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**FACTORS AFFECTING THE BUYING BEHAVIOUR OF LEATHER
FOOT WEAR MANUFACTURES; THE CASE OF ANBESSA SHOES
SHARE COMPANY**



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**Factors Affecting the Buying Behaviour of Leather Foot
Wear Manufactures; the case of Anbessa shoes Share
Company**

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Manufactures; the case of Anbessa shoes Share Company

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Declaration

I, Filimon Beyene, declare that this research entitled — Factors Affecting the Buying Behaviour of Leather Foot Wear Manufactures; the case of Anbessa shoes Share Company - is the outcome of my own effort and study and that all sources of materials used for the study have been duly acknowledged. This study has not been submitted for any degree in this University or any other University. It is offered for the partial fulfilment of the degree of Masters in Marketing Management.

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Certification

This is to certify that Filimon Beyene has carried out this research work on the topic entitled "Factors Affecting the Buying Behaviour of Leather Foot Wear Manufactures; the case of Anbessa shoes Share Company, under my supervision. This work is original and it can be submitted for the partial fulfilments of the requirements for the award of the degree of Masters in Marketing Management.

Dr. Tewoders Mesfin

Date _____

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Table of Contents

Declaration.....	III
Certification	IV
Acknowledgement	VII
Acronym's	VIII
List of tables	IX
List of figures.....	X
ABSTRACT	XI
CHAPTER –ONE	1
1. INTRODUCTION	1
1.1 Background of the Study	1
1.2 Statement of the Problem.....	3
1.3 Objectives of the Study.....	4
1.3.1General Objective	4
1.3.2 Specific Objectives	4
1.4 Research Questions.....	5
1.5 Significance of the Study	5
1.6 Scope and Limitation of the Study	6
1.7 Definition of Terms	6
1.8 Organization of the Study	7
CHAPTER TWO: LITERATURE REVIEW	9
2. THEORETICAL FRAMEWORK.....	9
2.1. Industrial Buying Behavior.....	9
2.1.1 The Buying Process	11
2.1.2. Buy Phases.....	13
2.1.2.1. Buy Classes.....	14
2.1.3. Buying Center	16
2.1.3.1. Dimensions of the Buying Centre.....	17
2.1.3.2. Roles in the Buying Centre.....	18
2.1.4. Factors That Affects the organizational Buying behavior.	19
2.1.4.1. Environmental Factors	20
2.1.4.2. Organizational Factors	21
2.1.4.3. Interpersonal Factors.....	22
2.1.4.4. Individual Factors	23
2.2. Empirical Literature Review.....	23
2.3. Conceptual Framework.....	26

CHAPTER –THREE	27
3. RESEARCH METHODOLOGY	27
3.1. Description of The Study Area	27
3.2. Research Approach	27
3.3. Research Design	28
3.4 Type of Data and Sources	28
3.5. Sample Designs	28
3.5.1. Target Population and Sample Size	29
3.6. Methods of Data Collection	30
3.6.1. Data Gathering Tools	30
3.7. Methods of Data Analysis	30
3.7.1. Model Specification and Description of Study Variables	31
3.8. Ethical Consideration	32
CHAPTER FOUR	33
4.DATA PRESENTATION, ANALYSIS and INTERPRETATION	33
4.1 Introduction	33
4.2 Data Presentation & Analysis	33
4.2.1 Reliability Analysis	33
4.2.2 Descriptive Analysis	34
4.2.2.1 Demographic characteristics of the Respondents	34
4.3. Diagnosis Testing Assumptions on Factors Affecting Organizational Buying Behaviors	39
4.3.1 Multi-collinearity Test	39
4.3.2 Linearity Test	40
4.3.3 Normality Test	41
4.4 Correlation between variables	42
4.5 Overall Regression Model Analysis	43
4.5.1 Regression Model and Summary	44
4.5.2 Regression ANOVA Table	44
4.5.3 Regression Coefficient Analysis of the Model	45
4.6. Interpretation of The Results and Summary of the Findings	46
4.6.1. Findings based on Research Questions	46
CHAPTER FIVE	49
5.CONCLUSIONS and RECOMMENDATIONS	49
5.1 Conclusions	49
5.2. Recommendations	51
5.3 Future Research	52
Reference	53
APPENDIX I: QUESTIONNAIRE	57

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Acronym's

LIDI		Leather Industry Development Institutions
BC		Buying Center
BP		Buying Process
B2B		Business To Business
IBB		Industrial Buying Behaviours
IBP		Industrial Buying Processes
MCDM		Multi Criteria Decision Marking
OBB		Organizational Buying Behaviour
SPSS		Statistical Package For Social Sciences
CSA		Central Statistics Agency

List of tables

Table 1 The illustration for analysis of industrial buying situations; Source: Adapted from Dwyer & Tanner (2002), p. 73	12
Table 2 The Buy-Grid framework, recreated from Kotler, P. & Keller, K.L. (2007).....	15
Table 3 Classification and examples of variables influencing organizational buying decisions Webster & Wind,1996, p. 53»	20
Table 4 Reliability analysis	34
Table 5 Gender Profile Respondents	34
Table 6 Qualification of the respondents.....	35
Table 7 Respondents Age	36
Table 8 Work experience of respondents	36
Table 9 Department of Respondent	37
Table 10 The Mean and Standard Deviation of organizational buying behaviour and contributing factors	38
Table 11 Multi-Collinearity Test	40
Table 12 Pearson Correlation between Organizational buying behaviour and contributing factors	43
Table 13 Results of multiple regressions between Organizational Buying Behaviour and the combined effect of predictors.....	44
Table 14 Analysis of variance results of the regression analysis between Organizational Buying Behaviour and predictor Variables	44
Table 15: Regression coefficients of the relationship between Organizational Buying Behaviour and the four predictive variables.	45

List of figures

Figure 1- Areas of industrial buying behaviour. Adapted from Baptista and Forsberg (1997), p. 22	11
Figure 2 Summary of buy–grid framework; buy phase recreated from Dwyer & Tanner (2002).....	14
Figure 3 Conceptual Framework of the Study	26
Figure 4 Normal Point Plot of Standardized Residual.....	40
Figure 5. frequency distribution of the standardized residuals compared to a normal distribution.....	41

ABSTRACT

The main aim of this research was to assess the factors that influence the Buying Behaviour of Leather Foot Wear Manufactures; the case of Anbessa shoes Share Company. These four determinants: Environmental factors, Organization factors, Interposal factors and Individual factors have been kept in mind while doing this research. The study used both qualitative and quantitative Methods and descriptive research design techniques in which 218 respondents from Anbessa shoes factory were included. In this study both semi-structured interviews and questionnaire for company managers and employees identified through convenience sampling was used. The researcher used correlation and regression analysis to analyse the data.

The result of the study shows that all four variables; Environmental factors, Organization factors, Interposal factors and Individual factors have a significant positive and negative impact on Buying Behaviour of Leather Foot Wear Manufactures; the case of Anbessa shoes Share Company with different degree.

Besides, determinates factor, the buying centres communication network and player in straight rebuy is the same as in modified rebuy. In addition, the roles in the buying center in both straight rebuy and modified rebuy is similar. The study recommended that, managers should clearly realize their buying center activities and internal and external factors in order to have smooth relationships with the finished leather suppliers and improve their footwear manufacturing performances. Further studies were recommended in the areas by considering additional variables and considering leather product manufactures at large.

Keywords: *organizational buying behaviour, buying center, decision making process*

CHAPTER –ONE

1. INTRODUCTION

1.1 Background of the Study

Buying behaviour refers to the selection, purchase and consumption of goods and services for the satisfaction of their wants. There are different processes involved in the consumer behaviour. Many factors, specificities and characteristics influence the individual in what he is and the consumer in his decision-making process, shopping habits, purchasing behaviour, the brands he buys or the retailers he goes (N Ramya,2017).

Buyer behaviour is influenced by several factors or forces. according to N Ramya & Dr.SA Mohamed, (2017) the following are the core factors that affect consumer buying behaviour that is the social, cultural, economic, personal and psychological factors.

It is important to be aware of the difference between consumer buying and industrial buying because the industrial buyer behaviour differs from consumer buying in many aspects such as; using more variables and greater difficulty to identify process participants (Moriarty, 1997). The industrial buying is described by Parkinson and baker (1986) as the buy of product which is made to please the entire organization instead of satisfying just one individual.

Industrial buying concerns the purchase of products and services for use in an organization's activities (Jobber, 2001). Organizational buying behaviour, or industrial buying behaviour, is the field of industrial marketing that focuses on the understanding of how companies and organizations buy goods and services (Wallström, 2002).

In the meantime, a large proportion of world's trade revolves around a long list of industrial products which are purchased by industrial buyers. Although it has been suggested that the impact of culture on international markets is more predominant in the consumer goods than industrial goods (Keegan ,1994)

Much of the buying and selling in advanced economies is between organizations, that is, industrial rather than consumer market exchange thus, it is important to understand organizational buying behaviours (Anderson et al. 1987). Those who supply goods and services to consumer markets are themselves in need of goods and service to their business. These organizations can be producers, resellers, and government-make up vast

marketing organizations that buy a large variety of products, including equipment, raw material, labour and other services.

Marketing researchers have studied the behaviours and processes used by organizations in their purchasing activities. Marketers, in particular, have encouraged these investigations as an aid to better understand, serve, and retain their organizational customers. As a result, scores of theoretical and case articles have examined the constructs associated with organizational buying behaviour (Lewin and Donthu, 2005).

Organizational buying, according to Wind, Y. (2006) is making process by which formal organizations establish the need for purchased products and services and identify, evaluate and choose among alternative brands and suppliers". One of the important aspects of this definition is that organizational buying behaviour is a process rather than a static, one-off event. There are a number of stages, or phases, associated with product and service procurement, each one often requiring a key process to be made. Additionally, it usually involves many people in the process with complex inter-actions among people, among individual and organizational goals. Thus, the required information from many sources, and encompasses many inter-organizational relationships.

Leather foot wear is the emerging manufacturing sub –sector of Ethiopia among leather based industries, the foot wear manufacturing industries classified as micro and small enterprise and large and medium enterprise based on their production capability and number of employee they hire. Ethiopia having these manufactures in the sector acquires 33.9 million dollars according to the 2014 market study of Ethiopian leather manufacturing report.

Ethiopia is believed to have the largest livestock population in Africa. This livestock sector has been contributing considerable portion to the economy of the country, and still promising to rally round the economic development of the country. This huge potential resource is the major input for the leather sector to be further flourished like production of leather footwear (CSA, 2017/18).

Accordingly, the leather sector is the one that is believed to play a significant role in the enhancement of the overall economy of the country. The leather sector includes leather footwear, leather processing, leather garment, and leather goods manufacturing industry (LIDI, 2017/18).

Furthermore, the leather industry especially the footwear products are one of the major source of foreign currency through export. And from the prior investigation conducted, the researcher understands a literature gap on organizational buying behaviour by the leather footwear companies as well as the leather industry.

Anbessa Shoe Share Company engages in the production and distribution of shoes for gents, ladies, children, and handicaps. It offers leather shoe uppers, finished leather footwear, leather articles, worker's shoes, civilian shoes, and military shoes. The company serves Italy, Germany, Sweden, and North America markets, as well as African countries. Anbessa Shoe Share Company was formerly known as Darmar Shoe Factory. The company was founded in 1939 and is based in Addis Ababa. The company now completing a manufacturing expansion project which will result in the current plant operations moving to a new site in the Akaki/Kaliti area. The new plant will be compliant with international best practice, thereby enhancing export potential.

Therefore, this paper planned to clearly identify the factors that affect the buying behaviour of the case company that is Anbessa shoes Share Company when they purchase finished leather for their further production process.

1.2 Statement of the Problem

As the livestock survey study made by CSA 2017/18 (2010 E.C.) shows, Ethiopia has 60.39 million cattle, 31.30 million sheep and 32.74 million goats. However, the resource is not fully utilized and the leather industry has still room for development by utilizing the abundance of the resource. And the major challenges obstructing the utilizations in Ethiopian leather sector are: poor relationship among buyers and suppliers⁶, poor livestock management, and poor quality raw material. As a result, the supply chain of finished leather in the industry is facing huge challenges. Moreover, Series of studies conducted on the leather footwear industry, conformed that such problems are affecting the overall finished leather purchasing activities of the companies. For instance, one study revealed that in Ethiopian the proper utilization of finished leather for footwear production is low. This is because the leather footwear manufacturing companies are facing a shortage of quality finished leather, long procurement lead time, and inefficient utilization of resources i.e. material, machine, and labour (Tomas, 2011).

In addition, preliminary studies revealed that the existing leather footwear manufactures, face the following challenges like a shortage of finished leather, unavailability of leather

quality expert and, excessive delaying of the leather material was the major factors challenge their purchasing behaviour. This is mainly related to supplier loyalty, quality and quantity of the leather.

Thus, the researcher realized from the preliminary investigation that though the leather footwear manufactures faces many challenges related to leather purchasing processes, but they did not clearly understand and gave attention to their buying behaviour.

Besides the causes the selection criteria used, the buying centre activities and other internal and external factors that can affects the purchasing process.

On the other hand, several authors and researchers explained that the importance of understanding the organization's buying behaviour by company managers. Besides, considering the criteria's companies use to select the suppliers, buying centre activities and factors that affecting their process can be a great strategic concern and can improve companies' performance. According to Buvik, (2001) organizational buying behaviour is knowledge about how purchasing departments and buying centres organize purchasing process making conditions that influences their purchase.

Therefore, the main purpose of this study will be to identify and emphasized the factors that affect the buying behaviour of Anbessa shoes Share Company. Similarly, the research tried to identify the understanding gap occurred in the leather footwear manufactures buying behaviour and clearly describes the components included in the process. Specifically, the internal/external factors influencing the buying processes, buying centre, roles played in achieving the purchasing objective and the influencing factors were the major focuses. It believed that describing these components provides a clear understanding of leather footwear manufacturing companies buying behaviour.

1.3 Objectives of the Study

1.3.1 General Objective

To identify and explore the factors that affect the buying behaviour of leather foot wear manufactures when they purchase finished leather from different suppliers.

1.3.2 Specific Objectives

- ✓ To investigate the effect of environmental factors on the buying behaviour of leather footwear manufactures in case of Anbessa shoes.
- ✓ To identify the effect of organizational factors on the buying behavior of leather

footwear manufactures in case of Anbessa shoes.

- ✓ To analyze the Influence of interpersonal factors on the members of the buying center.
- ✓ To examine the effect of individual factors on the Personal characteristics of members in the buying center.

1.4 Research Questions

Considering the aforementioned challenges that are faced in the leather footwear manufactures in their organizational buying behaviour. The main question of the research will be. What are the factors that affect the Leather Footwear Manufacturing Company's buying behaviour? From this main research question a number of guiding questions are identified. The identified specific research questions are the following:

- ✓ Q1. What are the effects of environmental factors on the buying behaviour of leather footwear manufactures in case of Anbessa shoes?
- ✓ Q2. How dose organizational factors affect the buying behaviour of leather footwear manufactures in case of Anbessa shoes?
- ✓ Q3. How interpersonal factors does Influences the members of the buying centre in the buying process of Anbessa shoes?
- ✓ Q4. Does an individual factor have effect on the Personal characteristics of members in the buying centre?
- ✓ Q5. Which one of the factors significantly affected the Anbessa shoes buying behavior or processes?

1.5 Significance of the Study

Identifying the factors that affect the buying behaviours of leather footwear manufactures is important in the leather footwear industry. Moreover, the study has a practical significance of filling the understanding gap by identify and suggesting means for the problems at hand.

Thus, the study primarily helps the export-oriented footwear manufacturing companies by showing their buying activities especially, to the purchasing managers. Furthermore; buying centre activities, selection criteria, and the factors influencing the purchase process are explained in detail. To this effect, the companies can get comprehensive information by identifying their gaps evidenced from the theoretical explanations.

The finding of this study also provides information to the concerned manufactures and government bodies about the buying behaviour of leather footwear industry.

Finally, researchers and students who wish to conduct studies related to this research area can get an input for their studies. As there is a scarcity of published researches on the specific field i.e. the leather footwear manufacturing companies with respect to the buying behaviour. The results generated from this research provide appropriate help on the matter.

1.6 Scope and Limitation of the Study

The study will mainly limit to the case company that is Anbessa shoes Share Company. Moreover, it was focusing on the companies buying behaviour with respect to the purchasing of finished leather. Though there are other types of input materials under the companies buying practice, the study was only examining the finished leather material. Due to the objective, the study uses explanatory research design to gain deep understanding in the issue. Therefore, as the study was only conducted on the case company, the findings may not be generalizable to all leather footwear manufactures in Ethiopia.

In addition, shortage of related research works on the topic and time was another obstacle of this study.

1.7 Definition of Terms

The definitions that I adopted are often not uniform. Therefore, this section clearly explain the conceptual and operational definitions used throughout this paper.

- **Organizational Buying behavior:** is a complex process over time that involves interaction between several persons, both within and outside an organization (Webster and Wind, 1972).

Is the decision – making process by which formal organizations establish the need for purchase products and services and identify, evaluate and chose among alternative brands and suppliers.

- **Buying centre:** refers to all those members of an organization who become involved in the buying process for a particular product or service (Robinson et al., 1967).
- **Purchasing:** refer to a business or organization attempting to acquires a good or

service to accomplish its goal (Webster and Wind, 1972).

It is the organized acquisition of goods and service on behalf of the buying entity

- **Raw material:** include all raw and auxiliary materials, parts and containers which are consumed during the reference year (CSA, 2017/18b).
- **Leather foot wear:** refer to garment worn on the feet which originally serves to purpose of protection against adversities of the environment, usually regarding ground textures and temperature (www.Wikipedia.org).
- **Manufacturing:** according to International Standard Industrial Classification (ISIC Revision -3.1) manufacturing is defined as “the physical or chemical transformation of materials or components into new products, whether the work is performed by power - driven machines or by hand, whether it is done in a company or in the worker’s home, and whether the products are sold at wholesale or retail (CSA, 2017/18b).

1.8 Organization of the Study

This study consists of five chapters with different sections and sub-sections and it is structured as follows:

Chapter one presents the introduction for the main part of the study, statement of the problem, research question, and objective of the study, scope and limitations and significance of the study.

Chapter two deals with the literature review of relevant previous studies, mainly consisting of different suggested models and theories of industrial or organizational buying behaviour under the empirical reviews. This chapter lastly provides the conceptual framework of the study. Chapter three clearly elaborates the research design and methodology, and the reason for selecting various research strategies and the rational for sample selection process. It also deals with the issues of why the particular survey instrument was selected as being appropriate for the current study. Furthermore, presents the research strategies, methods and other related designs which give a direct way to the study.

Chapter four provides data analysis and presentation of organizational buying behaviour in accordance with the theoretical variables. Moreover, it presents the analysis of the data compared with the frame of reference and the case companies. Chapter five finally presents the conclusion and recommendation of the study, and the conclusions drawn out

from the results. In addition, research limitations and future research suggestions were forwarded on the specific study area.

CHAPTER TWO: LITERATURE REVIEW

2. THEORETICAL FRAMEWORK

2.1. Industrial Buying Behavior

Different scholars have studied the behaviours and processes used by organizations in their purchasing activities. Marketers, in particular, have encouraged these investigations as an aid to better understand, serve, and retain their organizational customers. As a result, scores of theoretical and case articles have examined the constructs associated with organizational buying behaviour (Lewin and Donthu, 2005).

Organizational buying behaviours is an extensive concept as it depends on many factors. However, understanding the organizational buying process is a key prerequisite for the development of business marketing strategy (Kovalev, A.I. 2003).

With knowledge of the customer firm's decision making process and buying behaviour, market managers are in a far better position to develop marketing strategies, build win-win relationship with customers and influence purchasing decisions successfully. (Kovalev, A.I. 2003).

Industrial buying behaviour is the pattern of action by company involved in manufacturing, processing and other heavy industry. According to Ali and Talwar (2013) industrial buying behaviour is the process by which formal organizations establish the need for purchased products and services and identify, evaluate and choose among alternative brands and suppliers". One of the important aspects of this definition is that industrial buying behaviour is a process rather than a static, one-off event. There are a number of stages, or phases, associated with product and service procurement, each one often requiring a key process to be made. Additionally, it usually involves many people in the process with complex inter-actions among individual and organizational goals. And this requires information from many sources, and encompasses many inter-organizational relationships, (ibid).

Those who supply goods and services to consumer markets are themselves in need of goods and service to their business. These organizations can be producers, resellers, and government-make up vast marketing organizations that buy a large variety of products, including equipment, raw material, and labour and other services. But according to Ali and

Talwar (2013) buying behaviour differs greatly for different types of products and services.

In order to succeed in business-to-business markets, selling firms must possess an understanding of customer firms' buying behaviour. However, such an understanding may be difficult to achieve, because organizational buying behaviour is often a multi-phase, multi-person, multi-departmental, and multi-objective process. Buying process in a business-to-business (B2B) context differ substantially from those made in the consumer market (Dirk et al. 2012). This dynamic and complex process frequently presents sellers with a complex set of issues and situational factors that directly or indirectly influence buying firm behaviour (Johnston and Lewin 1996).

Furthermore, buyers face a complex set of issues and their behaviours are confounded by many situational factors (Bunn, 1993). It is important to understand what influences that are being involved and how they are likely to impact the buying process to be able to understand why buyers make particular choices (Kotler et al. 2001).

In recent time, the need for an understanding of the organizational buying process has grown due to the considerable increase of activity on business-to-business markets, that present different types of challenges and opportunities than those presented by consumer markets. Organizational markets are usually divided into four components: producer market, reseller market, government market and institutional market. Business markets mostly concerns producer and reseller markets (Vitale et al, 2010, p.131)

Wind and Thomas (2010) have suggested that industrial buying behaviour (IBB) can be divided into three different areas: buying process, buying centre, and affecting factors. Each of these areas consists of several parts, which can be seen in figure 1. The areas are in turn divided into smaller parts, making the complex concept of industrial buying behaviour easier to grasp. In order to increase knowledge about the industrial buyer behaviour these three dimensions are considered as highly relevant for this research and will therefore be used throughout the study.

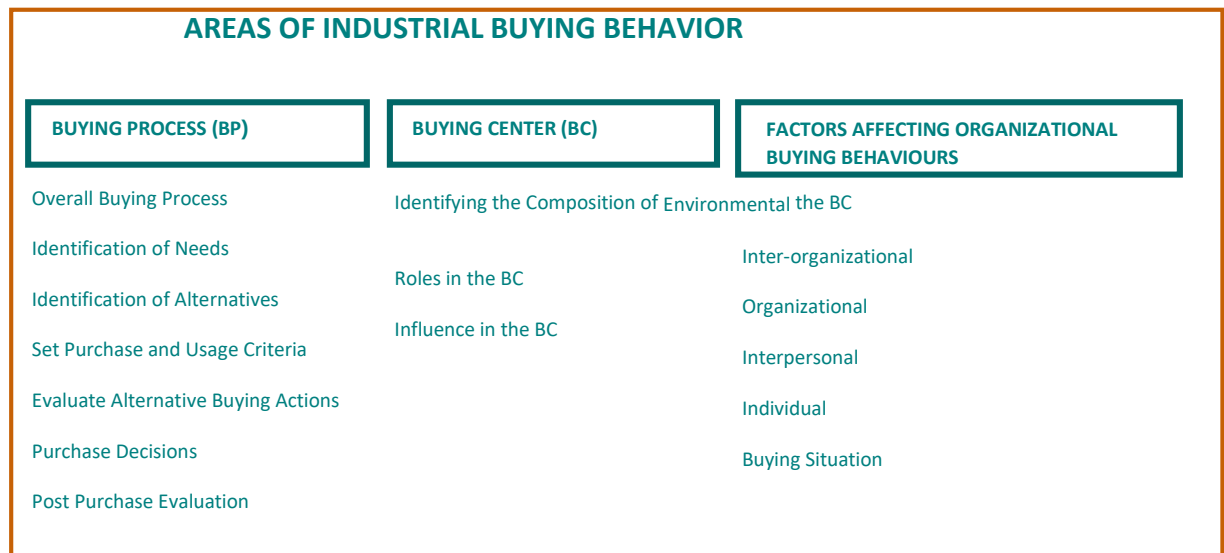


Figure 1- Areas of industrial buying behaviour. Adapted from Baptista and Forsberg (1997), p. 22

2.1.1 The Buying Process

Buying is not an event. Wind and Thomas (2010, p. 242) have described the industrial buying process in the following way: “From the time at which a need arises for a product or service, to the purchase decision and its subsequent evaluation, a complex various activity can take place”. The elements in the buying process are, as mentioned in figure 01, overall buying process are identification of needs, identification of alternatives, set purchase and usage criteria, evaluate alternative buying actions, purchase decisions, an post-purchase evaluation.

The industrial purchasing process can be considered to be affected by a multitude of complexities induced by the nature of purchased products, the organizational structure and the influence of the external environment (Kotteaku et al. 1995). The buying process can vary from highly formalized to an approximation depending on the nature of the buying organization, the size of the deal and the buying situation.

These intricate processes in buying process explained in 1967, by the Canadian, American and Israeli marketing researchers, Robinson, Faris and Wind, they develop the buy - grid framework model consists of two parts the buy phase model and the buy class.

Dwyer and Tanner (2002) have modernized this model, suggesting that companies start with problem recognition, see table 1 below. They then search for alternatives, evaluate the alternatives, and select a solution which is then implemented and evaluated. The buy-grid model is a commonly used theory in marketing to understand how the buying process can be performed in different companies.

This model has been and still is frequently used to describe the industrial buying process (IBP), and has shown a high level of accuracy. The buy-phase model suggests that companies go through eight steps when making a buying decision. And According to Robinson, Faris and Wind (1967), three factors determine the buy class model for a certain purchase: the newness of the problem, the information requirements, and the consideration of new alternatives. These three buy classes are new task, straight rebuy, and modified rebuy.

The illustration for analysis of industrial buying situations combines eight buy phases with three types of buying situations (buy classes) are shown below table1.

Steps	Buying Phase	Buying Class		
		New Task	Modified Rebuy	Straight Rebuy
1	Recognition of A Need			
2	Definition of The Product-Type Needed			
3	Development of Detailed Specifications			
4	Search for Qualified Suppliers			
5	Acquisition and Analysis of Proposals			
6	Evaluation of Proposals And Selection of A Supplier			
7	Selection of An Order Procedure			
8	Evaluation of Product Performance			

Table 1 The illustration for analysis of industrial buying situations; Source: Adapted from Dwyer & Tanner (2002), p. 73

2.1.2. Buy Phases

The buy phases stated in the buy- grid framework above are discussed phase by phase as below:

Phase one consists of two parts: the recognition of a problem and awareness that the solution may take the form of filling the need with a purchase. In phase two the process makers that are involved must in a specific way determine how the problem is to be solved. The buying influences seek answers to questions such as: “What application requirements must be met? What type of goods and services should be considered? in what quantities? The third phase is in the beginning an extension of the previous phase. The phase entails a translation of the need into a solution, which can be communicated to others. Phase four is related to the qualification of suppliers. The criteria for qualifying suppliers vary with the buying organization, the buying situation and the influences involved. The alternative sources are at this stage screened and evaluated.

Phase five may in standardized procurements just involve checking a catalogue or telephoning the supplier in order to obtain information about prices and deliveries. In more complex situations the interaction may involve a series of counter-proposals and new offers with activities extending over many months. In phase six the offers from potential vendors are weighted and analysed. During this phase the supplier is selected when the buying organization approves a proposal and rejects the others. Phase seven begins when an order is given to a vendor. However, the procurement is not completed until the item actually is delivered and accepted for use. The other routine involves internal and external activities. Phase eight includes questions such as how well the product solved the problem and how well the vendor performed. The feedback is of high importance if future procurement problems are to be handled more effectively Dwyer & Tanner (2002).

Phase -1 { Recognition of a need
 {filling the need with purchaseing

Phase -2 {specifically determine how the problem is to be solved

Phase -3 {transation of the need in to solution

Phase -4 {qualification of suppliers

Phase -5 {standardized procurment

Phase -6 {weight and analysis the offer of potential vendor

Phase -7 {giving order to suppliers

Phase-8 {collecting feedback in product, service support and vendors performance.

Figure 2 Summary of buy-grid framework; buy phase recreated from Dwyer & Tanner (2002).

2.1.2.1. Buy Classes

According to Robinson, Faris and Wind (1967), three factors determine the buy classes for a certain purchase are: the newness of the problem, the information requirements, and the consideration of new alternatives. Thomas and Spekman (2011) stated that the central contributions of the Robinson, Faris and Wind is “Buy Grid” framework in which the buying process was divided into straight rebuy, modified rebuy and novel purchase.

The three buy classes which were developed by Robinson et al. (1967) are new task, straight rebuy, and modified rebuy are discussed below:

New tasks

The first-time buyer seeks a wide variety of information to explore alternative purchasing solutions to his organizational problem. A greater perceived risk is included in the purchase. According to Fill and McKee (2011) the risk is certainly large at this point as there is little collective experience of the product/service or of the relevant suppliers. As a result it May be anticipated and developed by creative marketing and normally a large number of process participants are involved.

Straight rebuy

According to Jobber (2001) Straight rebuy refers to a purchase by an organization from a previous approved supplier of a previously purchased item and it is the most common in buy class in industrial buying. The buyer routinely reorders a product with no modifications. The buyer retains the supplier as long as the level of satisfaction with the delivery, quality and price is maintained. New suppliers are considered only when these conditions change. In this buy class a list of acceptable suppliers exists, suppliers not on the list are not considered. In a straight rebuy there may occur some variations from time to time in the quantity, physical or chemical properties, delivery time, method of shipment or the price, so long as these changes does not entail a re-evaluation of the purchasing alternatives nor cause any changes in the procurement process and patterns.

Modified rebuy

The buyer wants to replace a product the organization uses. The process making may involve plans to modify the product specifications, prices, terms or suppliers as when managers of the company believe that such a change will enhance quality or reduce cost. The modified rebuy does not necessarily infer that the buyer will change either the item purchased or its source. The result may be that the buyer purchases the same item from the same source. The distinctive element is the re-evaluation of alternatives.

Each buy-phase differs in existence and duration depending on the particular buy class. The most complex buying situation is a new task, and in this situation the initial stages are very important.

A new task situation is perceived to be totally different from previous needs, and a substantial quantity of information is necessary in order to investigate different alternative ways of satisfying needs and find potential suppliers (Robinson et al., 1967).

Buy phases		Buying Class		
		New Task	Modified Rebuy	Straight Rebuy
Buy phases	Recognition Of A Need	Yes	Maybe	No
	Definition Of The Product-Type Needed	Yes	May be	No
	Development Of Detailed Specifications	Yes	Yes	Yes
	Search For Qualified Suppliers	Yes	Maybe	No
	Acquisition And Analysis Of Proposals	Yes	Maybe	No
	Evaluation Of Proposals And Selection Of A Supplier	Yes	Maybe	No
	Selection Of An Order Procedure	Yes	Yes	Yes
	Evaluation Of Product Performance	Yes	Yes	Yes

Table 2 The Buy-Grid framework, recreated from Kotler, P. & Keller, K.L. (2007).

2.1.3. Buying Center

In the organizational buying literature, the concept of the buying centre was introduced over 40 years ago (Johnston & Bonoma, 1981; Robinson, Farris, & Wind, 1967), buying centre refers to all those members of an organization who become involved in the buying process for a particular product or service.

The main characteristic of organizational buying is that it is a group activity. Usually people from various areas of business and of different status contribute to the final purchase decision. Group of individuals with a stake in the buying decision is called buying centre. (Anderson, 2009, according to Webster & Wind 1996.)

According to Kozulya (2010, p. 2), building relationship with buying center defines the success of collaboration between marketers and corporate customers in general.

While the major buying roles remain constant over all purchases, but the participants can and do change over purchase types and categories. The buying centre notion has been one of the most important conceptual contributions made in the study of industrial buying behaviour (ibid).

McNally (2002) elaborate buying centre as a group of people that collectively make buying choice process for an organization is known as the buying centre. The group needs to search for similarities among vendors that have successfully provided products to the organization in the past but they also need to consider the current and future organizational requirements.

The concept of buying center just refers to the representatives of different independently operating parts of organization such as: finance, production, purchasing, engineering, human resource and etc. In large and complex organizations, influencers (members of buying center) may be physically located a great distance from each other. (Vitale et al., 2010; Kovalev 2003)

From the buyer's point of view, it is important that members of a buying centre understand the needs of their organization and the capabilities of potential suppliers. From a supplier perspective, salespeople need to identify which managers participate in the buying centre across the various stages of the buying process (Dowling, 2008).

Another one essential aspect that should be mentioned about buying center is psychology and motivation of its members. Even though b2b customer's decisions are based on

organizational needs and professional opinions, they are also under strong influence of individual roles, social positions and self-perception. Business marketers should take into account that for every corporate decision people with their own characteristics and psychology stand (Kozulya 2010, p. 4.)

2.1.3.1. Dimensions of the Buying Centre

The composition of the buying centre includes findings regarding size, hierarchical levels, and functional areas involved. To be regarded as a member of the buying centre, an individual must have participated in the communication network concerning the specific purchase under investigation.

According to (Johnston and Bonoma 1981) the buying centre are divided into five interactive dimensions.

Extensivity: or the total number of individuals involved in the buying communication network: Communication and information processing systems can be described in terms of the number of parts (e.g., people, departments) at work in a system. The Authors operationalized that buying centre extensivity as the total number of individual involved in the buying process.

Lateral involvement: number of departments involved in the buying centre: This dimension can be operationalized as the number of separate departments, divisions, or firm functional areas involved in the purchase process.

Vertical involvement: in the buying centre's communications: refers to the number of levels of the organization's authority hierarchy exerting influence and communicating within the buying centre. The author defined six authorities in their study: ownership (board of directors), top management (CEO, president, executive vice president), policy level management (functional vice presidents, general managers), upper level operating management (e.g., directors, managers), lower level operating management (e.g., supervisors, product managers), and production work/clerical employees. According to Lewin and Donthu (2005) the purpose of determining vertical involvement is the identification of all buying members who will influence the process, so that marketing efforts may be directed toward all appropriate participants.

Connectedness: of those involved in the buying communication network: This concept and its associated measure indicate the degree to which the members of the buying centre are linked with each other by direct communications concerning the purchase.

Centrality: of the purchasing manager in the buying communication network: refers to the degree of the buying manager influence on the process.

Many variables can influence the composition of the buying center and these can be divided into two groups: variables related to the organizational structure and variables related to the purchase situation (Wallström, 2002).

Furthermore, Johnston and Bonoma (1981) also mention four variables related to the purchasing situation that can have an influence on the buying centre. These variables and their operationalization are:

- ✓ Importance (average of entire buying centre's perceived importance on a 1 – 10 scale)
- ✓ Complexity (time required to complete the buying process)
- ✓ Novelty (buy-grid categorization: new task, modified rebuy, and straight rebuy)
- ✓ Purchase class (type of purchase, for example capital equipment or industrial service)

The size of the buying centre differs depending on the buy class. In straight rebuy situations the buying centre normally consists of two to three members whereas in new task and in modified rebuy situations the size of the buying centre is larger with three to six members (Doyle et al., 1979).

2.1.3.2. Roles in the Buying Centre

According to Webster and Wind (1972b) the buying centre includes all members of the organization who play any of five roles in the buying process. The importance of the different organizational roles varies by the buy phase and the size of the organization is an important factor. The six roles are:

Initiator: is any buying center member who is the first to realize the need for something and suggest to buy a particular product. Simply put, It's a person who initiates the purchase. (Webster & Wind, 1996, p. 56.)

Users; are people who actually use purchased products. They always lay down product specifications, service requirements and can fully estimate the quality of purchase.

Deciders; is a person or several people who makes the final decision to buy. Decider takes into consideration technological and financial aspects. Choice of supplier, considering supply terms, risk and value assessment, schedules and another commercial aspect are also under his duty. The level on which decision is taken depends on risks and costs associated with it.

Influencers; is a person or a group of people who may not be part of organization but whose opinion strongly affects customer's decision. Obviously, the actual users play the role of influencer. However, depending on the need these can also be engineers, researchers, product managers, designers within the organization as well as outsiders such as consultants or other involved people.

Buyers; is a person who procure on behalf of organization. This is usually a representative of purchasing department or buying manager. Buyer prepares all necessary documents and papers and controls how delivery is proceeded.

Gatekeepers; plays essential role in organizational buying process because this individual controls the flow of information to members of the buying center and may perhaps block delivery of promotional message. This is usually an administrator, secretary or office manager. As all correspondence gets into organization through the gatekeepers, their role shouldn't be underestimated. For marketers this can be the only available connection with the buying center (Ibid.)

2.1.4. Factors That Affects the organizational Buying behavior.

Industrial buying behaviour takes place in an environment which can change quickly and dynamically (Fill and Mckee, 2011). Thus, the organization's buying process and activity can be influenced easily by the forces.

The fundamental assertion that lays in the basis of organizational buying is that this is a decision-making process carried out by individuals, in interaction with other people and different environmental forces. Webster and Wind (1996, p. 53) recognizes four classes of factors determining organizational buying behaviour:

- ☐ Environmental
- ☐ Organizational
- ☐ Individual
- ☐ Interpersonal

Each class is divided into two broad categories of variables. Those directly related to the buying problem, called task variables and those that have little connection with buying problem are non-task variables. Due to the fact, that decisions are made by people, whose opinions and judgments are defined by both professional and individual roles, both task and non-task variables applies to all of the 4 classes. Any given set of variables will have both task and non-task dimensions, though one dimension might predominate (Ibid.)

For instance, motives will have both dimensions – those related to the buying situation and those mostly connected with the personal goals. A strong sense of personal involvement may contribute to the quality of decisions made by organizational point of view (Ibid.)

	Task	Non Task
Individual	Desire To Obtain Lowest Prices	Personal Values And Needs
Organizational	Meetings To Set Specifications	Informal, Off-The-Job Interactions
Interpersonal	Policy Regarding Local Supplier Preference	Methods Of Personal Evaluation
Environmental	Anticipated Changes In Prices	Political Climate In An Election Year

Table 3 Classification and examples of variables influencing organizational buying decisions Webster & Wind,1996, p. 53»

According Webster and Wind (1996), members of buying center are motivated by some complex interactions of individual and organizational goals. Their relationships with one another involve all the complexities of interpersonal interactions. The formal organization exerts its influence on the buying center through the tasks, structure (communication, authority, status, rewards and work flow), technology and people. Finally, the entire organization is embedded in a set of environmental influences, including economic, technological, physical, political, legal and cultural forces

2.1.4.1. Environmental Factors

Environmental influences are subtle and pervasive as well as difficult to identify and to measure. They influence the buying process by- providing information as well as

constraints and opportunities. Environmental influences include physical (geographic, climate, or ecological), technological, economic, political, legal and cultural factors. These influences are exerted through a variety of institutions including business firms (suppliers, competitors and customers), government, trade unions, political parties, educational and medical institutions, trade association and professional groups (Fill and Mckee, 2011).

According to Webster and Wind (1972a), environmental factors influence the buying decision process in four rather distinct ways. First, they define the availability of goods and services to the buying organization. Second, they define the general business conditions within which the firm must operate. Third, they define the values and norms that provide an important set of criteria against which to evaluate alternative buying actions. Finally, the environment provides a flow of information to the buying organization and its members concerning both task and non-task communication on the availability of goods and services, general business conditions, and values and norms.

Wind and Thomas (2010) stated that the impact of the changes of the business environment puts pressure on organizations for reconfiguring the market, services, and product offerings and its price, which can alter the number of firms that might be considered as the nature of the evaluation process.

H1. Environmental factors have a significant effect on leather foot wear manufactures buying behaviours.

2.1.4.2. Organizational Factors

The organization itself has been addressed to have an impact on the process of a buying choice. Organizational factors cause individual process makers to act differently than they would if they were functioning alone or in a different organization. Based on the organizations goals, the organizational buying behaviour are becoming motivated and prescribed as well as constrained by its financial, technological, and human resources.

Organizations are multivariate systems composed of four sets of interacting variables: tasks, structure, technology and people. The buying task consists of the following areas: whether the buying decision is routine or requires managerial attention at all decision stages, whether demand for the product is generated within the organization or by outside forces, and whether the responsibility for purchasing is centralized or not. The buying structure of the organization has five systems that influence the nature of the buying process: communication, authority, status, rewards, and workflow. Buying technology

includes the physical equipment owned and used by the organization; it also includes the programs and procedures to manage the enterprise, and the various systems that are put in place to facilitate the functioning of the organization. The people involved in the buying process are a major determinant in the organizational buying process, both as individuals and as a social group whose members interact with one another and who develop norms, sanctions, and other devices for influencing members' behaviour (Webster & Wind, 1972a).

These four interrelated subsystems together determinate which set of information, goals, attitudes, and assumptions that are to be used by each individual in the buying process. Kotler et al. (2001) stated that sellers need to learn about each buying organization's objectives, policies, procedures, structure and systems to be able to understand their specific behaviour and needs. They further need to learn about the organization's buying centre and their evaluation criteria to succeed.

H2. Organizational factors have a significant influence on leather foot wear manufactures buying behaviours.

2.1.4.3. Interpersonal Factors

Different people are involved in the organizational buying process. They affect the buying process as the different persons are involved in the buying process. An interpersonal factors includes authority, interest and status (Dr.Kundan Dutta,2014).

The staffs of the organization have different authority. due to style and process of using authority by the staff involved in the organization .it affects the buying process and makes easy, quick or slow and complicated. also, there are differences between the interested of the people involved in the organization buying process. the production manager may be interested in quality and consistency of the supply of the production input while the financial manager may have interested in lower price. the buying group may be represented by personal working at different levels of organization hierarchy. The person who purchase goods may not be same in the organization. due to this the selection of goods and services can be affected.

H3. Interpersonal factors have a significant influence on the members of the buying centre in the buying process of Anbessa shoes

2.1.4.4. Individual Factors

Group interaction becomes a new input in the buying process on its own; the group processes often depend on the concentration of individual's characteristics brought into the group setting (Johnston and Lewin, 1996)

The individual is at the centre of the buying process, operating within the buying centre that is in turn bounded by the formal organization which is likewise embedded in the influences of the broader environment. It is the specific individual who is the target for marketing effort, not the abstract organization (Kotler et al. (2001).

Organizational behaviour is the behaviour of the individuals in an organizational context. Individual behaviour is a function of three factors: the person's personality, motivation, cognitive structure, and learning; his interaction with the environmental situation; and his preference structure and decision model (Webster & Wind, 1972a).

H4. Individual factor has a significant effect on the Personal characteristics of members in the buying centre.

2.2. Empirical Literature Review

The previous researches in the area of the study explained the organizational buying behaviours at different sectors and factors that affect their buying process at different perspective/dimensions. Some of these researches finding their methodologies are presented as follow.

An explanatory study by (Olga Loginova., 2011) with the title Organizational Buying Behaviour in Business Tourism Market Case Holiday Club Resortsyo. Intended to give understanding of organizational buying process in Russian companies and provide recommendations to Saimaa Garden, how to reach right people with right message.

The method of research was a case study. The main task of the case study was choosing several companies and analysing organizational buying process within them. The case companies were defined by the author and represented different industries, sizes and organizational structures. Using results of the case study, the author can give the following recommendations to the Saimaa Gardens: (Olga Loginova., 2011)

When trying to reach the buying center of unfamiliar organization, the most preferable contact is: HR or PR departments in large companies, the role of gatekeepers (such as secretary or managers) shouldn't be underestimated as they might be the only information

channel in unfamiliar organization. The collaboration with tour and event agencies is useful and inevitable at the same time as this is a good chance to attract serious corporate clients.

Another research conducted by Arbnor Belulaj & Fredrik Celion, (2011) study of the industrial buying behaviour in life science organizations when faced with a radical innovation. Unpublished master's thesis. university of Uppsala. Gives vital support to these research, the research deals with the investigation of the industrial buyer behaviour of firms within the life science sector in uppsala when faced with a radical product. it aims to study the process and identify possible differences from buying a non-radical product, the thesis will be conducted by using a deductive and qualitative approach. a case study approach was used with the selected three organizations in the life science sector in uppsala. the findings from these three organizations show that the industrial buyer behaviour is affected. using the buy grid framework, we see that the process, the steps, doesn't change but within the steps different actions are taken. serious of steps shows strong differences when confronted with a radical and a non-radical product. these differences depend on the complexity of the product and the amount of available information. this affects the level of willingness to take risks. as the complexity is seen as high in radical products and there is not sufficient information the risk of buying this type of product means taking high functional risk and high financial risk which the organizations want to avoid. however, the decision centre [decision group] becomes more complex and more individuals are involved in the decision process when faced with a radical product. the most notable factors influencing the decision centre in this situation is the size of the organization, the complexity of the product, the functional and financial risk, the importance of the decision at hand and personal experience. the supplier criterion goes from being price orientated in the case with a non-radical product towards being more supplier orientated when faced with a radical product. But these study don't investigate how the companies should market their product and neither does it just try to generalize about industrial buying behaviours due to limited sample size used.

A research conducted by Anneli Stenberg and Annica wallin gyokeres, (2005) industrial buying behaviour in the purchasing of maintenance, repair and operation services-case studies from the Scandinavian pulp and paper industry. Unpublished master's thesis. Luleå University of Technology. The aim with this thesis is to investigate the industrial buying behaviour in Scandinavian pulp and paper mills. The focus in this industry, as well as in

other asset-intensive industries, has shifted from buying and selling large machine installations to a more service-oriented perspective. An important part of industrial services is MRO services, and it is therefore an interesting area to investigate. The buying process follows the steps in the buy-phase model with only minor modifications. All roles in the buying centre, except the gatekeeper, were detected and the most influential members were identified. The most important factor affecting the industrial buying behaviour was found to be the relationships between the buyer and the seller. But here the General theories regarding industrial services are not applicable to MRO services, and therefore this is an area in which further research should be conducted.

Tomas Cherkos, 2011 on his research titled Performance Analysis and Improvement of Ethiopian Leather Footwear Factories with Special Reference to Anbessa Shoe Share Company. In this research, many investigations are made. In the first place, most of Ethiopian leather footwear industries are operating at low total performance and are faced with many performance problems, mainly with shortage of inputs, poor production planning and control, low productivity, high manufacturing cost and lack of marketing strategy. He also tries to show the gap occurred in the purchasing of input material for their production.

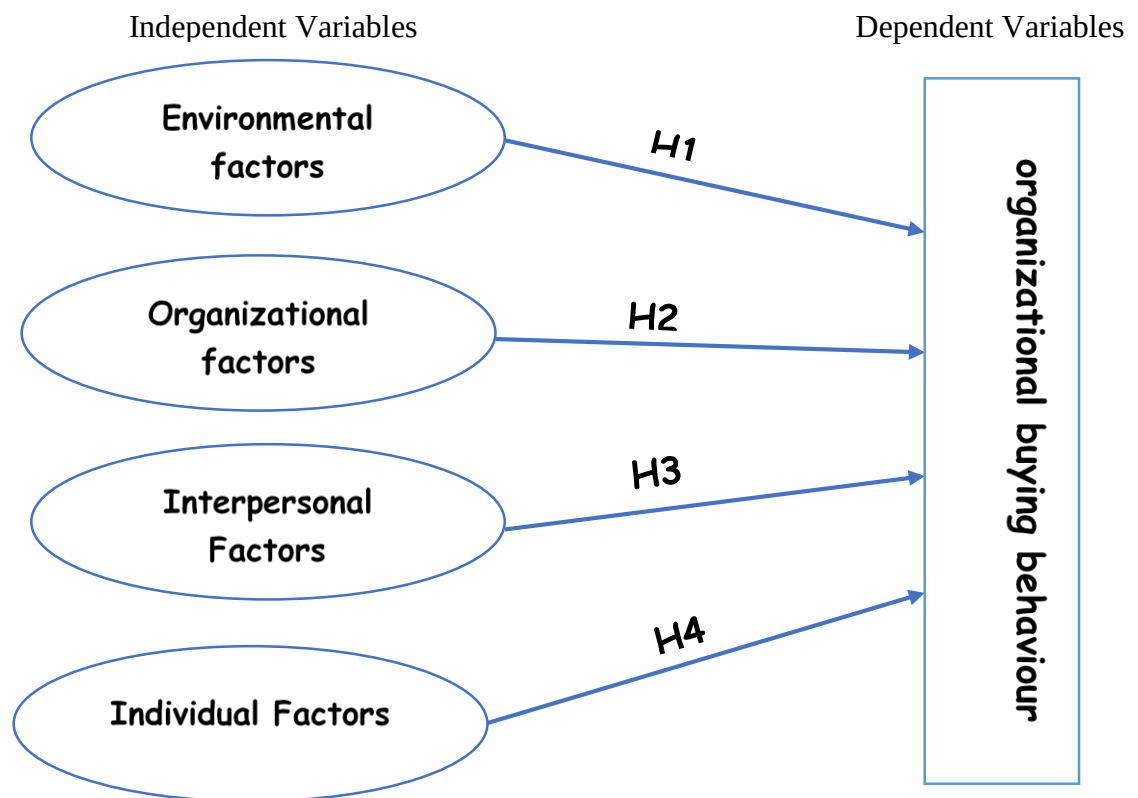
Additionally, a research conducted by Rahwa Aregawi, (2014). a study on organizational buying behaviour of selected leather footwear exporting companies in Addis Ababa, Ethiopia. Unpublished master's thesis. Addis Ababa University School of Commerce. The major objective of this study was to assess the buying behaviour of the Ethiopian leather footwear exporting companies in terms of supplier selection criteria and buying centre. In order to achieve the stated objective, multiple case study approach in the Ethiopian leather footwear manufacturing industry was used by selecting three companies. the data was evaluated using within-case analysis followed by a cross-case analysis for easy data reduction, data display and drawing and verifying conclusions. The results showed that quality and delivery are the most important criteria by the case companies. Production facilities and capacity, financial position, procedural compliance and communication system are considerably important. Besides, the buying centres communication network and player in straight rebuy is the same as in modified rebuy. In addition, the roles in the buying centre in both straight rebuy and modified rebuy is similar. The environmental, organizational, buying centre and individual factor influences the buying process of the case companies. Thus, companies should clearly realize their buying centre activities and

internal and external factors in order to have smooth relationships with the finished leather suppliers and improve their footwear export performances. But this research doesn't Understand and analyse the buying behaviour of end users is also very important and interesting to wholly comprehend the buying behaviour aspects.

2.3. Conceptual Framework

To come up with an appropriate conceptual framework for the study, the researcher clearly presented the selected theoretical concepts from the reviewed literature, which was related to each research question. The researcher believed that the selected concepts are crucial in answering the questions and the hypothetic statements.

Based on the literature review undertaken, the researcher developed a conceptual model. The model uses conceptualized the theoretical variables of the study. As it is evidenced from the above empirical reviewees paired with the theoretical variable and become an input in building the framework.



Source: Compilation from Multiple Sources

Figure 3 Conceptual Framework of the Study

CHAPTER –THREE

3. RESEARCH METHODOLOGY

3.1. Description of The Study Area

Ethiopia's footwear industry and its leather sector in general enjoy significant international comparative advantages owing to its abundant and available raw materials, highly disciplined workforce and cheap prices. This study specifically deals with the industrial buying behaviours of leather footwear industry; case of Anbessa shoe share company when they purchase finished leather for their footwear manufacturing. As the researcher try to label in the previous chapters there are different factors that affect the buying behaviour of manufacturing industries.

It is clear that in today's highly technical and highly competitive business world, successful investments have become one of the most vital activities for an organization in order to stay competitive (Tidd et al, 2005).

From the industrial organization point of view there are two dominant factors that need to be taken into consideration for making investment-decision in products; (1) Financial Risk and (2) Functional Risk (Aggarwal et al. 1998). The financial risk concerns when the customer may lose the invested capital in the invested product, also when facing a new product, is the risk of continuous maintenance which could result in spending even more financial capital than planned (ibid). The functional risk concerns the possibility of new product not reaching up to the expectations. Due to insufficient information or other inputs from other references it creates a situation where the potential industrial buyer might not get the correct picture of what they are buying (Aggarwal et al. 1998).

3.2. Research Approach

There are two types of approach i.e. qualitative and quantitative research approaches. The main distinction is that according to Silverman (2000), a qualitative approach tends to capture words and use them as the main factor for analysis while quantitative approach tends to use figures. The quantitative approaches apt to the numerical figures, in these research numerical values are collected and presented in suggestive way even those the qualitative approaches were dominantly used due to the nature of the research purpose. Moreover, the study uses a both qualitative and quantitative way.

3.3. Research Design

The purpose of this study is to identify and describe the factors that affect the industrial buying behaviour of leather foot wear manufactures specifically in case of Anbessa shoes share company. Understanding how companies and organizations behave when purchasing goods or services is of great importance, since effective marketing strategies rely on thorough knowledge about the buying behaviour and these strategies may affect by different factors therefore exploring and describing these factors are the main purpose of the research, thus mixed approach taken as the most appropriate and efficient approach. Specifically, explanatory research design in order to explain the factors that affect the industrial buying behaviours stated in the literature review which is part of this proposal. Explanatory research is more formalized and typically attempts to clarify a situation, problem, phenomenon, service or program among variables with existing situation in the case company. This research methodology is important for this particular research because it attempts to explain why and how these factors affect the buying behaviour of leather foot wear manufactures.

3.4 Type of Data and Sources

This research uses both qualitative and quantitative data types. The data sources of this study will be both primary and secondary.

In order to find sufficient information for the research investigation both primary and secondary data was used. The primary data was collected from the targeted sample respondents and the secondary data were collected from published material like books, journal, magazine, various documents, company manual and reference books. The primary data for this research work was obtained basically from both semi-structured interview and Questionnaires.

3.5. Sample Designs

In order found the appropriate number of respondents for the survey, the researcher divide the target population in to two i.e. staff level and managerial level employees of Anbessa shoe share company. Then, Non-probability Convenience sampling have been used to select staff level employee.

3.5.1. Target Population and Sample Size

The Target population of theses study consists of the management staffs and core process employee of Anebssa shoes share company. And the sample frame of the study is the management staffs and employee of Anbessa shoes Share Company.

Accordingly, for this study the researcher was taken six high level managers as sample respondents for the interviews because they are responsible for procurement and supply management in the organizations.

Based on the information that the researcher got from the human resource department Currently Anbessa Shoes Company has 1,140 employees, therefore the total population of this study is known. To determine the sample size from 1,140 employees for the Questionnaire response as the population is known the researcher used Krejcie and Morgan (1970) sampling formula for selecting staff level employees. With Confidence Level = 95% and the Margin of Error = 5%. Therefore, sample size for the staff level employees are

The minimum sample size will have calculated by $n = \frac{Z^2 \cdot P \cdot Q \cdot N}{e^2(N-1) + Z^2 \cdot P \cdot Q}$

$$n = \frac{1.96^2 * 0.5 * 0.5 * 1140}{0.05^2(1140 - 1) + 1.96^2 * 0.5 * 0.5}$$

$$\mathbf{n \simeq 288}$$

Where

n = required sample size

Z = Z score level of confidence of the estimate (in the case of 95% = 1.96).

N= total population (employees) (i.e. 1140)

e = Marginal error, 5%

P = proportion of the sample successfully collected =P=0.5

Q = failure of sample (1-0.5) = 0.5

3.6. Methods of Data Collection

3.6.1. Data Gathering Tools

As it has been discussed earlier, the primary data was collected through the two major data collection tools that are interview and questionnaires.

The questionnaires were prepared for respondents who were selected from employees of the Anbessa shoes share company. The questionnaires will consist of both closed-ended and open-ended questions. The Semi structured interview questions were also prepared for the General Manager, procurement and supply manager, production manager, quality manager and finance, marketing and sells manager.

In Addition to the interview, discussion and observation are held with the procurement and supply managers. This interview was also intended to provide general perception on how Anbessa Shoe Company has usually dealt with issues of purchasing finished leather for their footwear manufacturing.

3.7. Methods of Data Analysis

The data collected by interview questions and observation analysed qualitatively. The questionnaires were analysed quantitatively. as the measuring instrument, close-ended Likert type questionnaires was used. This questionnaire type is selected because it is easy to administer to groups of people simultaneously, it is less costly and less time consuming than other measuring instruments. Likert scale is a widely used rating scale which requires the respondents to indicate a degree of agreement or disagreement with each of a series of statements or questions i.e. from (1) very low to (5) very high. The questionnaire was also including some questions about demographic back ground of respondents.

Descriptive Statistics

The descriptive statistical results were presented by tables, frequency distributions and percentages to give a condensed picture of the data. This was achieved through summary statistics, which includes the means, standard deviations values using a statistical software program spss (version20.0).

Inferential Analysis

Pearson 's correlation coefficient was used to determine the relationships between organizational buying behaviour and contributing factors affecting it.

3.7.1. Model Specification and Description of Study Variables

The interview questions were reviewed for allowing feedback and comments from three leather experts and marketing managers. Moreover, the researcher tried to be as objective as possible while collecting data.

Therefore, the researcher has tried to improve the reliability by carefully describing the procedures and steps being followed and also records were kept properly. Besides, the researcher tried to make as many steps as operational as possible and conducted the research as if someone were always looking over the shoulders. Researchers knowledge and skill on the specific field together with prior understanding about the company's activities minimizes communication gap. Furthermore, the interviews with the respondents were taped in order to reduce the errors and bias. The other tool that the researcher use for primary data collection is the questioners.

A three-page questionnaire which is divided into three sections includes; part one, part two and part three were developed. All sections of the questionnaires were developed in English language.

Part one: prepare to give introductory information about the organization and respondents
part two: Questions about factors affecting the buying Behaviours of ANBESSA shoes Share Company when purchases finished leather.to determine the influence and extent of the affecting factors –which each has an average of 4 questions which tries to meet the required information about the basic four variables; environmental, organizational, individual and interpersonal factors. Finally, part three deals about Questions about the buying situations when ANBESSA shoes share company buy finished leather from tannery industries. The responses were interpreted using frequency, descriptive, factor & regression analysis tables.

In respect of the Model, the following model was formulated for this research in order to test the research hypothesis.

$$OBB = \alpha_i + \beta_1 * EF_1 + \beta_2 * OF + \beta_3 * IF + \beta_4 * InF + e \dots$$

Where: OBB represents Organizational Buying Behaviour of leather footwear manufactures; the case of ANBESSA shoes share company (dependent variable) and independent variables include; **environmental factors(EF)**, **organizational factors(OF)**,

interpersonal factor (InF) and **Individual factors (IF)**. The error term contains the extraneous variables

Where α_i : is a constant, which represent the Factors OBB when every independent variable is zero.

β_1 to β_4 : are the coefficients, in which every marginal change in the independent variables that affect OBB, and

e : The error term

The predictors mean score values and the beta coefficient values found from the SPSS output and presented in the regression table show how each variable was operationalized and measured to show its marginal contribution to the dependent variable that is the OBB.

3.8. Ethical Consideration

At the beginning the researcher has explained the purpose of the study to respondents. After that one questionnaire was given to each respondent. Respondents were guaranteed that no one will have access for an individual respondent's information except the researcher. Then, respondents have given their informed consent by completing and returning the questionnaire. Results of the study are reported in a complete and honest way without misinterpreting or intentionally misleading others with regard to the research findings. The study is the researcher's own work, and where researcher's ideas or words were used, it was acknowledged in the research report. Every person involved in the study was entitled to the right of privacy and dignity of treatment, and no personal harm was caused to subjects in the research. Information obtained was held in strict confidentiality by the researcher. Thus, only relevant information that helped in answering the research questions were included.

CHAPTER FOUR

4. DATA PRESENTATION, ANALYSIS and INTERPRETATION

4.1 Introduction

This part provides with the discussion of the final results and the process through which the results were obtained. This includes background information of respondents, the statistical methods of analysis i.e. reliability analysis, descriptive analysis, regression analysis and correlation analysis. Beside the semi –structured interviews; these studies use questionnaires which targeted a total of 288 respondents. However, 218 respondents responded and returned their questionnaires contributing to 76 % response rate. According to Mugenda and Mugenda(2003) a response rate of 50% is adequate for analysis and reporting; a rate of 60% is good and a response rate of 76% and over is excellent; therefore, this response rate is adequate for analysis and reporting.

4.2 Data Presentation & Analysis

The primary aim of this study was to identify factors that affect the organizational buying behaviour of Anbessa Shoe Company, based on the data which was obtained from the company higher managers and sample employee of the company.

4.2.1 Reliability Analysis

To measure the consistency of the Questionnaires, the reliability analysis was done using Cronbach's Alpha (α), which is the most common measure of scale reliability test. As indicated below in Table 4 the smallest value for Cronbach's Alpha (α) from all variables was 0.706, which exceed 0.70 the accepted value for Cronbach's Alpha (Cohen et al., 2010) (Field, 2009) an alpha value of 0.70 or higher is taken as a good indication of reliability. In short nut, the responses generated for all of the variables used in this research was reliable enough for data analysis.

Table 4 Reliability analysis

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha	N of Items
Environmental factors	.707	4
Organizational factors	.719	3
Interpersonal factors	.706	4
Individual factors	.708	5

4.2.2 Descriptive Analysis

In this part of analysis, the researcher has divided and describe it in to two parts. The first part focuses on the demographic information of the respondents so frequencies and percentage used for the analysis. The second part focused on the basic questions which are intended to acquire the perceptions and the feeling of the respondents towards the factors affecting organizational buying behaviour i.e. Environmental factors, Organizational Factors, Interpersonal Factors and Individual factors in the organization and also focuses on the buying situations when ANBESSA shoes share company buy finished leather from tannery industries. Therefore, for the analysis mean and St. Deviation are used to describe the findings.

4.2.2.1 Demographic characteristics of the Respondents

I. Gender

Table 5 Gender Profile Respondents

	Frequency	Percent	Cumulative Percent
Valid female	60	27.5	27.5
Valid male	158	72.5	100.0
Total	218	100.0	

Source: Questionnaires and SPSS Output, 2019.

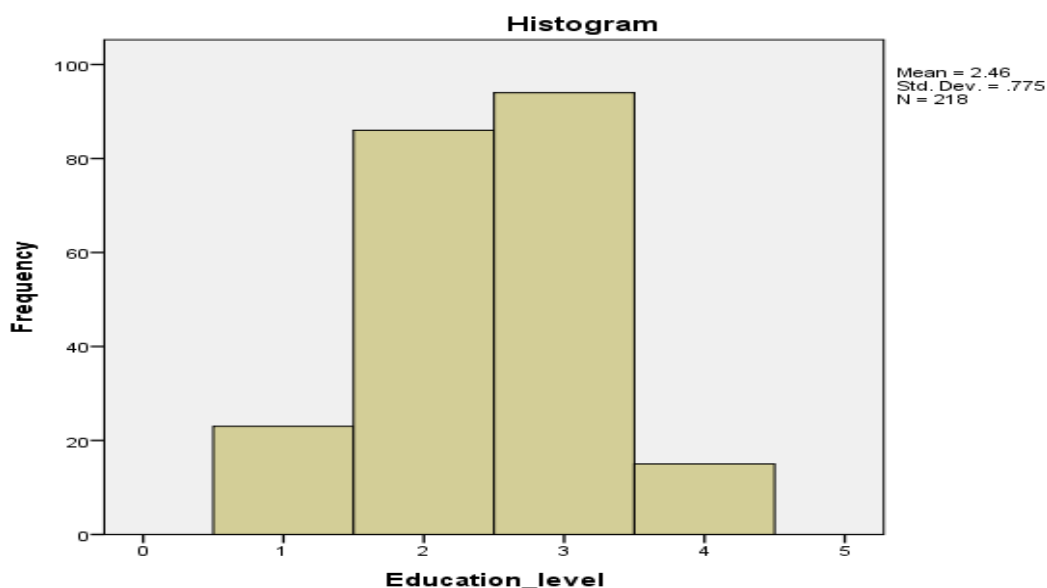
Table 5 above shows that out of the 218 respondents, 72.5 percent of them were male and the remaining 27.5 percent were female. The reason behind the large number gap seen between male and female respondents might be as the case company are manufacturing sector women are not get involved.

II. Qualification of the Respondents

Table 6 Qualification of the respondents

	Frequency	Percent	Cumulative Percent
up to Grade 10	23	10.6	10.6
Diploma/TVET	86	39.4	50.0
Valid Degree	94	43.1	93.1
Masters	15	6.9	100.0
Total	218	100.0	

As per Table No 6 all of the respondents have disclosed their educational level. The table indicates that 39.4 percent of the respondents have completed diploma. However, 43.1 percent, and 6.9 percent were degree and Masters and above respectively. The number of Degree Graduate is *increase* from year to year.



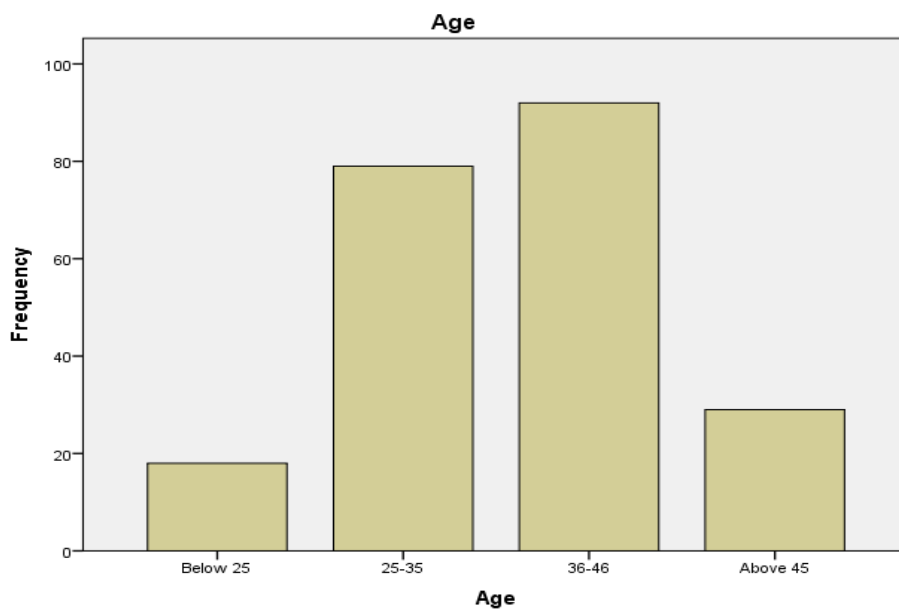
Source: Questionnaires and SPSS Output, 2019

III. Age

Table 7 Respondents Age

Age				
	Frequency	Percent	Valid Percent	Cumulative Percent
Below 25	18	8.3	8.3	8.3
25-35	79	36.2	36.2	44.5
Valid 36-46	92	42.2	42.2	86.7
Above 45	29	13.3	13.3	100.0
Total	218	100.0	100.0	

Age range between 36-45 years 42.2% or 92 which is the highest percentage of the respondents, age between 25-35 years 36.2 % or 79, Age above 45 years 13.3% or 29, Age between below years 8.3% or 18 which is the lowest percentage of respondents.



Source: Questionnaires and SPSS Output, 2019

IV. Experience

Table 8 Work experience of respondents

Work_Experience				
	Frequency	Percent	Valid Percent	Cumulative Percent
more than 10	23	10.6	10.6	10.6
5-10 years	86	39.4	39.4	50.0
Valid 1-4 years	94	43.1	43.1	93.1
less than 1 year	14	6.4	6.4	99.5
Total	218	100.0	100.0	

According to Table 8 the work experience of the respondent scores less than 1 year, 6.4 percent or 14 shows lowest percentage of respondents and 1-4-year 43.1 percent or 94 indicates the highest percentage of respondents.



Source: Questionnaires and SPSS Output, 2019

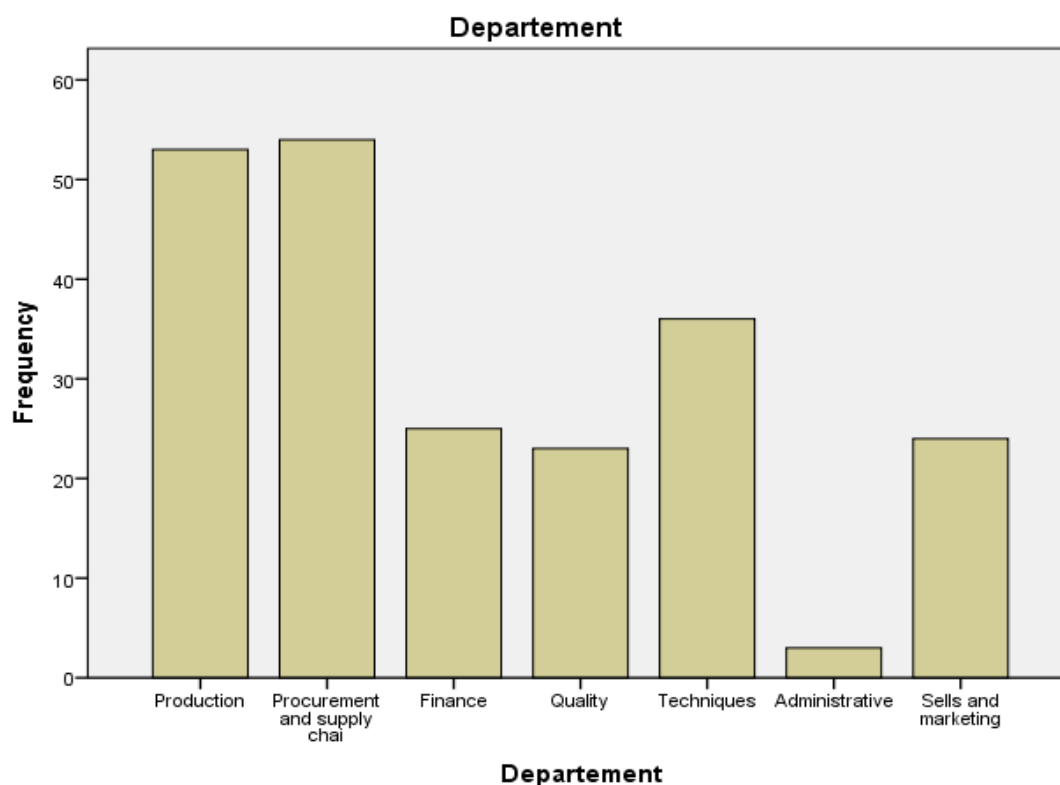
V. Department

Table 9 Department of Respondent

Department				
	Frequency	Percent	Valid Percent	Cumulative Percent
Production	53	24.3	24.3	24.3
Procurement and supply chai	54	24.8	24.8	49.1
Finance	25	11.5	11.5	60.6
Quality	23	10.6	10.6	71.1
Techniques	36	16.5	16.5	87.6
Administrative	3	1.4	1.4	89.0
Sales and marketing	24	11.0	11.0	100.0
Total	218	100.0	100.0	

From Table 9 above it is simple to understand that 24.3 percent of the respondents were from production and procurement and supply chain. 16.5 percent, 11.5 percent and 11.0 percent of the respondents were from techniques, finance and sales and marketing

respectively. Those respondents who have shown with lowest percentage that is 10.6 and 1.4 percent are from quality control section and administrative.



Source: Questionnaires and SPSS Output, 2019

Table 10 The Mean and Standard Deviation of organizational buying behaviour and contributing factors

Descriptive Statistics			
	N	Mean	Std. Deviation
Environmental factors			
<i>Economic trends</i>	218	4.211	0.979
<i>Political/legal rules and regulation</i>	218	3.266	1.215
<i>Technological /ICT</i>	218	4.147	1.045
<i>Customs and Cultural /social well being</i>	218	2.913	1.058
Organizational factors			
<i>Task</i>	218	3.528	1.472
<i>Structure</i>	218	2.72	1.247
<i>Systems</i>	218	3.872	1.354
Interpersonal factors			
<i>Authority</i>	218	3.583	1.335
<i>Status</i>	218	3.211	1.347
<i>Empathy</i>	218	3.505	1.361

<i>company believes</i>	218	3.266	1.271
Individual factors			
<i>Age and risk attitudes</i>	218	3.619	1.339
<i>Education</i>	218	2.757	1.281
<i>Income</i>	218	3.725	1.336
<i>Experience and job position</i>	218	4.193	1.029
<i>Buying styles</i>	218	2.913	1.329
Valid N (list wise)	218		

The above descriptive statistics clearly indicates the corresponding arithmetic mean and standard deviation of the organizational buying behaviour under study and the contributing factors which affects the buying process. As seen from the table all factors have strong effect on the buying behaviours of Anbessa shoe factory with mean above 3.50.

4.3. Diagnosis Testing Assumptions on Factors Affecting Organizational Buying Behaviors

Before applying regression analysis to test factors affecting the buying behaviours of leather foot wear Manufactures, some tests were conducted in order to ensure the appropriateness of data to assumptions in regression analysis as follows.

4.3.1 Multi-collinearity Test

The multi- collinearity test is a test to identify a strong correlation between two or more predictors in a regression model (Field,2009).

In this section the correlation between independent variables; Environmental factors(EF), Organizational factors(OF), Interpersonal factor (InF) and Individual factors (IF) have been presented and analysed.

This assumption can be assessed by examining tolerance and the variance inflation factor (VIF). VIF values well below 10 and the tolerance statistics well above 0.2 can safely to conclude that there is no collinearity within the data (Field,2009). A small tolerance value indicates that the variable under consideration is almost a perfect linear combination of the independent variables already in the equation and that it should not be added to the regression equation. A good regression model must not have a strong correlation among its independent variables or must not have a multi-collinearity problem and that the value of variance inflation factor (VIF) must have a value between 1 and 10 and the tolerance level should be more than 0.2 (SPSS Inc., 2019).

Table 11 Multi-Collinearity Test

Model	Collinearity Statistics	
	Tolerance	VIF
Environmental Factors	0.954	1.048
Organizational factors	0.974	1.026
Interpersonal factor	0.993	1.007
Individual factors	0.950	1.053
a. Dependent Variable: organizational buying behaviours		

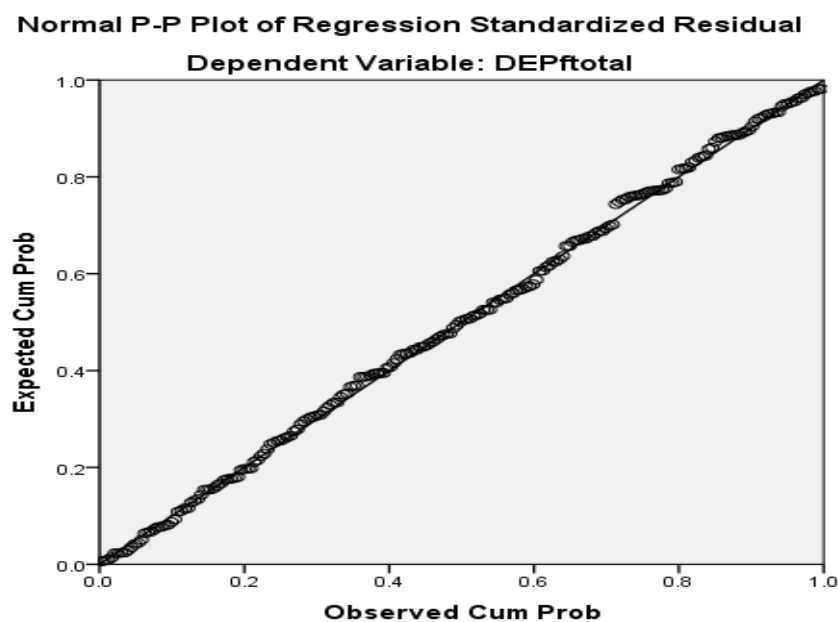
Based on the output data on table 10, the obtained VIF (the coefficient of collinearity statistics) value is between 1 to 10 and the tolerance level is more than 0.2. Therefore, it can be concluded that there are no multi-collinearity symptoms on this regression model.

4.3.2 Linearity Test

Linearity refers to the degree to which the change in the dependent variable is related to the change in the independent variables.

In these tests the normal distribution makes a straight diagonal line, and the plotted residuals are compared with the diagonal. If a distribution is normal, the residual line will closely follow the diagonal (Field, 2009). To determine whether the relationship between the dependent variable: organizational buying behaviour and the independent variables; Environmental factors, Organizational factors, Interpersonal factor and Individual factors is linear; plots of the regression residuals through SPSS software had been used.

Figure 4 Normal Point Plot of Standardized Residual



The scatter plot of residuals shows no large difference in the spread of the residuals as you look from left to right on figure 4. This result suggests the relationship we are trying to predict is linear. Similarly, the above figure shows the normal distribution of residuals around its mean of zero. Hence the normality assumption is fulfilled as required based on the above figure, it is possible to conclude that the inferences that the researcher will made about the population parameter from the sample is somewhat valid.

4.3.3 Normality Test

Figure 4.2 shows the frequency distribution of the standardized residuals compared to a normal distribution. As you can see, although there are some residuals (e.g., those occurring around 0) that are relatively far away from the curve, many of the residuals are fairly close. Moreover, the histogram is bell shaped which lead to infer that the residual (disturbance or errors) are normally distributed. Thus, no violations of the assumption normally distributed error term.

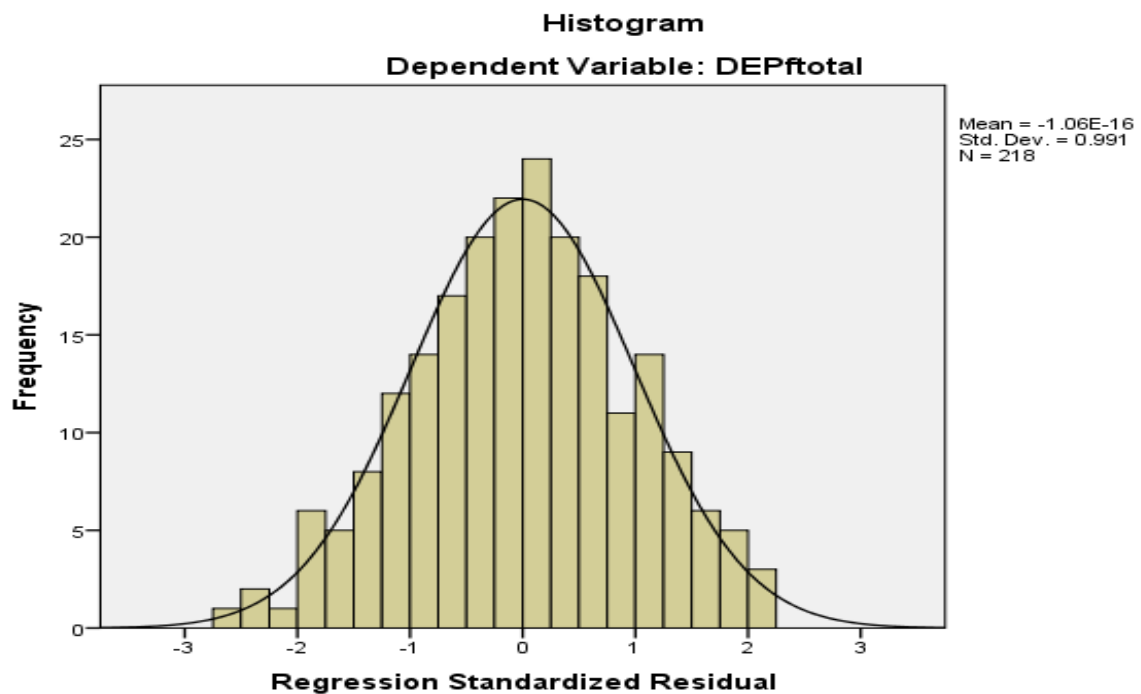


Figure 5. frequency distribution of the standardized residuals compared to a normal distribution

Thus, from an examination of the information presented in all the three tests the researcher conclude that there are no significant data problems that would lead to say the assumptions of classical linear regression has been seriously violated.

4.4 Correlation between variables

According to (Pallant, 2010), correlation analysis is used to describe the strength and direction of the linear relationship between two variables. In this analysis, Bivariate Pearson Product-Moment Coefficient (r) has been used to see the relationship between the dependent and independent variables. Correlation analysis, in this study determines the strengths of relationship between (Organizational buying behaviour and contributing factors).

In the hypothesis testing, the item that should be noticed is the probability (p) value. If $p > 0.05$, it means that independent variable does not influence the dependent variable. If $p < 0.05$ it means that independent variable influences the dependent variable (Pallant, 2010).

The guidelines suggested by Field (2005) were followed. His classification of the correlation coefficient (r) is as follows: 0.1– 0.29 is weak; 0.3 – 0.49 is moderate; and > 0.5 is strong.

The result tabulated on Table 12. Source: Questionnaires and SPSS Output, 2019.

		Correlations				
		DEPftotal	EFtotal	OFtotal	INFtotal	IFtotal
DEPftotal	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	218				
EFtotal	Pearson Correlation	.370	1			
	Sig. (2-tailed)	.020				
	N	218	218			
OFtotal	Pearson Correlation	.490	.113	1		
	Sig. (2-tailed)	.014	.027			
	N	218	218	218		
INFtotal	Pearson Correlation	.180	.027	.047	1	
	Sig. (2-tailed)	.030	.019	.030		
	N	218	218	218	218	
IFtotal	Pearson Correlation	.680	.193**	.119	.059	1
	Sig. (2-tailed)	.010	.004	.019	.019	
	N	218	218	218	218	218

** . Correlation is significant at the 0.01 level (2-tailed).

Table 12 Pearson Correlation between Organizational buying behaviour and contributing factors

Correlation results presented in Table 12 shows that there is significant positive relation between all independent variables (Environmental Factors, Organizational factors Interpersonal factor and Individual factors) Organizational buying behaviour.

There is significant positive relation between Environmental Factors and Organizational buying behaviour (sig=.020, r=.370).

There is significant positive relation between Organizational factors and Organizational buying behaviour (sig=.014, r= .490).

There is significant positive relation between Interpersonal factor and Organizational buying behaviour (sig=.030, r= .180).

There is significant positive relation between Individual factors and Organizational buying behaviour (sig=.010, r= .680).

4.5 Overall Regression Model Analysis

This section reports the results of multiple regressions conducted. multiple regression analysis is —an analysis of association in which the effects of two or more independent variables on a single, interval scaled dependent variable are investigated simultaneously (Zikmund, 2010).

According to (Hair Jt., 2007), Multiple Regression Analysis, a form of general linear modelling, is an appropriate statistical technique when examining the relationship between a single dependent variable and several independent variables. They explained that idea of using multiple regression analysis is to use the independent variable whose values are known to predict the single dependent value selected by the researcher.

In this study step-wise multiple regressions were conducted in order to examine the relationship between environmental factors, organizational factors, interpersonal factors and individual factors with other constructs of the conceptual framework; organizational buying behaviour.

Operational model: the operational linear regression model used to find the statistically significant variables on the organizational buying behaviour in the case of ANBESSA shoe Share Company is depicted here below:

$$\text{OBB} = \alpha_i + \beta_1 * EF_1 + \beta_2 * OF + \beta_3 * IF + \beta_4 * InF + e \dots$$

Where: OBB represents Organizational Buying Behaviour of leather footwear manufactures; the case of ANBESSA shoes share company (dependent variable) and independent variables include; **Environmental factors(EF)**, **Organizational factors(OF)**, **Interpersonal factor (InF)** and **Individual factors (IF)**. The error term contains the extraneous variables aside from independent variables that determine the value of the dependent variable (OBB) for a specific observation. Regression results have been shown in below Tables.

4.5.1 Regression Model and Summary

Table 13 Results of multiple regressions between Organizational Buying Behaviour and the combined effect of predictors.

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.651 ^a	.732	.643	1.19488

a. Predictors: (Constant), Individual factors , Organ Factors , Interpersonal factors, Env't factors ,

Source: Questionnaires and SPSS Output, 2019.

According to Table 4.8, R-Square (coefficient of determination) is a commonly used statistic to evaluate model fit. R-square is 1 minus the ratio of residual variability. The adjusted R², also called the coefficient of multiple determinations, is the percent of the variance in the dependent explained uniquely or jointly by the independent variables. Based on SPSS generated data above, the adjusted R² (coefficient of determination) explain 64.3% of the factor affecting the Organizational Buying Behaviour represented by the four independent variables that were studied in this research.

4.5.2 Regression ANOVA Table

Table 14 Analysis of variance results of the regression analysis between Organizational Buying Behaviour and predictor Variables

ANOVA ^b					
Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	40.407	16	2.525	1.769	.037 ^a
Residual	286.974	201	1.428		
Total	327.381	217			

a. Dependent Variable: Buying Behaviours

b. Predictors: (Constant), Individual factors , Organ Factors D, Interpersonal factors, Env't factors

Source: Questionnaires and SPSS Output, 2019

From the analysis, it is noted that the probability value of .037 ($p < 0.05$) indicates that the regression relationship was highly significant in predicting of Environmental factors, Organizational factors, Interpersonal factor and Individual factors. Further, the findings show that the model was fit.

4.5.3 Regression Coefficient Analysis of the Model

Table 15: Regression coefficients of the relationship between Organizational Buying Behaviour and the four predictive variables.

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	4.386	0.222		2.448	0.000
EF	0.715	0.179	0.440	11.345	0.013
OF	0.685	0.105	0.332	9.653	0.021
InF	0.470	0.110	0.225	7.090	0.028
IF	0.579	0.137	0.298	8.098	0.025

a. Dependent Variable: Buying Behaviours

Source: Survey data, 2019

The finding of the regression analysis result shows that all independent variables Environmental factors, Organizational factors, Interpersonal factor and Individual factors had significant influence on the Organizational Buying Behavior with different magnitude refer beta.

Therefore, the results of regression analysis show that all of the factors are significant at the 95% confidence level. As is seen in the above table, all significant values are $P < 0.05$. Therefore, it could be stated that all the factors addressed had an effect on Organizational Buying Behavior.

Furthermore, as shown in table 15, based on the standardized beta estimates, ($\beta = 0.440$) Environmental factors has emerged as the most important variables which has highest impact on the Organizational Buying Behavior, followed by Organizational factors ($\beta = .332$) and surprisingly Interpersonal factor had scored lower result ($\beta = .225$) plus Individual factors scored ($\beta = .298$). From the employee's point of view, Environmental factors and Organizational factors are the basic factors that have a great effect on Organizational Buying Behavior.

The Beta ($\beta = 0.440$) value indicate that the impact of the environmental factors on Organizational Buying Behavior is higher than those of other factors and the strongest effects that comes from t values also from environmental factors ($t = 11.345$).

4.6. Interpretation of the Results and Summary of the Findings

The regression coefficient explains the average amount of change in dependent variable that caused by a unit of change in the independent variable. The larger value of Beta coefficient that an independent variable has, brings the more support to the independent variable as the more important determinant in predicting the dependent variable.

Accordingly, Table 15 above presents the result of regression model that examines the impact of explanatory variables on Organizational Buying Behavior of Anbessa shoe. Based on the regression result, the relationship between the variables included in the model represented as follows;

$$OBB = 4.386 + 0.715 * EF_1 + 0.685 * OF + 0.579 * IF + 0.470 * InF \dots$$

Where: OBB represents Organizational Buying Behaviour of leather footwear manufactures; the case of ANBESSA shoes share company (dependent variable) and independent variables include; Environmental factors(EF), Organizational factors(OF), Interpersonal factor (InF) and Individual factors (IF).

4.6.1. Findings based on Research Questions

Based on the finding of the study, the researcher has answered for the following research questions.

What are the effects of environmental factors on the buying behaviour of leather footwear manufactures in case of Anbessa shoes?

The result of this study revealed that the effect of environmental factors on Anbessa shoes buying behaviours is robust and statically significant at 95 percent. For example, by keeping other variables as constant the country economic is booming so the leather industry is the first one to be benefited in any means as the industry is the major focus by the government. The political situation of the country is helping the company to perform their task without any anxiety. However, Logistics in terms of the rules and procedures is one major factor which is hindering the export performance from hitting its target in terms of time and quality of delivery. Furthermore, in fasting season there is shortage of leather and this influences the buying activities of the company but per the interviewee response

the meat exporting company's increase their capacity the issue will be compensated. Finished leather finishing is the other influence which is related with the finishing chemical and technology the leather tannery obtained. But other technological activities like internet, telecom, and infrastructure are the good things that the company is benefited from.

Therefore, the researcher has found that environmental factors has a positive and significant influence on buying behaviours ($\beta=0.440$, $P<0.05$; 0.013) in the case of Anbessa shoe share company, since $p<0.05$ the researcher accepted H_1 .

How dose organizational factors affect the buying behaviour of leather footwear manufactures in case of Anbessa shoes?

The study also found that organizational factors greatly influence the buying process of Anbessa shoe company. This means when the company buying procedure, policies, chain of command and methods of purchasing became simple and transparent then purchasing behaviours of the company will positively have affected. Organizational factors are internal factor affecting buying decision. Every purchasing organization has certain objectives and goals, well accepted producer and system for purchasing, and an appropriate organizational structure. These factors directly and indirectly influence its purchase decision. These characteristics provide clues for determining buying decision. The objectives of an organization influence the types of products it needs and the criteria by which it evaluates supplies. A company frames their procedures/policies for making purchase decision.

Based on generated data, organizational factors have a positive significant influence on the buying behaviour of Anbessa shoe, where the t- statistic value was calculated to be 9.653 at $p < 0.05$. The value of the coefficient of organizational factors also found to be 0.685, the study company assign authority for purchase decisions to purchase managers while others do not. This delays the purchase decisions. In decentralized structure, quick decision is possible at the departmental level. Policies like inventory holding and procedures such as payments or bidding also influence purchase decisions of organizational buyers.

The interview respondent also added that if the quality control could have been in the procurement and supplies division, the purchasing activity of the company will be fast in terms of communication and process. Therefore, H_2 is accepted.

How interpersonal factors does Influences the members of the buying centre in the buying process of Anbessa shoes?

Based on the research findings the Anbessa shoe uses both repetitive and modified types of purchasing and their buying decisions are normally collective and also as per the procedures decided. The buying center involves management staffs, procurement officers, quality inspectors, design and production experts at different formal authority, status and persuasiveness. Buying center consists of individuals of the organization concerned with purchase decision process. They share the risk arising out of it. They also have a common goal. The upper level manager is not involved in every repetitive purchase because the purchase is same as previous ones. But the middle and lower level personnel are involved in both purchases. Furthermore, keeping other factors constant interpersonal factors positively affect the members of buying center at 22.5 % with $p < 0.05$. This implies that interpersonal factors had a significant effect in resolving the Conflicts among buying center participants in Anbessa shoe. Thus, $H3$ also accepted.

Does an individual factor have effect on the Personal characteristics of members in the buying centre?

In the final analysis, individual factors play an important role in buying decision. The other factors (environmental, organizational, etc.) are important but individuals concerned with purchase decision are equally important. Personal factors/ characteristics include age, education, job position, maturity, etc. as these factors affect individual perception, preference and motivation.

The result pointed out the effect of individual factor in the purchasing behaviours of case company has positively significant, as indicated in the demographic tables, 50% the companies worker age are above 35 and have work experience of more than 5 years in the sectors including some managements staffs with sufficient trained experts, thus this positively affect the risk taking capacity and being co-operative attitude with the supplier's representatives like the other factors used in this study. This is to mean that, based on the result of the study; individual factors positively affect the personal characteristics of the buying members at the percent of 30% by keeping another factors constant.

CHAPTER FIVE

5. CONCLUSIONS and RECOMMENDATIONS

In this chapter, conclusions were drawn from the results and in the final part recommendations, research limitations and future research suggestions in the area were forwarded.

5.1 Conclusions

Base on the finding using the data collected and by using correlation and regression analysis, the results showed that the effect of aforementioned factors that is Environmental factors, Organizational factors, Interpersonal factor and Individual factors on the buying behaviour of Anbesssa shoe share company are significant and positive related with the buying process of the company.

The first factor that has a highly significant impact on the buying processes is that the Environmental factors. Economic condition and performance of the industry one major factor that influence the purchasing process of the company. This day's footwear companies are neglecting the demand of local market because the government is pushing the companies to export more in order to get foreign currency. The knowledge of peasants in protecting the animals starting from the gardening is poor and this has a huge impact on the quality of the leather as they burn and make a mark on the animals for identification purpose. Furthermore, the regulatory complications the company is facing in the logistics service is other factor influence the shoe export which is directly related with the next shoe order and leather purchase. But on the contrary, political stability and technology is benefiting in facilitating the purchasing activity. Due to advance technological availability, the company can assess any information about the supplier's history, industry index, information about leather etc.

The organizational structure of the company is suitable in the communication and controlling of any activity. However, the goal of the company is only focuses on profitability rather than on the human resource, neglecting the human resource benefit. The task performed in accomplishing the objective is in the right manner of any purchase.

Interpersonal factor and Individual factors are also significantly and positively affect the buying behaviour activities. Buying centers or individuals personal motives, age, education and experience in the specific field is also another factor which is affecting the

purchasing process of the company. Specially, lack of knowledge in the purchasing division is affecting the process heavily. They can influence the company positively or negatively with respect to their buying behaviour activities

Anbessas buying behaviour is characterized in two group of purchase, that is repetitive purchase and modified purchase. Hence, the study only applies the two buy classes proposed by Robinson et al in 1967. The result shows that “new rebuy” buying situation at Anbessa Company is irrelevant to the study. The aforementioned involvement is the same for modified rebuy situation, the only difference is that the general manager (policy level management) involved in deciding the modified purchase. Ownership (Board of directors) not involved in the purchase leather for any of the two buy classes.

The buying center uses written with less verbal communication in their purchasing activities for both group of purchases. For both groups of purchase the procurement and supplies director takes a central position in communicating the buying centers and influencing the purchase process of finished leather. Moreover, knowing the influencing factors that affect the company’s buying process can be a good help in meeting company’s objectives. Therefore, this research provides valuable information regarding purchasing behaviour of Ethiopian leather footwear companies. The researcher believed that, it is likely to contribute in a significant way to the managers of footwear companies by providing information that are most important to the buying centers. And the responsible person in purchasing of finished leather will get a way on how the process should be.

5.2. Recommendations

The following recommendations can be drawn from the analysis and conclusions made.

- It is recommended that if the purchaser of the finished leather can be one specific person in a company, who has skill and knowledge on the quality aspects of finished leather, will bring a huge difference on the finished leather shoes.
- The owner of the companies should give due attention to the factors that influences their purchasing process especially to the one which significantly impacts their buying process i.e. Economic, political, company police and the educational status of the employees.
- These recommended factors are not only to the case company but also to all large and mechanized leather footwear companies of Ethiopia as they all share common firm level problems. The proposed clarification has to be implemented to all manufacturing firms of Ethiopia because the internal and external factors problem is national level.
- Be sides the affecting factors leather footwear manufacturing companies should also consider Lack of supporting industries like Chemical manufacturing companies, accessory and component manufacturers, etc and almost all supporting inputs are imported which may affect their purchasing performance.
- Effectively communicating the importance of having efficient buying centers which can be met by securing the purchase of right quality leather, in the right quantity, from the right source, purchased for the right price and delivered at the right time should be given a major value by the footwear companies.
- If the government (Leather Industry Development Institute) can benchmark good practices from different countries which have efficient leather supply chain to the companies, as it is doing in the production process with India, the overall finished leather activity would in line with process and output performance. Furthermore, it should give due attention to the educational package of leather quality, by teaching the peasants and sellers as they damage the raw hide and skin unknowingly.

5.3 Future Research

Future researchers are highly encouraged to conduct further study by considering on other leather industries as this study is only limited to one leather sector which is to leather footwear industry. It shall be conducted thoroughly in order to have a vibrant indication and to clarify the organizational buying behaviours and its affecting factors entirely in sector. Finally, Understanding and analysing the buying behaviour of end users is also very important and interesting to wholly comprehend the buying behaviour aspects which this study failed to include. Thus, if future studies can include it, the result can be a whole sum of the buying behaviour.

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APPENDIX

APPENDIX I: QUESTIONNAIRE

Semi- Structured Interview

This interview was designed to identify and explain factors affecting the buying behaviour of leather footwear manufactures; the case of ANBESSA shoes share company. All the responses you provide in this interview will be kept confidential and reported in a collective form. It will only be used for the academic purpose.

For Mangers

Part I: Introductory questions about the respondents and the organization.

- i. What is your position and function in the company?
- ii. For how long have you worked for the company or in the sector?
- iii. How many employees are working within your supervision?
- iv. Please describe/discuss the buying process of Anbessa shoes ?

Part II: Questions about factors influencing the buying process of ANBESSA shoes Share Company in purchasing finished leather.

1. How do you consider the **environmental factors** influences on the buying process of Anbessa shoe? (e.g. Economic Developments • Technological Changes • Political and Regulatory developments • Competitive developments • Culture and Customs).
2. How do you consider the **organizational factors** influencing the buying process? (e.g., Objectives • Policies • Procedures • Organizational Structure • Systems)
 - a. What are the company's policies and limits on its buyers?
 - b. how many people are involved in the buying decision? who are they?
 - c. What are the evaluative criteria?
3. What is your thought about **interpersonal factor** influence the buying process in purchasing finished leather? (e.g., Authority • Status • Empathy • Persuasiveness.).
4. How do you consider the **individual factors** influencing the buying process? (e.g., Age • Income • Education • Job Position • Personality • Attitudes etc.)

Part III: Questions about the buying processes of ANBESSA shoes share company uses.

1. How do you identify finished leather suppliers form the tannery industry?
2. How does your company deal with the purchase of finished leather material based on previous purchase of similar material with no modification?
3. How does your company deals with the purchase of finished leather material as per pure replacement of product specification, price with the same brand and supplier?
4. How does your company deals with the purchase of finished leather material from those who have been never purchased before?

Any additional comments/suggestions to be considered in this research.

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Thank you for your time! It has been appreciated!



Addis Ababa University School of Commerce

Department of Marketing Management Post Graduate Program

Dear respondents, this questionnaire is prepared to gather data from the employees of Anbessa shoes share company to study and identify the Factors Affecting the Buying Behavior of Leather Foot Wear Manufactures; In the case of Anbessa shoes share company - for the partial-fulfilment of MA in Marketing Management from Addis Ababa University School of Commerce.

The responses are to be kept confidential and will be used for academic purpose only.

Part I: Introductory questions about the respondents and the organization.

Please circle your choice.	
Question	Answer
1. Gender	A. Female B. Male
2. Education Level	A. Up to grade 10 B. Diploma/TVET C. (BA)Degree graduate D. MA/Msc and above
3. Age	A. Below 25 B. 25-35 C. 36-45 D. Above 45
4. For how long you have worked for the company or in the sector?	A. More than 10 B. 5-10 years C. 1-4 years D. Less than 1 year
5. Your department	A. Production B. Procurement and supply chain C. Finance D. Quality E. Techniques F. Administrative G. Sales and marketing

Part II: Questions about factors affecting the buying Behaviours of ANBESSA shoes Share Company when purchases finished leather. please tick (√) on the appropriate question number to indicate the extent to which you agree or disagree with each statement.

The item has five-point Likert type scales; the scales have the following meaning.

1. Very Low
2. Low,
3. Medium
4. High
5. Very High

Answer		Very Low (1)	Low (2)	Medium (3)	High (4)	Very High (5)
1. How do you rate Environmental Factors that influence the buying process?						
	Economic trends (It includes the level of demand, economic condition, competition, change in technology, trade cycle)					
	Political/legal Factors (the rules and regulation of the nation , while buying goods and services organization should study about the political system, political situation, political ideology, government policies)					
	Technological Factors (development of e-commerce, development of information, development of the internet have brought changes in institutional buying)					
	Customs and Cultural Factors (While buying goods and services, the					

organization has to consider about the social well-being)					
Any other (Pls. specify)					
2. How do you rate Organizational factors that influence the buying process.					
Task (the organizations buying objectives, procedures and policies)					
Organizational Structure (a specific chain of command within the organization)					
Systems (method used by Anbessa shoes to buy input)					
Any other (Pls. specify)					
3. How do you rate Interpersonal factors that influence the members of the buying center.					
Authority					
Status					
Empathy (ability of share and understand the feeling of another.)					
Persuasiveness (company believe)					
Any other (Pls. specify)					
4. How do you rate Individual factors which have effect on the members of buying center.					
Age and risk attitudes (Young buyers tend to favour building a relationship with new suppliers whereas older buyers tend to maintain a relationship with established suppliers.)					
Education					
Income					
Experience and job position					
Buying styles					
Any other (Pls. specify)					

Part III: Questions about the Buying behaviours of ANBESSA shoes share company in the purchasing processes of finished leather from tannery industries.

Answer		Very Low	Low (2)	Medium (3)	High (4)	Very High
1. Which type of buying situation repeatedly processed in the company?						
	New Task (Have Never Been Purchased Before)					
	Modified-Rebuy (Pure Replacement Of Product Specification, Price With The Same Brand And Supplier)					
	Straight-Rebuy (Previous Purchase Of Similar Material With No Modification					
2.How do you rate the involvement of below division in the company's purchasing activities?						
	Board of management					
	Production division					
	Procurement and Supplies division					
	Quality division					
	Technical division					
	Sales & Marketing division					
	Finance and Administration division					

Any additional comments/suggestions to be considered in this research?

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Thank you for your time! It has been appreciated!