Amine (1998) argues that a consumer who is highly involved in a product category is extremely likely to be loyal to a particular brand. He defines brand sensitivity in relation to loyalty as a direct

antecedent of brand loyalty and a variable describing the consumers' tendency to use brand information as an important determining criterion in the decision process (Amine, 1998). Brand sensitivity can thus be seen as a factor influencing brand loyalty since the latter cannot exist without the consideration of brands in the buying process (Kapferer & Laurent, 1988).

2.4.3 The difference between organizational buyers and consumers

As mentioned previously, the general idea was that organisational buyers were different from consumers and that particular efforts had to be made in industrial marketing. Gordon, Calantone and Benedetto (1993) were early in investigating the difference between industrial buyers and consumers. Even though the study was made with the purpose of exploring the concept of brand equity as it applies in B2B product marketing, the conclusions made are applicable to brand sensitivity in industrial settings. They found that industrial buyers consider the company name and its reputation before the specific brand, thus choosing a supplier is the same as choosing a brand (Gordon, Calantone & Benedetto 1993).

Mudambi (2002) lists in her article a set of characteristics that separate consumer markets from industrial. She gives examples of tangibility playing a more important role in industrial settings and more widespread customizations of products. However, the importance of relationships, whether it is consumer and his retailer or organisational buyer towards a seller, is given equal emphasis. Her greatest difference is the complexity of products in organisational settings, an aspect not necessarily applicable to this study since the three selected product categories are all considered being of low importance and low complexity relative other purchases made by the restaurant. Brown (2007) agrees with Mudambi on several points and discusses in his dissertation on determinants of brand sensitivity in organizational buying contexts various opinions on the differences between brands in B2B and B2C situations. He concludes that industrial buyers tend to progress through purchase stages, from need recognition to post-purchase evaluation, and that industrial purchases are made with some kind of public, rational discourse regarding the purchase. Another great difference is that in organisational buying the purchase decision is more often than not made by a buying centre consisting of many people, as supposed to the consumer who generally makes individual decisions.

In his study of organisational buying Hutton approached the issue of brand sensitivity in business contexts (Hutton, 1997). He developed a somewhat contradicting theory saying that the industrial buyer's motivations are as much personal as they are corporate. He concludes that if personal motivation matters in organisational buying, then brands must behave in the same way in both contexts. Not completely discarding the "classic" view of industrial buying he states that *"A rational element exists in decision making but this shares its space with perceptions and*

sensitivities driven by the brand" (Hutton, 1997, p. 438). Similar to this study the personal views of brands and the individual perceptions of the buyers are considered. Most researcher today seem to agree that the earlier "gap" between organisational buyers and consumers are closing and that consumer based research are more and more applicable in B2B settings (Mudambi 2002: Brown, 2007; Bendixen, 2004). One should not forget that buying centres are made up by individuals and not machines. Or as Dean Ricket, famous copywriter and consultant say "*Never forget that business is business, but people are people.*" (Dean Ricket, 2002)

Having concluded that brands do matter in industrial settings he introduced the theory that organisational purchasers are more prone to choose well known brands, and are thus more brand sensitive, when the risk of organisational or personal failure is high (Hutton 1997). He states that the risk of organisational failure is a stronger motivator than personal failure due to the social aspect and responsibility to the organisation. However the risk of personal failure predicts the actual brand choice.

2.4.4 When it occurs

This topic is still somewhat unexplored and previous studies tend to build on each other and be more exploratory than contradicting. Together, combined with studies on brand equity, they are still developing and testing models and determinants of brand sensitivity. Hutton's research (1997) was based on different brands in personal computers, copiers, fax machines and floppy disks. Browns research had no specific market but targeted industrial buyers. To our knowledge no research as to this day has been conducted on brand sensitivity regarding food purchases in the hotel and restaurant sector. Even though the study was performed on a different sector and product category, we believe that this could be applicable on our area of research. Hutton hypothesised that organisational buyers will choose well-known brands over unknown or generic brands when certain conditions apply (Hutton 1997). Brown agreed in his dissertation and suggested that situation variables such as purchase importance, complexity, novelty and time constraints influence a firm's brand sensitivity.

The central question in their studies was; under which conditions an organisational buyer is more or less brand sensitive? Hutton (1997) identified eight factors that play a part in selecting a specific brand: *availability; brand reputation; customer service; innovativeness; price; quality; personal relationship with supplier; reliability*. The respondents of his survey were asked to rank these in order of importance. The results of this study suggests that reliability ranks the highest when considering a product that you would recommend to someone whilst the brand reputation had the largest effect on the buyers willingness to pay price premium. The ranking of these factors will depend on the situation of the purchase. If the buyer is personally interested in the

product category, if the product is complex, if the product's failure to function properly will create problems for the organization or the buyer as a person, and most importantly if the purchaser has limited time and is therefore restricted in his ability to gather and process information about alternatives. Hutton concluded that if any of these conditions apply, the purchaser is more likely to select a well known brand, and thus be more brand sensitive (Hutton, 1997). He also stated that organisational buyers choose well known brands as a mean to reduce risk, in particular the risk of personal failure, and that they continuously strive to achieve personal objectives based on the organisations reward structure. To this Brown later added the interesting dilemma of how the effects of these buying conditions affect the group dynamic of the buying centre as the various members might act differently on the aforementioned conditions (Brown, 2007).

Hutton's study confirmed that brand sensitivity did indeed exist in organisational buying and that it also has potentially important theoretical implications. The organisational buyer or buying centres likelihood to choose a well known brand will depend on the purchase context, important or complex product, and the perceived intangibility of the product. For future studies he suggests research on other product categories as well as other industries, something we have consequently drawn on.

2.4.5 For whom it occurs

Susan Mudambi draws in her paper from 2002 both on previous brand sensitivity research (i.e. Aaker, 1996; Hutton 1997) and insights from former consumer research in order to answer the question: to whom is branding important? This question directly relates to brand sensitivity; if you care about brands then you are very likely to be brand sensitive in your decision making. She is also one of the few researchers on the topic focusing on industrial buyers. She suggest that one cannot look at brand sensitivity only from the product category angle and agrees with Hutton (1997) that the degree of brand sensitivity differs on the *context* in which it is made but also *who* is making the purchase. Mudambi's research is similar to ours in the way that it divides the variables affecting brand sensitivity according to different categories. In Mudambi's case these were firm, buyer, and purchase situation and decision process. The product used in her study bearings, a mechanical part, mainly because it was a differentiated product. She thereby excluded highly customized products, industrial durables, and commodities. Our research is based on commodities, colonial products for the kitchen, which is why her research might not be directly applicable. We feel that large parts of her findings are generalisable over other product categories as they focus on the purchaser not the product.

Prior research on organisational buyer segmentation and branding includes Schorsch (1994) who in their study on North American flat-rolled steel industry identified three customer

segments. Committed customers who values close and long lasting relationships with suppliers. Service interested buyers who focus on quality and performance and finally the price sensitive buyer who is mainly concerned with getting a low price and keeping costs down. Mudambi (2002) built on this research but included the situational context as well.

Mudambi (2002) identified through surveys and exploratory interviews different types of buyers, purchase situation and decision processes. These different types were organised in clusters and she concluded that one was particularly branding receptive. The combination of a sophisticated buyer who buys large volumes through thorough and open-minded decision making are the ones most likely to be brand sensitive. Branding receptive buyers are also more likely to have more than one supplier, but in return have high purchase loyalty to them. However she admits to overlaps existing between the clusters and concludes that one should see them as clusters summarising purchase situations not buyers (Mudambi, 2002). In summary, she states that *"Branding is not equally important to all companies, all customers, or in all purchase situations"* (Mudambi, 2002, p. 531) and that buyers might change their mind and choose one brand in one situation and change preferences in a different situation. For any given product there will also be different kinds of buyers who focus on different physical specifications and price, some who have a deep interest in the purchase and some who are just doing their 9 to 5 job.

2.4.6 Determinants of brand sensitivity

Brown's dissertation *"Determinants of brand sensitivity in an organisational buying context"* can be considered the most empirically rigorous study of branding, brand sensitivity, in organisational buying to our knowledge. He drew, just like Mudambi (2002) on consumer research such as Kapferer and Laurent (1988) but also on previous B2B research (i.e. Kotler, 2006; Bendixen, 2004; Mudambi, 2002; Hutton, 1997), and developed a framework to measure the determinants of brand sensitivity. Brown identified six factors directly influencing brand sensitivity. He also hypothesised that all of these factors would be moderated by personal risk aversion from the buyer. These variables can be found in both Hutton (1997) and Mudambi's (2002) research and synthesises it into one model.

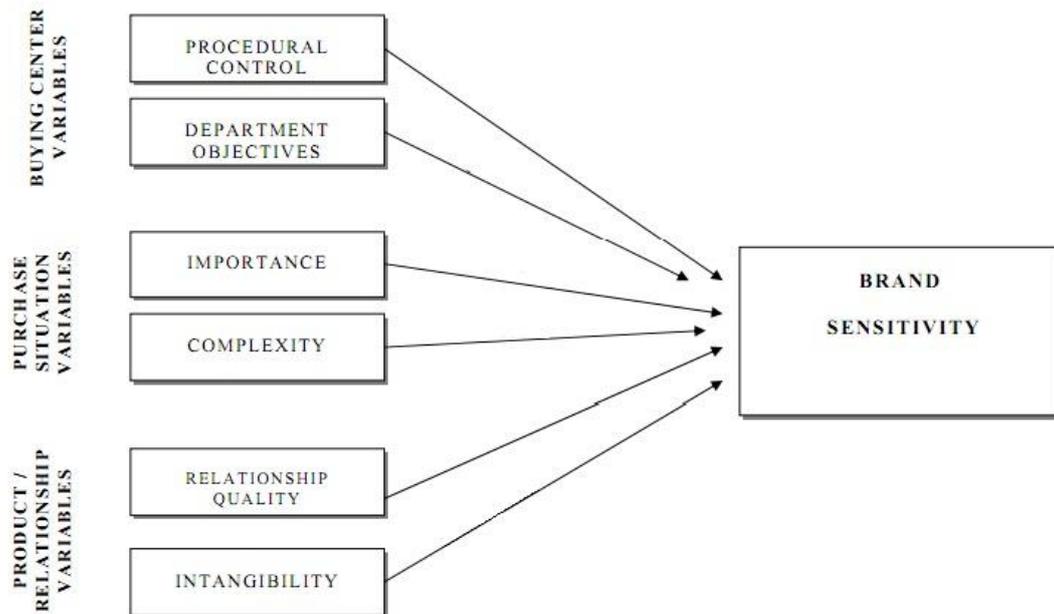


Figure 1: Determinants of brand sensitivity according to Brown

Determinants tested by Brown on products being re-bought, expensive and operating supplies, raw material or a capital item adapted from Brown (2007, p 135).

2.4.6.1 Procedural control and Department Objectives

The buying centre variable procedural control refers *"the extent to which established policies, procedures, or transaction precedents guide purchase evaluation"* (Brown 2007, p. 56) and departmental objectives differ between quality dominant and cost dominant and refers to *"the stated or implied goals, expectations and objectives of a department"* (Brown 2007, p. 71).

2.4.6.2 Importance and Complexity

Brown (2007) categorises the purchase situation similar to Mudambi (2002) considering the importance and complexity of the purchase. Purchase importance measures the perceived impact this specific purchase will have on the organisation. This can include, but is not limited to, large volumes, expensive equipment or central parts in production. Complexity is moderated by the amount of information the purchaser or buying centre has to collect and evaluate in order to make a decision. We do not expect any of our three chosen product categories to rank high on these two variables due to the fact that they are almost always re-buys and generally used in very small quantities compared to other products in the kitchen.

2.4.6.3 Relationship quality and level of intangibility

Lastly, Brown conceptualises relationship quality as *"the combination of trust, satisfaction, and commitment dimensions"* (Brown, 2007, p. 72). This refers to the relationship between the buyer

and supplier. The level of intangibility refers to the product itself. The most common definition, physical intangibility, determines the extent to which a good cannot be seen or touched, for example trust or reputation (Brown, 2007).

2.4.6.4 Determinants affect on brand sensitivity

These mentioned variables were tested on a large number of respondents over several industries, with the common denominators that the purchase in question had to be fairly expensive and a re-buy. The product also had to be operating supplies, raw material or a capital item. Brown hypothesised that a high level of procedural control would have a negative effect on brand sensitivity, and that *“departmental objectives will directly influence a buying centre’s level of brand sensitivity. More specifically, dominant functional areas that are quality oriented will be more brand sensitive than dominant functional areas that are cost-oriented.”* (Brown, 2007, p. 58). Both of which were confirmed. He also concludes that intangibility is the most dominant determinant of brand sensitivity. However, there was no significant evidence of brand sensitivity being affected by importance or complexity of the purchase. Brown’s study failed to confirm individual risk attitude as having a moderating effect on the other variables, however he did recognise it as having a direct effect on brand sensitivity. He also detected differences between survey and experimental findings suggesting that the topic of individual risk needs further research (Brown, 2007).

Even though all of the variables did not have a significant effect in this particular study; we consider it to be of interest to test whether or not the effect would differ in different industries and product categories, something we will draw on in our study of the hotel and restaurant business.

2.5 Theoretical framework for the study

This literature review points out several factors having an influence on brand sensitivity and organizational buying behavior. Several factors have also been identified in both fields and thereby point out an existing connection between the two. Below are presented the different factors affecting organisational buying behavior (OBB), brand sensitivity (BS) and the factors influencing both.

Factors influencing OBB	Description	Main references
The buying centre	Consists of all those, individuals and units, involved in and playing a role in the decision process.	Armstrong & Kotler 2006, Lancaster & Jobber 1994,
Derived demand from consumers	Demand in B2B ultimately comes from the demand of consumer goods.	Armstrong & Kotler 2006
First time buy, modified or re-buy	This refers to whether the purchase is of a new nature and requires extensive information search or if the purchase is more routine.	Fearne & Mawson 1996, Armstrong & Kotler 2006
Previous experiences	The purchasers experiences from earlier made purchases, of the same brand or purchases in general.	Mudambi 1997, McQuiston & Dickson 1991.
Individual awards, measurement and consequences	An individual's behavior when in an organization is strongly affected by how they are awarded and measured.	Hutton 1997, Anderson & Chambers 1985, McQuiston & Dickson 1991

Figure 2: Factors influencing OBB

Factors having an influence on both OBB and BS	Description	Main references
Brand equity	Refers to all the positive attributes assigned to a product due to its brand name as supposed to an identical product with a different name.	Hutton, 1997. Bendixen, 2004. Keller 1993.
Intangibility	The level of intangibility of the product, the more intangible the higher the brand sensitivity. This refers also to intangible attributes associated with the brand.	Mudambi 2007, Lynch & De Chernatony 2004, Bendixen 2004,
Buyer characteristics	The personal characteristics of the purchaser such as traditional and moderate, objective and, sophisticated, uninvolved and indifferent. This also includes the purchaser's personal interest in the product category.	Mudambi 2007, Lynch & De Chernatony 2004, Zainuddin 2007, Kapferer & Laurent 1988
Relationships	Refers to whether the purchaser has a strong or weak relationship to the supplier, producer or product.	Mudambi 2002,
Procedural control	The level of procedural control of the decision process present. This includes special manuals to follow, approved lists and other kinds of rules-of-thumb guidelines.	Brown 2007,
Economic considerations	The amount of consideration put into price and cost cutting.	Armstrong & Kotler 2006
Organisational risk	The potential risks associated with the purchase that will damage the organisation, for example financially or though decreased quality output.	Bunn 1993, Hutton 1997, Brown 2007, Kapferer & Laurent 1988
Personal risk	The potential risks associated with the purchase that will affect the purchasers personally for example damaging his or her image or reputation within the company.	Hutton 1997, Brown 2007

Figure 3: Factors influencing both OBB and BS

Factors influencing BS	Description	Main references
Brand awareness	Including the three levels of brand awareness: Brand recognition, brand recall and top of mind.	Keller, 1993. Aaker 1996. Kapferer, 2008.
Product characteristics.	The type of product the purchase concerns has an impact; this differs from purchaser to purchaser.	Kapferer 2008, Kapferer & Laurent 1988
Purchasers competence	If the purchaser has knowledge of the product category, this can decrease the need for new information.	Kapferer & Laurent 1988
Past disappointment with product	If the purchaser have negative experience from the specific product category. This is expected to have a negative effect on brand sensitivity.	Kapferer & Laurent 1988
Fast-moving or fast-changing category	If the product category involves new technology or have a high level of innovativeness continuously changing.	Kapferer & Laurent 1988
Perceived differences	Differences in product attributes included in previous research are availability, brand reputation, customer service, innovativeness, quality, reliability and perceived performance between brands.	Kapferer & Laurent 1988, Hutton 1997,
Purchase situation	The variety of purchases that can occur. Typical, product-oriented, highly important risky purchases or routine, purchases posing little risk. These can also be divided into more or less complex and important purchases.	Mudambi 2002, Hutton 1997, Brown 2007
Department objectives	The purchasing department, or companies objectives, these can be focused on either quality or cost reduction.	Brown 2007

Figure 4: Factors influencing BS

2.6 Summary of theoretical framework

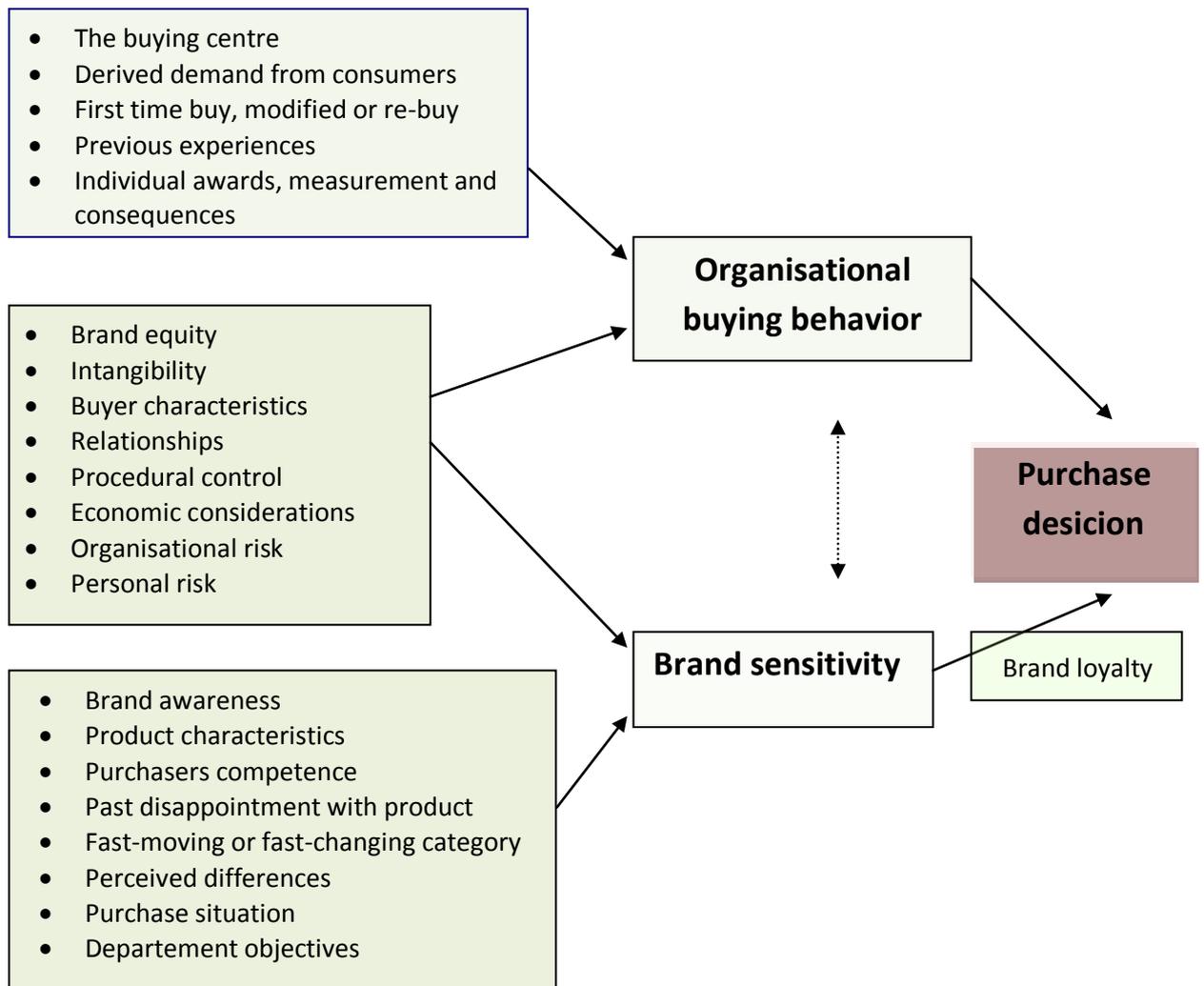


Figure 5: Summary of theoretical framework

This framework demonstrates factors identified from previous research and their relation to organizational buyer behavior and brand sensitivity. Certain factors have been addressed in both research regarding organizational buyer behavior and BS, which is why these has been combined in a box affecting both. All of the factors are presented in the order they appear in our literature review, the order has thus nothing to do with the level of impact they have on the two subjects. We have also found that brand sensitivity and organizational buyer behavior to some extent affects each other. Both organizational buyer behavior and BS have been found to effect the final purchase decision being made.

The arrows indicate which factor that affect others, and brand loyalty has been placed as an effect of brand sensitivity, all according to previous research. Our framework differentiates itself from previous ones mainly by combining the two areas brand sensitivity and organizational buyer behavior. We consider this framework to give a broader view including more potential

factors influencing the purchaser's decision. It also shows the relation between many of these, relationships that are somewhat apparent when comparing previous research but which have to our knowledge not been pointed out before. Brown (2007) for example, has a well developed framework but focuses only on determinants of brand sensitivity; Mudambi (2002) includes the decision process and the choice being made, as well as the aspect of buyer characteristics but lacks specific factors and details. Hutton (1997) worked mainly around a set of hypotheses and, being one of the first researches' to explore the subject brand sensitivity, focused heavily on brand equity.

One possible weakness of our framework is the size. We are aware of the complexity that this many variables entail but since no similar prior research on the hotel and restaurant industry has been found, no variables could be completely disregarded. Further on, we consider the relationship between organizational buyer behavior and brand sensitivity to be so strong that neither this can be disregarded.

This framework is the foundation of our interview guides (appendix two and three). Every question responds to a certain area of the framework and all factors are addressed, either in survey-like questions asking the respondent to rank variables or expected to be addressed in our open-ended questions. The structure of semi structured interviews allows us to let the respondent address factors as they naturally occur in the decision process. It also allows for us to ask specific questions in order to detect differences in opinions. This connection is further explained in connection to each question in the interview guide, see appendix two and three.

2.7 The value of our framework

This framework is a first step in fulfilling our purpose with this thesis. It combines, in a new way, factors influencing organizational buyer behavior and brand sensitivity identified in previous research, as well as the relationship between the two. The connection between and the combining factors influencing both organizational buyer behavior and brand sensitivity is clearly demonstrated. A first indication of inter-relation is also detected.

Previous frameworks designed to study purchase decisions lack the level of detail that our framework displays. The richness of aspects in this framework is what we believe makes it a useful tool in increasing the knowledge of brands role in organizational decision making and other factors influencing it. Our framework, being a combination of theories regarding several aspects influencing the purchase decision, provides a broad base for future empirical research.

CHAPTER 3

METHODOLOGY

2. Methodology

In this chapter we will present our method approach and methodological considerations. Our three cases will be presented more in-depth and selection criteria's for cases as well as respondent will be explained.

3.1 Method approach and considerations

We initially preformed a literature review of existing theories on brand sensitivity, organizational buying processes and behaviors and brand awareness. At this stage it was crucial to select what theories are relevant for our study and within which area we would our research. Based on the information gathered here, we have constructed a specific theoretical framework for our study which will form the base for our empirical research. Including theories and factors that are likely to explain the purpose of this paper can be considered a *deductive* approach (Bryman & Bell, 2003). However, the approach of this thesis can also be considered *inductive*. Our initial framework is designed to operate as a set of synthesizing categories, allowing us to observe and analyze key features that do not directly correspond to our framework. Hence, the way the framework is used allows for both deductive testing and inductive theory generalization. Considering the inductive and deductive element in our study, this thesis could best be described as an *adductive* study (Alvesson & Sköldberg, 1994)

In fulfilling the purpose of this study we will conduct a series of qualitative case studies based on semi structured interviews with purchasers in different hotels and restaurants. The main reason for choosing qualitative case studies is due to the complexity of the relationship described in the purpose and the richness of our theoretical framework. A quantitative survey such as a close-ended survey would not provide us with the desired depth and details in data that we need for our analysis. Using an inductive approach in our interviews with open ended questions allows for this.

Previous research on brand sensitivity and organizational behavior has been a combination of quantitative and qualitative approaches, depending on the different stages of the research (Mudambi, 2002; Brown, 2007; Bendixen, 2004). However due to the limitations of this paper, it being a master thesis and not a dissertation, as well as the arguments presented above we will focus on the qualitative approach developed for this kind of studies. Another reason for choosing a qualitative approach is the lack of previous research on this specific area of purchasers, i.e. hotel and restaurant sector. Since we will attempt to apply existing theories on a new empirical area, a qualitative approach allows us to be open and sensitive for variations and details necessary to further develop theories in this area. We strive to analyze personal experiences, what is important in the decision process and the respondents' attitudes towards brands. Using

semi-structured interviews allows us to detect finer aspects and potential relationships between the factors in our theoretical framework (Kalling, 1999). Further, this will give us the opportunity to follow a similar line in our interviews to ensure generalisability, but also to allow follow up questions and deeper explanations where we find it necessary.

Miles (1979) points out the fact that qualitative research might experience problems in the analytical phase. We will therefore depend heavily on the richness of our theoretical framework in order to avoid issues in the analysis phase of this thesis. A quantitative approach could probably have been used, but that would have required close ended questionnaires and would have deprived us of the important aspect of individual examples and elaborations. Our interviews will have both qualitative and quantitative elements consistent with Bryman's (1989) description of case studies and be based on three cases.

3.2 Criteria for choosing cases

Prior to performing our interviews we have considered Hutton's studies (1997) on brand evaluation and selection processes. He suggests that B2B processes are conducted by large groups, buying centers, rather than individual consumers. In the interest of our purpose we chose to perform interviews with responsible purchasers of various restaurants and hotels, purchasers often acting as individuals and not buying centers. We interviewed purchasers both on a central and local level. In doing so we hoped to identify potential differences in brand sensitivity depending on where in the organization the purchase decision is being made. Central purchasers are those negotiating tenders and offers binding for all restaurants in that particular chain. We believe that these purchasers act more in accordance with traditional B2B. Local purchasers often work actively in the kitchen and might act more as consumers than purchasers.

3.2.1 Cases

Case studies are a form of qualitative research well suited for the purpose of this thesis. These kinds of studies are the most common approach when the research questions are of a "how" and "why" nature (Yin, 1994). Since we will aimed to understand the daily purchase decisions being made in hotels and restaurants, a previously unexplored area of research, and based on this test and develop existing theory from previous research on brand sensitivity in B2B, case studies where the preferred research method (Bryman, 1989)

According to Yin (1994), case studies can be of either single or multiple-case designs. Since single case studies are used primarily to challenge theory or represent a unique or extreme case we have decided to use multiple case studies; namely three. This decision is also based on a desire to avoid problems with generalisability that often occur in studies using few cases (Leonard-Barton, 1990). Using only one case *could* have been possible considering the richness

of our theoretical framework; however, we concluded that three cases would give us a depth and further credibility to our analysis. In accordance with Eisenhardt (1989, p. 533), we focus on the theoretical usefulness of the selected cases trying to replicate or extend existing theory on the subject.

Our three cases have been tested through interviews with 22 respondents from different segments in the hotel and restaurant sector. This combination provides us with a well balanced mix of aspect-rich and observation-rich research. Since the aim of the study is not to secure statistical generalisability, but rather to provide us with data for analytical generalisability (Yin, 1994), we consider 22 respondents to be sufficient. By selecting a specific population, purchasers, we hope to sharpen the study's external validity (Eisenhardt, 1989).

3.2.2 Case features

Our three cases applied on existing theories on organizational buying behavior from the base for our semi-structured interview guide, which we used on all of our 22 respondents. We are well aware of the generalisability problems that might occur using few cases but we hope to avoid the problems by using three cases rather than one. (Leonard Barton, 1990; Eisenhardt, 1989). Using three different cases from the food sector also increases the possibility that all respondents can closely relate to a minimum of one of these cases and thereby provide us with relevant thoughts on what matters in that specific decision process.

3.2.2.1 Three categories

We have selected three product categories used frequently in most kitchens. The reason for choosing three and not 10 is partly because of our rich theoretical framework, and more than three would simply give us too rich data to process during the time span of this thesis. We also consider these three categories representative for the colonial products used in the kitchen. We have intentionally chosen to avoid perishable food categories as we have noted the concept of brands not being as strong in these categories and suppliers differ widely over our chosen geographical regions.

The selected categories are;

1. A product that can be used both front and back-house and might have different brand sensitivity depending on this. This is tied to the effect of derived demand existing in restaurants.

2. A product used only “back-house”² and never in front of the guests.
3. A product category which has a large range of brands and areas of use. Zablah, Brown and Donthu (2010) suggest that the level of brand sensitivity increases with the competitive intensity in the segment. A product category with no apparent dominant brand should thus show higher levels of brand sensitivity.

Our reason for choosing these product categories is *because* they are all available to consumers. Earlier research on brand sensitivity has used products only available to professionals, for example medium voltage indoor circuit breaker panels (Bendixen 2004). This will provide us with the opportunity to partly examine the generalisability of previous research on consumer available products but also to detect potential differences and develop existing theory.

Our first category will be represented by *ketchup*. This product was chosen because of its obvious place on certain restaurants’ tables where the guests can easily see the brand selected by the restaurant. Ketchup is also used in sauces and other cooking in the kitchen. Another reason for select ketchup is because of the very limited amount of well known brands on the Swedish market. In general terms there are only two really strong brands available for purchasers combined with a thin selection of more anonymous brands.

For the second category we chose *bouillon*. This is the base of many dishes prepared in any restaurant and has a certain “professional” aspect to it since many chefs insist on cooking their own home-made bouillon. The bouillon market is just like the first category dominated by a few main brands making it suitable for this kind of study.

The final category is intended to test whether a more diverse portfolio of brands available has any affect on brand sensitivity, for this we chose *olive oil*. Oil is used at various stages in the cooking process, from the frying pan to a few thrifty drops on top of a salad. This category has, in the industrial sector, no obvious dominating brand. Many wholesale dealers also have their own brands further adding to the grand selection of imported luxurious oils from Italy, France and Greece.

We have decided to use three different cases due to the variations in segments in the hotel and restaurant sector. In order to ensure that all respondents, regardless of segment, could answer all questions in our interview, this variation in products was necessary. Few restaurants use all

² Back house refers to the hidden environment of the kitchen, the part of the restaurant the guest does not see. Front house on the other hand is everything that is out in the open, for example products placed on the tables.

three products equally, and in certain cases lack one of them altogether. A sports bar for example has a large turnover of ketchup while the same applies to Italian restaurants and olive oil.

We are well aware of the fact that these products are all available to consumers and that the respondent's views of the product and associated brands can be tainted by their personal opinions about the brand. However, this is one of the aspects that make this study interesting since that specific angle has been missing from previous research on brand sensitivity in the industrial sector (i.e. Bendixen, 2004; Mudambi, 2002).

3.2.2.2 Multiple respondents

We will perform 22 interviews with purchasers responsible at hotels and restaurants. As mentioned previously, our research does not attempt to create statistically valid data but rather to increase the generalisability of the study. Our respondents have the purchase responsibility in common, but some are also working as chefs in the kitchen and some are purchasers at a more central level, mainly in restaurants/hotels being part of a chain. The hotels selected all serve food other than breakfast. We randomly selected our respondents from lists available at delphionline.se, complemented by further information search to ensure that they fit our study. After short listing hotels and restaurants, we contacted them asking for the "person in charge of food purchases". In doing so we assumed, like Mudambi did in her research (2002), that the respondent had this as his/her main area of responsibility yet likely taking into consideration the desires of others in the decision making.

To ensure validity in the various segments we have chosen a minimum of two different respondents from all categories of restaurants and hotels. For example sport bars, top-range restaurants, and Italian restaurants. The chosen restaurants and hotels can be classified as budget, mid-range or luxury.

3.3 Choice of data collection methods

Our research follows the suggested steps from Bryman and Bell (2003). Data collection will be done through three different steps

1. As presented above, we have preformed a literature review in order to build the theoretical framework which will be the base of our continued research. In this deductive part of our thesis (Bryman & Bell, 2003) we have identified the relationship between organizational buyer behavior, brand sensitivity and the decision being made.

2. This theoretical framework is then developed into an interview guide supported by our three selected cases in order to enable us to gather the empirical data needed to fulfill our purpose. We will also gather secondary empirical data and perform observations in order to cross check facts presented in our interviews.
3. The final step is to analyze our framework in the light of new empirical findings and further clarify the relationship presented in step one. This is the part previously described as inductive (Bryman & Bell, 2003).

Data for this thesis was gathered through four different channels. As presented above, the first step included desktop research in order to deepen our knowledge about the subject and develop a theoretical framework. The second one was through interviews with respondents, sometimes combined with observations in the restaurant storage. Lastly we have complemented our interviews and the data drawn thereof with existing market research performed by a case company, secondary data.

3.3.1 Desktop research

The purpose of our desktop research was to create a better understanding for the subject and further deepen our knowledge on existing research as well as the peculiar atmosphere of the restaurant industry. The main source of information during this stage was research articles covering organisational buyer behavior, brand sensitivity and B2B branding. Since the research on this particular area is still fairly scarce, we have considered theories developed only in B2C context in order to get a richer theoretical framework. We also acquainted ourselves with the three selected product categories; Ketchup, bouillon and olive oil. Based on this research we compiled an interview guide (appendix two and three) where each question responded to a certain area or theory we wanted to test.

3.3.2 Interviews

We performed semi-structured interviews with purchasers at hotels and restaurants in main cities in southern Sweden and the Stockholm area. These respondents were chosen because of their quality as purchasers, but might in certain cases also act as chefs in the restaurants. This is particularly applicable in smaller independent restaurants. The layout of the interviews was divided into three parts, starting off with general questions on the respondents role in the company and what they appreciated about their work, this to get an impression of who they were as a person in order to adapt the interview thereafter. The second part regarded the purchase process and the importance of various factors when making purchase decisions. The third part concerned brands and brand sensitivity. During this part we also tested the

respondents' willingness to pay price premium for a preferred brand using "flashcards" with different brands from our three product categories, bouillon, ketchup and olive oil.

Before conducting our 22 interviews, we performed a number of exploratory interviews with purchasers in the Malmö/Lund region to test our preliminary interview guide. This provided us with both the terminology of the industry needed for further interviews as well as valuable feedback on our interview guide. These pilot interviews also served as a way to informally test different ways of conducting interviews and collecting data. Following these interviews we made some changes, the main one being our flashcards used to test willingness to pay price premium for certain brands. Initially we used pictures of actual products. But the respondents could not disregard the packaging, different markings, such as KRAV, and size of the package, which is why we altered our card to showing only the logo of the brand in question.

We also concluded that the interviews with local purchasers would differ in structure from central purchasers and therefore decided to use a slightly different approach in these interviews. The main difference is that the interviews with central purchasers are shorter due to time constrictions. Certain questions have also been rephrased in order to work centrally versus locally. The two different interview guides can be found in appendix two and three.

The interview guide is based on our theoretical framework and all questions respond to different areas of this framework. We have decided to use two questions of a more quantitative nature in order to test previous research made by Hutton (1997) and Kapferer and Laurent (1988). These two questions have been presented in the same way to all respondents and can therefore be regarded as a good measurement of differences in opinions.

After selecting respondents from all hotel and restaurant segments, we performed semi-structured interviews lasting typically between 45-90 minutes. All interviews follow a pre-determined interview guide but are executed in a way that allowed free argumentation and plenty of room for related anecdotes regarding purchase situations and thoughts. In doing this we also allow for follow up questions to clarify certain aspects and also to deepen the discussion where needed. We based our questions and examples on our three cases, presented above, but allowed for other examples. Previous research has been conducted through questionnaires and interviews, which is one of the reasons why we choose interviews and not focus groups. Another reason for doing so is that we wanted to speak to the responsible purchaser and get his/her opinions without them being affected or interrupted by other respondents.

Our reason for choosing semi-structured interviews and a qualitative approach is that these interviews were not intended to collect statistical data, but rather to understand and identify certain behavioral patterns. Further, all respondents will remain anonymous due to the sensitive nature of certain questions regarding attitudes towards procedural control and departmental objectives. This however, has no negative effect on our study since we aim to identify general opinions and not to present specific persons opinions. All respondents will be presented anonymously stating only their position and type of restaurant.

3.3.3 Observations

In addition to interviewing the responsible purchaser we requested permission to see the kitchen and storage areas; we were granted access on several occasions. Observing the storage areas and use of products in the kitchen allows us to validate the respondent's answers. We expected chefs to be hesitant in admitting to buying pre-made products and seeing the storage areas was a good way of confirming the statements made during the interviews. By doing this we can apply triangulation in order to increase the reliability of the study (Bryman & Bell, 2003)

3.4 Empirical compilation

In compiling our empirical data, we went through the following steps: Perform and record interviews, transcribe them and finally sort the responses given in categories (see empirical findings chapter four). All the interviews were held in Swedish and transcribed in Swedish in order to ensure that we did not lose any fine aspects and variations in language. In the presentation of our empirical data we have however translated chosen quotes to English due to the language of the thesis. We acknowledge this step as a potentially critical one due to the issues with linguistic confusion and the fact that key terms used might get lost. To avoid this we have decided to use a standardized language, continuously using the same English translation for the same Swedish responding term.

The critique of lack of objectivity often given qualitative research (Bryman & Bell, 2003), is also taken into consideration, and even if we tried to stay entirely objective we are aware that we already in transcribing and presenting the empirical data to some extent excluded certain aspects due to our own perceptions of what we consider important to this study. Some of these findings lead us to categorize the respondents into categories not mentioned in previous research.

- If the respondent is working actively as a chef or not
- If the respondents restaurant is part of a chain or independent
- The price level of the restaurant.

Since we have not found any prior research on brand sensitivity and organisational buyer behavior in the hotel and restaurant sector, these aspects have not been mentioned as an influencing factor in our theoretical framework. We found however, all of these factors to play a role in how the respondents acted in purchasing decisions and affected their attitude towards brands.

The question of coding answers is of a somewhat subordinate nature due to the complexity and richness of our framework. Rather, we will focus on presenting our empirical findings supported by full quotes in accordance with Eneroth (1997) who says that the focus of qualitative research should be to measure the right things.

3.5 Choice of analysis and discussion method

The results of the quantitative survey part of the interviews were compiled in tables for future analysis and the qualitative part sorted, where possible in order to compare the results with theories. In this we will attempt to find the relation of the particular phenomenon to a general phenomenon and investigate if there are any general opinions. We will further analyze and discuss the responses given in relation to our previously presented theoretical framework in order to fulfill the purpose of this thesis. The results of the survey-like qualitative part of our interviews can be found in appendix five.

3.6 Reliability and validity

Reliability and validity are central to quantitative research, however, the importance of these concepts in qualitative research has been widely questioned, both the applicability of the concepts and if applicable, the meaning of the two concepts (Bryman & Bell, 2003). Le Compte and Goetz (1982) categorize the two concepts in quantitative research into internal and external. According to Eneroth (1997), the most important aspect of reliability is trustworthiness. There are several ways to increase the reliability of a study (Kalling, 1999), for example triangulation, inter-rating, internal consistency reliability and respondent validation.

In order to be able to use triangulation, we have made sure that we use different sources of data, such as literature, interviews and observations. Both authors agreed on the meaning of our theoretical framework and the way this is used to analyze our empirical data. We were both present at all of the interviews and even though we transcribed the interviews individually, we both read the final texts to ensure that we agreed on the content and potential added comments, all of which can be considered inter rating. Further, we have, as a way to increase internal consistency reliability, used both open ended questions where the respondents could answer freely as well as survey-like questions where the respondents could rank certain criteria. The categories from the survey-like questions were designed to correspond to open ended questions

or discussions. In short, our two questions of a more quantitative nature were used as a way to control the validity in other answers regarding the same factors from the same respondent. Lastly all of our respondents were offered to read the final transcript from their interview, an offer none of the respondents accepted. However, several respondents showed a keen interest in reading the final analysis, indicating a practical interest in our study.

Glaser (1978) suggests three aspect of validity to take into consideration; integration, relevance and explanatory power. Integration refers to the extent to which constructs and theory are inter related, as will become apparent in chapter four, empirical findings, the concepts of organizational buyer behavior and brand sensitivity are closely related, as are the factors influencing them. The relevance of our study will be further elaborated in chapter six, conclusion, and will explain how the result of this study is practically and theoretically useful. Finally the explanatory power of our study, here we aim to in a clear manner explain the relation between the two somewhat separate areas of study, organizational buyer behavior and brand sensitivity, a relationship that will be further clarified and developed in chapter six.

The analysis with be disposed in a way that allows for comparison to our preliminary framework and the new developed framework can therefore be seen as an iterative process much like pattern matching (Yin, 1994). As previously mentioned we also do not aim to achieve statistical generalisability in any way but rather do an analytical generalisation (Yin, 1994). Our theoretical framework, built on theory from organisational buying behaviours and brand sensitivity, is developed for this particular study due to the interesting relation between the two areas. We believe that this framework is a good tool to analyse the phenomenon of brand sensitivity and organisational buyer behaviour in hotel and restaurants purchases.

3.7 Choice of empirical presentation

The findings from our interviews will be presented in chapter four, empirical findings, supported by quotes from the interviews. Graphical presentation, where possible, will be presented in appendix to allow for further support. The set up of our empirical chapter will not follow the order of our theoretical framework or literature review chapter. This is done because of the high level of interdependency between the categories and the difficulty of categorizing the factors in the same way as in the framework. In chapter five, analysis and discussion, we will resume the structure of the literature review and theoretical framework in order to systematically asses the applicability of the framework to our area of study, hotel and restaurants.

CHAPTER 4

EMPIRICAL FINDINGS

4. Empirical findings

We will open this section by presenting our three product categories of choice, which are followed by an introduction of our study sample and the categorisation made within it. By this we wish to mediate how our products are used and through which angles we are looking, in order to give a background understanding to the continuing empirical presentation consisting of the results from our conducted interviews.

4.1 Our selected product categories

Here we will present facts about our three product categories including history, brands available and how the product is used in a hotel & restaurant context versus "at home".

4.1.1 Bouillon

Bouillon is a decoction of meat, fish or vegetables (nationalencyclopedia). It's a product used for flavouring all kinds of food, from soups to meat, and it's a commonly used product in all kitchens; *"For me, bouillon is the founding stone in everything you do"*, as put by one of our responding chefs. Bouillon comes in many shapes and forms, of which the most common would be the bouillon dice. Bouillon dices were first available on the Swedish market in the early 1900s (nationalencyclopedia).

It has become evident to us during our interviews that there is a certain lack of trust towards the finished bouillon on the market, mainly because of their taste and additives such as glutamate and salt; *"Some bouillons are too salty. They make them like that in order to last longer without getting bad, but it makes them very hard to handle"*. This fact, along with there not being many different players on the market, as stated by one of our respondents; *"The market is narrow, with only a few actors"*, has made many of our respondents unwilling to use them and instead make their own from scratch; *"We cook all our bouillon, and no, you will not even find a package somewhere. Perhaps when I started but I have ditched it"*.

The two currently major brands on the bouillon market are Knorr and Bong. Gustaf Bong started his business in Ystad, Sweden 1890 and they today have a rich assortment of products available both to the individual consumer and the restaurant business (campbells.se). Knorr was founded even earlier, in 1838 by Carl Heinrich Knorr who performed experiments of drying spices and vegetables while still maintaining taste and nutrition value. Also this brand is found in super markets as well as in B2B (unilever.se).

4.1.2 Ketchup

Ketchup is a thick tomato sauce seasoned with vinegar, sugar, salt and other spices. It is first and foremost used as an accompaniment to dishes such as fries, hamburgers and pasta. It can also be used when cooking as a condiment in sauces and dressings.

Several theories exist regarding how ketchup first got established. It has, however, been common to say that it originates from China and from a sauce made of fish, called khetsap, with few resemblances to the tomato ketchup of today. What we consider being ketchup today was later on created in USA by Henry Heinz in 1869 (menyse.com). Heinz Company was in fact the first major producer of ketchup and their product has a taste which has become very familiar and enjoyed among ketchup lovers.

The ketchup was first launched in Sweden in 1956 by Felix, and it turned out to be a great success. Swedes love ketchup and are used to having it around from a very young age. This can also be shown statistically as Sweden has passed USA as the number on user of ketchup in the world (aftonbladet.se).

Slotts is another ketchup brand found, and also founded, in Uppsala, Sweden. It has recently been removed from the shelves of Swedish super markets and thereby only is available to industrial buyers. The company started out in 1919 by producing mustard. It wasn't until 1960 they included ketchup in their range of products (Unilever.se).

4.1.3 Olive oil

Several countries produce olive oil today. It is in the Mediterranean area, however, where the most expertise and experience is found, resulting in the best quality. Italy is the most premier producer among the countries, followed by Greece, France and Spain who produce a lot of olive oil to various qualities (vinexperter.se). Although the product is very popular in its area of origin, the olive oil has made a huge breakthrough all over the world and is today also found in almost all Swedish kitchens. The oil is enjoyed both for its taste and its healthy features and is used for baking, frying etc. Depending on the purpose, the wanted features of the olive oils differs (recepthjalpen.se).

Olive oil is produced by pressing fully grown black olives. The best ones are made through cold-pressing while the cheaper ones are pressed warm, that is, more quantity at the expense of taste and quality. The market for olive oil has become similar to that of wine, and involves almost the same complex and extended knowledge. Zeta is a Swedish owned brand inspired by the food culture of Italy. The company has given us Swedes olive oil since 1974 with the mission of having a higher quality than price (Zeta.se). It's difficult not to notice its success looking at all their shelf space in super markets around the country. Another commonly found olive oil in our

super markets is Fontana, originating from Greece. It was founded in Sweden 1978 by a Greek with great love for the Greek kitchen and missing this kind of products on the Swedish market (Fontana.se).

4.2 Study sample

We have interviewed 22 purchasers from different restaurants and hotels in Sweden. The geographical spread of respondents is southern Sweden, Lund and Malmö area, and the Stockholm region. About a third of our respondents are located in the Stockholm region, many of these are purchasers on a central level, and two thirds are located in the southern part of Sweden. Most purchasers are men, only two of our 22 respondents were women. This is purely coincidental as we chose our selected restaurants randomly from a list and then simply asked to speak to the purchase responsible. A table presenting the spread of our study sample can be found in appendix four and five.

4.2.1 The price is right

In the interest of the purpose of this thesis, and in order to detect differences in purchase behavior and attitudes towards brands, we have categorised the restaurants into three categories: Low, mid and top range:

Low range is defined by a main course costing less than 150 SEK, approximately 17 Euro (European central bank). Eight of our respondents fall within this category, many of them being fast-food restaurants or cheaper lunch restaurants.

Mid range includes all restaurants where a main course costs on average between 150-300 SEK, approximately 17 – 34 Euro... This is the largest group consisting of ten of our respondents. Restaurants in this category are typically fancier sports bars, mid range priced hotels and restaurants who serve both lunch and dinner.

The last category, *top range*, consists of fancier more exclusive restaurants where a main course costs more than 300 SEK, approximately 35 Euro. These restaurants are typically located in the city centre and have a specific image or speciality. These are also the restaurants generally awarded a position as one of Sweden's top restaurants (White guide). The remaining five out of our 22 respondents fall within this category.

4.2.2 Independent or tied to a chain

We have divided our sample into two categories; those being independent and those tied to a chain. This is done in order to detect differences in their purchase behaviors and views on brands.

As *independent* restaurants we consider all unique restaurants, managed as one small company. Here the owner or head chef is generally the one responsible of purchases and the chain of command is quite short. Approximately half our sample, ten respondents, falls within this category.

The remaining twelve respondents are all parts of larger enterprises. The level of central management differs from very strictly held to companies that functions almost like a democracy. What all of these have in common is that they are restricted by tenders and covenants to some extent. This category includes respondents working in fast food restaurants, hotels and cafes. Three of our respondents where part of the same chain, two local purchasers and one at a central level. For the sake of the personal attitude part of this study they will be considers as individual purchasers.

4.2.3 Active or passive chef

Although we found that most purchasers in the hotel and restaurant industry have backgrounds as chefs, only two had no practical experiences from restaurant kitchens, there appears to be a difference between the ones *actively* working with the products they purchase, and the ones purchasing ingredients on a central level, to be distributed to local chefs further down the chain.

The latter category, *passive chefs*, constitutes a bit more than a third (8 respondents) of our sample and are typically restaurant owners or central purchasers. The first category, 14 purchasers, actively works with food to some extent. Some are head chefs in smaller restaurants and have cooking as their main responsibility. Others working in larger restaurants have purchasing, staff liability and financial planning as their main work tasks, cooking is secondary but still a part of their work.

4.3 Perceptions of quality

The most frequent answer regarding features important when making purchase decisions in the hotel and restaurant business is quality. This is supported in our survey which shows that this factor has been rated very high. Respondents were asked to portion 100 points on eight different variables and thereby rank their importance in the purchase process. Quality turned out to have the highest average points among all variables in all product categories. None of the respondents gave the variable zero points. One did, however, reward it with 100 points disregarding all the others. In comparison to price, quality was awarded on average twice as much as price, see appendix 5.1

The general accepted definition from an online business dictionary defines quality is as follows:

"In manufacturing, a measure of excellence or a state of being free from defects, deficiencies, and significant variations, brought about by the strict and consistent adherence to measurable and verifiable standards to achieve uniformity of output that satisfies specific customer or user requirements."

However, quality is an ambiguous concept, which is why we have asked all respondents what quality is according to them. We have not registered any differences regarding how centrally managed or independent restaurants choose to define it, neither has the prices on their menu proven to matter. Below are some of the respondents' answers regarding quality.

"That's a very difficult question. The question is actually easy but if I were to go a bit deeper, I'd say that quality is something that moves me in some way. When I feel, oh, this was nice. Everything that moves me or I feel that I can stand for"

"I see it as something that helps me do the best possible end product. It's when I can do exactly what I imagined and it turns out the way I want it to"

"Quality is when the product matches my expectations of it"

"It's being able to trust the product. Like Heinz, it tastes exactly the same every time and that's quality. Are you looking for salted water it's Knorr you want, it tastes the same every time"

"Often it's about taste. We buy an olive oil that has good taste and is of right origin. And also that the price I right relative to what you get, the wholeness"

"Quality is something I can stand for towards the customers. Semi-finished products could work as well; the final result is what matters"

"When talking about food it's something that tastes good and is healthy, pretty fresh, not old"

The only difference found was regarding those actually working with what they buy, that is active chefs. Active chefs tended to connect quality to their work in the kitchen and what they can achieve with the products they buy, as seen on some of the quotes above. Those not actively working as chefs were mostly centrally located buyers, but also some on independent restaurants. They were somewhat more focused on the product itself and its features. The following quotes are from purchasers not actively working in the kitchen and with the products they actually buy;

"Quality is connected to the price relative those specifications we have. It might not be as good quality as in the stores, but it's the right quality for us. You have to be able to separate god quality from right quality. I claim that we have the world's best quality on our raw material, considering our needs. Right quality is what matters"

"That it lives up to expectations, nothing wrong with the product"

"Freshness! But it depends on which primary product we're talking about. Meat for example, is about tenderness and how long it has been hanging. Vegetables are about freshness, how it's

packaged and so on. Quality is product related, it has nothing to do with suppliers, and it's the product that counts"

4.4 Presentation of primary data

Below is presented the content of our interviews conducted. Since we have noticed, throughout our work, that everything is connected; we have chosen to deviate from the structure of our theoretical framework. The high level of interdependency, and thereby a difficulty in categorising the factors, makes this the most reasonable way to present our empirical observations. The results of our survey-like questions can be found in appendix five. The tables in appendix are in not compiled in an attempt to create statistically generalisable results but rather to serve as a tool in our analysis and as support for conclusions being drawn regarding our study sample. One of our 22 respondents did not answer the survey-like questions, why the total number of respondents here is 21.

4.4.1 Top of mind

Considering the findings of previous research (Mudambi 2002, Hutton 1997), that organisational buyers indeed are people and not machines we found it interesting to use top of mind to assess whether they could separate their consumer self from their purchaser self. Some respondents appeared to be able to; others let the two mix if there ever was a difference in the first place.

"When you go into the office you have to take of your consumer- hat and put on your purchaser hat. You have to be able to see the business for what it is and look at the organisation as a whole. This is particularly difficult when it comes to cooperating with other well known brands. There is a true advantage in being able to do this." - Central purchaser at a large chain

"There's so much of me in this restaurant. This is my job and my passion. If I want to buy something special, new and exciting I do it. I think it's important to keep experimenting and developing yourself." - Independent restaurant head chef

22 respondents were asked about their top of mind brand as well as their current brand used in the kitchen. All data from this part of our interviews are presented in charts in appendix five. We asked our respondents about the first brand that comes to mind for our three selected product categories. Not all of the restaurants in question used all of the products; however, all respondents had brand awareness in bouillon, ketchup and olive oil and gave us a quick reply when asked about their thoughts. We also asked the respondents what brands they currently use in their restaurants. Some of the purchasers said that they did not use all of these products, which is why we added the category of N/A (not applicable). Many respondents also stated that their current brand is chosen due to pre-negotiated tenders whether it be centrally managed or independent restaurants.

4.4.1.1 Bouillon

For bouillon only two brands were mentioned, Bong and Knorr. Knorr was pre-eminently most popular with 16 of our 22 respondents naming it as their first thought, Bong scored only five. This was the easiest category with the fastest responses; few respondents hesitated more than a split second before answering. When discussing the current brands of bouillon used, many chefs stated that they cook most of their bouillon themselves. However, when they buy bouillon, the mentioned brands agreed with the answers from chefs admitting to buying pre-made bouillon.

Knorr and Bong were still the two top brands, eight and six respondents use those two brands. Two chefs insisted on cooking all of their bouillon themselves, hence never using anything pre-made. One of them says: *"I can't stand for that product; I don't know what they do, how they do it or what they make it of. And besides that it's a bad product. I have it at home, I still don't use it but my wife does."*

A purchaser at a restaurant with an Italian image says: *"We use an Italian brand, not only because it's Italian but because it's better. The ones on the Swedish market don't taste right, often too salty. I have tried the ones available, Knorr and the other ones. It's a limited market here, two large brands share the market, if you look outside Sweden there is so much more."*

4.4.1.2 Ketchup

Just as with bouillon, two prominent brands ruled the purchasers' minds when talking about ketchup. American Heinz beat the Swedish brand Felix with the ratio 60/40. Some respondents promptly added that they never used ketchup in their restaurants, but this was the brand that was used at home. One respondent said: *"Felix! We don't have any here at the restaurant but it is the one I have at home. My children just can't live without it so I chose the one with the least amount of preservatives and sugar. Another one who responded Heinz claimed to use Felix at home "because his wife is doing the purchases". A third respondent reflected over his answer: "Heinz. I guess if I had to buy ketchup it would be Heinz... I don't really know why, perhaps it's better? I think Heinz feels more genuine than the other ones."*

Certain restaurants don't use ketchup at all. Three out of these four restaurants are the ones that we have classified as top range restaurants. Besides two respondents stating that they use Slotts, Heinz and Felix are still the two prominent brands with nine and six purchasers currently purchasing them for their restaurants. One respondent says *"that they have had Heinz for nine years and changing their ketchup brand would have to be a decision made by their CEO"*. Many respondents say that their current choice of ketchup is due to packaging. If it is something that will be presented to clients, Heinz in glass bottles seems to be the main preference. Except for one respondent who buys Slotts. He says *"I don't really like Slotts as a brand but they have the*

best bottle. We have many children eating here and the Slotts bottle is the most convenient for them, glass bottles are out of the question even if I personally prefer Heinz."

4.4.1.3 Olive oil

Regarding olive oil, a variety of brands were mentioned, and some respondents couldn't even think of a specific brand when asked directly. In total six different brands were mentioned with consumer available Zeta in the lead with 13 out of 22 respondents having it as their top of mind brand. Three respondents could not think of a single brand and two answered Douro, an Italian olive oil, and the remaining four each had a different brand in mind.

"Olive oil? There I don't really get one special, too many different ones that come to mind, this time I thought of Zeta. It's nothing I use here but I see it in supermarkets and so on."

"I say Zeta. Olive oil is not really a product tied to one brand, there is not one big brand name you associate it with. But Zeta has done a great job in marketing themselves."

There is a wide range of olive oil brands actually being used. Only five purchasers buy Zeta and six restaurants don't use olive oil at all or cannot mention one particular brand being used. Two respondents buy the wholesalers' own brand, and the remaining eight all use different brands such as Douro, Del Monte, Copina or smaller less known Italian or Greek imported brands. When talking about olive oil, many respondents explain the products advantages and the way they use them. An aspect we did not find when talking about ketchup. One respondent from an independent top range restaurant explains: *"We use cheap cold-pressed oil that works well in mayonnaise for example. It has to be tasteless and do its thing. For olive oil I use Douro, its mild and don't take up to much space on the taste palate, I prefer my olive oil discrete and mild."*

4.4.1.4 First come first served?

Comparing these two questions we found some similarities. In bouillon eleven respondents said that they used the same brand as they had mentioned in their top of mind reply. Eight used different a brand or cook everything by themselves, three claimed to not use any bouillon at all. Similar numbers appeared when comparing the answers on Ketchup. However it was not the same eleven respondents who had their current brand as top of mind. For olive oil the differentiations continued as could be expected from the wide range of brands mentioned. The majority of the purchasers, nine, said that they used a different brand than their top of mind. Seven claimed not to use olive oil, at least not to a significant extent and only six currently followed their top of mind thoughts when making a purchase for the restaurant. This behavior opposes the theory of the graveyard model (Aaker, 1996). Sometimes being top of mind just is not enough. The graveyard model assumes that being top of mind is something positive that results in a favourable purchase decision. Our study suggests that the opposite might be just as applicable.

4.4.2 Factors effecting decisions making

How hotels and restaurants make their purchase decisions varies. One influencing factor is whether the restaurant is independent or part of a chain. Those that are tied to a chain are more regimented, as a central management is concerned about maintaining a certain concept that should apply for all those tied to it, which limits the ability of the local purchase maker to act upon his or her own initiatives.

"We want everything to look and taste the same in all our hotels. This can be solved by buying parts of the production instead of making yourself. For example, we buy our scrambled eggs as a semi-finished product, otherwise it could taste differently. We buy the mixture and that comes with a manual" – A centrally located buyer on a large hotel chains

Larger co-operations with a desired image that needs to be the same everywhere use fines and spontaneous, unannounced, checks of their franchise restaurants. This is done to ensure that quality standards are maintained. Equally important is to check that restaurants use the pre-negotiated brands and that they follow the same desired image and goals set up by central management. A local purchaser at a centrally managed fast food chain explains: *"They send actors, mystery shoppers who check that we follow the contract. That everyone wears the uniform, that we serve and display the food correctly and that we use the brands they have chosen for condiments. They check us perhaps 4 four times a year and if you don't comply with their standards you will get at substantial fine.* This is confirmed from central level in another fast food chain by the purchase responsible saying

"We don't breaches of our contract lightly. There is a reason for why we have set campaigns and standards. If a franchise taker for some reason don't want to sell a certain dish, it's us, up here that ends up with huge stocks of unused products."

4.4.2.1 Tenders

What mainly ties the local decision maker down are those tenders negotiated and decided by central head quarters. A local chef in charge of purchasing in a centrally controlled chain says that working in a chain is the complete opposite of being on your own; *"They have made covenants with certain suppliers which more or less forces me to pick that, if you are on your own you have the possibility of choosing."* Another respondent in the same situation but on in a different chain says: *"The actual restaurant part is managed top-down when it comes to menus, independents work totally different. In a chain everything is made more correctly and things have their certain place, everything is kept within frames."*

The certain concepts kept are connected to the image aimed to be mediated through products served as well as the physical surroundings of the restaurant. This is a sort of restriction not found in independent restaurants, even though they are concerned with their image as well. The image is further connected to a derived demand from customers; *"you have to be responsive*

towards the customers. *If they don't like it, there is now reason for us to have it*", as put by a local purchaser. The image is mainly built on what is shown front house towards the customer, something we will elaborate further under the section front house and back house. The presence of tenders varies among all our respondents generally, and also among those tied to a chain. Some are extreme, such as a large Swedish fast food chain. An owner of a restaurant tied to this says that *"I would get fined if I were to buy something not approved from head quarters"*. A chef in an independent restaurant, on the other hand, shows his liberty by claiming that *"if you are controlled by lists and a certain supplier, you miss out on the charm of it"*. There are of course those who are in between these two extremities. A purchaser at a large hotel chain says that *"the tenders are rather a strongly made recommendation than a requirement"*. In their case, 80% of what they buy from a wholesaler must be through covenants made. The central purchaser on this very same chain speaks very positively of tenders;

"Tenders benefit us by enabling us to work on other things. Those located out on our restaurants do not have to chase good prices but can focus on other things part of the hotel experience. The purchase of certain products is not the only way of affecting restaurants".

An independent restaurant owner disagrees; *"Hotels make agreements to get low prices so they can earn more. Even without covering they go plus. They often have covenants with certain products they always get delivered, same menu all year round. They just eject dish after dish, nothing special"*

However, these tenders do not always go against the purchasers own opinion; *"I'm supposed to buy Heinz, although I probably would have anyway. I don't know exactly why, I guess it has to do with my experience. It's a fixed idea somewhere in my head. So I guess it's the brand reputation and my own experience that matters. I would also use Heinz because the guests recognise it and are comfortable with it"*.

4.4.2.2 Lists and guidelines

The degree of guidance and control from centrally located headquarters is closely connected to the procedural control, that is, how formalized the purchase process is through lists and other guidelines. *"We have a list from our wholesaler and we just fill in what products we want"*, is an example of a centrally managed fast food chain. An independent purchaser also speaks of the list; *"we have a list, and we make some kind of roundup every afternoon and see if there is something urgent"*.

Regarding our products of choice, they all fall under the category non-complex and have shown to be on lists on all our respondents restaurants;

"It all happens according to a schedule. Colonial products are ordered Friday-Monday, Tuesday-Wednesday and Thursday-Friday". The dates are set and the supplier more or less calls at the same set time. Then we have list on which everyone writes if something is about to run out." – a chef in charge of purchases on a centrally managed hotel chain.

Our case-products are all part of a certain amount of standard products normally always found in a restaurant; hence they go on lists that are updated every day and then conveyed to the supplier. *"We have lists that we follow entirely"*, is another example of this, coming from an independent chef and decision maker. The procedural control would therefore be considered high on our specific products, but the degree of it depends mainly on how centrally the chain or restaurant is managed. Also here we have the extremes, as put by a large fast food chains central purchaser; *"the restaurants are not involved in the purchase decision in more ways than that they need to confirm an already made order"*, or slightly less top managed; *"We have a pre-made list with article number, I just call and say how much I want"*. What we have noticed is that the procedural control is rather node to our product categories, as opposed to perishable products such as vegetables and meat. A chef in an independent restaurant; *"We have a contact for meat and vegetables who goes to farms and picks out what I want. He calls one day ahead and asks what I need"*.

What is striking when talking about procedural control along with top-down management is the difficulty of exchanging or modifying the covenants on a currently used product. *"I can put it out to head quarters, after that it's up to them. I cannot make the decision"*, as said by a chef part of a relatively centrally managed hotel chain. A more strictly managed restaurant owner says; *"Switching something is a circumstantial process. First you have to go to the head of the district or the department of complaints and show in what way this is not working for us"*. Independent restaurants, on the other hand, push on switching products often and are generally open minded towards new products on the market. *"You always want to try new things"*, as said by an independent purchaser. Another chef in the same situation; *"Can I get a better tender from someone else am I always open for a change"*. Also supported by a third;

"Everything we can do better because someone else has done it better for us we are of course interested in. Both when talking about price, quality and taste, we are very positive towards new products, all categories".

This is naturally connected to the fact that they are not as strictly held up by tenders as those part of a chain, and being smaller makes them more flexible. It is almost impossible for large chains who wish to have the same products for all their restaurants to change supplier and products that often, it is a matter of quantity. What this independent restaurant owner says; *"If we are missing something and it's urgent, we just run to the store and get it"*, could never apply to a large centrally managed chain with many restaurants and hundreds of customers ever day.

4.4.2.3 *The individual and the buying centre*

Our specific products, as previously mentioned are considered non-complex, which would imply less information search than a complex purchase would. The non-complexity would also require less people involved in and affecting the decision. The concept of a buying centre is present in all our respondents' restaurants. In larger chains it exists in its classical definition as described in our literature review. A large fast food chain makes decisions by involving several groups such as those from marketing department and the actual buyers and negotiators. In smaller restaurants it exists in the form of the responsible purchaser taking into consideration the opinions of his or her colleagues.

This also occurs to some extent in chains who arrange meetings where all head chefs get together and share experiences and make plans for future purchases. This is also a contributory factor making the concept buying centre more applicable to the chains. The result of these meetings is forwarded to the central purchaser who reviews the material and listens; *"Of course we listen to them. They are the ones who know the customers and get their response"*. Again we can see tendencies towards the derived demand coming from the end customers.

A smaller, independent restaurant normally has one person in charge of the decision making, someone who also is the chef, and occasionally the owner all at once. The actual decision and thereby most of the risk, lies with this one person; *"I listen to my colleagues, but if I don't agree, I make the decision"*, said by a local chef and purchaser on a loosely held chain. He further elaborates; *"I'm the chef but am not on a pedestal. Everyone has an input, but the responsibility is mine in the end"*. The purchaser would here be considered more involved as the outcome of a purchase could lead to personal consequences, seeing that he bears the majority of the risk.

We have noticed several different types of purchasers; from bitter ones to chefs that are very passionate about their profession. There are also many different types of organizations regarding their control from the top, procedural control and so on, as well as purchasing situations. It has proven important for all these different factors to be aligned in order to be successful in the business. This is significant for chains as the chef loses his or her ability to take own initiatives. One local purchaser on a hotel chain is pleased with the situation of not taking concrete purchasing decisions regarding brand and products; *"We all have our strengths, I'm good at cooking, not at negotiating"*. This person also sees to other benefits of working in a chain; *"It's secure and there is potentiality in leadership"*. Most of the buyers are pleased with the situation they are in; otherwise they probably wouldn't stay, as put by a centrally located purchaser in a hotel chain: *"If we were to have 70 entrepreneurs out there not willing to buy the concept of the chain, they shouldn't be in a chain but on other places"*. Regardless of a purchaser's ability to conform to the departmental objectives, the aspect of them being human and proud

still persists. This is supported by the fact that when asked to rank the variables important when facing a choice between two brands, on average a third of the respondents ranked their own competence within a product category as top three, and six of them considers it being number one.

4.4.2.4 Intangible attributes

Most of our respondents agree on several matters, but what is most important varies depending on the restaurant. Some are focused on the ecological aspect, considering it value adding to present these kinds of products; *"I want something that is proven organic"* and *"We are concerned both about price and image; we have are margins but it should also be organic"*, as put by one independent purchaser and one part of a strictly hold chain through franchise.

Others are all about the Swedish concepts and put a value in only using Swedish brands; *"We have the image of being genuinely Swedish, hence we have to use products with Swedish origin"*. Generally speaking, however, functional and tangible attributes are highlighted as most important. Intangibles, as mentioned in our theory section, play an increased role in the decision process in the B2B-context. We have, however, not noticed any significant inclination towards this throughout our interviews. Reputation has been an important factor, but most often when it comes to those products shown to the customer, hence a perception of what the customer thinks of the product or the brand *"If we had Slots, people would look"*.

We have noticed three factors that have been mentioned more often than others; delivery, price and quality; all considered tangible according to theory. We believe, however, that tangible and intangible attributes are closely connected and affect one another. For example, delivery and supplier relationship is important, two functional and thereby tangible factors. The result of this is that the buyer feels a certain trust and relies on the supplier; hence tangible features could imply intangible ones and can evoke emotions. These emotions could further affect an added value connected to the product or the brand; *"Relationship to the supplier is important, I must have this. In order for them to get me what I want, they must know me"*. Again, this is something rather node to perishable products than our colonial.

One noticeable aspect regarding bouillon is that most of our top range restaurants see it as something inauthentic. They do not have the trust Knorr and Bong and other bouillons on the market, they do not know what is in it; *"Existing brands claims not to use glutamate, but if you look at the declaration of contents there are a lot of things I don't recognize"*. The product specification, which is tangible, fuels intangible attributes such as trust for the brand, which in turn affect and arouses emotional feeling.

Connected to this is the somewhat pretentious approach towards commercial products, which we have already established that bouillon, ketchup and olive oil are. Some do not appreciate the commercials on TV, and others do not like the fact that the customer can easily buy the products themselves. *"A plastic bottle feels like home. If you eat at a restaurant you expect something more"*, said by a local purchase on a large hotel chain. Commercialism does, according to some, not stand for authenticity which could be one reason for so many chefs actually making their own bouillon, despite it being a relatively time-consuming process.

Again, reputation plays a part, this time back house. Finished bouillon has a bad reputation among restaurants, especially those restaurants seen as slightly more luxurious; *"I don't see a problem in doing it [use readymade bouillon], it's just not for us"*. The chefs wish to create a reputation, thus not use anything considered mainstream.

"For us, making our own bouillon stands for something more, we want to do everything on our own since we then know what's in it. Some restaurants considers it being bad not doing their own bouillon, I don't know of anyone at the higher level that don't do their own bouillon".

Another restaurant in the low range section, on the other hand, claims it to be too much of a hassle; *"It's not hard but it's time consuming, a lot of work, smells awful. If you have a pot for 60 liters, only six or seven liters bouillon that you can use. It takes enormous spirit and few do it"*

The aspect of a products reputation and thus the impact it has on the purchaser's reputation was addressed in one of our more survey-like questions. When asked about the variables important in the purchase process, the 100 point question, reputation was given a relatively low score on both bouillon and olive oil. When asked about ketchup however, the average score was 15 with some respondents giving the category as much as 40 to 50 points. Connected to intangible attributes and emotions is the added value that might be evoked due to a specific attribute. *"As a purchaser I don't look at added value but to the value itself. Added value is for someone in marketing"*. This comes from a person centrally located in a large fast food chain, and we believe it to be node to the fact that he himself is in no actual contact with the food. Others speak of added value as connected to the product and its origin; *"I definitely see an added value in checking up on all links. The added value lies in the history around the meat and that the animal has been healthy"*. This type of added value has not come up when speaking of any of our chosen product categories.

When looking at those hotels and restaurants located in the mid range section regarding cost and degree of luxury, the importance of intangibles and emotions connected to brands is dependent on what is shown to the customer. The top range type of restaurants normally does not have anything on display for customers to see, as already mentioned. Usually, those products that are for customer's disposal such as ketchup do not go well together with that certain type

food served. The mid range, however, put a lot of thought into what is placed front house. The main decision is not based on what the chef considers being best, rather on their perception of what the customer wants along with the image they would like to mediate. Heinz has proven to be outstanding when it comes to this. There is apparently an enormous trust towards this brand and customers associate it with real ketchup.

Regarding bouillon and olive oil, on the other hand, the brand and emotions connected to it plays less role, often explained by the fact that customers do not see it anyway. This is supported by an owner of a restaurant part of a centrally managed chain; *"No, the customer doesn't see the product, I don't think they know and say, 'ooohhh, this is Knorr"* Olive oil in particular, is not at all as brand oriented as bouillon and ketchup. When asked to mention a specific brand of olive oil, one respondent replies; *"Hmm, I have no idea. I use it at home but don't know which brand it is"*.

It is a product today treated almost like wine; *"Regarding olive oil we have a person who comes and shows us several olive oils and we get to test them. This would never happen with ketchup or bouillon"*, as put by a chef. There are uncountable different types and almost as many brands, and we have not found a specific connection or extra feelings towards one or another base on our respondents.

"The recognition of brands is not that common when talking about olive oil, there is such a immense assortment and one discovers new fantastic products all the time. I'm totally confused in that jungle".

Besides this, several of them had obvious difficulties in even coming up with a brand of olive oil when asked. One said; *"I can't think of anyone special, many brands come up"*, another states; *"It's not easy to come up with that"*, when asked what brand comes to mind when it comes to olive oil. The intangible aspect of this study has proven not to be significantly affected by whether or not a restaurant is a part of a chain or independent. Rather the class of the restaurant and what prices they demand for their dishes.

4.4.2.5 Where there is no risk, there is no brand

Risks in the hotel and restaurant industry can be classified into what we like to call "risk in, risk out" referring to two critical points in the production process. When asked directly all respondents reflected over risks tied to the organisation; risk in delivery, food poisoning or waste of food and thereby economic loss for the restaurant.

Risk in

The first one, risk in is risks and hazards associated with the ordering and delivery of goods. When asked the question of risk directly, most respondents seemed quite calm about the potential risks of purchasing. Potential hazards mentioned was delivery related and product

related. One respondent from an independent restaurant says that *“the risk lays with the supplier and wholesaler rather than in the brand. The only brand related risk is unclear declarations of content; they have to write everything that’s inside”*. Most respondents seem to agree that problems generally occur due to human error, that someone somewhere along the line has made a mistake.

There is no difference in the perceived risks between the different restaurant segments. Most purchasers deal with wholesalers who are more or less the same and entail similar risks. Several commented that this is somewhat unique for Sweden. One respondent from an independent restaurant compares the delivery process with the whisper game and says:

“... One can always try to get it right but the larger the cooperation [supplier] is the smaller the chance that it gets right. Although, Sweden is very good at this, it’s a whole different story in for example Spain where “mañana, mañana” is the largest risk”.

Most respondents did not see the risk as something connected to a specific product or brand but rather to a situation. Most of them also agree that there are no major risks associated with colonial goods, our selected cases, but if anything goes wrong it has more to do with the freshness of the product such as fish, meat or vegetables.

“Fresh produce [perishable goods] is more risky, for colonial goods there is such a minimal chance that something goes wrong. It is a different situation with meat or fish for example” - Independent restaurant owner

“One of the largest risks we deal with, as I see it, is quality deviation in the products that gets delivered. Quality and food safety are the two largest ones. I would rather have no product than a product of low quality. But at the same time we have some products that we HAVE to have every day, that’s why you always have to have a plan B” - Purchaser at a large fast food chain

Many purchasers agreed that when something goes wrong in the delivery, it is often not devastating but rather quite easy to handle. We will present preventive measures and how restaurants handle risks later in this chapter.

Risk out

We found that the majority of the respondents who worked actively with cooking and preparing food was as concerned with “risk out” as they were unconcerned with “risk in”. The potential risk of food poisoning, allergic customers or inferior quality of dishes served appears to be the three major hazards. In regards to food poisoning and allergic customers no examples given were ever connected to a specific brand. However, concerning the quality of food served many chefs had opinions as to which brands helped the process and which brands created more unnecessary work, or quite simply made it impossible to work with. Problems that occur in the purchase and delivery process such as getting the wrong brand or less than desired quality can often be solved in the cooking and preparation process.

"It's a bigger risk to buy cheap meat than cheap bouillon. It is hard to make bad meat taste good but you can always work with bouillon. You can change the flavour, add extra vegetables etc. Even if it is too salty you can always dilute it. Of course it costs extra and most importantly takes unnecessary time, but it's definitely possible to do." - Purchasing chef at an independent restaurant

Other purchasing chefs use the argument of experience, that they through their career in restaurants have developed an inherent safety mechanism and quite simply don't find themselves in the position where they have to work with bad quality products.

"I see no risk in getting bad products. I know my suppliers and I know through experience how things are supposed to smell, feel and taste. If something does not meet my standards I simply send it back, I have that relationship with my suppliers" - Purchaser at an independent restaurant

The reverse appears to exist as well, one chef claims that *"The most important thing is what the chef does, you can have the greatest product in the world but if you cook it wrong it is ruined. It is all about what happens in the kitchen"*. A central purchaser in a large fast food chain considers food safety to be the single largest risk to his organisation.

"Food safety is the absolutely largest risk, if something goes wrong in the production process or delivery chain, if the temperature during delivery gets messed up or we get unwanted objects in our food (plastic, glass or a finger). Quality deviations are of course important but food safety is the most important. Then it's no longer about the customer getting satisfied or not, it's about people not getting sick or dying."

Organizational risk vs. personal risk

Researchers in the past (e.g. Brown, 2007; Hutton 1997) have focused on the implications of personal risk attitude versus the organisational risks present. Most of our respondents agreed that personal risk had no connection to the purchase process. The problem was generally due to human errors, themselves or others but the effect of the risk never affected them personally, it was always connected to the organisation. A purchaser at a centrally managed hotel says *"If we get a faulty delivery we can always send it back, we only get 80 % of the purchase value but that doesn't concern me, It's more important that I get the produce I want"*. Purchasers in the hotel and restaurant industry in general appeared to fear little from the purchase process and see little risk of any bad will falling on them.

Another personal risk associated with the output is the fact that as a head chef and purchaser it is your name that's at stake. When discussing attitudes from colleagues and interfering opinions about brands one chef at a large hotel chain says:

"I get complaints from colleagues all the time. Why did you buy this? Why can't we get that? Sometimes I listen and change my mind but more often I just do what I think is right. I might sound like a bastard but I'm not, it's just that I have a clear picture of what I want, at the end of the day it is my name that's at stake and I have to be able to stand for what I do. That's why I"

choose the products that I want. I guess I'm a bit strict that way, but I know my products and I know our budget."

Another one says that *"as a chef, you are never better than your last service, we are quite sensitive that way, if you send out 400 dishes and you get one single complaint, it is that single one you keep thinking about"*. Some respondents seem to consider themselves first and foremost chefs. Their passions lie with cooking and maintain a high quality. *"Even if I have the responsibility of the restaurant I have to think about myself, it's my food that's being served, my pride"* says a head chef and owner of an independent restaurant. Other are purchasers and consider the costs and prefer to plan ahead, a large fast food chain purchaser says for example: *"we are already working on next summer's menu, it takes about 40 weeks to get everything set up, negotiate tenders and line up the right suppliers"*. The last category of respondents is stuck in the middle, these are generally restaurant owners who cook a little sometimes, or head chefs who have a responsibility which stretches outside the kitchen. One of these respondents reflects: *"Since I have responsibilities in both areas I have to stand with both feet on the ground, I want to have the best quality but at the same time deal with budget restraints. We need to get the best products otherwise we can't build the reputation we want, but everything goes hand in hand and it's up to me to keep the balance."* Another respondent from an independent restaurant says: *"First and foremost I have to think about the company. Obviously I have a personal interest in food and cooking, but I have to make sure that we deliver a good product at a good price."*

4.4.2.6 Relationship with supplier

Most respondents agree, without differences between independent and centrally managed, that a good relationship with your suppliers is key.

"The best way to avoid human errors is to have a good relationship with my supplier. For me it is really important to feel that my supplier knows me. He knows the quality I want, the quantities I usually order and if something is bad, I don't even have to send it back, he just sends me a new delivery. It's all about trust, we trust each other. I can also rely on him to give me good offers, not because he has a huge quantity to get rid of, but because he knows it's something that would interest me" - Restaurant owner at an independent restaurant

Worth mentioning is that the importance of relationships with suppliers is given much considerations and appears to be of great importance to the *entire* purchase process. When discussing specific purchases of specific products, however, the case was quite different. When giving the possibility of awarding the factor of relationship 100 points the average score landed on five. About two thirds of the respondents gave relationship zero points. Over all, the relationship factor landed second to last in the ranking of criteria important in the purchase process. This is further confirmed by one of our respondents saying: *"I spontaneously feel that customer service when buying ketchup is not of great importance. The relationship to the supplier might not be as important when looking at the individual product"*.

Having several suppliers to hedge against high prices is a frequently occurring mean of risk management in smaller restaurants. A head chef at a smaller restaurant says: *“I have three suppliers for fish, and yes I play them against each other. I know that I am a valued customer with all three and if one gives me a good price the other ones tend to try and top it”*. At the same time, maintaining relationships with too many suppliers is time-consuming and some choose to limit their number of supplier to a few.

“You can hedge by locking your supplier to a certain price through tenders. It’s not always appreciated by the suppliers but at least they know that they have secured me as a customer, and quite possible a lot of other hotels part of our chain. You don’t want to have too many suppliers either, it takes too much time. So if you get a good price on a big [percentage of total purchase] product you will probably buy other products from that supplier.” - Local purchaser at centrally managed hotel chain

We have not found any empirical evidence of their being a “golden number” of suppliers that hedge against all these risks, however, none of our respondents used one single supplier since that would entail more risk than you would gain by only having one relation to maintain. In larger, centrally managed chains, having several suppliers is rather used a way to hedge against the risk of running out of a certain product. *“Risk management of volume assurance is very important. I have to know that these ingredients are available at all times, not being able to serve key dishes on our menu would be a disaster.”*

“In order to do this we have to have a stable relationship with our suppliers, the quantities we need are just not available in a supermarket [laughs]. We have to get involved in the production process. But sometimes things go wrong, you can’t control mother nature, that’s why we use several suppliers for certain products. It’s still massive quantities so we still get a good price, that’s the advantage of being big.” - Central purchaser at a fast food chain

This is supported by our more qualitative question asking respondents to divide 100 points between eight factors. Active chefs are not concerned with running out of a certain product; they know how to handle it. Non-active chefs are in our sample responsible for an entire chain and has a responsibility both towards its franchisees and towards its customers to always be able to deliver the same food.

4.4.3 Information search

The occasional difficulty in modifying a purchase, or the fact that our products are seen as non-complex and in some ways not so interesting to the purchasers, consequently has the effect of them mainly being straight re-buys. New purchases do exist though, and does accordingly require information search.

“It depends on the products. You look into what’s new on the market, listen to colleagues or see something on TV and try to catch new trends. You often google it, and if you don’t find what you are looking for you contact a seller”.

This approach has shown to be very unusual among our respondents. The general thought regarding this is that sellers come to them, both in independent restaurants and chains; *"The manufacturing company normally comes to us. Is there a new product they come to us, even though we sometimes find new things ourselves"*. But as always, we have them who utilize both sides, as this purchaser from a relatively loosely held chain;

"We both get information from the supplier, both in person and through their magazine, and find it ourselves. If I want a new product I make some calls and ask. I have quite a network of people who know what I want, and they know what price to put in order to get me to change".

4.4.4 You get what you pay for

Naturally, price is an important factor in making purchase decisions. *"Everything is almost based on price, if I find something cheaper I will try it"*, said by an independent restaurant owner. The aspect of price was considered the second most important variable, after quality, in the purchase process. This goes for bouillon and olive oil, typical back house products. In regards to ketchup, on the other hand, price ranked third, after quality and reputation of the brand, indicating that a purchaser might be willing to pay more for something shown front house. Interesting is, that none of the top range restaurants considered price as an important variable for ketchup. One reason for ketchup scoring lower than the other two regarding price, could be because it's normally bought in smaller quantities, hence, price not being an aspect taken into consideration. *"I don't even know how much a bottle of Heinz costs, it might very expensive"*, as said by one of our respondents. The quantity relative the price is an important factor agreed on by all our respondents;

"You must put price and quantity in relation to how much you use. Bouillon is such a small product for us; we pay 2000 SEK a year which marginal. Olive oil is something we buy for 200 000 SEK" – Purchaser at an Italian restaurant

Regarding price, the general opinion is that between two products, whereof one is more expensive, the more expensive one is the best product. *"Basically, the more expensive the better. Between two salmons the expensive is the better, no doubt about it"*. There are, however, other views on this as well, as said by an independent chef; *"The expensive one is not always the best, normally you just pay for the brand"*, even though this has shown to be uncommon.

What is normal in the restaurant business, which we have not seen in other industries, is to try smaller amounts of the product. *"Normally the supplier lures us with good prices and asks if we want to try it. So we change a lot"*, stated by a chef from a relatively loosely held chain. This is something that co-occurs throughout almost all interviews. Another purchaser and owner of an independent restaurant agree; *"We never buy something new without testing it before. We get samples from our supplier"*. A third supports this by saying that;

"We would never by anything of great quantity without trying it first. I have done that before and learned to never do it again. Sometimes it's no good and then you are stuck with products you cannot use."

The way they all try samples of new products, makes it different from other industries where this is difficult. This leaves the significant and constant thought of money slightly absent, since you hedge yourself by always trying. Experiences, good or bad, of a certain brand appear to play a modest role in the purchase process as a whole. This factor was given ten points on average and many respondents disregarded it completely in favour of factors like price, quality, reliability and availability. When asked about the actual point of decision, where two brands stand against each other, previous experiences played a significantly more important role. It was never ranked last out of the seven categories evaluated; however most respondents ranked it as one of the top three most important factors.

4.4.5 Front house, back house

As already established; when talking about what is placed in front of the customer in a package with the brand showing, is where we consider brand sensitivity to be most present.

"Brands matter when put in front of the guests. If someone would show up with 'Görans ketchup', you wouldn't know anything about it. So when we place products for show, guests are supposed to recognize the products, the guests should feel that 'yes, this is ketchup'" – A purchaser on a mid range hotel chain.

Or as another in the same situation puts it; *"When it comes to bouillon, the quality is very important. The reputation of the brand doesn't matter since nobody sees that".* It is all about maintaining an image set up for the restaurant, whether it's independent or not. It has shown, though, that centrally managed chains are more strictly controlled concerning this. As written earlier it has a lot to do with tenders. More important, however, is to maintain a concept throughout the whole chain and assuring a customer that they can expect the same products and tastes in whatever restaurant part of that chain they choose to visit; *"I must by certain products because of the tenders, they should be present on all our hotels".*

Some top range restaurants make a point of not showing any brands at all, except maybe wine and liquor bottles; *"No, we only have wine bottles, maybe water but in that case it's our own made. We tap up water and run it through a filter and it's called 'Fresh' and it's done by us".* It seems their aim is to work on and build their own brand, thus not focus on other's. As opposed to fast food chains where collaboration with another well-known brand in fact can give extra value to your own;

"We try to not show other brands than our own, but of course sometimes we do. We allow it when it can be beneficial for our company. It is a kind of quality stamp, for example coca cola since it's a well known brand. But there is a line, and we don't want our restaurants to look like

soccer players, with promoted brands all over the place. Saying, buy buy buy, look at me, wohooo... It has to look good and professional as well. It is only in the cases where a collaboration with another brand adds a value to our own or if it's easier logistically" - A centrally located purchaser for a fast food chain

A way of showing a specific image without having the actual product branded on set, is to write something about the origin of those perishable products served; *"That the product is produced close is important, we often write in the menus from where the products come, meat from a specific farm for example"*, as a top range restaurant purchaser tells us. The opinions about this does, however, differ. Some say that it should be obvious that their products are the best, as stated by another top range restaurant owner; *"When people come here to eat, they should know that what they get are good products. We don't serve anything I wouldn't stand for"*, or as a chef at a midrange hotel chain puts it; *"It's been common to write a sentence of where the products come from, we are moving away from that now which is good. It feels like its show off among the*

Many claim that the package has a role as this purchaser on a medium range restaurant puts it; *"Products shown to customers gains on having a nice package"*, and another one in the same type of restaurant; *"We choose those that come in a glass bottle. It looks better even though it's harder to use and impractical"*, followed by; *"Felix? Then we would have to decant, you would not want to put one of those on the table"* One low range/mid range restaurant goes against their favourite brand in order to have the package more subtle for children;

"Unfortunately that's the case. We would rather have Heinz, but since we have a lot of children here it becomes difficult with the bottle, too much gunk. I think Heinz tastes better, It probably also has to do with the brand".

Another common reason for showing a specific brand is through pressure from suppliers; *"It could be a demand from the supplier that we show the product. Do I want to pay for the product or get it as a give away?"* Most chefs and purchasers do not like ketchup and only offer it because customers expect it. This was said by a medium range independent restaurant; *"we have front house those products expected by the customer"*. Again the perception of the customer's expectations is in focus, and again we can point towards a derived demand not present in our other product categories. When asked if customer ask or demand a specific bouillon, a chef in a midrange hotel chain answers; *"No, I have never experienced that"*.

The one of our products mainly put front house is ketchup. However, it is such a small product for most of the restaurants, making it unnecessary to have a different one used in the kitchen;

"It's all about having as few products as possible, It's not like we think that we should have something worse in the kitchen, not when talking about such small volumes. It has to do with simplicity and trying to decrease the amount of products kept" - mid range restaurant purchaser

One chef was asked whether he would consider using a different brand of ketchup, back house in the kitchen. He responded: *“The thought never occurred to me, for me there is only one brand. The only thing that comes to mind in Heinz”.*

One of our respondent’s works as a centrally located purchaser on a chain that uses about 13 tonnes of ketchup each year. In such extreme cases, they use a different brand front house than in the kitchen. Our quantitative part of the interview suggests that a symbolic value of a brand is of little interest to the purchaser. Again, this shows that the symbolic value in the eye of a purchaser is less important than his perception of customer’s opinion, based on the discussion above.

CHAPTER 5

ANALYSIS AND DISCUSSION

5. Analysis and discussion

The section below opens with a test of our theoretical framework, regarding organizational buyer behavior and brand sensitivity, on our empirical findings introduced in the previous chapter. This is followed by a presentation of factors found through our interviews typical for the hotel and restaurant business and not present in earlier studies. We will finish by introducing our conclusions along with a developed framework based on our empirical findings and analysis.

5.1 Step one: test of theoretical framework on the hotel and restaurant business

The first step in our analysis will be to evaluate our theoretical framework applied on the restaurant industry. We will follow the framework presented in chapter two throughout the analysis. However, we have learned that several of the factors influencing organizational buyer behavior and those influencing brand sensitivity intertwine, why we have found it difficult to make distinct limitations between them and how they individually affect the two subjects. We cannot separate how a factor influences brand sensitivity without affecting also organizational buyer behavior, something that will be further developed in our conclusion.

5.1.1 Factors influencing organizational buyer behavior

The following section addresses factors influencing organizational buyer behavior according to our theoretical framework. We will analyse their applicability in the hotel and restaurant business.

5.1.1.1 The buying centre

According to theory, organizational purchases involve more participants and decision makers than those made by individual consumers. The amount of participants is further increased the more complex the purchase is. Research regarding organizational purchase behavior tends to generalize their findings to all industries disregarding factors that might influence, such as size. Many of our respondents work in independent restaurants and only have a few colleagues. They generally listen to their colleagues, which in this case could be seen as a buying centre. However, the large centres consisting of several experts and strategists do not exist in the average restaurant. These are rather present in the large chains on a more centrally located level. This fact that buyers often are on their own, would according to us put hotels and restaurants somewhere in between an individual consumer and a typical large industrial buyer. We believe this mainly is due to size and quantities bought. Larger chains managed centrally negotiate tenders in order to get good prices on big volumes; this is not considered important for those

that are smaller and independent. The active chef and purchaser here becomes the expert in himself, leaving the theory more applicable on a central lever.

5.1.1.2 Derived demand

Armstrong and Kotler (2006), claim that demand in business is a derived demand, meaning it ultimately comes from the demand of consumer goods. Considering that our products are a part of a refining process, this is very present in the restaurant industry. A customer enters a restaurant in order get food and possibly a good experience. We believe that the chefs perception of what the customer wishes to experience depends on the chefs own conclusions and not necessarily facts. A chef at a top range restaurant believes that the customers do not want to be reminded of anything found at home, hence not be exposed to plastic ketchup bottles or the kind of bouillon everyone can get at the local super market. As we have already concluded in chapter four, the image kept up by the restaurants is what is of absolute greatest importance. A chef would rather decant ketchup than show a brand not aligned with the image. Some claim it to be the package determining, but reading between the lines it always comes back to what perception chef's have of customers, supporting theory regarding the derived demand from consumers.

Chefs do not make customer research; this is only what they think. We suspect that the chef puts him or herself in the shoes of the customer and by that draw conclusions probably based on private experiences not connected to work.

5.1.1.3 First time buy, modified buy or re-buy

Our specific colonial product samples are usually on a list and managed through more or less procedural control, hence are normally straight re-buys rather than new task situations. We argue, due to the fact that our products are non-complex and not considered very important in the eyes of the purchaser, that there is no significant difference between a re-buy, modified re-buy and a new task situation, this goes against what has previously been concluded in our literature review. The fact that these products most often are bought in small quantities by restaurants supports that. This is further enhanced by constantly trying out products before using them. Bouillon, ketchup and olive oil are frequently used products and chefs have knowledge and experiences from using it. Searching for information is thereby not significant in this matter. In addition, if information is necessary, it has proven to come to the purchaser without him or her having to go to it. The information available is furthermore limited and often stated on the declaration of contents, making it easy to find. Chains modifying a purchase or making a new one might have to put in some extra work considering the large volumes and tenders needed to be negotiated. The information still comes to them, but putting the large

wholesalers and suppliers against one another in order to get the best prices might take longer. The products are, however, still non-complex, unlike those studied by Bendixen (2004).

We have during our interviews with independent restaurants never noticed anything else than the phases; “we order it and it is delivered”, accordingly to theory stating that straight re-buys are routine, which in our cases could be the fact for new task and modified re-buys as well. We believe this to be connected to the non-complexity and experience of the product.

5.1.1.4 Previous experience

Mudambi (2002), states that experiences of earlier purchases of specific brands is a critical point in the decision making process. Experience has, in line with theory, proven to be an important influence. We have, however, found that the experience does not necessary node to our specific products, rather to the chef's and purchaser's experience as a whole. We can here see the link to brand sensitivity and the factor past disappointment of a product and how it affects a choice.

We would suggest that the importance of previous experience differs between those who are actively working as chef's and those at a more central level not in contact with the food. Both usually have experience from the kitchen, but the fact that active chef's are still progressing in their profession makes them emphasize different things. Active chef's tend to focus more on product related experience such as quality, while those non-active focus on factors surrounding the product such as availability. Almost all of the non-active chef's we have interviewed have been centrally located, why we draw the conclusion of them thinking differently to the fact that they buy large quantities, which makes availability a much bigger issue.

5.1.1.5 Individual awards, measurements and consequences

Personal consequences exist among purchasers at hotels and restaurants, especially for those who are independent, active chefs and occasionally even own the restaurant, as well as making most of the decisions alone. As stated by McQuiston and Dickson (1991), there is a positive correlation between the perception of personal consequences and the involvement and influence in the decision making, such as collecting information. This is supported by our study when looking at local purchaser's as a part of a centrally managed chain. Those bound to specific brands and products controlled from the top are obviously not as affected by the outcome of the actual purchase decision, their job lies in presenting the final meal. Since they are controlled, they do not participate as much in information search. Some of the local purchasers in chains would actually be rewarded when keeping to tenders while others would not. This is naturally something that would affect how they would act, but also the attitude towards how they should react. Some consider it being guidelines and others a requirement and some were more satisfied than others. Being in charge of both cooking and purchasing would increase the individual

consequences, both the negative and the positive ones; hence it would be considered a larger risk.

5.1.2 Factors influencing both organizational buyer behavior and brand sensitivity

The following section discusses the factors influencing both organisational buyer behaviour and brand sensitivity according to our theoretical framework.

5.1.2.1 Brand equity

Brand equity is about those features connected to a brand that makes someone chose it in front of another identical product with an unknown brand, and is highly connected to intangible attributes discussed below. Hutton (1997) suggests brand equity being present in the B2B environment through a willingness to pay a price premium, something we have examined through flash cards. As opposed to Hutton, we used only famous brands, rather than known and unknown, since in at least two of our categories there are so few players on the market. Chef's and purchasers are generally willing to pay a premium price for a preferred brand, whichever it may be. We cannot conclude an exact number, but all agree on wanting to pay the extra to get what they want, depending on the quantity. This also goes for those situations in which the purchaser's pay extra in order to *not* buy a specific brand they associate with earlier bad experiences. We have not found a certain willingness to pay a price premium regarding bouillon; those who have claimed to pay more for one brand have done so in order not to have to purchase the other one. Reputation is important when looking at ketchup. Price premium is normally paid for the product that the chef's perceives the customer to think the most of.

Brand equity is further suggested to exist in the willingness to recommend a brand to others. None of our products have turned out to be of the kind a chef recommends to others. This does according to us not imply there not being brand equity, rather it has to do with the products being of standard type that there already is knowledge about, and the fact that the product categories come with high awareness.

5.1.2.2 Intangible attributes

Our products are tangible per se, which according to theory would imply low brand sensitivity. We support this as long as the product is not being shown to the customer. In this sense, the *intangible* attributes are what matters, and when we refer to intangible attributes we mean the extra added value ascribed to the product, that is, a perception of the brand such as trust and reputation. These attributes have shown to be absent when looking at those products only used in the kitchen, something we believe is none our products not being something that chef's are

passionate about. This type of low involvement would imply less brand sensitivity according to Kapferer and Laurent (1978). We agree with this, regarding those products not on display; bouillon and olive oil. When chefs talk about meat there are more emotions involved. They direct more trust towards the supplier and speaks of an added value connected to knowing that an animal has had a good and healthy life. This sort of knowledge can never come out of the three products we have chosen to study.

Intangible attributes do not always have a positive effect, even if this is frequently the case when choosing a type of ketchup. Heinz generally has the perception of being American, high quality and real. Felix on the other hand, is thought of as Swedish, traditional ketchup which supports certain images.

There are few, if any, intangible attributes of value connected to bouillon and olive oil. The former could in some cases be seen as a safe choice, while the latter could have emotions connected to its origin. Otherwise these products were both rather described with tangible and functional features such as taste. When it comes to bouillon, this product category generally has a bad reputation and chefs do not trust how it works or what is put in it when produced. This is further enhanced by some top range purchaser's and chef's seeing it as something commercial and unprofessional. They perceive that customer's do not want these well known brands since they have them at home. It all comes down to image.

5.1.2.3 Buyer characteristics

As we presented in our literature review, the person within the organisation is of great importance. Mudambi (2002) categorised purchasers into three categories. Our study does not aim to make a similar classification but rather draw on some of her conclusions regarding the branding receptive, sensitive, consumer. She argues that the branding receptive buyer has many suppliers in order to get all the brands they wish for. This is hard to apply to our study since almost all of our respondents use wholesalers rather than dealing with the original producers. Most wholesalers have a broad range of brands, including all the well known ones mentioned in our top of mind question as well as some of their own brands. We have noticed that all purchasers have more than one supplier to complement their wholesaler. This is rather a way to reduce risk than to get hold of the brands that they desire.

The number of suppliers needed, and brands desired differ from purchaser to purchaser, and it is this that has a noticeable impact; *the person*. The buyer behavior and purchase decision is also affected by the personal interest of that particular purchaser. One of our respondents expressed a particular interest in olive oil, comparing it to wine, and this particular purchaser obviously puts more interest, importance and energy into his purchase of olive oil than ketchup.

Another interesting aspect of the purchaser as an individual is his or her place in the organisation. A chef will have purchases as an additional job after actually cooking and preparing the dishes. A central purchaser will have purchasing as his main responsibility which is why we argue that he in certain cases acts differently from the local purchaser. Connecting this to the previous discussion regarding suppliers, we can conclude that central purchasers use different suppliers to spread the risk of running out of a certain produce or allowing them to press prices. The smaller independent purchaser uses various suppliers and wholesalers but limits the number due to time constraints. In general, we have found that the average restaurant has one wholesaler, one meat, one vegetable and possibly one fish supplier. In addition to this come drinks delivery and occasionally another wholesaler as back up. We found that the estimated risk of brand choice ranked in our survey-like questions higher in low range than top range restaurants. This is perhaps because of the dependency low range restaurants have on brands as an aid to create their own image. As we discussed previously top-range restaurants aim to create an image *not* using brands. Further, all of our fast food chains are in this category, low range. They all have strict procedural controls and using the wrong brand inevitably results in punishment. This is further supported by our non-active chefs ranking estimate risk of brand choice higher since they are often centrally located, controlling and enforcing these punishments.

The concept of a wholesaler is absent in previous research on this topic and can therefore be considered as a new factor influencing the behavior. This is however not anything specific to the restaurant industry and we believe there to be similar arrangements for many other products in other industries, for example wholesalers for office supplies or building suppliers. Purchasers in smaller companies such as our independent restaurants might act similar across other industries in appreciating the convenience of having all brands and products collected with one wholesaler.

As we mentioned previously, we believe that it is the person and his or her personal characteristics that plays an important role. Previous experiences, personal preferences and competence or interest in the product category are all connected to the purchaser as a person. The amount of different influences that this has on buying behavior and brand sensitivity is equal to the number of persons interviewed. Some respondents trust the brand and make their purchase decisions based on that, and others consider themselves to have additional knowledge and states that they make their decision based on the product and its qualities. We find that it does not matter what kind of purchaser you are, as long as your objectives are aligned with the company you are working for. This would imply that a purchaser in a strictly held chain, in order to enjoy his or her profession, should not be brand sensitive, as he or she would not be able to

act upon those feelings. In conclusion, we would say that Brown's (2007) initial hypotheses that all factors influencing brand sensitivity is moderated by personal risk might have been wrong. However, disregarding the risk factor and focusing on the personal characteristics as a moderating factor might have been more accurate.

5.1.2.4 Relationships

Relationships are as important in hotels and restaurants as theory claims them to be. We suggest there being three important types of relationships; between the chef and the wholesaler/supplier, between the chef and a brand, and finally that between a restaurant and its customers. It affects a company's behavior by them wanting to maintain this trust in order to function in the best possible way; it is a way of reducing risk and ensuring high quality products. We believe, however, that the trust towards the supplier is more valued than the relationship to the product itself. By this, high quality products will be a direct affect of a prospering relationship. Regarding our types of colonial products, the relationship to the wholesaler is not important down to product level, rather to the purchase as a whole. The special and important relationship that would ensure higher quality is sooner associated with to perishable products such as meat.

We would suggest the relationship between a purchaser and the brand to be node to previous experiences, and also an important aspect in keeping a good relationship to the consumer. The restaurant business is seen as an experience industry, why relations are important in a way of offering a time to remember. The products purchased to a kitchen go through a refining process, as opposed to office supply. This goes along with what you would expect when going to a restaurant. No one would order just "food", you know what you want and expect it to be delivered as an experience. This is where brands come in, whether it is about mediating an image far from the one at home, or taking advantage of well-known brands that are perceived as good by the customer.

5.1.2.5 Procedural control

The degree of procedural control has shown to be tied to the product rather than the organization itself. Chains, as well as independent restaurants, tend to have lists on these products because of them being non-complex and not thought of as very important. Brown hypothesized that a high level of procedural control would have a negative effect on brand sensitivity. We agree on this regarding those purchaser's in centrally managed chains. They lose the possibility of being brand sensitive by being contained by tenders and having limited authorization in the purchase making. Centrally located purchasers are those creating procedural control, hence are not affected by it in the same way. We believe this to imply chains being more brand sensitive since they, by managing what goes on the lists, can ensure all part of

the chain looking the same. By this, they protect their own brand by taking advantage of already well-known ones.

5.1.2.6 Economic consideration

Literature suggests organizations taking large economic factors into consideration when making a purchase. Again, we refer to our products as non-complex and non-technical, which would imply the opposite. This is supported up to the point when a product is bought in large quantities, which it normally the case is in companies. Our respondents keep coming back to the price they are willing to pay for a certain product depends on the quantities used. This would imply that the risk of mistakes, and also the price sensitivity, would increase along with the quantity. Acting as our most of our respondents, that is, buying small quantities and testing before use is more typical the context of B2C. Bouillon, ketchup and olive oil are generally not bought in large volumes, but it occurs. All of our respondents take price into consideration when buying larger volumes of a product. Except for when changing to the cheaper option would not jeopardize their image. It is very hard to account for the value generated by maintaining an image by showing products to customers aligned with this specific theme. We have found in our survey-like questions, appendix five, that low range restaurants are much more concerned with price when making a purchase. This finding is applicable on all of our cases but particularly noticeable when talking about ketchup. This could be explained by the fact that most top range restaurants do not use ketchup. Margins are important for all of our respondents, but they are more substantial in chains. We believe this is due to large volumes, contained by tenders.

5.1.2.7 Risk

There are risks present when making purchase decisions in the hotel and restaurant business. These risks have been shown to be connected to product specifications, delivery and the actual result after having used the product in mind. However, these are not risks thought of as important, neither are they in any way shown to be reduced by a brand, hence theory of brand as risk reducers is not applicable here.

Again, quantities and economic considerations is brought up as a risk, something we by now have concluded not to be of large importance for our purchasers since they usually buy our products in smaller quantities along with the fact of them trying out samples before making any decision. It is because of this that risk is not present in the decision making, neither does it affect the way organizations look upon brands. It is important to mention here that of course there is always a risk in owning a restaurant, but this is not necessarily a large part of the purchasing process itself. Some of the larger chains do in fact buy very large quantities, which could be considered a risk. These are, however, not reduced by brands but by tenders.

5.1.3 Factors influencing Brand sensitivity

Below is presented those factors influencing brand sensitivity in our theoretical framework. We will analyse their presence in the hotel and restaurant business.

5.1.3.1 Brand awareness

According to theory (Keller, 1993), the higher the brand awareness the higher the likelihood that the brand will be purchased. We have noted high brand awareness in two of our three categories, bouillon and ketchup, where through top of mind exercises only two brands were mentioned. Interesting is also that as a second choice all respondents named the other one of the two, i.e. if top of mind was Heinz then Felix was second choice and vice versa. The fact that only a few of our respondents followed Keller's (1993) general theory can according to us be explained in two ways. The first one being that centrally managed restaurants are controlled by tenders, and the purchaser's personal top of mind brand never gets the chance due to another brand being in the negotiated tender. The second reason is that a well known brand can be seen as something negative to purchasers actively working in the kitchen. A brand that everybody knows can be associated with cooking at home and nothing that a professional chef in a restaurant wants to be connected with. This last factor is something that we detected in many interviews with top range restaurants when talking about brands, a certain adversity towards mainstream products and well known brands.

The fact that olive oil has no apparent "winner" in top of mind nor in purchased brands, does not necessary indicate low brand awareness, since almost all respondents could think of at least one brand and all of them recognised the brands used in our flash cards. It rather shows a diverse spread of brands and competitors making it hard for one dominant brand to maintain its lead position.

One explanation to the suggested top of mind brands, appendix six, can be found in your everyday supermarket. Heinz, Felix, Knorr, Bong and Zeta currently take a significant share of the available shelf space and an equal amount of space in the minds of the consumers. From this we conclude that top of mind is something connected to the personal mind of the purchaser and not something that can change when in an organisational buying context. The differences lie in whether the purchaser can disregard their personal thoughts and beliefs in favour of departmental objectives or not.

The differences between unaided and aided recall can be seen in the case of Slotts ketchup. None of the respondents had it as top of mind; however, when presented with an image of the brand everyone immediately recognised it. The fact that Slotts is a ketchup brand no longer available to consumers but only professional purchasers, combined with the graveyard model could explain

why only two of our 22 respondents currently buy it. In conclusion we can say that the mental shortlist mentioned in theory is generally a good place to be for brands, however in our particular study and in the top segment of restaurants in particular, being top of mind can be a negative quality.

5.1.2.3 Product characteristics

As researchers before us have noted, brand sensitivity differs between different product categories as well as between different buyers. Kapferer (2007) gives the example of few consumers being concerned with brands when buying for example a writing pad or a pencil. Our findings are more along the lines of Mudambi's (2002) research saying that brand sensitivity varies among all products and all purchasers, making it further difficult to measure. The average purchaser might not be concerned with the brand of a writing pad, but a professional writer would. Similar tendencies were found in our research. The importance of brands depended on product category and restaurant. An American style sports bar for example, is very concerned about ketchup and the Italian dinner restaurant cares deeply what brands of olive oils they use in the kitchen. From this we conclude that the product characteristics do have an influence on brand sensitivity, but are closely connected to the purchaser's interest in the product category and the importance this particular product has in the refining process.

Hutton's (1997) thoughts on importance and complexity of products can to some extent be applied here too. Our selected product categories are never considered complex, but vary in importance to the different purchasers interviewed. His study, saying that a purchaser will select a well known brand when the purchase context is right is supported by our findings. For example, the restaurant caring deeply for ketchup will select a well known brand but not care about the oil purchased. The concept of complexity is also closely tied to organisational buyer behavior, the more complex and important a purchase or product is the more information and evaluation is needed. This implies higher involvement from the purchaser.

We have further registered findings regarding our different product categories. Some buy Heinz because they like it and everything it stands for, while a certain brand of bouillon is more commonly used because the purchaser dislikes another and chooses the other brand in order to avoid the disliked one. Further, the declaration of contents is often more important than the brand itself, at least when it comes to bouillon. Availability is important as well as dependability. We connect dependability to the brand and to its intangible attributes as it has to do with a perception of a brand's way of always delivering the same product as delivered before, hence is an important foundation to trust.

5.1.2.4 Purchasers competence

The purchaser's competence within a category has shown to have a special impact on our respondents due to the fact that all of our products, with the possible exception of olive oil, can be home made. This factor has a particular effect. Earlier research show that a purchasers own competence in a product category would render him or her more brand sensitive. This research was done on products such as mid voltage panel breakers, bearings and IBM computers. We would like to argue for the opposite in thus study. The fact that purchasers who often work actively as chefs sometimes has such a high competence in, for example the product category bouillon, that it makes them less brand sensitive since they actually prefer to do their own bouillon, an end result they consider to be better than the ones available for purchase. This has been particularly evident in the top range restaurants where pre-made bouillon is considered a bad and cheap shortcut. Competence in a product category is often connected to a personal interest grown from previous experiences.

5.1.2.5 Past disappointment with product

In earlier brand sensitivity research performed under the presumption that brand sensitivity is "*the likelihood of buying a well-known brand instead of an unknown one*", past disappointment with a product is negatively correlated to brand sensitivity. In our study sample however, we choose a different approach. Here, past disappointment often leads to very strong brand sensitivity in that the purchaser chooses another well known brand or even tests an unknown one, anything to avoid the first one.

5.1.2.6 Fast moving or fast changing category

This concept was never addressed when the respondents talked freely about important factors in purchasing and deciding between two brands, nor was it given any consideration in our survey-like questions where it was presented as a factor. We believe that fast moving or fast changing category was considered a factor in previous research because it was conducted on technology intense products or markets or highly complex mechanical products.

5.1.2.7 Perceived differences

Perceptions appear to play an important role in organisational buying in restaurants, perceived differences between two brands for example. When asking our respondents what bouillon they use, about the same number of respondents used Knorr as used Bong. We therefore conclude that there is no *actual* difference between the two bouillons. None of the respondents claimed to know of any actual difference either. We believe these preferences towards one or another brand is due to the *perceived* differences between the brands. The fact that purchasers choose one above the other but still sticks to one of the two most well known brands suggest brand

sensitivity within the segment. In this specific instance, previous research on brand sensitivity (Kapferer & Laurent, 1988; Hutton, 1997) is applicable.

Perceived differences build on either experiences or rumours regarding a certain brand. We have in our empirical findings presented the chef who buys Heinz for no other reason than that he *thinks* it might be better; we have also talked about another purchaser refusing to buy one specific brand of bouillon because he *knows* that he dislikes the other one. Based on that, we think that the majority of our respondents choose some kind of middle way between actual knowledge and perceptions.

5.1.2.8 Purchase situation

Throughout previous research, the purchase situation context is said to influence the purchaser's level of brand sensitivity, which is supported in our study. Out of the variety of factors determining the purchase context we have found that quality, price, dependability and availability ranks high in all categories (see appendix five).

Quality and price ranks the highest. These two also appear to be closely connected as purchasers are prepared to pay a little bit more for the right quality. We also believe that quality and price depend on the department objectives or the image that the restaurant would like to create. We have found that smaller independent restaurants are more concerned with quality and we think that this depends on the lack of support and security that comes from being part of a large chain; if you are independent it is up to you to create your own image. As we have noted, the perceptions of what quality is differs widely between purchasers. We find that the concept of quality, whatever the definition, has a large impact on brand sensitivity.

The concept of availability and dependability can be considered connected as well. The products, ingredients, used by restaurants cannot be stored for a long time, nor do they generally have the storage space to do this, therefore availability is key. A purchaser must know that he can get the product he needs, *when* he needs it. Dependability is of equal importance in this context, this is what enables a purchaser or chef to trust a certain brand. They do not need to test every single bottle of ketchup or olive oil, and they can use the bouillon they are used to, knowing that it will taste the same as last time. Being able to depend on the quality of the product is a huge risk reducer and time saver for the active chef, and a way for central purchasers to ensure that every franchise keeps the same standard and creates the right image for the company as a whole.

Dependability can in this context be regarded the same as reliability, which according to Hutton (1997) is the most important factor affecting the willingness to recommend a product. In regards to willingness to pay price premium he suggested brand reputation to be the most important factor. We have not come to the same conclusion for the two categories bouillon and

olive oil, something we believe is due to the fact that they are used as a small part of a larger process. The empirical findings differ for ketchup where symbolic value of brand and brand reputation is considered very important. We would like to connect this to the fact that ketchup is something that the guests can see, and a well known brand can thus help the restaurant create their own image. This is particularly applicable for mid range and low range restaurants. In top restaurants we have noted the opposite; a well known brand of ketchup would damage the restaurants quality dominate image, and few chefs/purchasers in this segment would like to be associated with pre made sauces, bouillons or any kind of “shortcut”.

5.1.2.9 Department objectives

This factor can be divided into quality dominant and cost dominant and refers to the stated or implied goals, expectations and objectives of a department. In our study we see it as related to an image wanted to be mediated. As discussed above, independent restaurants take it upon themselves to create a unique quality dominant image whilst restaurants and hotels part of a chain buy into a pre-decided image and strive to maintain that image and uniformity within the organisation. These larger chains tend to be more concerned with price and cost cutting and focus more on the financial aspect of the restaurant while a smaller independent restaurant owner sees his business not just as a way to make money but as a way to express him/herself. Choosing to buy well known brands, or choosing not to, is part of the image creation of the restaurant and thus have a large impact on brand sensitivity and organisational buyer behavior.

5.1.3 Conclusions from the first step of analysis

Applying our empirical findings on the initial theoretical framework presented results in some interesting conclusions. We will therefore make a half time break to assess the applicability of the theoretical framework to our selected industry and study sample.

As has become apparent in the analysis above, any distinction between the factors influencing organisational buyer behavior and brand sensitivity is hard to do. Furthermore many of these factors appear to be interrelated and combined have a higher impact than the single variable alone. An attempt to clarify these relationships can be found in figure seven below.

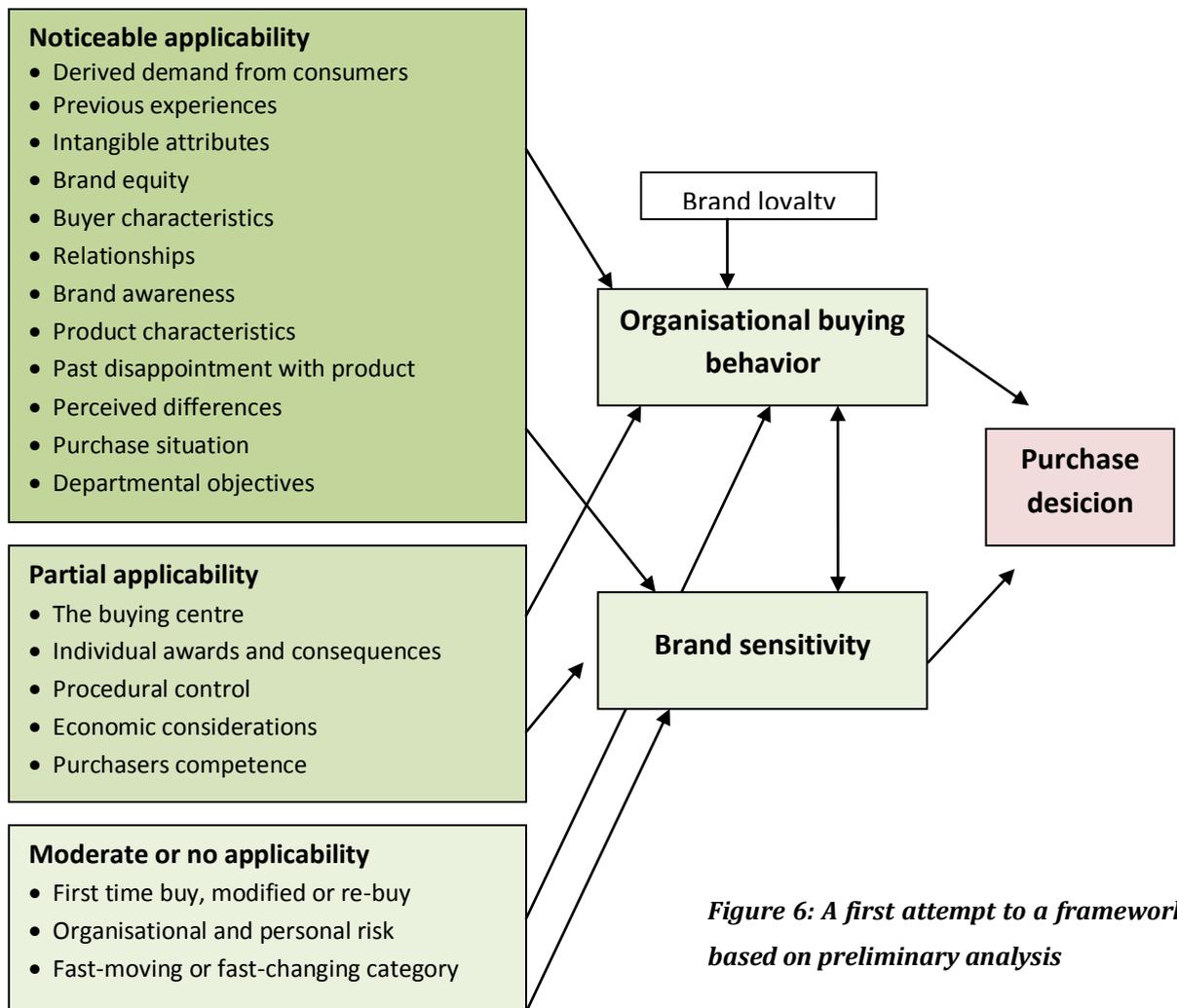


Figure 6: A first attempt to a framework based on preliminary analysis

5.1.3.1 Noticeable applicability

We have trough averaging results from the seven different categories defined in “4.2 Study sample” found a number of factors that appears to have a higher impact and applicability on our study sample:

- Derived demand from consumers
- Previous experiences
- Intangible attributes
- Brand equity
- Buyer characteristics
- Relationships
- Brand awareness
- Product characteristics
- Past disappointment with product
- Perceived differences
- Purchase situation

- Department objectives

Some of these factors; previous experiences, brand awareness, and past disappointment with product or brand, are applicable in their raw form. However, as discussed in the previously in this chapter, the outcome and impact these factors have, according to our study sample, on the actual purchase decision being made differs from previous research. Further we have noted connections between many of these factors. Derived demand from consumers for example, is a result of the purchaser's perception of what the customer wants. This perception is built on his or her own experiences and builds on and towards the departmental objectives, or image, that the restaurant is trying to create. This is all connected by the relationship between the restaurant and their customers as well as the restaurant and their suppliers. A perceived difference between two brands is connected to past disappointment with a brand and how well the purchaser is aware of the variety of brands available. The characteristics of the product in question also play a part. If the purchaser has much experience and knowledge within a product category, perceived differences are often changed for actual differences derived from previous experiences.

Brand equity refers to positive attributes assigned to a product due to its brand name as opposed to an identical product with a different name. We consider this to be same as intangible attributes and all the added value a brand brings to a product. In this we include, among others, reputation and trust and can be connected to factors like brand awareness, perceived differences and relationships. Particularly because of the noted importance for active chefs being able to rely and depend on the product purchased.

5.1.3.2 Partial applicability

Several factors are applicable to some of our respondents, or if slightly modified applicable in general.

- The buying centre
- Individual awards, measurement and consequences
- Procedural control
- Economic considerations
- Purchasers competence

The buying centre as defined in chapter two is only applicable to centrally managed chains. It can in a modified version be applied to smaller restaurants, when colleagues reach a purchase decision together for example. However, the diverse expertise found in larger buying centres is

lacking. The buying behavior is in our study sample more affected by procedural control in the form of pre-decided shopping lists or tenders.

Economic considerations are of importance but only in relation to quantity. For smaller purchases, similar to the ones made as consumers, a small difference in price is not taken into consideration. For larger chains however, purchasing several tonnes of a certain product, even the slightest elevation of price has a major impact. As discussed previously, the purchaser's competence takes a special shape in this study due to the fact that these products *can* be home made. This is a significant difference from the purchaser buying 100 IBM computers. A purchaser's own competence can thus exceed the definition made in previous study and have a negative impact rather than a positive one on brand sensitivity and how the purchaser behaves.

5.1.3.3 Moderate or no applicability

Three factors have according to us no, low or very moderate impact on organisational buyer behavior and brand sensitivity in this study.

- First time buy, modified or re-buy
- Organisational and personal risk
- Fast-moving or fast-changing category

All of our products are neither complex nor important in the general sense. Therefore the aspect of first buy or re-buy is not applicable here. Further, as discussed under risk in the preliminary analysis above, brands as risk reducers or the effects of risks are given little consideration by our respondents. Lastly, the concept of fast-changing product category we believe to be more applicable to technologically advanced products and industries using them

5.1.4 Semi conclusion

The last moderating factor identified in our literature review, brand loyalty, was earlier considered a result of brand sensitivity. We would like to re-position brand loyalty as a behavior included in organisational buyer behavior and thus something connected to both brand sensitivity and organisational buyer behavior.

Finally we would like to emphasize the fact that all of these factors are interrelated and that the majority of the factors identified as having a larger applicability in this study comes from brand sensitivity. From this we conclude that factors derived from brand sensitivity has an impact on organisational buyer behavior and vice versa. We see a pattern where all factors affect brand sensitivity which in turn affects the buyer behavior resulting in a final purchase decision. We

have also noted several new factors having an impact on brand sensitivity and the behavior derived thereof. In the next part of this chapter we will further elaborate and discuss these factors and their role in our final framework.

5.2 Step two: Key observations external to the theoretical framework

In this section we will present findings that lay outside the initial theoretical framework. These findings are based on our study sample of 22 respondents from the hotel and restaurant industry.

5.2.1 Perception of customer

The existing food culture has led to consumers being more interested in cooking and tend to know a lot more about the different kinds of products used in the kitchen. Everyone has their own olive oil, ketchup and bouillon at home, which has led to some chefs in the top range restaurants taking a step away from the well-known brands in these product categories since they want to create a feeling of *not* being at home. It is important to create an additional experience, not just serve food. Some respondents, even if not saying it directly, seem to actively move away from these brands; hence they chose one brand to avoid another. There are some brands considered exclusive for those with experience of the business, and then there are those considered exclusive by the customers. It is important to keep up with a customer's perception of a brand and not to show something only seen as up-market by the chef. This goes for all brands, but especially for those shown to the consumer. Three factors determine what is shown front house; perceived customer demands, demand from suppliers and the image wished to be mediated to customers.

The concept of customers having an effect on the purchase decision is not previously discussed in theory, which could be a result of the nature of the products studied. Few consumers would care about the brand of bearings being used in a large machine, or the medium voltage circuit breakers that they will never see. Another example could be banking and computers, would you care if your banker used an IBM or HP for your financial transactions? Probably not. As a customer might however react on a low budget brand of ketchup being put in front of them, particularly if the rest of the restaurant is trying to convey an image of luxury. The effect the chosen brand has on the customer will thus have an influence on the purchase decision being made by the responsible purchaser.

We believe this is important because it assures a certain image. Brands do matter, it is all about what brand, whether it is well-known, unknown or considered something extra in certain groups, as long as it goes along with the company image. We have found examples of large fast

food chains using brands to enhance their own, but only as long as it helps their company. The applies to smaller independent restaurants, choosing not to show any brand names other than their own create an image of everything being made from scratch, by professional chefs, just for you.

Brown claims that larger enterprises are less brand sensitive. Our study sample tells a different story. Large, centrally managed chains are very much brand sensitive, in the way that they use a chosen brand to maintain a certain image throughout the entire company. The importance of the specific brand sometimes has an effect on the initial negotiation of a tender, and definitely has a large impact on the local purchasers following those tenders.

We would also like to point out the fact that in the purchase decision, it is the *perceived* customer demand that plays a role. Few chefs and purchasers make actual customer surveys, even though we have found a few examples on direct customer feedback occurring. More often it is the purchaser as a person, his or her experiences and perceptions of what the customer wants, often filtered through their own framework of values and opinions, which effects the end decision.

5.2.2 Trends

People are affected by trends, and as the chef is an individual human being, he or she will also be affected by them. First of all, it could affect themselves, a certain professional pride might prevent them from admitting being influenced, but they must in the end give in due to the customer, who by that is the second factor. This is connected to the derived demand and having to give the customer's what they want, and we have above already concluded that the customer is of key importance.

We have throughout our interviews come across two current trends, the first one being authenticity. A way of thinking in the restaurant business is that you can make a product yourself if the ones available on the market are not satisfying. Several of the respondents who make their own bouillon, could consider buying a semi-finished on if it was to be better than the one they make themselves. This is rather typical consumer thinking than industrial buyers. It is not a common finding in other industries such as computers or dredgers. All our top range restaurants, and also some of the mid range ones, wish to do everything by themselves; bouillon of course, but sometimes also ketchup. Some chef's do everything in their power to be authentic and make everything from scratch; hence come up with excuses for having to something use semi-finished products.

The second trend is using organic products, and by this creates a certain image for the restaurant. When we asked the respondents to choose between two products, there was a strong inclination towards products of organic kind. The same goes for when discussing at the products

currently being used. Locally cultivated was preferred above all, which along with setting an image for the restaurant also implied a certain added value to the chef.

Trends have not been something brought up earlier in literature, which we think has to do with the heavy focus on B2B. We believe it to be present in our study since we have put some emphasis on the purchaser as an individual. The fact that we have used semi-structured open-ended interviews further encourages the respondent to speak loosely of his or her passions, which has made it possible for us to register this. We believe it is an important addition to current research as it again puts the customer in focus, as trends followed mainly are based on customer perception.

5.2.3 Professional Pride

People generally tend to be proud of what they do for a living, and purchasers are no exception from this. However, almost all of our respondents are not only purchasers, but also chefs. We have found them to look slightly different at their profession, including an extra level of pride, why we believe it to affect their view on brands as well as what they choose to buy. Chefs do not look at their work as just preparing food and having it served to customers, they see it as handcraft and an art form. If we look at worker's in front of an IBM-computer being proud of what they have accomplished by means of the computer, the computer might not be highlighted in the situation and what comes out of it might be a smart strategic move or a well-done analytical spreadsheet. The computer becomes an instrument in order to achieve something else. The same could go for the ingredients of a meal. In this case, however, focus lies on the creative part and the delivery of an experience for the customer. It could be compared to what we earlier wrote about the pen and the writer, they both result in a creative masterpiece.

The trend of authenticity mentioned above is somewhat connected to this pride found within the chef profession. Chefs are proud of not being mainstream, proud of making their own bouillon and thereby maintaining the authenticity that is so important of today. We are aware of the fact that some would never admit to not making their own bouillon, despite quotes stating that everybody does it, which is a general feeling we have got during the interviews. The fact that some might lie about cooking their own bouillon just further supports our finding of professional pride as they wish to not lose face in front of us.

To conclude, chefs are proud of their work and can use purchases to express both themselves and their talent, whatever the goal or image he or she wishes to mediate. This is an important individual feature that in the decision making affects the way a chef looks at brands; for example not choosing a certain type of brand as it goes against what he stands for, or choosing a well-known brand and by this expressing himself. It is equally important for the company that the

products shown to the guests are aligned with the image of the restaurant, as it is for the chef to purchase products that are aligned with the reputation he is creating for himself.

5.2.4 Avoidance

One finding from our interviews is something we refer to as *negative brand sensitivity*. Theory regarding brand sensitivity normally refers to purchasers choosing certain brands because they are well known and associated with positive feelings; we see tendencies towards the opposite in the restaurant business. We find that organisational purchasers are brand sensitive in the fact that that take the brands into consideration when making a purchase, but sometimes avoids the well known brands for various reasons. Some of our products fall under this category, and the negativity could be caused either by earlier experiences or it being too commercial and too well-known. The last one is found in top range restaurants as they are sometimes too proud to use the type of bouillon available to everyone in the store. These findings are supported by several of our interviewed restaurants. The reputation is here a disadvantage as it makes it look mainstream and thereby bad for a certain type of restaurant wishing to be everything but that. Today's chefs in top range restaurants see themselves as being craftsmen and artists. The reputation of ketchup is also to its disadvantage within this restaurant segment. It's associated to fast food and hot-dog stands and therefore nothing you would associate to fine dining.

Brand sensitivity theory suggests a negative correlation with past bad experience. This is because the general definition is the likelihood to buy a well-known brand, not the likelihood to *not* buy a well-known brand. The definition we have chosen, however, is to what extent brands are taken into consideration when making purchase decision. This would imply a purchaser being brand sensitive, even though he chooses one brand to avoid another. Well-known brands tend to imply something positive in other industries; this is not necessarily applicable to the restaurant business. The quote "*no one ever got sacked for buying IBM*" is therefore perhaps not applicable here, at least not back house. It would rather be a possibility to *get* sacked for buying Knorr or Bong, or at least a risk to lose your professional pride.

5.3 Our new framework

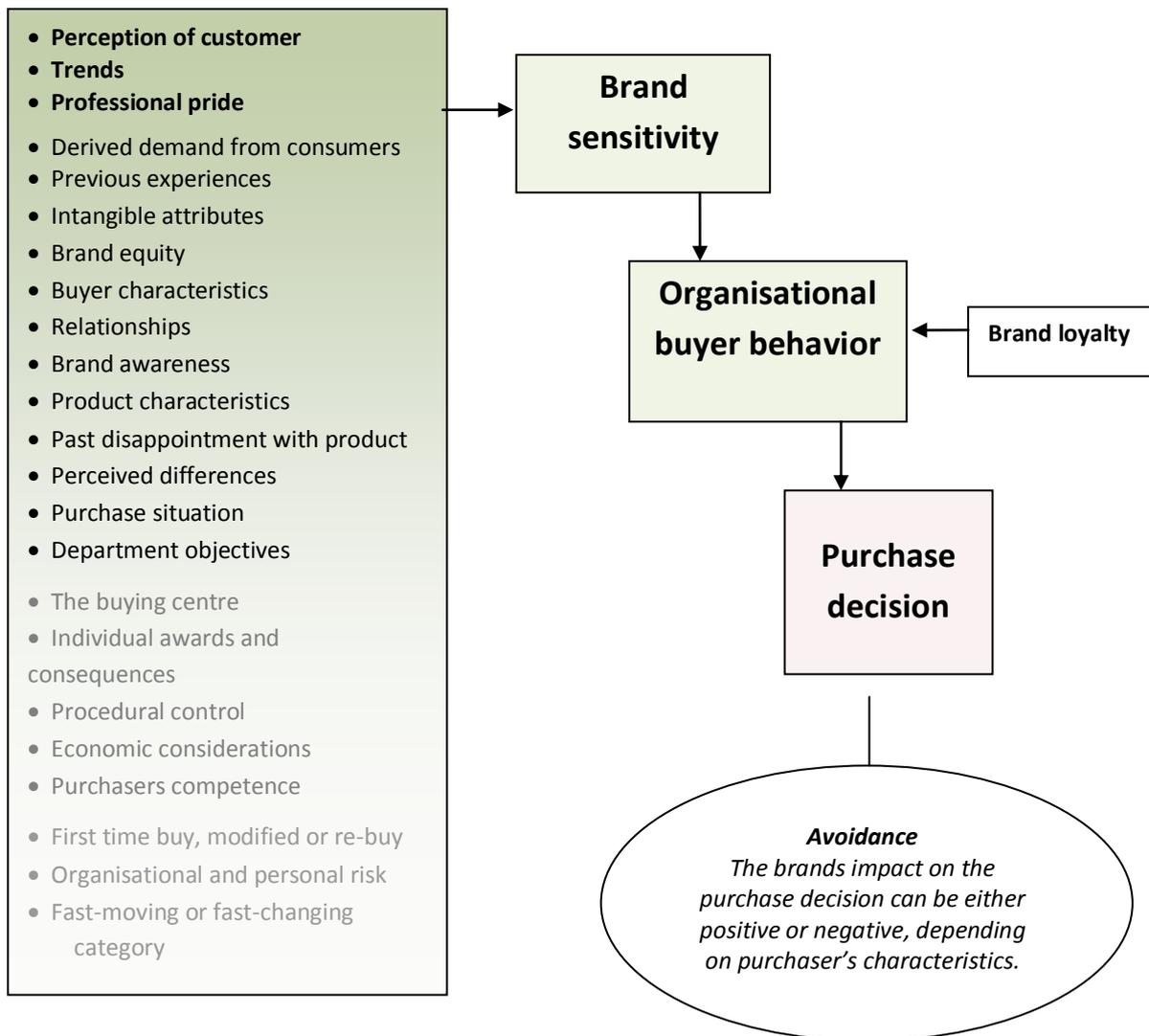


Figure 7: New framework based on empirical findings

This new framework shows all factors influencing brand sensitivity in one box. Many of these factors are inter-related and affect each other in various ways. This relationship is much too complex to show graphically in this figure and to explain in detail, but has been somewhat elaborated in the concluding section of step one of analysis. Our three new factors identified in the analysis are presented in bold text at the top, followed by applicable factors from previous research. In grey, we present factors with partial and moderate applicability in descending order. These all have an impact on brand sensitivity which can in turn be seen as either a part of organisational buyer behavior or as a factor influencing it. Brand loyalty is an expression of buyer behavior and this all effects the purchase decision being made. As previously mentioned this decision can either benefit the well known brand or being “famous” can actually be a disadvantage.

CHAPTER 6

CONCLUSIONS

6. Conclusions

In this chapter we present the result of the study, and how it serves the purpose of the paper. We further discuss the knowledge contribution along with our study's applicability and limitations. To sum up, we will make suggestions for further research based on results and limitations.

6.1 Result according to purpose

The purpose of this study was to elucidate and increase the comprehension of the relationship between organizational buyer behavior and brand sensitivity, and factors that influence them. This purpose included, presenting a theoretical framework and if possible develop this through empirical findings.

We have increased our comprehension by emphasizing the factors that according to theory affect organizational buyer behavior and brand sensitivity. This theoretical understanding of our paper's problem formulation has been complemented by 22 interviews with purchasers on hotels and restaurants. By analyzing our empirical findings through the theoretical framework, we realized that the relation between the components is too complex and inter-related in order to give a clear picture. By complementing with newly found components, not part of the initial theoretical framework, and regrouping the factors influencing organizational buyer behavior and brand sensitivity, we created a substantial tool that easier presents the relationship between organizational buyer behavior and brand sensitivity along with those factors influencing why a purchaser would pick one product in front of another.

We believe that we in a clear way have conveyed the importance of brands within the hotel and restaurant business. Our conclusion is that brands always play a role, and organizational buyers are thus brand sensitive.

6.2 Factors affecting brand sensitivity in organizational buying

As a result of the analysis, we have developed a new framework with three new components which was presented in figure seven. All factors have been moved into one box in order to demonstrate their close connection. Our study sample of 22 hotels and restaurants is not large enough to allow for statistical generalisability, why we cannot remove any of the factors from our original theoretical framework. However, some have shown to be more important than others, which is the order they are presented in. First are the new factors registered by us; *perception of customer, trends* and *professional pride*. These are in turn followed by those found through our literature review.

Our initial problem formulation; *which factors affect the role brands play in a purchase situation*, was partly answered in our first theoretical framework presented in chapter two. Applying our empirical findings to this framework indicated that several factors were in our case of higher importance than others. One important finding in this stage was that many of these factors, six out of twelve, came from what was earlier believed to only affect brand sensitivity. The purpose of our new framework is to demonstrate the factors involved when companies make decisions regarding branded products. We have emphasized the individual purchaser within the organization, since purchasers normally do not act on their own but as parts of buying centers. This is specifically shown in those three factors found by us when analyzing our empirical material. Perception of customers, trends and professional pride are all influenced by the individual; the chef himself as well as the final customer.

Due to the many different kinds of restaurants and people working within this sector, we chose to categorize them in seven different groups; active chefs or non active, purchaser being part of a chain or independent and according to three different price ranges. It has been of value for us to make this categorization as it has given us the possibility to look upon the subject from different angles. We took for example the birds view from the central purchasers nest, but dove also down in the kitchen with the local purchasers, all this in order to deliver the most generalisable results possible for our specific sample. In chapter four and five, we have elaborated on the matter and discussed the respondents own thoughts and evaluated them. The final framework is based on our empirical findings. Differences between the seven groups have been re-analyzed into an average mean, placing the various factors in the order presented in figure five and six. This should make the final framework (figure six) potentially more applicable to the whole sector, and not just to a certain actor within it. Throughout our interviews, we have been able to register the meaning of the individual within the organization; both the chef and the customer. We believe this is important as it shows that not all B2B-theories are applicable at all times. We have studied an industry that to our knowledge never has been examined in this way this before. The fact that most of our restaurant has *one* purchaser in charge, who at the same time is an active chef, along with our products of study being well-known and well-used consumer products puts it in a different light than others.

Besides factors affecting brand sensitivity, which in turn influences organizational buyer behavior, we have also detected a new possible outcome which we refer to as a type of negative brand sensitivity. Earlier research on the subject points out reasons for a person choosing one brand in front of another because he or she associates it with positive feelings. We have found reasons for choosing a certain brand only to escape one that comes with negative associations. In our specific study, this could imply a well-known brand having a disadvantage just for being

well-known. This is something that could be tied to consumer behavior as some consider well-known brands being mainstream and un-cool, depending of course on the image one wishes to convey. This in turn, is closely connected to social trends, which we have found support for existing also in the industrial buying context. To our knowledge, trends have not been mentioned in earlier research and bring another aspect into our framework.

The negative brand sensitivity, along with emphasis on individual characteristics through our three newly found factors, are reasons for our framework being valuable and more elaborated than in similar earlier made studies. First of all, we choose to combine all factors affecting organizational buyer behavior and brand sensitivity which offers a wider view on the subject, compared to Brown (2007) for example, who focuses only on determinants of brand sensitivity. Mudambi (2002) examines the decision process and for whom brand sensitivity is important, but lacks product usage and our level of consumer products, which also goes for Bendixen (2004). Hutton (1997) based his study on computers and fax machines, which in a way are consumer products. His specific study, however, examined brand sensitivity on these products bought to an office; hence they would never be on display for possible customers to see. Our framework is developed having the end customer in mind. Hutton (1997) further focused on surveys, while we have more in depth interviews allowing us to be able to register important factors not necessarily found in our questionnaire. Our findings could further be used as a basis of future survey-based studies. As many earlier studies have been made on heavy machinery or products more complex than ours, buying centres have been central and the individual in some way left out. This is not the case for bouillon, ketchup and olive oil. The fact that they also are consumer products brings up a personal aspect not noted before.

When comparing the results from our survey-like questions it is clear that in many situations, there *is* a difference between our three case products. This implies that, at least for this sample, this was a correct division to do and we would suggest that the results of this study be examined through a larger sample.

6.3 Knowledge contribution and applicability

This study has presented a theoretical perspective on what factors affect when making purchase decisions in a B2B-environment based on theories regarding organizational buyer behavior and brand sensitivity. In our introduction, we presented the lack of an obvious connection between the two in current research, although several studies have been conducted on the two subjects separately. We have through this study shown this connection which has contributed to the understanding of those factors affecting the decision making by industrial buyers. Several of the factors found in literature regarding organizational buyer behavior, have also been found in that of brand sensitivity, and by combining the two we get an extended tool to help out in analyzing

decision making. The fact that we have studied seven different angles of the matter further contributes to this.

We believe our findings to possibly be applicable on those industries managing non-complex consumer goods. These findings could be used by central managers in chains to get an increased understanding of what their local purchasers value. It could also serve as a useful tool for marketers in B2B as a first suggestion towards segmentation and useful insights on what restaurant purchasers care about.

6.4 The study's limitations and Suggestions for future research

The first limitation is that of our rather small sample of only 22 respondents. We argue that even though this makes our framework in no way statistically generalisable, it offers due to the aspect richness an analytical generalisability in our study sample. A suggestion would be to test the result on a larger mass, which would give it even more strength. Furthermore, those factors put together in our framework, suggested to influence brand sensitivity, have shown to be far too complex for us to be able to straighten their full relation to one another. We propose a study similar to that made by Brown (2007), where he examined exactly this, but make it with more factors and show how they interrelate.

The fact that we limited our research to Swedish restaurants does not exclude the possibility of it being used in further research, detecting potential international differences could even be of interest, particular for larger international cooperation's such as Unilever or Campbell's. We also consider it an limitation to only have been using colonial products as cases. Further confining the study to the hotel and restaurant industry could have given a skew image of small companies purchase behaviours in general, why we suggest future research to extend into new industries but focus on the large number of small and medium enterprises.

Our study has been made on the public food sector, as we regarded this as more interesting for our purpose. Even though they might be more restricted, trends affect them as well and they are individuals making decisions. This could be an interesting angle to examine through. Further, our case studies have been limited to three different colonial products. There are hundreds of more products available for study, and we would suggest putting focus on perishable products as these have shown to be more passionately thought of by the purchaser, which could imply more emotions connected to the different brands.

Finally, we would like to suggest a deeper study to identify the correlation between the purchasers and chefs' perception of what customers want and what the restaurant guests are really looking for.

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CHAPTER 6

APPENDIX

Appendix 1

The graveyard model as quoted by Aaker

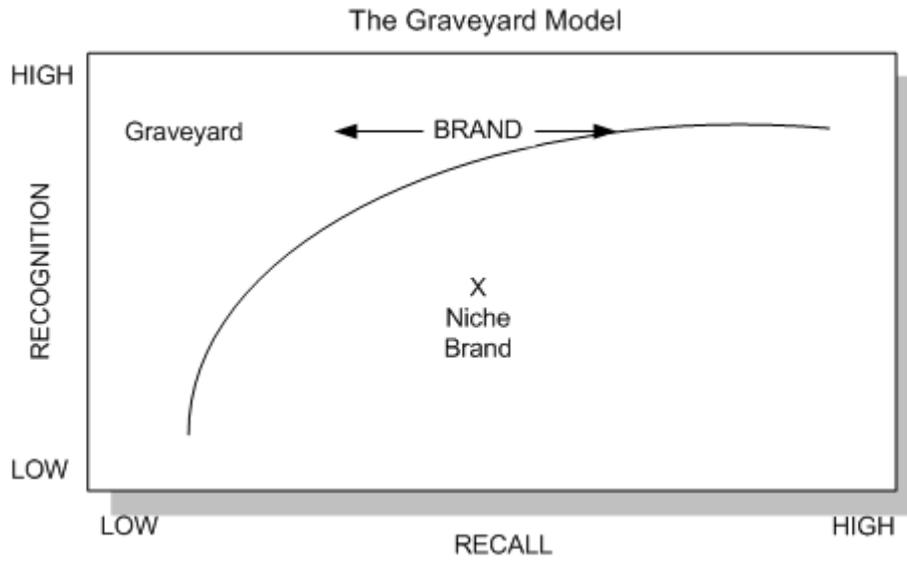


Figure 19. The Graveyard model, as quoted in Aaker (Aaker, 1996, p. 15)

Appendix 2

Questionnaire (Independent restaurants/local purchasers/chefs)

1. How does your purchase process normally work?

- How might this differ depending on the purchase being a first buy or a straight re-buy?

This question aims to examine what happens from the point of need to a decision being made. It opens up for discussion regarding new task situation and what kind of information is needed in those cases and how involved our respondent is in gathering this information. It also reveals the purchaser's experience from earlier made purchase decision, as well as the procedural control present in the process.

Factors from our framework being tested for potential applicability: buying centre, first time, modified or re-buy, previous experience, individual measurement and involvement and procedural control.

2. What risks do you associate with the process described above?

- What would you consider being a risk reducer in your profession?

The questions above attend risks and risk reduction in an organizational buying context, and how the purchaser looks upon both the organizational and personal risk associated with the purchase.

Factors from our framework being tested for potential applicability: buyer characteristics, organizational and personal risk.

3. Please divide a total of 100 points on the following 8 variables present in the buying process of a specific product; bouillon, ketchup and olive oil. The total sum will be 100, but you are free to portion them out as you wish.

1. Availability
2. The brand's reputation
3. Customer Service
4. Earlier experiences of the brand
5. Price
6. Quality
7. Relationship with supplier
8. Dependability

The interviewees were at this point given a questionnaire to fill out. We will examine which variables are important when buying our three products's separately, and will be able to detect certain objectives being kept by the restaurant as well of the importance of the purchase.

Factors from our framework being tested for potential applicability: purchase situation, department objectives, economic consideration, relationship to wholesaler/supplier

4. If you would have to choose between two identical products, what makes you pick one over the other?

- As price probably will be the first reason mentioned, we will ask more thoroughly for a second and third reason.

By posing this question we can examine possible intangible attributes associated with a brand. If two products are identical, there must be a reason, beyond the price, why one would choose one of the products in front of the other.

Factors from our framework being tested for potential applicability; brand equity and intangible attribute.

5. What brands of bouillon, ketchup and olive oil are you currently working with?

- What would be your second choice?
- What would be a reason for you to change your current brand to another?

Question five reveals what brands are currently used by the chef and why these are chosen, hence touching upon intangible attributes, or perhaps tangible, that would reflect the choice. It further serves as an opportunity to make a connection between brands being used and the image and objectives kept by the restaurant. It may also reveal economic consideration as price could be a possible answer to why one would change a currently used brand. It further helps us examining the importance of our case products to each chef.

Factors from our framework being tested for potential applicability: intangible attributes department objectives, economical consideration and product characteristics.

6. In what ways are your colleagues' thoughts and desires present when you make purchases?

- Are these often different from your own?
- How would your colleagues react if you were to buy a product other than the normal and accepted one?

This question is posed to examine the presence of buying centres within smaller companies, such as many of our restaurants are. It will also reveal to what extent a purchaser in charge acts upon his own experience by possibly making decisions disregarding others'. This could be connected to those consequences the outcome might lead to, as well as a purchaser's putting his own competence above others.

Factors from our framework being tested for potential applicability: the buying centre, previous experience, individual consequences and the purchaser's competence.

7. Do you have products outside of the kitchen for customers' disposal?

- What brands are these products, and why those particular?
- Besides the brands shown to your customers, do you feel a wish or maybe even a demand from your customers for a specific brand?

Question seven opens up for discussion regarding approaches towards products being on display for customers' disposal. It is none to the image wanted to be conveyed by the restaurant in order to fulfill a customer's experience and will show the purchaser's perception of brand's and in what way they are aligned with the company image and how aware customers are of them.

Factors from our framework being tested for potential applicability: derived demand from consumers, intangible attributes, department objectives, brand awareness, perceived differences in product attributes, purchase situation and brand equity.

8. In what situation would you choose a well-known brand in front of a less well-known brand, and why?

By posing this question we wish to examine current theories regarding brand's as risk reducer's.

Factors from our framework being tested for potential applicability: organizational and personal risk, perceived differences of product attributes and buyer characteristics.

9. Imagine that you have to choose between two different brands within the product categories bouillon, ketchup and olive oil. Rank the 7 variables below, for each category, after what would be the basis for your choice.

1. Perceived difference in performance between brands.
2. Your own competence within the product category.
3. Symbolic value of the brand.
4. Estimated risk of brand choice.
5. Your own interest for the product category.
6. Earlier bad experiences of the product.
7. Fast-moving or fast-changing category

Again, the interview person is given a questionnaire. The aim of the question is to test brand sensitivity within our specific product categories and how these variables affect the choice of a specific brand.

Factors from our framework being tested for potential applicability: Purchaser's competence, past disappointments with products, fast-moving or fast changing category, risk, intangible attributes, perceived differences between two brands.

10. Test of "Top of Mind". Which brand comes to mind when we say bouillon, ketchup and olive oil?

- Is the first brand they mention the same used in the restaurant? Why/why not?
- Is it the brand used at home?

With these questions we wish to look into brand awareness and what role the personal factor plays in the purchase.

Factors from our framework being tested for possible applicability; brand awareness

11. Test of willingness to pay price premium for a preferred brand by showing flash cards of different brands of bouillon, ketchup and olive oil.

- The flash cards will be marked with different prices and we will ask them to pick one, and then what will happen if their brand of choice increased in price.
- How much more are you willing to pay for a preferred brand?

Our last question will help us examine brand equity and the willingness to pay a price premium for a certain preferred brand.

Factors from our framework being tested for possible application: brand awareness, economic consideration, department objectives and brand equity.

Appendix 3

Questionnaire (central buying centres)

1. How does your buying process normally proceed?

- If you were to expand your current selection or exchange one of your products, how would that process look?

- On what do you base your decision?

- Are you in anyway included in straight re-buys, or does this responsibility lie with the local purchaser at each separate restaurant?

This question aims to examine what happens from the point of need to a decision being made. It opens up for discussion regarding new task situation and what kind of information is needed in those cases and how involved our respondent is in gathering this information. It also reveals the purchaser's experience from earlier made purchase decision, as well as the procedural control present in the process.

Factors from our framework being tested for potential applicability: buying centre, first time, modified or re-buy, previous experience, individual measurement and involvement and procedural control.

3. Would you associate any risks with the process mentioned above?

- What actions can you take in order to avoid or handle these risks?

The questions above attend risks and risk reduction in an organizational buying context, and how the purchaser looks upon both the organizational and personal risk associated with the purchase.

Factors from our framework being tested for potential applicability: buyer characteristics, organizational and personal risk.

3. Please divide a total of 100 points on the following 8 variables present in the buying process of a specific product; bouillon, ketchup and olive oil. Choose the one that you would consider most important to your restaurants. The total sum will be 100, but you are free to portion them out as you wish.

1. Availability
2. The brand's reputation
3. Customer Service
4. Earlier experiences of the brand
5. Price
6. Quality
7. Relationship with supplier
8. Dependability

The interviewees were at this point given a questionnaire to fill out. We will examine which variables are important when buying our three products's separately, and will be able to detect certain objectives being kept by the restaurant as well of the importance of the purchase.

Factors from our framework being tested for potential applicability: purchase situation, department objectives, economic consideration, relationship to wholesaler/supplier

4. What brands of bouillon, ketchup and olive oil are you currently in contract with?

- What would be your second choice?
- What would, according to you, add extra value to a product?

Question five reveals what brands are currently used by the chef and why these are chosen, hence touching upon intangible attributes, or perhaps tangible, that would reflect the choice. It further serves as an opportunity to make a connection between brands being used and the image and objectives kept by the restaurant. It may also reveal economic consideration as price could be a possible answer to why one would change a currently used brand. It further helps us examining the importance of our case products to each chef.

Factors from our framework being tested for potential applicability: intangible attributes, department objectives, economical consideration and product characteristics.

5. Do you get a lot of feedback from local purchasers from your company's different restaurants concerning those product you are bound to through contracts?

This question is posed to examine to what extent a centrally located purchaser takes the thoughts of his locally responsible into consideration. It will also reveal to what extent a purchaser in charge acts upon his own experience by possibly making decisions disregarding others'. This could be connected to those consequences the outcome might lead to, as well as a purchaser's putting his own competence above others.

Factors from our framework being tested for potential applicability: the buying centre, previous experience, individual consequences and the purchaser's competence.

6. Imagine that you have to choose between two different brands within the product categories bouillon, ketchup and olive oil. Choose the one you consider being most important to your restaurants. Rank the 7 variables below, for each category, after what would be the basis for your choice.

8. Perceived difference in performance between brands.
9. Your own competence within the product category.
10. Symbolic value of the brand.
11. Estimated risk of brand choice.
12. Your own interest for the product category.
13. Earlier bad experiences of the product.
14. Fast-moving or fast-changing category

Again, the interview person is given a questionnaire. The aim of the question is to test brand sensitivity within our specific product categories and how these variables affect the choice of a specific brand.

Factors from our framework being tested for potential applicability: Purchaser's competence, past disappointments with products, fast-moving or fast changing category, risk, intangible attributes, perceived differences between two brands.

7. Test of "Top of Mind". Which brand comes to mind when we say bouillon, ketchup and olive oil?

- Is the first brand they mention the same used in the restaurant? Why/why not?
- Is it the brand used at home?

With these questions we wish to look into brand awareness and what role the personal factor plays in the purchase.

Factors from our framework being tested for possible applicability; brand awareness

8. Test of the willingness to pay price premium by showing flash cards of different brands of bouillon, ketchup and olive oil.

- The flash cards will be market with different prices and we will ask them to pick one, and then what will happen if there brand of choice increased in price.
- How much more are you willing to pay for a preferred brand?

Our last question will help us examine brand equity and the willingness to pay a price premium for a certain preferred brand.

Factors from our framework being tested for possible application: brand awareness, economic consideration, department objectives and brand equity.

Appendix 4

Our study sample and how they are categorised into different groups.

None of the tables below are in any way attempting to create statistically generalisable results but rather to serve as a tool in our analysis and as support for conclusions being drawn regarding our study sample. One of our 22 respondents did not answer the survey-like questions, why the total number of respondents here is 21.

Active chef	
Yes	14
No	8

Price range	
low	8
mid	10
high	5

Independent	
Yes	10
No	12

Location	
Southern Sweden	16
Stockholm area	6

Appendix 4.1

Brands mentioned in top of mind versus the actual brands being used.

Respondent	Top of mind			Actual brand used		
	Bouillon	Ketchup	Olive oil	Bouillon	Ketchup	Olive oil
1	Knorr	Heniz	Dauro	Knorr	felix	italian
2	Knorr	Felix	Zeta	egen	N/A	N/A
3	Knorr	Fleix	Zeta	Knorr	Heniz	Greek
4	Knorr	Felix	Barilla	Knorr	Heniz	Del monte
5	Knorr	Felix	J&V	Bong	Felix	Zeta
6	Knorr	Felix	Zeta	Knorr	Felix	N/A
7	Bong	Heniz	N/A	Bong	Heniz	N/A
8	Knorr	Felix	N/A	N/A	N/A	N/A
9	Bong	Heniz	Zeta	Bong	Heniz	Zeta
10	Knorr	Heniz	Zeta	Italienskt	N/a	Copina
11	Knorr	Felix	Zeta	N/A	Felix	N/A
12	Knorr	Heniz	Dauro	Knorr	N/A	Dauro
13	Knorr	Heniz	EMV	EMV	Heniz	EMV
14	Knorr	Heniz	Zeta	egen	Heniz	Sensa
15	Knorr	Felix	Zeta	Knorr	felix	N/A
16	Bong	Felix	Zeta	N/A	Heniz	Fritjofsson
17	Bong	Heniz	Zeta	Bong	Heniz	Zeta
18	Knorr	Felix	N/A	Knorr	Felix	N/A
19	Knorr	Felix	Zeta	Knorr	Slotts	EMV
20	Bong	Felix	Zeta	Bong	Heniz	Zeta
21	Knorr	Felix	Figaro	Bong	Slotts	Zeta
22	Knorr	Heniz	Zeta	Bong	Heniz	Zeta

Appendix 5.1

Distribution of 100 points over 8 factors considered important when making a purchase. Raw data can be found in Appendix 5.3

Factors in order of importance out of 100%

Factors	Bouillon	Ketchup	Olive oil	Total
1. Quality	40,4	33,9	40,3	38,4
2. Price	17,3	14,3	18,7	16,8
3. Dependability	9,0	10,0	14,0	11,0
4. Availability	13,7	10,4	7,7	10,6
5. The brand's reputation	6,2	15,0	4,7	8,4
6. Earlier experiences of the brand	6,5	11,8	6,7	8,2
7. Relationship with supplier	4,4	2,5	4,3	3,8
8. Customer Service	2,5	2,1	3,7	2,8
Sum	100,0	100,0	100,0	100,0

Our 22 respondents were asked to divide 100 points between eight factors considered important when making a purchase. The numbers in the tables show the relative weight in comparison to the other variables, resulting in a constant sum of 100. This means that the chart to the left shows what the average respondent would reward the different factors in our three cases.

Below is presented the results as they vary over our three cases and the seven groups described in chapter five, analysis.

Factors importance divided on High, Middle and Low priced restaurants, out of 100%

Factors	Price class of restaurant											
	Bouillon			Ketchup			Olivolja			Total		
	Low	Mid	High	Low	Mid	High	Low	Mid	High	Low	Mid	High
Availability	17,7	8,6	17,5	15,0	7,5	10	10,0	7,9	5	14,6	8,0	11,1
The brand's reputation	6,9	7,1	3,75	13,0	16,9	10	6,3	6,4	0	8,9	10,5	2,8
Customer Service	3,0	1,4	3,75	3,0	1,3	5	6,3	2,9	2,5	3,9	1,8	3,3
Earlier experiences of the brand	3,0	10,0	5	10,0	13,1	10	1,3	2,1	20	5,0	8,6	12,2
Price	28,1	14,3	8,75	23,0	10,0	5	16,3	20,0	18,75	22,9	14,5	12,8
Quality	31,5	48,6	37,5	21,0	42,5	30	37,5	42,9	38,75	29,5	44,5	37,2
Relationship with supplier	3,9	2,1	8,75	4,0	1,9	0	7,5	3,6	2,5	5,0	2,5	5,0
Dependability	5,9	7,9	15	11,0	6,9	30	15,0	14,3	12,5	10,3	9,5	15,6
Sum	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0

Factors importance divided on Independent or tied to a chain out of 100%

Factors	Independent							
	Bouillon		Ketchup		Olive oil		Total	
	Yes	No	Yes	No	Yes	No	Yes	No
Availability	13,6	13,8	10,0	10,6	6,7	9,2	10,0	11,4
The brand's reputation	8,0	4,4	19,2	11,9	1,7	9,2	8,4	8,4
Customer Service	3,1	1,9	2,5	1,9	3,3	4,2	3,0	2,5
Earlier experiences of the brand	7,4	5,6	10,8	12,5	9,4	2,5	9,1	7,3
Price	11,5	23,1	14,2	14,4	22,8	12,5	16,6	17,0
Quality	38,4	42,5	28,3	38,1	33,9	50,0	34,0	43,0
Relationship with supplier	6,2	2,5	2,5	2,5	3,9	5,0	4,3	3,2
Dependability	11,8	6,3	12,5	8,1	18,3	7,5	14,5	7,3
Sum	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0

Property importance divided on active chef or not, out of 100%

Factors	active chef							
	Bouillon		Ketchup		Olive oil		Total	
	Yes	No	Yes	No	Yes	No	Yes	No
Availability	11,6	20,0	8,2	18,3	6,5	15,0	8,7	18,3
The brand's reputation	7,0	3,8	14,1	18,3	4,2	7,5	8,2	9,4
Customer Service	2,9	1,3	2,3	1,7	3,8	2,5	3,0	1,7
Earlier experiences of the brand	8,3	1,3	12,3	10,0	7,3	2,5	9,1	4,4
Price	12,7	31,3	15,9	8,3	19,6	12,5	16,2	19,4
Quality	41,4	37,5	35,5	28,3	38,8	50,0	38,7	37,2
Relationship with supplier	5,0	2,5	2,3	3,3	4,2	5,0	3,9	3,3
Dependability	11,2	2,5	9,5	11,7	15,4	5,0	12,2	6,1
Sum	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0

Appendix 5.2

Ranking of seven variables being important when deciding between two brands. Raw data can be found in Appendix 5.3.

Variables of in order of importance out of 100

Variables	Buljong	Ketchup	Olivolja	Total
1. Your own competence within the product category.	18,9	16,8	19,9	18,5
2. Earlier bad experiences of the product.	18,1	18,1	17,1	17,8
3. Your own interest for the product category.	14,0	15,1	17,3	15,5
4. Perceived difference in performance between brands.	14,3	14,0	13,3	13,9
5. Estimated risk of brand choice.	12,0	13,5	12,5	12,7
6. Fast-moving or fast-changing category	12,5	10,5	9,9	11,0
7. Symbolic value of the brand.	10,2	12,0	9,9	10,7
Sum	100,0	100,0	100,0	100,0

Our 22 respondents were asked to rank seven variables being important when deciding between two brands at the point of purchase. The numbers in the tables shows the relative weight in comparison to the other variables, resulting in a constant sum of 100.

Below is presented the results as they vary over our three cases and the seven groups described in chapter five, analysis.

Variables importance divided on High, Middle and Low priced restaurants, out of 100

Variables	Price class of restaurant									Total		
	Buljong			Ketchup			Olive oil			Low	Mid	High
	Low	Mid	High	Low	Mid	High	Low	Mid	High	Low	Mid	High
Perceived difference in performance between brands.	16,1	14,3	11,9	13,6	14,3	14,3	14,3	14,8	9,8	14,6	14,5	11,5
Your own competence within the product category.	17,0	17,9	23,8	15,0	16,3	23,2	19,0	17,9	24,1	16,7	17,3	23,8
Symbolic value of the brand.	10,7	11,7	6,0	11,4	13,8	7,1	10,7	10,7	8,0	11,0	12,1	7,1
Estimated risk of brand choice.	18,8	9,7	8,3	18,6	11,7	7,1	16,7	11,2	11,6	18,2	10,9	9,5
Your own interest for the product category.	8,0	15,3	19,0	12,1	16,3	17,9	14,3	17,9	18,8	11,3	16,5	18,7
Earlier bad experiences of the product.	14,3	18,9	21,4	16,4	17,9	23,2	13,1	17,9	18,8	14,9	18,2	20,6
Fast-moving or fast-changing category	15,2	12,2	9,5	12,9	9,7	7,1	11,9	9,7	8,9	13,4	10,5	8,7
Sum	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0

Variables importance divided on Independent or tied to a chain out of 100

Variables	Independent							
	Buljong		Ketchup		Olive oil		Total	
	Yes	No	Yes	No	Yes	No	Yes	No
Perceived difference in performance between brands.	11,2	17,3	8,9	17,9	9,4	18,5	9,9	17,9
Your own competence within the product category.	21,4	16,3	20,8	13,8	21,4	17,9	21,3	15,8
Symbolic value of the brand.	8,2	12,2	9,5	13,8	8,9	11,3	8,8	12,6
Estimated risk of brand choice.	11,2	12,8	10,1	16,1	12,5	12,5	11,4	13,9
Your own interest for the product category.	18,9	9,2	20,2	11,2	20,5	13,1	19,9	11,1
Earlier bad experiences of the product.	17,3	18,9	19,0	17,4	16,5	17,9	17,5	18,0
Fast-moving or fast-changing category	11,7	13,3	11,3	9,8	10,7	8,9	11,2	10,7
Sum	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0

Variables importance divided on active chef or not, out of 100

Variables	active chef							
	Buljong		Ketchup		Olive oil		Total	
	Yes	No	Yes	No	Yes	No	Yes	No
Perceived difference in performance between brands.	14,9	11,9	13,3	16,7	13,7	10,7	14,0	13,4
Your own competence within the product category.	19,5	16,7	18,5	10,7	19,6	21,4	19,2	15,6
Symbolic value of the brand.	9,4	13,1	11,0	15,5	9,2	14,3	9,9	14,3
Estimated risk of brand choice.	10,1	19,0	10,7	23,8	11,9	16,1	10,9	20,1
Your own interest for the product category.	14,6	11,9	16,2	10,7	17,6	16,1	16,2	12,5
Earlier bad experiences of the product.	19,2	14,3	19,5	13,1	17,9	12,5	18,8	13,4
Fast-moving or fast-changing category	12,3	13,1	10,7	9,5	10,1	8,9	11,0	10,7
Sum	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0

Appendix 5.3

Raw data derived from the survey like questions; Division of 100 points over eight categories.

No.	Active Chef Yes=1, No=2	Indepentent Yes=1, No=2	Price class in resturant. low =1, mid=1, top =3	Availability	The brand's reputation	Customer Service	Earlier experiences of the brand	Price	Quality	Relationship with supplier	Dependability
1	1	1	2	20	5	0	0	20	30	5	20
2	1	1	3	10	10	5	10	5	30	0	30
4	1	1	3	0	0	0	0	10	30	30	30
3	1	1	1	0	0	0	0	0	0	0	0
5	1	2	2	20	0	0	0	10	50	10	10
6	1	2	2	10	10	0	30	20	20	0	10
7	1	1	3	0	0	0	0	0	0	0	0
8	1	2	2	10	10	10	10	20	30	0	10
9	1	1	3	50	5	10	10	10	10	5	0
10	2	1	3	10	0	0	0	10	80	0	0
11	2	2	1	0	0	0	0	0	0	0	0
12	1	2	2	0	0	0	0	0	100	0	0
13	1	2	1	0	0	0	0	20	70	0	10
14	1	1	1	20	20	10	10	8	20	10	10
15	1	1	2	0	0	0	5	30	60	0	5
16	2	2	1	50	0	0	0	50	0	0	0
17	2	2	1	0	0	0	0	0	0	0	0
18	2	2	1	0	0	0	0	50	50	0	0
19	2	2	2	0	0	0	0	0	0	0	0
20	1	1	2	0	25	0	25	0	50	0	0
21	2	2	1	20	15	5	5	15	20	10	10

Ketchup

No.	Active Chef Yes=1, No=2	Indepentent Yes=1, No=2	Price class in resturant. low =1, mid=1, top =3	Availability	The brand's reputation	Customer Service	Earlier experiences of the brand	Price	Quality	Relationship with supplier	Dependability
1	1	1	2	20	5	0	0	20	30	5	20
2	1	1	3	10	10	5	10	5	30	0	30
4	1	1	3	0	0	0	0	0	0	0	0
3	1	1	1	10	30	0	10	20	20	0	10
5	1	2	2	20	0	0	0	10	50	10	10
6	1	2	2	0	20	0	60	0	10	0	10
7	1	1	3	0	0	0	0	0	0	0	0
8	1	2	2	10	20	10	10	10	30	0	10
9	1	1	3	0	0	0	0	0	0	0	0
10	2	1	3	0	0	0	0	0	0	0	0
11	2	2	1	0	0	0	0	0	0	0	0
12	1	2	2	0	0	0	0	0	100	0	0
13	1	2	1	0	0	0	0	70	30	0	0
14	1	1	1	20	20	10	10	10	10	10	10
15	1	1	2	0	0	0	5	30	60	0	5
16	2	2	1	25	0	0	25	0	25	0	25
17	2	2	1	0	0	0	0	0	0	0	0
18	2	2	1	0	0	0	0	0	0	0	0
19	2	2	2	10	40	0	0	10	40	0	0
20	1	1	2	0	50	0	30	0	20	0	0
21	2	2	1	20	15	5	5	15	20	10	10

Oliv-oil

No.	Active Chef Yes=1, No=2	Indepentent Yes=1, No=2	Price class in resturant. low =1, mid=1, top =3	Availability	The brand's reputation	Customer Service	Earlier experiences of the brand	Price	Quality	Relationship with supplier	Dependability
1	1	1	2	2	5	0	0	2	3	5	2
2	1	1	3	0	0	0	2	2	3	0	3
4	1	1	3	1	0	1	1	2	2	1	2
3	1	1	1	0	1	1	0	2	3	1	2
5	1	2	2	2	0	0	0	1	5	1	1
6	1	2	2	5	2	1	1	1	3	1	5
7	1	1	3	0	0	0	0	0	0	0	0
8	1	2	2	1	2	1	0	2	3	0	1
9	1	1	3	0	0	0	5	25	25	0	0
10	2	1	3	1	0	0	0	1	8	0	0
11	2	2	1	0	0	0	0	0	0	0	0
12	1	2	2	0	0	0	0	0	1	0	0
13	1	2	1	0	0	0	0	2	7	0	1
14	1	1	1	2	0	1	0	1	3	1	2
15	1	1	2	0	0	0	5	3	6	0	5
16	2	2	1	0	0	0	0	0	0	0	0
17	2	2	1	0	0	0	0	0	0	0	0
18	2	2	1	0	0	0	0	0	0	0	0
19	2	2	2	0	0	0	0	0	0	0	0
20	1	1	2	0	0	0	0	5	0	0	5
21	2	2	1	2	15	5	5	15	2	1	1

Appendix 5.4

Raw data derived from the survey like questions; Ranking of seven categories 1-7 where 1 is the most important.

Bouillon

No.	Active Chef Yes=1, No=2	Independent Yes=1, No=2	Price class in restaurant. low =1, mid=1, top =3	Perceived difference in performance between brands.	Your own competence within the product category.	Symbolic value of the brand.	Estimated risk of brand choice.	Your own interest for the product category.	Earlier bad experiences of the product.	Fast-moving or fast-changing category
1	1	1	2	7	3	5	4	2	1	6
2	1	1	3	4	1	5	6	3	2	7
4	1	1	3	4	2	7	6	3	1	5
3	1	1	1	0	0	0	0	0	0	0
5	1	2	2	3	1	4	6	5	2	7
6	1	2	2	5	1	6	4	7	2	3
7	1	1	3	0	0	0	0	0	0	0
8	1	2	2	1	5	2	7	4	3	6
9	1	1	3	0	0	0	0	0	0	0
1	2	1	3	6	1	7	5	2	3	4
11	2	2	1	0	0	0	0	0	0	0
12	1	2	2	1	5	7	6	4	2	3
13	1	2	1	4	3	7	5	6	1	2
14	1	1	1	2	1	7	3	5	6	4
15	1	1	2	7	5	6	3	2	4	1
16	2	2	1	0	0	0	0	0	0	0
17	2	2	1	0	0	0	0	0	0	0
18	2	2	1	4	6	5	1	7	3	2
19	2	2	2	0	0	0	0	0	0	0
20	1	1	2	4	1	3	7	2	5	6
21	2	2	1	4	3	1	2	5	6	7

Ketchup

No.	Active Chef Yes=1, No=2	Independent Yes=1, No=2	Price class in restaurant. low =1, mid=1, top =3	Perceived difference in performance between brands.	Your own competence within the product category.	Symbolic value of the brand.	Estimated risk of brand choice.	Your own interest for the product category.	Earlier bad experiences of the product.	Fast-moving or fast-changing category
1	1	1	2	7	3	5	4	2	1	6
2	1	1	3	4	1	5	6	3	2	7
4	1	1	3	4	2	7	6	3	1	5
3	1	1	1	0	0	0	0	0	0	0
5	1	2	2	3	1	4	6	5	2	7
6	1	2	2	4	3	1	2	5	6	7
7	1	1	3	0	0	0	0	0	0	0
8	1	2	2	2	6	3	5	4	1	7
9	1	1	3	0	0	0	0	0	0	0
1	2	1	3	0	0	0	0	0	0	0
11	2	2	1	0	0	0	0	0	0	0
12	1	2	2	1	5	7	6	4	2	3
13	1	2	1	4	3	7	5	6	1	2
14	1	1	1	7	1	6	5	2	3	4
15	1	1	2	7	5	6	3	2	4	1
16	2	2	1	2	6	3	1	5	4	7
17	2	2	1	4	6	7	1	5	3	2
18	2	2	1	0	0	0	0	0	0	0
19	2	2	2	0	0	0	0	0	0	0
20	1	1	2	4	1	3	7	2	5	6
21	2	2	1	4	3	1	2	5	6	7

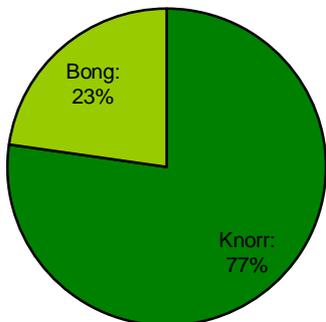
Oliv-oil

No.	Active Chef Yes=1, No=2	Independent Yes=1, No=2	Price class in restaurant. low =1, mid=1, top =3	Perceived difference in performance between brands.	Your own competence within the product category.	Symbolic value of the brand.	Estimated risk of brand choice.	Your own interest for the product category.	Earlier bad experiences of the product.	Fast-moving or fast-changing category
1	1	1	2	7	3	5	4	2	1	6
2	1	1	3	4	1	5	6	3	2	7
4	1	1	3	4	2	7	6	3	1	5
3	1	1	1	0	0	0	0	0	0	0
5	1	2	2	3	1	4	6	5	2	7
6	1	2	2	3	2	4	5	1	6	7
7	1	1	3	0	0	0	0	0	0	0
8	1	2	2	2	4	6	3	5	1	7
9	1	1	3	7	1	4	2	3	5	6
1	2	1	3	6	1	7	5	2	3	4
11	2	2	1	0	0	0	0	0	0	0
12	1	2	2	1	5	7	6	4	2	3
13	1	2	1	4	3	7	5	6	1	2
14	1	1	1	4	2	7	3	1	6	5
15	1	1	2	7	5	6	3	2	4	1
16	2	2	1	0	0	0	0	0	0	0
17	2	2	1	0	0	0	0	0	0	0
18	2	2	1	0	0	0	0	0	0	0
19	2	2	2	0	0	0	0	0	0	0
20	1	1	2	4	1	3	7	2	5	6
21	2	2	1	4	3	1	2	5	6	7

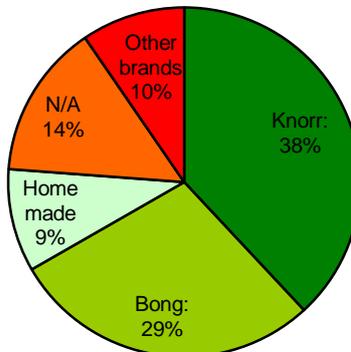
Appendix 6

Graphical presentation of top of mind brands.

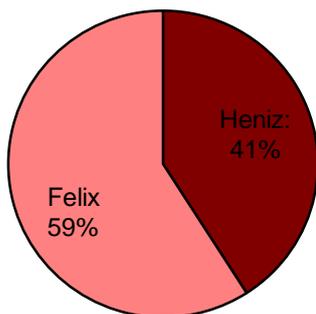
Top of mind; bouillon



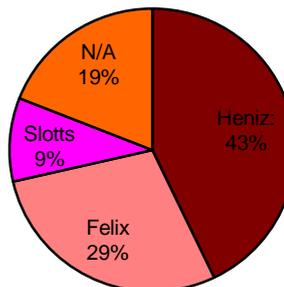
Actual brand used; bouillon



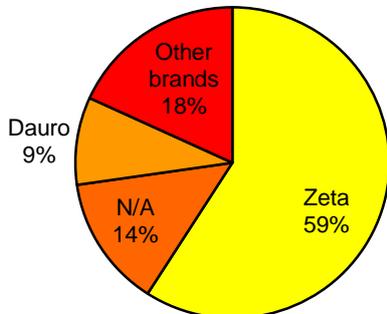
Top of mind; ketchup



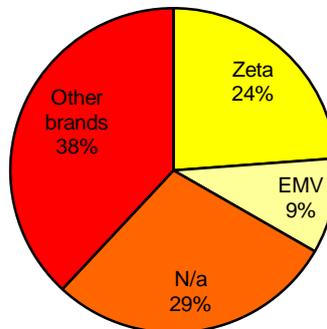
Actual brands used; ketchup



Top of mind; olive oil



Actual brands used; olive oil



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