

UNIVERSITY OF KWAZULU-NATAL

**Factors influencing the purchasing behaviour of Dunair's dealer network in
the Southern African automotive aftermarket**

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Abstract

Transaction and switching costs have consistently declined owing to global access to more choice; as a result, channel member relationships have become increasingly critical. A wide variety of research supports that personal relationships between buyers and sellers are a definitive factor in customer retention of organizational buyers. Owing to their mutual dependence, their joint success is built on understanding and delivering customer value. A majority of models of industrial buying behaviour focussed heavily on buying centres, largely ignoring the dynamics of the autonomous buying behaviour of smaller firms. This study identifies the factors that influence the buying behaviour of Independent Aftermarket (IAM) installers of automotive air conditioning products within Southern Africa. The aim of this study is to harness the information gained from the study to improve derived demand of manufacturers by influencing the customers of their distributors. Manufacturers, marketing practitioners, sales staff, managers and any other firm wishing to benefit from managing relationships of business to business (B2B) customers within the Southern African aftermarket will derive benefit from this study. The objectives of the study were to identify the factors that influence the buying behaviour of Dunair's IAM installers and to recommend how to improve the mutual gain of channel members. This empirical study was performed using quantitative analysis of structured questionnaires administered online. Using the Dunair dealer listing of 2013 as a sampling frame in conjunction with convenience sampling, invitations to participate were e-mailed to 118 possible respondents which yielded a response rate of 31% collected over a two month period. In order of priority availability, quality and price were identified as the most important purchasing factors. The preferred channels of communication amongst the IAM dealers were firstly the Internet followed by product catalogues. This research was originally intended to be descriptive in nature but owing to the poor response rate it could only be considered exploratory in nature. The following has been recommended to Dunair: bypass distribution intermediaries: introduce an online point of sale ordering system, provide product and technical training, develop and distribute high quality product catalogues and upgrade the Dunair webpage.

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CHAPTER ONE

Introduction

1.1. Introduction

Owing to increasing competitiveness and cost pressures on Original Equipment Manufacturers (OEM) many component manufacturers in the automotive industry are increasingly looking to the aftermarket as a beneficial revenue source, particularly when value added services can be considerably more profitable. The management of Smiths Manufacturing PTY (LTD) identified the Independent Aftermarket supply channel as an opportunity for future growth. However, they were uncertain of what factors influenced the buying behaviour of independent aftermarket (IAM) installers within a Southern African context. The primary focus of this research attempts to answer this fundamental question and to make recommendations in order to align the organisation to best meet the needs of the Independent Aftermarket network. This chapter will introduce the motivation, focus, problem statement, research sub-questions, objectives, limitations and outline of the study.

1.2. Motivation for the Study

Hilton (2012) suggested that long-term partnerships and relationships between manufacturers and their channel members need to be forged to maximise aftermarket opportunities. The following stakeholders will derive benefit from this study: Manufacturers operating in the automotive Independent Aftermarket, Marketing practitioners, sales staff and managers looking to predict demand and buying behaviour of business to business (B2B) customers; any other firms and their employees wishing to benefit from managing relationships of B2B customers within a Southern African aftermarket context.

1.3. Focus of the Study

This research is primarily focussed on the marketing discipline, more specifically to understand the dynamics of what influences the autonomous buying behaviour of smaller firms in the automotive aftermarket.

1.4. Problem Statement

A wide variety of research supports the contention that close relationships are essential due to the mutual dependence between industrial buyers and sellers and that their success is built on understanding and delivering customer value (Christopher, Payne & Ballantyne, 2002; Constantinides, 2006; Mukerjee, 2009). A majority of models of industrial buying behaviour reviewed focussed heavily on buying centres largely ignoring the dynamics of the autonomous buying behaviour of smaller firms (Webster Jr & Wind, 1972; Sheth, 1973; Choffray & Lilien, 1978; Mattson, 1988). This study intends to establish what factors influence the buying behaviour of independent aftermarket (IAM) installers within Southern Africa? For the purposes of this study Southern Africa consists of the countries of South Africa, Namibia, Zimbabwe, Botswana, Swaziland and Zambia. The definition is limited to these counties as there are no dealers located outside of these geographic territories.

1.5. Research Sub-Questions

- What is the market share of the current suppliers amongst IAM installers?
- What factors are important when making purchasing decisions?
- What is the level of satisfaction in respect of these factors?
- What is the preferred means of marketing communication amongst IAM installers?
- What is the level of satisfaction with Dunair's marketing communication in respect of this preference?
- What is the likelihood that IAM installers would recommend Dunair products?
- What is the general level of awareness of Dunair supplied products?

- What is the willingness amongst IAM installers to support products in alternative markets?

1.6. Objectives

In order to answer the research question the following objectives have been proposed:

- To determine the market penetration of Dunair products amongst the IAM dealers.
- To identify the factors that impact on the purchasing decisions of IAM dealers.
- To determine the level of satisfaction of the IAM dealers with their existing suppliers.
- To determine the level of awareness of the Dunair offering amongst the IAM dealers.
- To identify opportunities for new product introduction to IAM dealers.
- To identify IAM dealer's willingness to explore opportunities/products in non-automotive markets.

1.7. Limitations of the Study

This study considered the dynamics of the autonomous buying behaviour of smaller independent aftermarket firms within a Southern African context. This research encountered the following limitations:

- This research was originally intended to be generalizable to the entire population of interest but owing to the poor response rate it can only be considered exploratory.

1.8. Outline of the Study

An empirical study was undertaken using quantitative analysis via structured online questionnaires. This method is particularly appropriate where literate

participants are geographically dispersed (Sekaran & Bougie, 2009). The population of interest was derived from the Dunair dealer listing of 2013 which consists of 123 dealers dispersed throughout Southern Africa. Using the sample size table as a guide the questionnaires were intended to be administered to a minimum of 93 dealers. Convenience sampling and sample size tables was to be used for the purposes of enabling reasonably precise generalizability (Sekaran & Bougie, 2009).

1.9. Summary

Manufacturers, marketing practitioners, sales staff, managers and any other firms and their employees wishing to benefit from managing relationships of B2B customers within the Southern African aftermarket will derive benefit from this study. This research is primarily focussed on the marketing discipline and intends to establish what factors influence the buying behaviour of independent aftermarket (IAM) installers within Southern Africa. In order to answer the research question numerous objectives and sub-questions were proposed. An empirical study was performed using quantitative analysis via structured online questionnaires. The population of interest was derived from the Dunair dealer listing of 2013 which consists of 123 dealers dispersed throughout Southern Africa. Convenience sampling and sample size tables were used for the purposes of reasonably precise generalizability. Limitations regarding poor response rate were identified. Chapter two examines relevant literature and past research that will contribute towards answering the research question.

Chapter Two

An overview of industrial purchasing

2.1. Introduction

Transaction and switching costs have consistently declined owing to global access to more choice; as a result, channel member relationships have become increasingly critical. The literature reviewed in this chapter indicates that personal relationships between buyers and sellers are a definitive factor in customer retention applicable to individual and organizational buyers alike (Hilton, 2012). A wide variety of research supports the contention that close relationships are essential, owing to the mutual dependence between industrial buyers and sellers (Christopher, Payne & Ballantyne, 2002; Constantinides, 2006; Mukerjee, 2009). Their joint success is built on understanding and delivering customer value. Most models of industrial buying reviewed in this chapter focussed heavily on group behaviour typical of buying centres of large firms (Webster Jr & Wind, 1972; Sheth, 1973; Choffray & Lilien, 1978; Mattson, 1988). However, few considered the dynamics of the more autonomous buying behaviour of smaller firms. Literature reviewed in this chapter considered basic marketing concepts and frameworks (Winer, 2007; Kotler & Keller, 2012). Differences between industrial and consumer marketing are highlighted and concepts of relationship marketing are introduced along with a means of its introduction known as Customer Relationship Management (CRM) (Mukerjee, 2009).

2.2. Marketing management: a broad overview

Winer (2007) suggested that many organizations struggle with the exact definition of marketing, but that essentially it is concerned with influencing the choices of individuals, institutions or organizations. Further, that the job of management involved in marketing was to develop and implement a strategy for a product or service to effect changes in the market environment. Winer (2007) focussed on the use of a decision-making framework known as the complete marketing strategy. The components of the strategy consist of 5 aspects, as indicated in Figure 2.1.



Figure 2.1 A Complete Marketing Strategy

Source: Winer, R.S. 2007, *Marketing Management: Pearson International Edition*, 3rd ed. New Jersey: Pearson Education Inc., p.37.

First, a measure of the strategy which would be used as an indicator of success or failure is an objective. A company's mission statement would offer insights into a central objective; however, typical specific objectives could include growth in sales, market share and/or profits. Further, to be effective, objectives must be quantifiable, measurable, challenging and they must have specific time limits. Objectives should be designed in such a way as to push the boundaries of performance (Winer, 2007).

Second, identified customers would be targeted to buy the product or service. Marketing practitioners should be looking to answer fundamental questions such as who (the customers are), why (they buy), how (purchasing decisions are made), where and when (do they buy)? Once the customer base of companies has been established, marketing involves targeting collective individuals involved in the buying decision rather than individual consumers. This form of marketing is known as industrial or organizational marketing. Since the advent of the Internet its commercial application has gained massive popularity. The inclusion of the Internet and e-commerce in the industrial marketing dynamic may also be referred to as B2B (business-to-business) marketing. Winer (2007) indicated that, although there are several differences between industrial and consumer purchasing behaviour, the marketing strategy framework held true equally well for both industrial and consumer products. Mukerjee (2009) highlighted the most

noticeable differences between consumer and industrial marketing as illustrated in Table 2.1.

Table 2.1 Industrial Marketing versus Consumer Marketing

Characteristics	Industrial Marketing	Consumer Marketing
Competition	Oligopoly, Few buyers	Monopolistic, Mass Markets
Demand	Derived and volatile	Direct and less volatile
Market Size	Larger global perspective with geographically concentrated buyers	Smaller regional perspective with geographically dispersed buyers
Buyer/seller interactions	Functional involvement, relationship-oriented, stable relations, inter-personal relationships	Family involvement, less technical, transaction-oriented, non-personal relationships.
Buying Behaviour		
Order sizes	Larger	Smaller
Buying power	Strong	Weak
Purchasing involvement	Greater	Lesser
Purchasing decision	Lengthy, complex, and risks are higher	Relatively short, less complex, and risk is relatively low
Key Accounts	Very Important	N/A
Product and Service Mix	Product life cycle (PLC) is shorter, with higher service levels. Quality is critical. Branding is of the parent company.	PLC is longer, with lower service levels. Quality is less important. Branding is for products.
Distribution	Short, direct, and complex channels. Product knowledge and delivery is crucial.	Longer, simple channels. There are multiple linkages.
Price	Bidding, negotiation, leasing, are very common.	Promotional pricing is very common. List pricing.
Promotions	Personal selling, trade shows,	Advertising is the most

catalogues, direct mailers, common form.
editorials, etc.

Source: Mukerjee, H.S. 2009, *Industrial Marketing*, New Delhi: Anurag Jain for Excel Books, p.9.

Many researchers have concurred that the most noticeable differences are that consumer demand led to industrial demand (Winer, 2007; Mukerjee, 2009; Kotler & Keller, 2012). Further, that demand fluctuates owing to economic downturns or the influence of any social, political or legal factors. Business buyers experience demand derived from the consumer demand of their customer's products. Mukerjee (2009) suggested that industrial marketers needed to understand derived demand, in order to predict individual demand more accurately, to understand factors that influence sales, to look into other segments for more business opportunities and to understand the impact of price, promotion, profitability and distribution strategies. Many researchers agree that in an industrial context, personnel often have to work harder to focus on customer relationship marketing rather than products (Winer, 2007; Mukerjee, 2009; Kotler & Keller, 2012). Further, industrial product complexity changes the way in which benefits and features are communicated. As the seller forms a part of the customer's supply chain, industrial product sales and their success are dependent on the economic success of their customers. The buying process in an industrial environment can be complex and diverse. Some companies have centralized buying, others have gone the divisional/departmentalized (decentralized) route. Some products must satisfy specific technical requirements to meet buyer needs and others less so. Often, industrial buying involves large sums of money, and as a result of the risks involved, decision-making can be very time-consuming.

Third, competitor targets must be identified for each customer target (i.e. identified competitor brands/companies that would be most likely to entice the target customer).

Fourth, a core strategy should be used to target the customer group via the value proposition which, through product positioning, is placed in the minds of customers (Winer, 2007; Kotler & Keller, 2012). It is important to consider the market as being composed of segments, each of which responds differently to marketing-mix variables, for which alternative marketing strategies must be developed. Strategic alternatives include market penetration and market development. Market penetration is concerned with targeting existing customers and/or those of the competitors. Assuming a majority of existing customers enjoy the consumption experience, these could more easily be persuaded to continue buying the product, because they are familiar with the product and with service benefits (Winer, 2007). In an industrial/organizational marketing setting, it is often possible to see growth in sales when an organization adopts a product or service throughout its operations, sometimes internationally (Mukerjee, 2009). It is often considered more expensive and riskier to convince customers to switch from a competitor's brand. Typical of mature markets where growth rates are slow, point-of-sale promotions are considered useful in promoting brand switching (Kotler & Keller, 2012). Market development targets non-buying customers in existing target segments, and expands into new markets and segments previously unexplored. This could include unexplored segments in existing markets or entering into new foreign markets.

Kotler and Keller (2012) suggested that the value proposition is used to clearly articulate why the customer should buy one's products and services over those of competitors. Ultimately, the value proposition is used to develop a competitive or differential advantage. Such advantages could allow the organization to demand premium prices. In order to create a competitive advantage, products or services should generate perceived customer value which must be difficult for the competitors to replicate. Winer (2007) indicated that competitive advantage may be developed through cost, quality, or differentiation, as well as perceived quality or brand-based advantage. Further, product positioning involved taking this competitive advantage and planting it firmly in the minds of the consumer such that a product or service stands out from its competition.

Fifth, Winer (2007) considered the marketing mix to be the implementation phase of any marketing strategy. The marketing mix involves decisions concerning elements indicated in Figure 2.2. The purpose of pricing is to recover customer-perceived value, i.e. by attaching monetary values to benefits and features: What is your customer willing to pay for your product? Target segment price sensitivity and the value proposition are essential determinants of pricing (Kotler & Keller, 2012). Further, they suggested that offering different pricing to different segments (price discrimination) based on sales history has become commonplace.

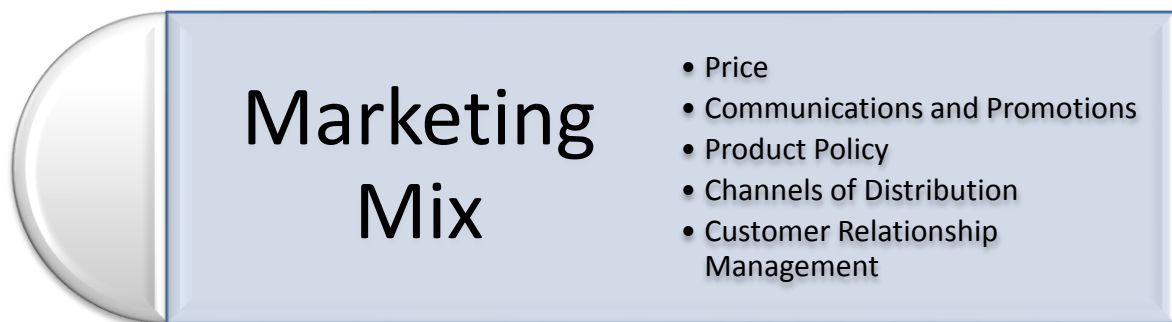


Figure 2.2 The Marketing Mix

Source: Winer, R.S. 2007, *Marketing Management: Pearson International Edition*, 3rd ed. New Jersey: Pearson Education Inc., p.36.

Accessibility to pricing information on the Internet affects customer pricing decisions, and as a result, the way in which prices are set (Kotler & Keller, 2012). Winer (2007) concurred, suggesting that price opportunity lies in the gap between variable cost and customer value. Further, he indicated that a deep understanding of competitor pricing practices past and present were essential. The way in which marketers pitched pricing was also dependent on product-line strategies. Lowest cost or best value can result in larger volumes appealing to price-conscious consumers, and can allow an organization to benefit from economies of scale. By contrast, well-differentiated products can demand premium prices and can gain high volumes through product/brand appeal (setting trends). The concept that all communication activities should be coordinated in order to send a unified message consistent with the strategy is known as Integrated Marketing Communications (IMC). Elements of the communications mix are illustrated in Figure 2.3.

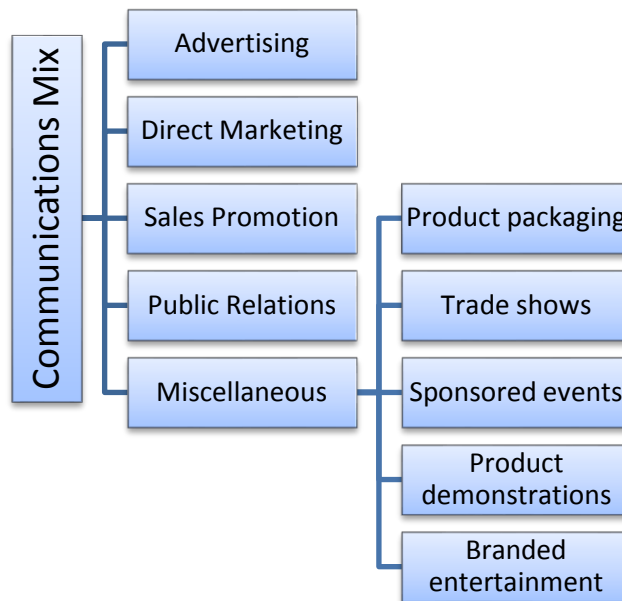


Figure 2.3 Communications Mix

Source: Winer, R.S. 2007, *Marketing Management: Pearson International Edition*, 3rd ed. New Jersey: Pearson Education Inc., p.272.

Winer (2007) suggested that, of the numerous studies performed, generalizable results indicate that 100% increase in advertising leads to a 22% increase in sales. However, he expressed caution in generalizing these findings to industrial products, as the vast majority of empirical research has been focussed on consumer goods and services. Many researchers suggested that advertising, direct marketing, sales promotion and branded entertainment were widely used for consumer products (Winer, 2007; Mukerjee, 2009; Kotler & Keller, 2012). Trade shows were more commonly associated with industrial products. While product packaging, sponsored events and product demonstrations could be considered relevant for both industrial and consumer products alike.

Distribution channels are value chains which bring products and services to customers. Each channel structure is unique. Figure 2.4 illustrates that of industrial products.

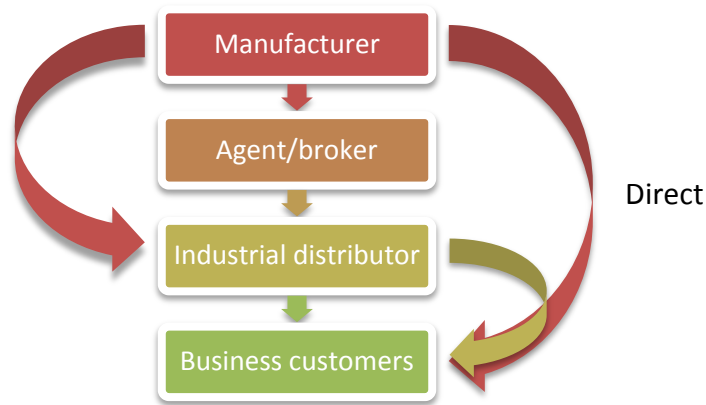


Figure 2.4 Industrial Product Channels

Source: Winer, R.S. 2007, *Marketing Management: Pearson International Edition*, 3rd ed. New Jersey: Pearson Education Inc., p.332.

Channel structure can evolve over time, as the elements of customer and competitor behaviour and the strategy and available resources change (Kotler & Keller, 2012). As can be seen in Figure 2.4, manufacturers could choose to supply directly to the customer or indirectly via those channel members that add value, including some and bypassing others as circumstances dictate. Resolving conflict and at times exerting power is a part of maintaining good relationships amongst channel members. Winer (2007) suggested that marketing practitioners should always look ahead and plan for the next stage of a product's evolution, so as to maximize opportunities and extend PLC. As a product evolves through the stages of introduction, growth, maturity and declines it is important to be alert to potential opportunities. A mature product in one country could be a growth product in another.

2.3. The relevance of 4P's marketing-mix framework in the 21st century

Constantinides's (2006) qualitative review of the criticisms of the marketing-mix framework of the 4P's, identified two main limitations in its application to six marketing areas. The areas of interest consisted of: consumer marketing, retail marketing, relationship marketing, services marketing, industrial marketing, and electronic marketing. Findings of the aforementioned review suggested that while the marketing mix of the 4P's has been widely adopted by marketers for over 40

years, the majority opinion supports a shift in marketing-management teachings. The shortcomings of the marketing mix with respect to consumer marketing focussed primarily on the lack of three elements: customer orientation, customer interactivity, and strategic elements. Constantinides's (2006) research proposed alternative frameworks with variations to the 4P's marketing mix.

Limitations of the 4P's in respect of relationship marketing focussed most attention on its lack of: customer orientation, interactivity, and collaboration. Constantinides (2006) identified interaction, personalization and communication as key aspects in proposed alternative frameworks.

Constantinides (2006) suggested that the fundamental elements of services marketing are the human element, interaction and quality thereof, and relationship building. In his opinion, these are elements either missing or not adequately addressed by the 4P's.

Retailers and other channel members were previously considered as secondary contributors to the marketing process filling the limited role of stocking and resale. Today they are considered marketers who add value in building long-term relationships with consumers (Mukerjee, 2009). Retail marketing theory consists of both relationship and services marketing, critical to which are elements of presentation, service, staff and retail formats. Constantinides (2006) suggested that these factors contribute to a unique customer experience. Further, the marketing mix fails to address distinctive aspects of retail marketing such as personalization, atmosphere, engaging the senses and the physical shopping experience. His research suggested that the aspects of industrial or business-to-business marketing differ from that of consumer marketing. These aspects include the formalized decision-making process, buying practices, as well as choices and characteristics of the industrial consumer. Mukerjee (2009) suggested that the emphasis of industrial marketing has been on collaboration and personal influence (personal selling has traditionally been the prime instrument). Close relationships are essential owing to the mutual dependence between industrial buyers and sellers. Constantinides (2006) identified two further weaknesses of the application of the 4P's in an industrial setting, these were its lack of strategic components and

operational orientation. He suggested that successful industrial relationships were built on understanding as well as on delivering customer value.

The commercialization of the Internet and the growing number of online users was the source of great wealth for Internet firms in the late 90s (Winer, 2007). However, meteoric success was dispersed amongst monumental failures (Kotler & Keller, 2012). Constantinides (2006) considered the application of the marketing mix as a tool in marketing as a possible contributor to the dot.com failures. Further he cautioned against the application of 4P's in e-marketing and e-commerce, recommending minor changes to the framework for an Internet environment. This was attributed primarily to the infancy of the subject and relatively limited research in this area at the time.

Constantinides (2006) research concluded that the two limitations of the marketing mix of the 4P's common to all six marketing domains assessed were its internal orientation and its lack of personalization. The internal orientation of the 4P's was attributed to its origins: marketing of mass-orientated consumer products in the US manufacturing sector of the 60s. To be successful in the marketplace of the future, constant monitoring of the external environment is critical, in which special attention has to be paid to frequent and changing customer needs and behaviour. Managers should focus on building customer value, by being flexible and innovative and by empowering and enabling firms to adapt to ever-changing markets.

There have been significant shifts in consumer behaviour with regard to individualized nation and value orientation (Mukerjee, 2009). Transaction and switching costs have been reduced owing to new technology and global access to more choice; as a result client approach has become essential (Winer, 2007). Constantinides (2006) suggested that a personal relationship between buyers and sellers is a definitive factor in customer retention, applicable to individual and organizational buyers alike.

2.4. Models of industrial buying behaviour

While there are differing opinions on the structure of the various models, most researchers agreed that environmental factors such as economic, technological,

social, cultural, legal, political, industrial structure and channel structure play a major role in industrial buying decisions (Webster Jr & Wind, 1972; Choffray & Lilien, 1978; Mattson, 1988).

The Mattson (1988) model includes 6 factors that determine the make-up of an organizational buying centre. These include environment and mission (of the organization); purchase needs (i.e. quality, price, supply); buying classes and phases; value and complexity; time commitment and life cycles; and buying centre membership. He suggested that industrial purchasing should be viewed as a complex process affected by many factors. The resulting buying centre decisions influence the organizational decision to make, buy, lease, postpone, request further information, or negotiate further with suppliers. This model is considered highly comprehensive and applicable to a wide variety of buying situations (Mukerjee, 2009).

The Webster Jr and Wind's (1972) model spoke of three variables (environmental, organizational and individual) affecting the buying centre variable, which in turn affected the buying decision. Organizational variables included objectives and goals, structure, policies and procedures, supplier evaluation, reward systems, and the extent of decentralization. Individual variables included personal expertise, goals, lifestyle, income and education.

Choffray and Lilien (1978) mentioned that any organizational buying decision was influenced by factors which are environmental, organizational, and individual in nature. Environmental constraints and organizational requirements result in the formation of individual preferences. The buying centre evaluates these preferences based on the information provided. These in turn resulted in organizational preferences, yielding the purchasing choice.

Sheth (1973) considered four components in his model of decision-making. Firstly, the expectations of various stakeholders such as purchasing, engineers and users can have a major impact on the outcome. Secondly, the industrial buying process consisted of product-specific factors (time pressure in respect of the decision-making process, perceived risk, and the type of purchase) as well as company-

specific factors (firm orientation, size, complexity and the number of people involved in the decision-making process). Thirdly, he suggested implementing procedures for conflict resolution, offering a choice between problem-solving, persuasion, bargaining and politicking. Fourthly, situational factors can also play a role, depending on whether the decision-making process was autonomous (typical of small firms) or part of a group (typical of larger firms).

2.5. Marketing for Wholesalers

Sipera (2012) suggested that marketers should contribute to their customers' success, as the success of their customers could be converted to more business for themselves. This is achieved by educating customers on the products, offering incentives to motivate them; contributing to customer media campaigns, and arming them with product information. Sipera (2012) recommended requesting satisfied customers to provide testimonials, and/or surveying customers for feedback. She urged marketers to explore social media and considered LinkedIn the most suitable for B2B marketing. Sipera (2012) cautioned marketers to find the best match for their business and to ensure that the web site can cater to the social media selected. Further she recommended that marketers should assess the relevance of their company's web site. She also recommended that marketers should attempt to understand their competition; they may stumble upon new ideas not previously considered. Sipera (2012) suggested that of the more than 1,000 B2B marketers surveyed, 79% found direct mail effective. Although social media may be the latest trend, direct mail is cost effective and simple. Sipera (2012) recommended the creation of a database of customer details and leads. This could be used to communicate sales promotions, new product information and more via email blasts. She indicated that campaigns take time to bear fruit and require multiple interactions. She suggested making the message memorable; clear and concise. Further, tracking is a crucial part of any campaign. Evaluation should frequently be undertaken to assess the progress of the campaign and to make adjustments when necessary. She cautioned that marketers should not be fearful of terminating underperforming campaigns to make way for better alternatives. Sipera (2012) suggested that by utilizing some of these tips, marketers could expect improved sales in future.

2.6. Analysing the sales impact of promotional activity on buyer behaviour

The Dirichlet is a model of buyer behaviour that describes and predicts patterns of repeat purchases of brand choices (Bassi, 2011; McCabe, Stern & Dacko, 2012). The model considers the count of the purchases of each brand over a period. In this way it is able to describe both purchase frequency and brand choice. The model assumes that consumers have experienced the product; the market is stationary, and not segmented. For this reason, consumer characteristics and marketing-mix instruments are not included in the model. McCabe, Stern and Dacko (2012) suggested that there are fewer applications of the model in business-to-business markets; which could affect the way in which it might apply to organizational markets. Their research highlighted a wide body of empirical evidence indicating that industrial marketing relationships are characterized by stable, lengthy relationships between buyers and sellers. Similar to experienced consumers, organizational buyers are not easily influenced by promotional activity, because they are considered knowledgeable. They differ in that they are subject to constraints of group buying. McCabe, Stern and Dacko (2012) concluded that the application of the Dirichlet model to non-stationary markets is prone to over-predict penetration (customer acquisition), under-predict purchase frequency (more purchases from existing customers) and under-predict loyalty. They stated that further research was required to understand the impact of relationship strength on loyalty.

2.7. Satisfaction in the Wholesaler-Retailer Relationship

McNeil and Wilson (1997) indicated that relationships between members of marketing channels have attracted a great deal of attention in marketing literature. Literature pertaining to the wholesaler—retailer relationship has focussed on many behavioural concepts, but specifically on the impact of conflict and power/dependency on channel member satisfaction. Previous research has indicated that satisfaction is inversely related to conflict and the use of coercive power. Inclusive of physical delivery service (PDS) problems, these issues have

been exhaustively researched, while quality as a determinant of satisfaction has been largely ignored. The research identified reliability, assurance, responsiveness, empathy, and tangibles as generic dimensions of service quality. McNeil and Wilson (1997) further suggested that the primary focus for marketing should be the exchange relationship, given that distribution channels are complex and evolving social systems.

McNeil and Wilson (1997) conducted a study in 1992 in which retail butchers (members of the Western Australian branch of MATFA) were surveyed using self-completion mail survey questionnaires. The questionnaires, which were quantitative in nature, focussed on the perceptions and experiences of retailers in their interactions with their suppliers (the two major meat-wholesale companies in the region). As the research was exploratory in nature, the response rate of 24% was considered acceptable.

McNeil and Wilson (1997) identified attributes that affect the meat retailers' satisfaction with their wholesalers. They suggested that past disagreements harm the relationship and therefore lower levels of satisfaction, confirming an inverse relationship between conflict and satisfaction. Retailers are often confined to dealing with a few suppliers. Owing to past bitter experiences, retailers tend to be reluctant to explore new sources of supply. Trust is a key variable. The management of breakdowns and conflict situations is of great importance. The way in which a company deals with a problem when it occurs may have a lasting effect. Companies should develop formal complaints procedures, and they should train staff in customer service.

McNeil and Wilson (1997) concluded that availability, timeliness and quality were very important aspects of customer satisfaction. Quality products must be delivered in the correct quantity at the time promised by the supplier. Although of lesser importance, the existence of few alternative suppliers results in buyer dependency, causing feelings of powerlessness. The majority of the respondents chose to limit the number of suppliers to between two and five.

2.8. B2B Brand Architecture

Muylle, Dawar and Rangarajan (2012) suggested that brand building is synonymous with consumer mass-market settings, while managers tend to rely heavily on personal selling in B2B markets, which are characterized by smaller numbers of customers with more specialized and complex needs. Successful delivery is believed to lie in meeting technical specifications and offering good salesmanship, but little attention is paid to building sound brand architecture in B2B markets (Winer, 2007; Mukerjee, 2009; Kotler & Keller, 2012).

There are 5 phases in the customer-seller relationship as illustrated in Figure 2.5.

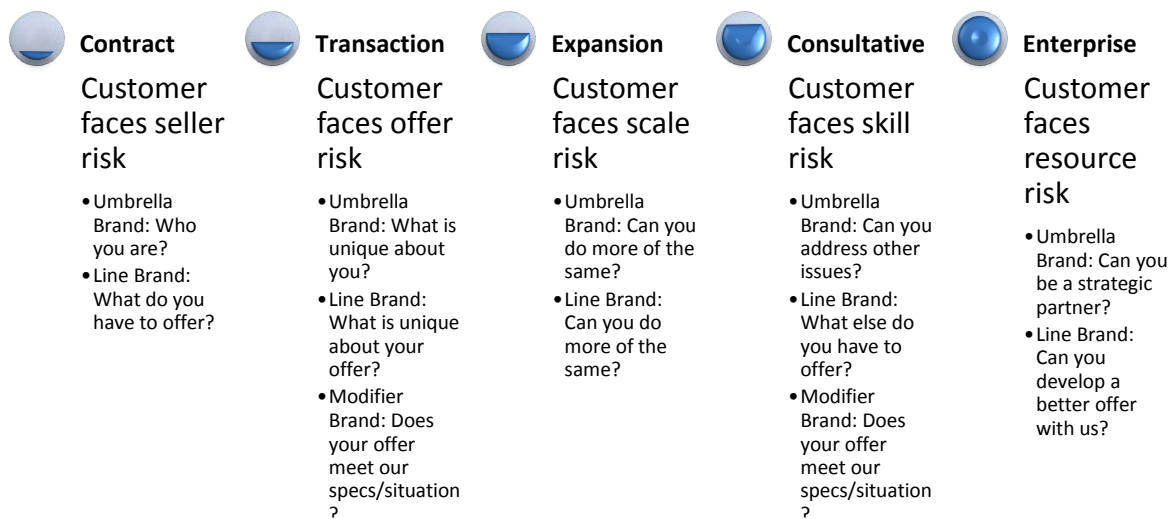


Figure 2.5 B2B Brand Architecture

Source: Muylle, S., Dawar, N. & Rangarajan, D. 2012, B2B Brand Architecture. *California Management Review*, 54(2), p.61.

The contract phase is characterized by a willing seller with the ability to satisfy newly identified customer needs. This is followed by the placing of a trial order by the customer (Transaction phase). Satisfied customers place more orders as trust develops in the expansion phase. Improved customer confidence leads to increased willingness to address needs outside of the existing transactions (Consultative phase). If successful, customers may be willing to work with sellers in mutually beneficial strategic initiatives in the enterprise phase.

According to Muylle, Dawar and Rangarajan (2012), branding appeared to be underestimated as a means of differentiating B2B firms from their competitors. Branding is considered competing with the principle of personal selling, whereas it should rather be seen as complementary to this. Branding builds trust, serves as a foundation for customer relationships and supports the sales process. According to Muylle, Dawar and Rangarajan (2012), minimizing risk builds trust, which is an essential component in relationship building.

Muylle, Dawar and Rangarajan (2012) used Milliken as a practical example of the way in which to apply brand architecture to an industry. Milliken sold clarifier additives (Millad 3988) to polypropylene producers (PPP). At its launch in North America in the early 1980s, Milliken and its additive were virtually unknown to the PPPs. Muylle, Dawar and Rangarajan (2012) illustrated how Milliken utilised the five phases in the customer-seller relationship to build their brand. Milliken successfully built their brand to such a degree that they commanded a price premium attributable, in no small part, to their ability to mitigate customer risks in the customer-seller relationship.

2.9. Relationship marketing

Christopher, Payne and Ballantyne (2002) recognized that repeat purchases from satisfied customers are more likely to maximize long-term profits. They suggested three characteristics that differentiated relationship marketing from other frameworks. Firstly, the fundamental goal of relationship marketing was maximizing the lifetime value of a customer. Secondly, relationship marketing was focused on multiple markets as opposed to the conventional strategy of being structured solely around the customer. Thirdly, relationship marketing is cross-functional, requiring an organizational mind-set shift, in that everyone serves the customer, whether internally or externally. The basics of relationship marketing are illustrated in Figure 2.6.

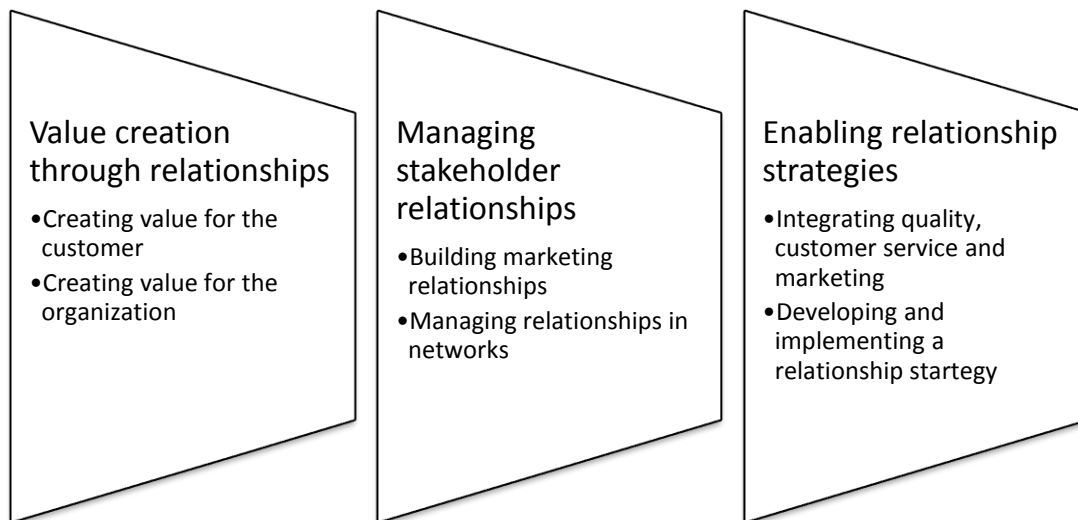


Figure 2.6 Overview of Relationship Marketing

Source: Christopher, M., Payne, A. & Ballantyne, D. 2002, *Relationship Marketing: Creating Stakeholder Value*. Oxford: Butterworth-Heinemann, p.1.

Relationship marketing required switching focus from volume, to maintaining fewer but more profitable customers through long-term relationships. Share of wallet was regarded to be gaining as much consideration as absolute market share, as a measure of marketing infectivity. Customer service was considered a crucial component in cementing relationships, regarded as the most potent weapon available to marketers for retaining customers (Christopher, Payne & Ballantyne, 2002). They indicated relationship marketing as the area where quality, marketing and customer service coexisted, as illustrated in Figure 2.7.



Figure 2.7 The Relationship marketing orientation

Source: Christopher, M., Payne, A. & Ballantyne, D. 2002, *Relationship Marketing: Creating Stakeholder Value* Oxford: Butterworth-Heinemann, p. 9.

Christopher, Payne and Ballantyne (2002) suggested expanding the marketing mix of 4P's to include three additional elements of people, process, and customer service. In B2B environments, there has been a noticeable shift away from adversarial approach to buyer-seller relationships, to reduce the supply base. Buyers and sellers tend to be working together in a more collaborative, transparent and supportive manner. Companies could benefit from enhanced efficiency and effectiveness of their supply chains, by leveraging their combined capabilities as well as by acknowledging their mutual dependencies.

Christopher, Payne and Ballantyne (2002) suggested that perhaps the most important aspect of value creation could be customer segmentation. This identifies the most desirable customer segments, assisting a company to devise a strategy to maximize its corresponding lifetime value. Their research indicated that most companies incorrectly focus on identifying the profitability of products, when it is customers who generate profits. Further, they suggested that ideally firms should

seek intense relationships with customers that have the potential to become, or that are already, more profitable.

Christopher, Payne and Ballantyne (2002) suggested that many firms suffer from the 'leaking bucket' effect, in that they focus their marketing efforts too heavily on new customer acquisition, while losing existing customers. They indicated this as counter-intuitive, because retained customers were easier to sell to, often more profitable, and were characterized as 'repeat buyers'. However, Christopher, Payne and Ballantyne (2002) indicated that this was depended on the firm's status. New entrants will focus primarily on customer acquisition, while more established firms operating in mature markets would be more likely to focus their efforts on customer retention. They recommended the use of electronic communication channels as a means of reducing customer acquisition costs, particularly when compared with more traditional channels. Christopher, Payne and Ballantyne (2002) hailed RS components' Internet sales channel success as an example of improved profits. Owing to reduced customer acquisition costs in a B2B environment. Advocacy, and the resulting word-of-mouth customer referrals attract new customers, which is another means of reducing acquisition costs. The research of Christopher, Payne and Ballantyne (2002) suggested that it costs approximately five times more to acquire a new customer than it does to retain the existing one.

Reichheld and Sasser Jr (1990) suggested that a 5% increase in customer retention boosts profits from between 25 to 85% amongst the firms examined. Acquiring new customers involves costs that take time to recover before they become profitable. Secondly, as customers become more satisfied, they are more likely to place a larger portion of their business with that supplier (share of wallet). Thirdly, as the relationship develops, efficiencies improve through collaboration resulting in lower operating costs. Satisfied customers are more likely to refer others; loyal customers can also be less price-sensitive.

Christopher, Payne and Ballantyne (2002) indicated that an integral component of relationship marketing is stakeholder relationship management. They suggested that firms should develop much closer relationships with their suppliers,

employees, customers, shareholders and other relevant markets. Further, they suggested the 'six-markets' relationship marketing framework as a tool which would review stakeholder interaction for the purpose of building a strong position in each of the six areas.

Effectiveness of a supply chain is determined by the extent to which it is coordinated, unified and synchronized. In order to maintain a high level of cohesion, it is essential to maintain good relationships with members. Christopher, Payne and Ballantyne (2002) indicated that in an effective supply chain, members recognize that they can collectively achieve more through collaboration and/or partnerships.

Christopher, Payne and Ballantyne (2002) suggested that poorly designed processes lead to poor outcomes. They advised that companies should review policies and procedures regularly, in order to enable employees to deliver their best efforts. Further, flowcharting work activities can help standardize key processes, so as to reduce variability. Sharing knowledge within an organization and allowing employees to make recommendations and participate in process improvement empowers staff, giving them a sense of worth and ownership.

Payne and Holt (2001) proposed a framework for relationship-value management as illustrated in Figure 2.8. The central elements are the value process integrating the management of relevant stakeholders (employees, customers and external stakeholders) who have a role to play in the organizational value proposition. This diagram illustrates the way in which they in turn are linked. Each of the six market domains is represented in each of the three stakeholder groups. A number of key activities in each group represent a circular sub-process. For example, within the customer group, the key activities are attraction, satisfaction, and retention.

The fundamental idea in the context of the present marketing of 'six-markets' is that marketing can no longer be seen as the sole responsibility of the marketing department. Relationship marketing challenges firms to change internally, so as to shift thinking externally to support long-term relationships with a broader range of stakeholders. Payne and Holt (2001) suggested that, although the customer is at the heart of relationship marketing, such a customer is not of exclusive importance.

Nor does it imply that firms should seek intense interactive relationships with all of their customers. Further, companies could foster differing relationships amongst their customers. He indicated that customers required that their needs be met and promises fulfilled. Christopher, Payne and Ballantyne (2002) suggested that an effective relationship marketing strategy required a corporate culture that supports delivering stakeholder value as its primary purpose.

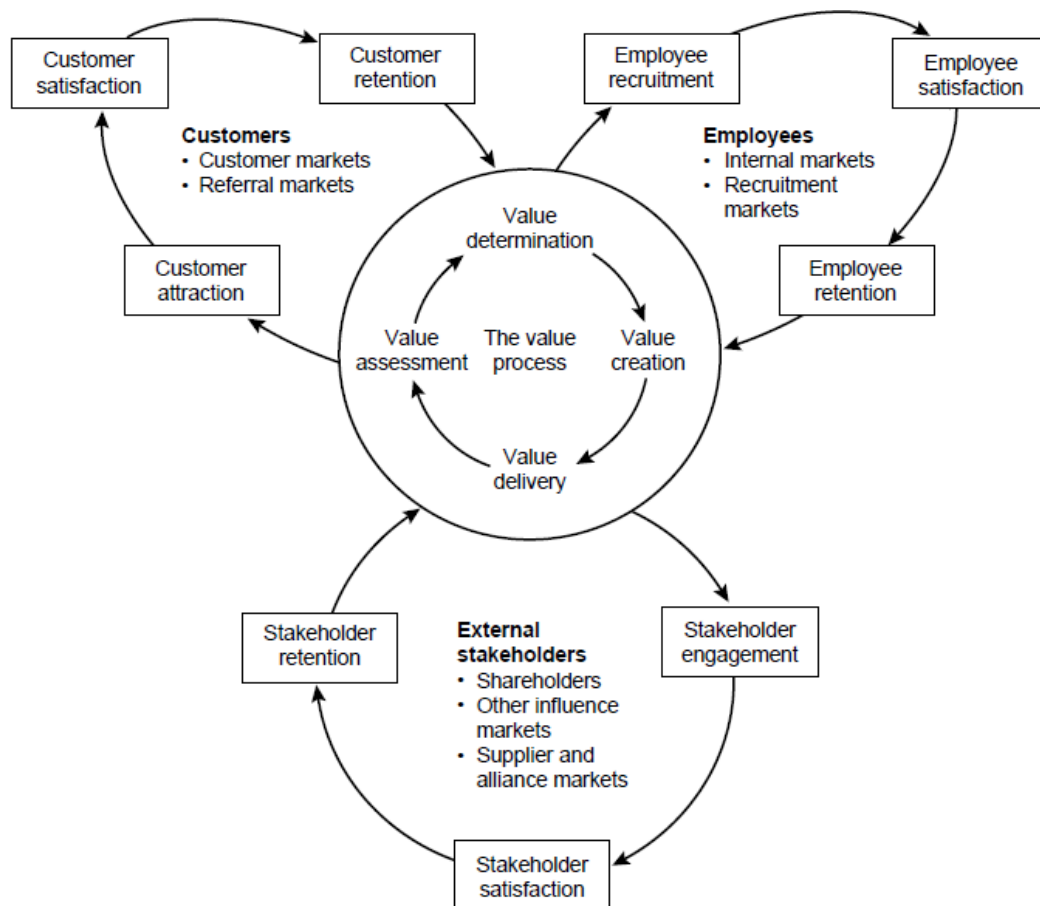


Figure 2.8 A framework for relationship value management

Source: Payne, A. & Holt, S. 2001, Diagnosing Customer Value: Integrating the Value Process and Relationship Marketing. British Journal of Management, 12(2), p.173)

Hilton (2012) recently interviewed Robert Lightfoot, Thompson Ramo Wooldridge's (TRW) Automotive Global Aftermarket Marketing Director, who highlighted the historic advantage of the Independent Aftermarket (IAM) installer. Lightfoot attributed this to lower labour costs, strong customer relationships and a close proximity to the motorist. He suggested that they stood to gain from the probable

vehicle life extension of between 12 and 15 years. However, he cautioned that their failure to offer more cost-effective supply-chain management could signal an opportunity for other sectors and therefore increased competition. Lightfoot believed that long-term partnerships between manufacturers and distributors needed to be forged. Further, Lightfoot regarded as a key success factor, the ability of the IAM distributor to acquire technical information and to provide it to the IAM installer. He suggested that installers will increasingly look to suppliers for technical support, affirming the need for good information systems that share technical data amongst members of the supply chain. Lightfoot indicated that TRW have demonstrated their ability to grow the business of their customers via effective partnerships and that they have positioned themselves as long-term service providers.

2.10. Customer Relationship Management

Customer Relationship Management (CRM) is a strategy of building long-term relationships with customers (Christopher, Payne & Ballantyne, 2002; Winer, 2007). It builds on the philosophy of relationship marketing by using information technology (IT) to enable a better fit between the firms' offers and the needs of the customer (Christopher, Payne & Ballantyne, 2002). It is a focussed on delivering after-sales service that contributes positively to the buyer-seller relationship. When nurtured, the resulting customer loyalty can lead to increased profits, increased revenues and referrals to new customers. A CRM programme consists of maintaining and mining accurate customer databases, allocating resources to target specifically selected customers, developing appropriate programmes (while maintaining customer privacy), and monitoring performance to evaluate effectiveness. Mass customization and loyalty programmes have proved to be popular ways of maintaining loyal customers.

Baran, Galka and Strunk (2008) claimed that CRM systems are a means of implementing relationship marketing. Ultimately, the objective of CRM is to deliver outstanding customer service by exceeding customer expectations, resulting in customer satisfaction. Baran, Galka and Strunk (2008) maintain that the chances of repeat purchases from existing customers is 60-70%, from lost customers 20-

40%, and closing a sale on a new customer only 15-20%. Sanlam, South Africa's leading financial services group, said in support that, although new client acquisition was important, they focussed more heavily on retaining customers through their CRM programme (Finweek, 2007). Sanlam attributed their ability to maintain healthy relationships with their customers and the resulting positive perceptions, to excellent service delivery. Kelly (2007) suggested, that, of the companies that have implemented CRM systems in South Africa, most incorrectly focussed more on customer management than on relationship building.

Van Tonder (2011) recently assessed the Customer Relationship Management (CRM) of a department of an Original Equipment Manufacturer (OEM) of trackless mining equipment. The aim of the study was to assist the OEM to deliver superior services to the greater satisfaction to its customers in the aftermarket for the purpose of developing a meaningful relationship for both the customer and the service provider. He identified gaps in the perceptions of the customers and that of the managers, revealing areas for improvement. The empirical study surveyed customers and managers of the OEM's aftermarket service division via questionnaires. The analysis identified differences in seven out of the seventy-eight aspects surveyed. Van Tonder (2011) recommended that the OEM improve their communication, changing the reporting lines regarding component defects, promoting the OEM's service contracts and service level agreement (SLA) and training of the OEM's managers.

2.11. Summary

The literature reviewed suggested that industrial demand was derived from consumer demand and that close relationships were essential, owing to the mutual dependence between industrial buyers and sellers. Of the models of industrial buying behaviour reviewed, only a few gave consideration to the autonomous decision-making process of smaller firms. Recommendations for wholesalers in the HVAC industry and research regarding the wholesaler—retailer relationships lacked focus on the role of manufacturers in the supply chain. It suggested that manufacturers could successfully engage their customers' customers to stimulate downstream demand when entering a new market. Relationship marketing could

be leveraged to focus on fewer but more profitable customers through long-term relationships. CRM systems were considered as a means of implementing relationship marketing with the objective of delivering outstanding customer service. While there has been limited success in the implementation of CRM systems within South African firms, most have mistakenly focussed heavily on customer management to the detriment of relationship building. The forging of long-term partnerships between manufacturers and distributors to leverage aftermarket opportunities was encouraged. However, the literature reviewed, was insufficient to identify which factors influenced the buying behaviour of IAM installers, typical of smaller firms, within a Southern African context. Gaps in the literature reviewed lend itself to an empirical study, the results of which was discussed in the next chapter.

CHAPTER THREE

Research Methodology

3.1 Introduction

This chapter sets out the aims and objectives of the study, it defines the participants and the location, the type of study, the approach, sampling, data collection strategies and data analysis. Complications experienced with sampling frames were exposed and resolved. Relevant data analysis tests reveal the soundness of data, essential in any study. Research design and methods were investigated to highlight good practice in instrument design derived in part from the SERVQUAL model and other related literature. The need for appropriate sampling is reviewed and its benefits highlighted in terms of more efficient use of available resources and limited funds. Potential for low response rates to online surveys is concerning and it affects the sampling method chosen. Appropriate graphical and tabular representation helped to present the data in a meaningful way. Interpretation of this data played a major role in how the data acquired was understood.

3.2 Aims and Objectives of the Study

Render, Stair and Hanna (2012) suggested that defining the problem is the first and most important step in any study. Several suggested that in order to find solutions to an identified problem, the aim and objective of the study has to be articulated (Van Aken, 2008; Sekaran & Bougie, 2009). This would give direction and meaning to the study (Render, Stair & Hanna, 2012). They further defined quantitative analysis as a scientific approach to decision-making, however, they also said that both qualitative and quantitative factors should be considered.

In this case the qualitative factors have been extrapolated from the literature review, outlined in Chapter two. However, with regard to the research question: 'what factors influence the buying behaviour of independent aftermarket (IAM) installers within a Southern African context?' the answer from the literature was

not conclusive. In order to answer this question the following objectives were defined:

1. To determine the market penetration of Dunair products amongst IAM dealers;
2. To identify the factors that impact on the purchasing decision of IAM dealers;
3. To determine the level of satisfaction of the IAM dealers with their existing suppliers;
4. To Determine the level of awareness of the Dunair offering amongst IAM dealers;
5. To identify opportunities for new product introduction to IAM dealers; and
6. To identify IAM dealer's willingness to explore opportunities/products in non-automotive markets.

3.3. Participants and Location of the Study (Unit of analysis)

Using the Dunair dealer list as a sampling frame, this study was conducted amongst one hundred and twenty three Dunair dealers based in Southern Africa. For the purposes of this study Southern Africa consists of the countries of South Africa, Namibia, Zimbabwe, Botswana, Swaziland and Zambia. The definition is limited to these counties as there are no dealers located outside of these geographic territories. The questionnaire was to be answered by the individual within the organization that has the most intimate knowledge of the rationale behind their respective buying decisions.

3.4. Type of study

Sekaran and Bougie (2009) suggested that exploratory studies are undertaken to better understand a problem as few studies have been conducted in this area. Many studies where data is collected through observation or interviews were considered exploratory in nature (Keller, 2012). Sekaran and Bougie (2009) indicated that the goal of a descriptive study is to ascertain and describe the characteristics of variables of interest in a situation. Typically descriptive studies were undertaken in organizations to understand the characteristics of a group of

employees i.e. age, educational level, length of service, amongst others. Hypothesis testing was considered appropriate when attempting to enhance the understanding of the relationship that exists amongst variables (Sekaran & Bougie, 2009). Keller (2012) suggested that experiments were typical of medical research. One group would be given an experimental drug and a second would be given a placebo. Statistically these two groups would be compared to ascertain whether or not significant differences between the groups existed. In this way the effectiveness of the drug could be ascertained. Sekaran and Bougie (2009) suggested that there is a need to establish a cause-and-effect then a causal study is called for. However, if there was a need merely to identify what factors are associated with the problem, then a Correlation study is more appropriate. As there are no other studies that can serve as a body of reference, this study was exploratory in nature. The goal of this study is to ascertain and describe characteristics of variables of interest in a given situation; this study was intended to be descriptive in nature.

3.5. Approach – Quantitative/Qualitative

Melkert and Vos (2010) suggested that there were two contrasting paradigms in social research. Positivism was concerned with cause and effect while phenomenology was concerned with the individual's reality to understand and explain human behaviour. Positivism lends itself to quantitative data collection approaches, as opposed to phenomenology, which was generally more suited to qualitative techniques. Melkert and Vos (2010) cautioned, however, that data collection methods were not exclusively restricted to any one paradigm. Sekaran and Bougie (2009) indicated that data could be quantitative or qualitative in nature. Quantitative data would be typically gathered via structured questionnaires while qualitative data would be generated from broad answers gathered via interviews, responses to open ended questions in questionnaires, from observation or from information gathered from various sources. Qualitative research was considered time-consuming and costly (Sekaran & Bougie, 2009; Keller, 2012). In an effort to contain costs and to provide timely results this study was quantitative in nature.

3.6. Sampling

Sekaran and Bougie (2009) suggested that sampling begins by defining the target population in terms of elements, geographic boundaries and time. This study was conducted amongst one hundred and twenty three Dunair dealers based in Southern Africa; more specifically those based in the countries listed in 3.3 above.. Keller (2012) indicated that the main motivation for examining a sample as opposed to an entire population was that of cost, time and limited resources. He suggested that statistical inference allowed researchers to draw conclusions about a population parameter based on a relatively small sample. Sekaran and Bougie (2009) described sampling as a process of selecting sufficient and correct elements from a population of interest such that the understanding of the study conducted on that sample can be generalized as being indicative of the entire population of interest.

3.6.1. Probability vs. Non-probability approach

Pike (2007) noted that probability sampling and non-probability sampling are the two major sampling designs. Sekaran and Bougie (2009) suggested that probability sampling should be used if representativeness of the sample is critical to study. However, if time or other factors are more important, non-probability sampling would be considered more appropriate.

3.6.2. Sampling method

Researchers suggested nonprobability sampling is made up of convenience sampling, purposive selection, quota sampling and snowball sampling (Pike, 2007; Sekaran & Bougie, 2009). Pike (2007) cautioned that these forms of probability sampling do not allow for inferences from the sample to be generalized to a population. If the purposes of the study are to produce results that are reasonably precise and generalizable then the choice should be between either simple random, systematic or cluster sampling (Keller, 2012). Keller (2012) indicated that with simple random sampling every element in the population had an equal and known chance of being selected. This could be achieved by

assigning a number to each of the elements the population, writing this on a piece of paper, dropping it into a hat and drawing out the number of slips required like a raffle. Pike (2007) cautioned that this method could be tedious and time-consuming for large samples. Sekaran and Bougie (2009) indicated that with systematic sampling, the researcher would randomly select a starting point and select every n^{th} member of the population. Pike (2007) suggested that the elements needed to be randomly ordered as well when using this method or risk introducing bias. Pike (2007) suggested that stratified random sampling involved dividing the population into segments or strata, thereafter subjects are drawn in proportion to the original numbers in the population. Pike (2007) indicated cluster sampling is often used in National surveys. It is regarded as having the most meaning but it is more time-consuming than simple random sampling or systematic sampling. Keller (2012) suggested that cluster sampling is particularly useful when it is difficult or costly to develop a complete list of the population members and when the population is geographically dispersed. Sekaran and Bougie (2009) indicated this method involved breaking the population into identified groups, then some of the groups were chosen at random and all of the members of the randomly chosen groups were surveyed. It was regarded as the least reliable and least efficient amongst all probability sampling options (Pike, 2007; Keller, 2012). Area sampling is merely cluster sampling in a specific area or locality. Sekaran and Bougie (2009) indicated convenience sampling was the choice for the most easily accessible members. This method was considered to be quick, convenience and less expensive, however, it is not generalizable. Judgment sampling was a selection of elements based on the different expertise. Generalizability was considered questionable for this method (Sekaran & Bougie, 2009). Quota sampling involved the community choosing subjects from targeted groups according to a predetermined number or quantity. This is considered very useful where minority participation is critical to the study but the results are not easily generalizable (Sekaran & Bougie, 2009). Edmonds and Kennedy (2013) indicated purposive sampling was when a researcher selected individuals for a specific need or purpose. This was most commonly used for qualitative methods. Snowball, expert and heterogeneity sampling are variations of purposive sampling. Owing to the concerns regarding low response rates to online questionnaires, this

study utilized convenience sampling. The questionnaire was forwarded to all e-mail addresses listed in the Dunair dealer database.

3.6.3. Sampling frame

Sekaran and Bougie (2009) suggested that a sampling frame was a representation of the elements in the population of interest from which the samples are to be drawn. For the sake of this study the sampling frame used is the Dunair affiliated dealers list as of January 2013, as supplied to Dunair by their intermediary distributors. This list consists of one hundred and eighty four (184) dealers based in Southern Africa. The initial list contained no e-mail addresses. As the questionnaires were distributed via email and were administered online the e-mail addresses of all the dealers needed to be gathered. The dealers on the list were phoned to acquire their respective e-mail addresses and to verify that the other information listed was still current i.e. address, contact person, etc. During this process, the dealer list was split evenly amongst six employees of Smiths Manufacturing, to save time and for the sole purpose of validating the information contained in the dealer listing. Once the exercise was completed it was apparent that there were inaccuracies in the listing. The most noticeable inaccuracies consisted of duplications, dealers that had been liquidated and incorrect contact information. Of the one hundred and eighty four dealers contacted, the contact details of one hundred and twenty three dealers could be confirmed.

3.6.4. Sample size

The study was conducted amongst one hundred and twenty three (123) confirmed Dunair affiliated dealers as derived from the 2013 dealer list. These dealers are dispersed throughout South Africa, Namibia, Zimbabwe, Botswana, Swaziland and Zambia. Research-advisors (2006) suggested that the appropriate sample size for a population of 123, with a margin of error of 5% and a confidence level of 95% requires 93 responses.

3.7. Data Collection Strategies

Sekaran and Bougie (2009) suggested that there are three main data collection methods. These methods comprise interviewing, questionnaires and observation. Sekaran and Bougie (2009) indicated that interviews could be structured or unstructured and could be administered face-to-face, telephonically or electronically. Face-to-face was considered to have advantages in that it provided rich data, allowed the interviewer the opportunity to pick up on nonverbal indicators from the respondents and to clarify any doubts or questions. This method was considered to have geographic limitations as it is resource intensive. Training was considered essential to minimize the potential introduction of interviewer bias, but this takes time and adds to the cost. Sekaran and Bougie (2009) suggested that there could also be reluctance on the part of respondents to participate owing to concerns of anonymity. Telephonic interviews were considered well suited to obtaining immediate feedback to structured questions from respondents dispersed geographically. Sekaran and Bougie (2009) considered questionnaires to be the most efficient means of data collection, owing to its advantages of minimising researcher time, energy and costs. Observational studies have rarely been performed in business owing to their very high cost over long-term time-spans. They are most often used when attempting to understand behaviours without questioning respondents directly.

The data was gathered via structured online electronic questionnaires using QuestionPro.com. Online electronic questionnaires are particularly appropriate in this case owing to the geographic dispersion of the respondents. This method also has the advantage of minimal researcher time, energy and costs.

3.7.1. Instrument

Sekaran and Bougie (2009) suggested that questionnaires were prone to poor response rates, however, particularly appropriate when respondents are geographically dispersed. They further indicated that questionnaires offer a comparatively cost-effective alternative to interviews. For these reasons the instrument that was chosen for this study was a questionnaire (Appendix 1).

3.7.2. Instrument construction

Sekaran and Bougie (2009) defined a scale as a tool to differentiate variables of interest in a study from one another. These consist of nominal, ordinal, interval and ratio scales. A nominal scale allows the researcher to assign the respondent to categories e.g. male/female. An ordinal scale allows the researcher to denote differences amongst categories by ranking them i.e. a preference could be ranked from best to worst. An interval scale allows the researcher to measure the magnitude of the differences in the preferences of the respondents. Ratio scales were used when exact numbers were required i.e. actual age, income, etc. It is considered the most powerful of the four scales.

Sekaran and Bougie (2009) suggested the use of ranking scales to determine the preferences between two or more items. Rating scales include the following:

- Paired Comparison - respondents are asked to choose between two objects at a time.
- Forced choice - enabled respondents to rate objects relative to one another.
- Comparative - provides a benchmark of the attitudes towards and object or situation.

A good introduction to a survey was considered as essential to introduce the purpose, assure the respondents of confidentiality and develop a rapport to motivate the respondent to complete the questionnaire (Derveer, 1995; Sekaran & Bougie, 2009). An email invitation was sent to the respondents, with a short description of the study, information about confidentiality, an incentive for participation, an indication that the survey is purely voluntary and a link to the QuestionPro.com online survey.

Keller (2012) suggested that the questionnaire should be kept as short as possible to encourage respondents to complete it. The questions themselves should be short, simple and clearly worded. Sekaran and Bougie (2009) suggested questions that are sensitive or income-related should be asked at the end of the questionnaire rather than the beginning. Postponing such questions to the end

could minimize respondent bias. Derveer (1995) suggested that an industrial questionnaire should be made up of both open-ended questions and closed-ended questions, however, open-ended questions are subjective and should be limited. Sekaran and Bougie (2009) indicated that open-ended questions should be limited to just one at the end of the questionnaire. Keller (2012) suggested further that open-ended questions give the respondents an opportunity to express themselves but cautioned that such responses are more difficult and time-consuming to analyze for the researcher. Many researchers indicated that in organizational surveys that demographic data such as age, gender, etc. could be useful to describe sample characteristics after data analysis (Derveer, 1995; Sekaran & Bougie, 2009). Keller (2012) suggested that questionnaires should begin with demographic questions to help the respondents become more comfortable and get started quickly. Sekaran and Bougie (2009) suggested that interval and ratio scales should be used in favour of nominal or ordinal scales. The SERVQUAL-P battery could be used to assess the quality of services rendered (McNeil & Wilson, 1997). The instrument in its entirety is designed to identify dimensions of reliability, responsiveness, empathy, assurance and tangibles as a measure of service quality.

An amended shortened version of SERVQUAL was used in pertinent areas of the questionnaire to assess the dealer's level of satisfaction with the marketing channels and service quality (Questions 17,19,22,23 and 24). The battery was reduced in length to increase the likelihood of completion. Identification of satisfaction levels was one of the components of the study, but not the only one. There were other objectives to address in the questionnaire.

3.7.3. Reliability/Validity

Sekaran and Bougie (2009) suggested that validity was concerned with determining whether or not the correct concept is being measured while reliability is concerned with the stability and consistency of the measurement. It was indicated that these measures attest to the scientific rigor that has gone into the research study. Sekaran and Bougie (2009) indicated that the acceptability of

measures was established through different kinds of validity and reliability evaluations.

Figure 3.1 below shows how the concepts interlink to contribute to the acceptability of the data.

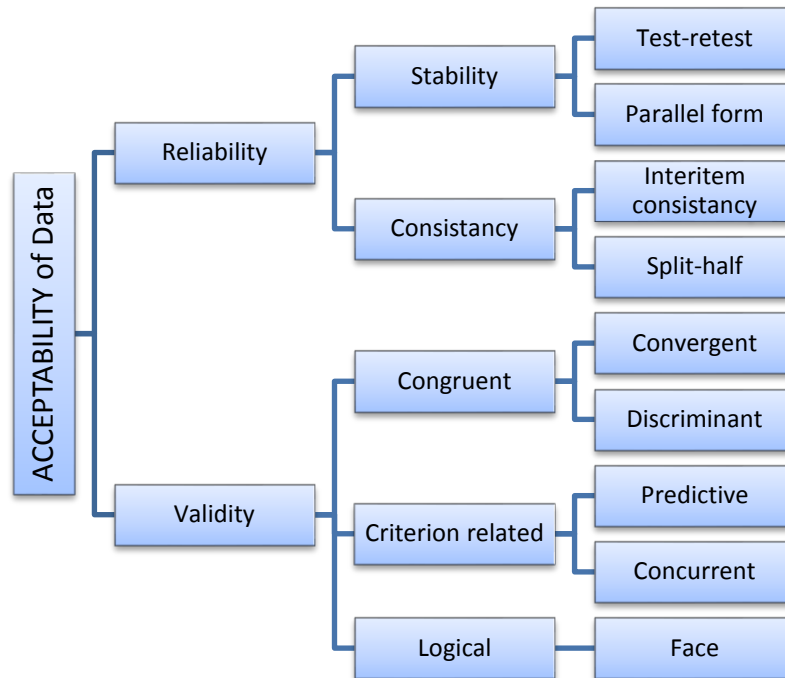


Figure 3.1 Acceptability of data

Adapted from Sekaran, U. & Bougie, R. 2009, *Research Methods for Business: A Skill Building Approach*, 5th ed. Chichester: John Wiley & Sons Ltd, p. 158.

Sekaran and Bougie (2009) suggested that Interitem consistency reliability tested the consistencies of respondents answers to all the items in the measure. They further indicated that Cronbach's coefficient alpha was the most popular test for multipoint scaled items, while Kuder-Richardson formulas are used for dichotomous items. The higher the coefficients, the better the measuring instrument.

Sekaran and Bougie (2009) indicated that face validity was intended to measure a concept, that on the face of it, looked as though it measured the concept. For this purpose the instrument was distributed for review and comment amongst selected

Dunair employees, MBA students and a Professor of the University of KwaZulu-Natal (UKZN). Feedback was used to amend the questionnaire to improve validity.

3.7.4. Timeframe

Edmonds and Kennedy (2013) suggested there were cross-sectional or longitudinal designs. The cross-sectional design allowed the researcher to collect data at one point in time. This is the most common design used by media outlets. The longitudinal design is an extension to the cross-sectional design. Edmonds and Kennedy (2013) suggested that a longitudinal study is conducted at more than one point in time. Sekaran and Bougie (2009) cautioned that longitudinal studies take more time, effort and cost more than cross-sectional studies. However, longitudinal studies were considered particularly helpful in identifying cause-and-effect relationships and offer good insights. Experimental designs are invariably a form of longitudinal study. This study was not seeking a cause and effect to relationships. In an effort to contain costs and with limited resources this study was limited to a cross-sectional study commencing in May and ending in June 2013.

3.7.5. Pre-testing/Pilot

Sekaran and Bougie (2009) suggested that questionnaires should be pretested amongst a select number of respondents to test for comprehension and appropriateness.

The questionnaire was distributed amongst ten MBA students, five Dunair employees and a lecturer of the University of KwaZulu-Natal's Graduate School of Business and Leadership (GSB&L) for review and comment. Summarized below are the responses received:

'The survey did kick me out prematurely.' The QuestionPro questionnaire routing was reviewed and corrected.

"The final 'this survey is now finished page could do with a little explicit mention of thanks for the time.'" The QuestionPro Thank you page was revised in line with this recommendation.

'In my opinion locating the price on top is most likely to influence the outcome.' Due to this comment, the elements were rearranged in alphabetical order to avoid potential bias or leading questions.

Many minor rewording suggestions were made and revised accordingly.

"If I have chosen 'sales' why would the next questions be related to 'purchases'?"

This question was reworded for clarity.

"Remove the all the above and none of the above. If you have similar questions elsewhere remove them as well." It was suggested that this would adversely affect the data and the statistical analysis thereof. Due to this suggestion, these questions were corrected accordingly.

3.7.6. Distribution/Administration of the instrument

Sekaran and Bougie (2009) suggested that questionnaires could be administered personally, mailed or distributed electronically. Personally administered questionnaires allow for clarification, anonymity and response rates were high. This method was considered expensive, particularly when the respondents are geographically dispersed. Sekaran and Bougie (2009) considered mail questionnaires to be particularly appropriate for geographically dispersed literate respondents. Sipera (2012) suggested that direct mail was still widely appropriate in B2B marketing and was cost-effective. However, return rates were considered relatively low, it was not possible to clarify questions and non-responses required follow-up. Electronic questionnaires were considered easy to administer, had global reach, were inexpensive with fast delivery. However, respondents must be computer literate, have e-mail and Internet access and be motivated to complete the survey.

This study was effected via structured online electronic questionnaires using QuestionPro.com. Online electronic questionnaires are particularly appropriate in this case owing to the geographic dispersion of the respondents. This method also has the advantage of minimal researcher time, energy and costs. As response rate was a concern, the questionnaire was administered to all the listed email addresses in an effort to ensure that the study achieved responses from at least 93 respondents.

3.8. Analysis of the Data

Sekaran and Bougie (2009) suggested that prior to data analysis, data obtained from questionnaires must be coded. They indicated that it involved assigning numbers to participants' responses so that they can be entered into a database. Sekaran and Bougie (2009) cautioned that human error can occur while coding and that all nonresponses should be coded in the same way throughout. They suggested that at least 10% of the coded questionnaires should be checked for coding accuracy. They recommended using a systematic sampling procedure, checking every n^{th} form coded. Should many errors be detected in the sample, all would have to be checked. Sekaran and Bougie (2009) suggested that once coded, the raw data could be entered into a software program such as SPSS data editor. Campanelli (2007) suggested that there are online survey tools such as QuestionPro, SurveyMonkey and Zoomerang. Costs were considered low and as the data is loaded directly into a database coding errors are eliminated.

Sekaran and Bougie (2009) suggested that the first step in data analysis should be to get a feel for the data by checking the central tendency and dispersion of the variable or by obtaining a visual summary.

Keller (2012) suggested that data could be summarized in a table to represent categories and counts, called a frequency distribution this could be graphically represented in a bar chart. He indicated that a relative frequency distribution listed the categories and the proportions with which each occurred and that a pie chart could be used to graphically represent such data.

Chi-squared test (X^2) could be used to ascertain whether or not two nominal variables were related (Sekaran & Bougie, 2009; Keller, 2012). Other tests identified included the Fisher exact probability test and the Cochran Q tests could be used to determine relationship between two nominally scaled variables. Sekaran and Bougie (2009) indicated that Cronbach's alpha was an adequate test of internal consistency and reliability in almost every case. It indicated how well the items in a set were positively correlated to one another. Sekaran and Bougie (2009) considered a Cronbach alpha value over 0.8 as good.

3.9. Summary

Based on the literature reviewed, this cross-sectional empirical study was performed using quantitative analysis via structured online electronic questionnaires using QuestionPro. The population of interest was derived from the Dunair affiliated dealer list as at January 2013, which serves as the sampling frame. The recommended sample size for a population of 123, with a confidence level of 95%, and a margin of error of 5% is 93. The questionnaires were administered to all the listed email addresses in the Dunair dealer database, using convenience sampling. An amended shortened version of SERVQUAL was used in pertinent areas of the questionnaire to assess the dealer's level of satisfaction with the marketing channels and service quality. The questionnaires were kept as short as possible to encourage a higher completion rate. The questionnaire was pretested amongst MBA students, colleagues and lecturers and adapted in line with responses received. Acceptability of measures was established through different kinds of validity and reliability. Cronbach's alpha was considered an adequate test of internal consistency reliability and a chi-squared test (X^2) could be used to ascertain whether or not two nominal variables were related. Consideration for the platform laid in research methodology will have a profound effect on how the data acquired in a quantitative survey is understood. The results of the data analysis will be presented and discussed in the next chapter.

Chapter Four

Presentation of Results and Discussion

4.1. Introduction

In this chapter the data collected via an on-line survey was presented in the form of descriptive and inferential statistics. Some of the obstacles uncovered during the data collection phase are discussed. Data is presented in a manner that illustrates its support of the objectives of the research. In this way key findings were extracted to guide the recommendations and conclusions to follow in the next chapter.

4.2. Description of sample

Using convenience sampling, the survey was e-mailed to the target respondents. The data was collected over a period of slightly more than two months. During this period a total of five email requests were sent and each dealer was phoned prompting them to complete the survey. Of these, 99 viewed the survey, 62 started the survey and 37 respondents completed the survey, equating to a completion rate of 59%. Overall the survey yielded a response rate of 31%. Unless otherwise stated the responses for each question is represented by $n = 37$. McNeil and Wilson (1997) suggested that a response rate of 24% for a mail survey was considered sufficient to justify research that was exploratory in nature. The responses were well short of the 93 responses needed in order for the results to be considered generalizable to the population of interest. The demographics were as follows (Table 4.1):

Table 4.1 Demographic characteristics of the sample

Characteristic	Percentage
Age	
30-39	10.8%
40-49	40.5%
50-59	32.4%
60>	16.2%
Gender	
Male	91.9%
Female	8.1%
Race	
Asian	5.4%
Coloured	5.4%
White	86.5%
Other	2.7%

Of the respondents, 40.5% were aged between 40 and 49 and almost 73% were aged between 40 and 59. Almost 92% of the respondents amongst the Dunair dealer network were male. The race split is heavily in favour of Whites, representing 86.5% of the responses. Asians, Coloureds and other made up the remaining 13.5%.

The regional data was as follows:

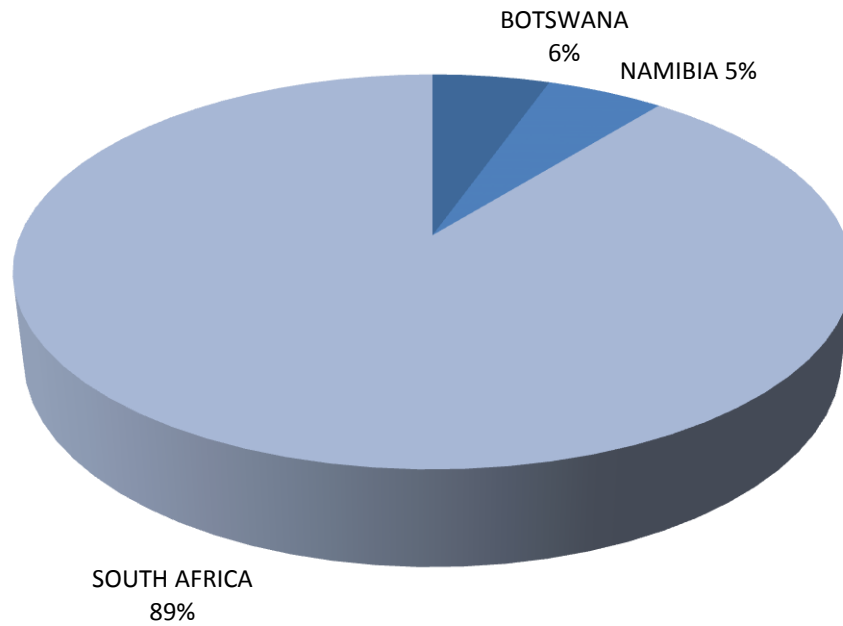


Figure 4.1 Country of origin

South Africa produced the majority of responses (89%), followed by Botswana with 6% and Namibia with 5% respectively.

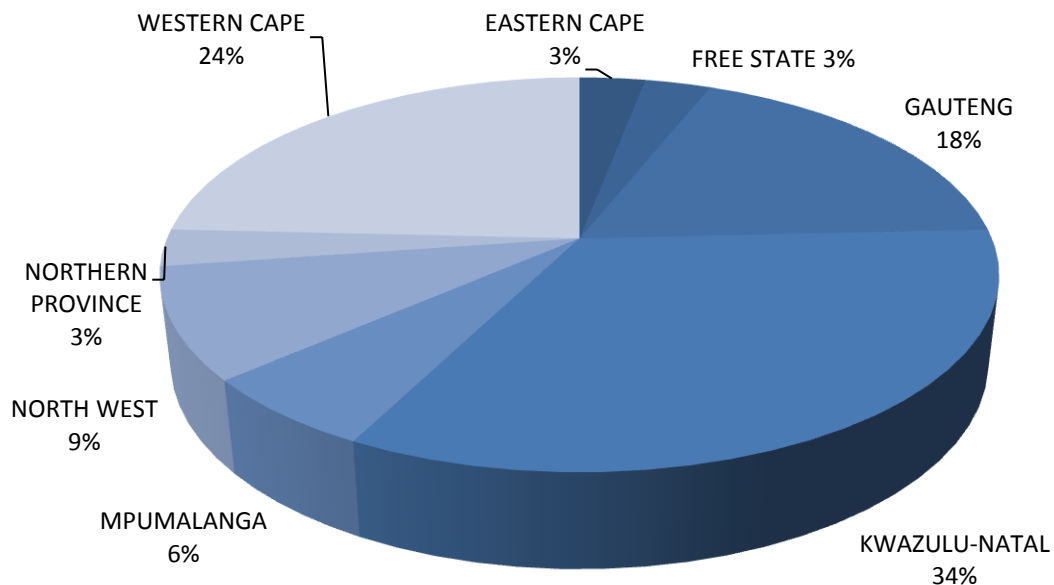


Figure 4.2 Province split of SA firms (n=33)

Of the 33 respondents based in South Africa, the highest percentage (34%) were from KwaZulu-Natal. Second was the Western Cape with 24%, a close third was Gauteng with 18%. The remaining provinces produced single digit contributions. Of the respondents, 88.9% were located in South Africa. The highest percentage

of which, came from the provinces of KwaZulu-Natal, followed closely by the Western Cape and then Gauteng. The data suggests that there is likelihood that a typical Dunair dealer is a White male, aged between 40 and 59 based in the South African provinces of KwaZulu-Natal, Western Cape or Gauteng.

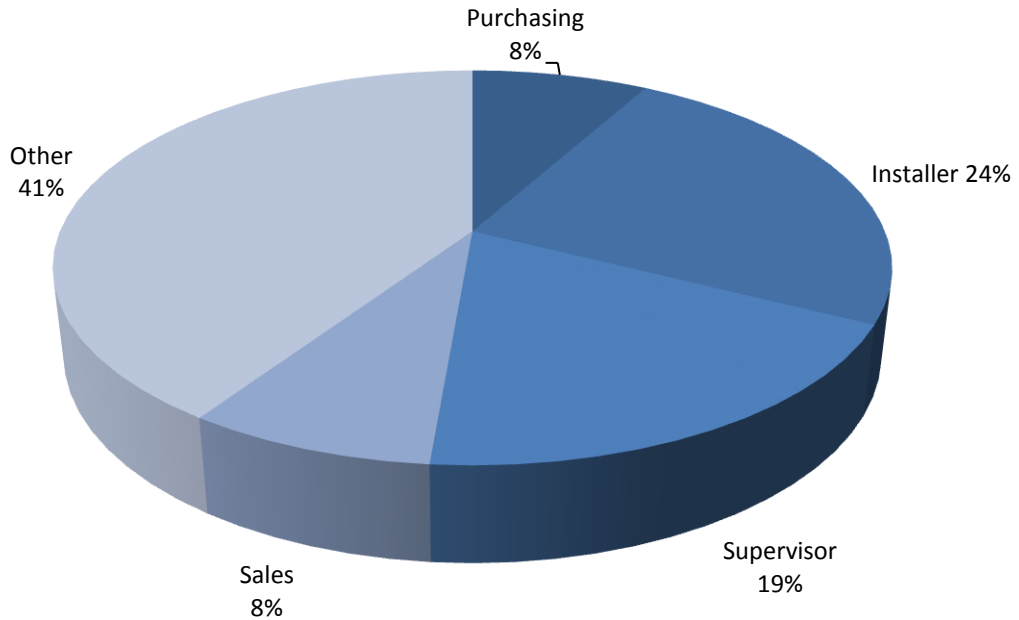


Figure 4.3 Respondent Occupations

'Other' was the single largest sector (41%). One of the most obvious omissions seems to have been 'Owner'. Being small firms they are very likely to be owner managed, owing to this uncertainty the respondents were possibly inclined to select 'other' to be sure they covered all possibilities.

4.3. Objective 1: To determine the market penetration of Dunair products amongst the IAM dealers.

Respondents were asked to indicate their percentage of total spend between the suppliers as summarized in Figure 4.4.

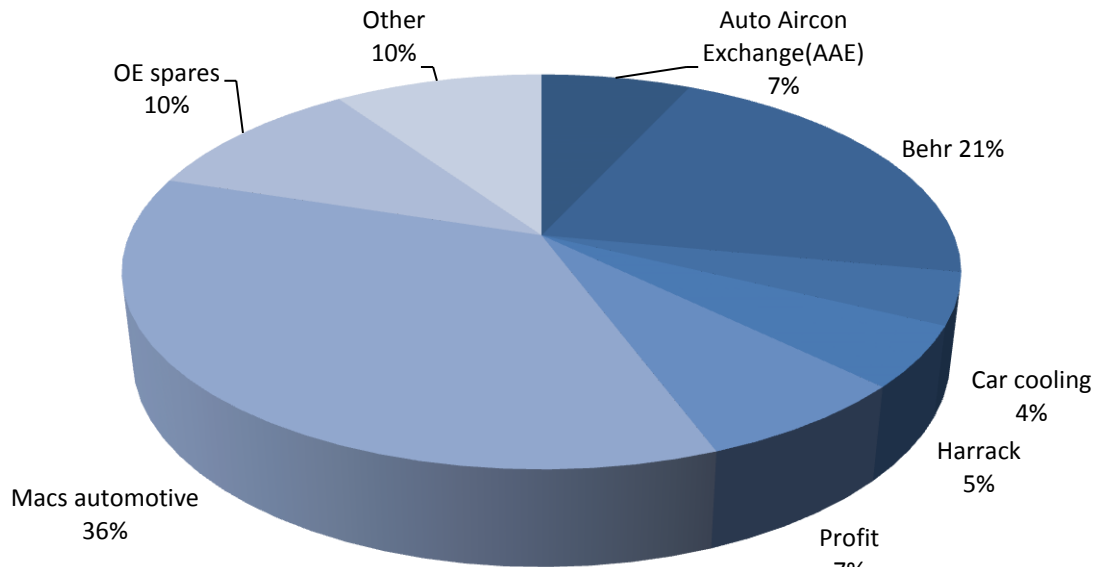


Figure 4.4 Supplier market share of IAM dealers spend for 2012

The most popular supplier amongst the independent aftermarket dealers was Macs automotive with 36% of total spend. Second was Behr with 21%. Third, was jointly OE spares and Other at 10% each. The remainder were relatively insignificant, posting single-digit market share percentages each.

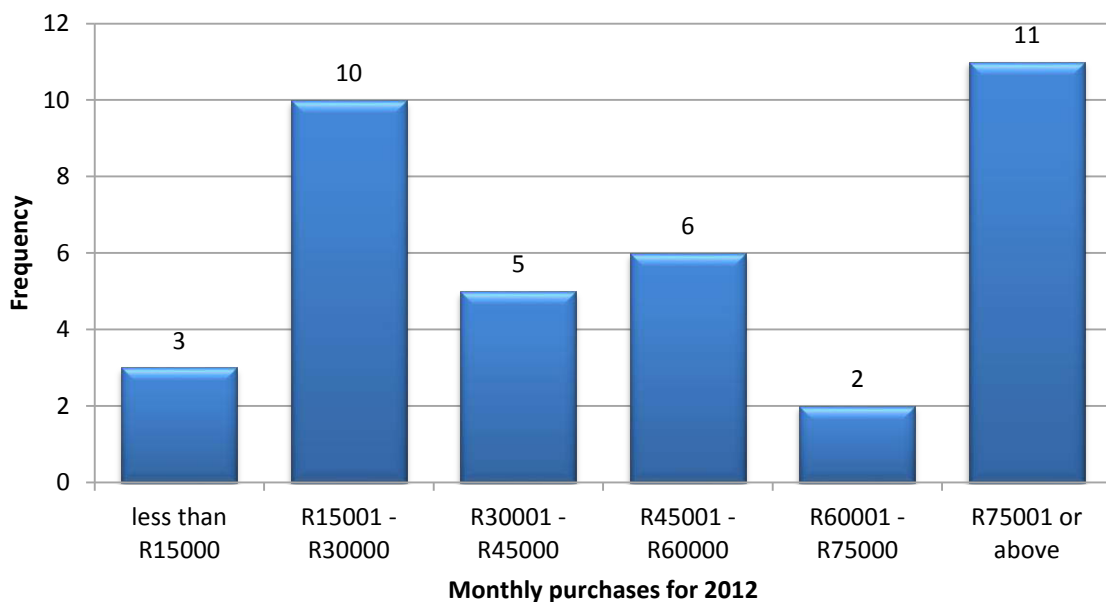


Figure 4.5 Approximate dealer spend per month in 2012

Of the respondents, 11 had a total monthly spend of greater than R75 001 per month. This was the highest category in the range. It is possible that the actual

spend was considerably more than R75 001. With the scale chosen in Figure 4.5 it is not possible accurately to calculate what that amount may have been. This suggests that there are limitations as to how this data can be interpreted. As a result, it is difficult accurately to estimate the optimistic market size or spend amongst the 123 dealers in the network. However, it is possible conservatively to estimate the spend amongst the dealer network. A range of less than R15 000 could theoretically be anywhere between zero and R15 000. Likewise, in the range R 15 001 to R30 000 a conservative figure would be R15 001. Table 4.2 summarizes the resulting monthly spend amongst the respondents.

Table 4.2 Conservative dealer monthly spend estimation

Range Value (lower)	Qty	Total
R 0	3	R 0
R 15 001	10	R 150 010
R 30 001	5	R 150 005
R 45 001	6	R 270 006
R 60 001	2	R 120 002
R 75 001	11	R 825 011
Total		R 1 515 034

The resulting conservative monthly spend amongst the 37 respondents is R1.5 million per month. This equates to an average spend of R40 947 per dealer per month. Assuming a similar spend amongst all 123 dealers, the total spend equates to R 5 036 464. This suggests that the minimum spend annually amongst the dealer network is R 60 437 573.

Dunair currently sells product to all the suppliers in the independent aftermarket. The total sales equated to R21 million for the year of 2012. Assuming an average mark-up of 30%, in the hands of Dunair's distributors, this would represent sales of R27 million. Assuming this entire product range is sold only to the Dunair dealer network, this would equate to 45% market penetration of Dunair products. These assumptions, however, would require verification to prove their scientific basis, nevertheless, they give an indication of market share and market spend.

It is possible that the dealer's combined spend could be considerably more than the conservative estimate of R60 million, however, with the data provided it is not possible accurately to ascertain the amount. The data presented indicate the market penetration of suppliers to the independent aftermarket. Although all these suppliers purchase Dunair products, it is naive to assume Dunair is their only supplier. In order accurately to determine Dunair's market penetration it would require an intimate knowledge of exactly what percentage of their total purchases Dunair represents, their selling prices and how much of their sales are specific to the 123 Dunair affiliated dealers. It is unlikely that suppliers would be willing to share this sensitive information.

4.4. Objective 2: Identify the factors that impact on the purchasing decision of IAM dealers.

Respondents were asked to rank Availability, Price, Product range/features, Quality, Service & Warranty policy. These factors were rated according to their importance to the respondent in respect of their impact on purchasing decisions. Responses ranged from one being the most important to six being the least important. Below is a summary of their responses. A graphical representation of the results is indicated in Figure 4.6 arranged from the most popular (with the lowest average rank) to the least popular.

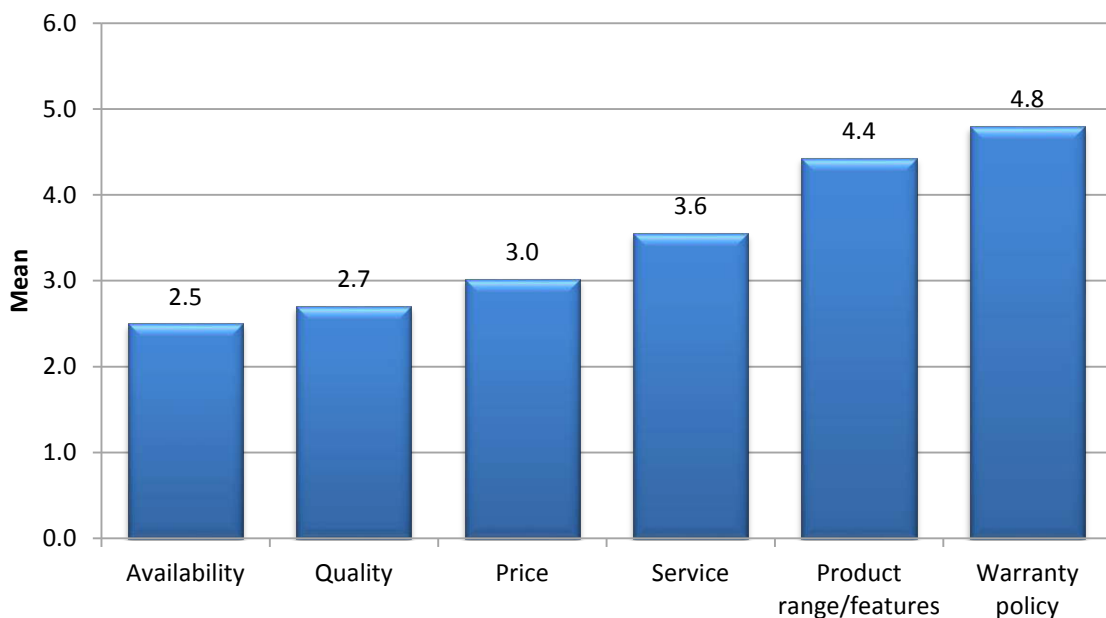


Figure 4.6 Factors affecting purchasing in order of preference

Availability was considered the most important factor, closely followed by quality and then price. Service was fourth. Warranty policy was the least popular factor closely matched by product range/features. Warranty policy and product range/features were, by a considerable margin, the least popular factors considered.

4.5. Objective 3: To determine the level of satisfaction of the IAM dealers with their existing suppliers.

The survey questions requested dealers to indicate their level of satisfaction with their existing suppliers in respect of Availability, Price, Product range/features, Quality, Service & Warranty policy. The results of which are graphically illustrated in Table 4.3.

Table 4.3 Perception of existing supplier performance

Characteristic	Very Dissatisfied	Dissatisfied	Satisfied	Very Satisfied
Availability	16%	19%	57%	8%
Price	3%	30%	59%	8%
Product range/features	5%	14%	76%	5%
Quality	8%	8%	68%	16%
Service	8%	14%	65%	14%
Warranty Policy	16%	19%	51%	14%

Perceptions of the respondents were mixed, 65% were satisfied with availability from their existing suppliers. The general perception amongst the respondents was that they were satisfied (67%) with the price of their existing suppliers. The majority (81%) indicated that they were satisfied with the suppliers in respect of product range/features. The majority (84%) of respondents agreed that they were satisfied with the suppliers in respect of quality. Respondents were satisfied with their existing supplier's service (79%). Perceptions of the respondents were mixed, 65% were satisfied with the warranty policy of their existing suppliers.

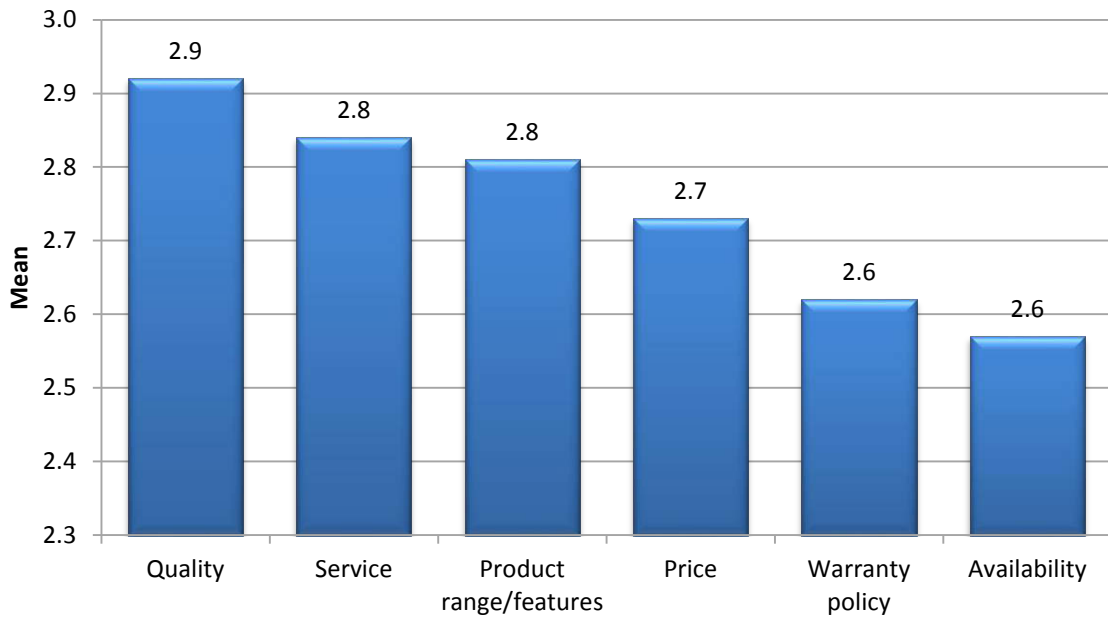


Figure 4.7 Factors by satisfaction level amongst existing suppliers

Satisfaction amongst the dealers and their existing suppliers was highest in respect of quality, followed closely by service and then product range/features. The general perception is that they were least satisfied with product availability, warranty policy and price.

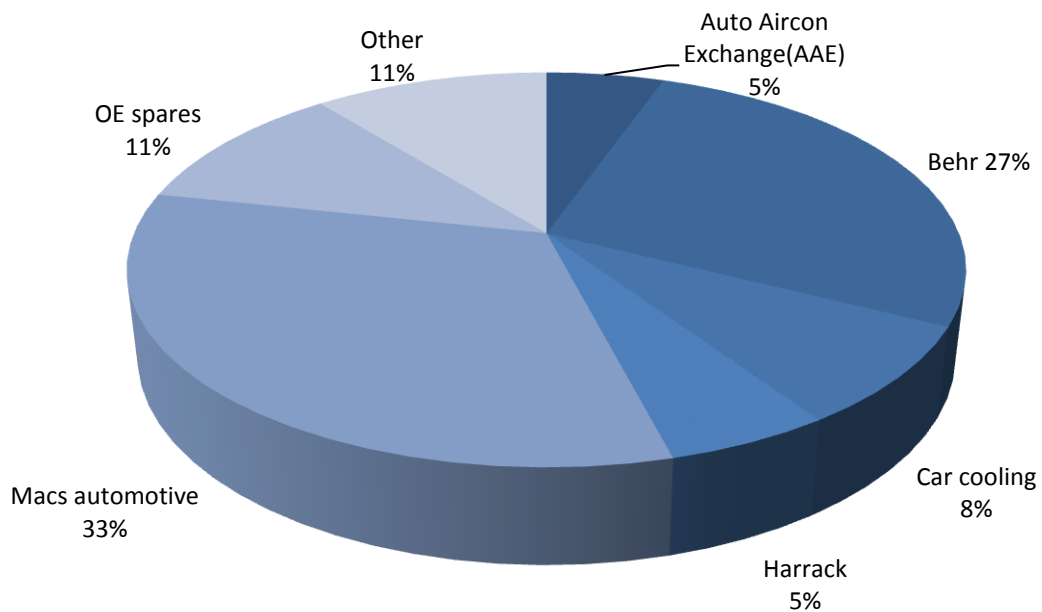


Figure 4.8 Preferred parts supplier

Of the dealers surveyed, 33% indicated that Macs automotive was their preferred supplier followed closely by Behr with 27%. OE Spares and other were 11% each. Car cooling, AAE and Harrack made up the rest. Profit was the least preferred supplier amongst the dealer network.

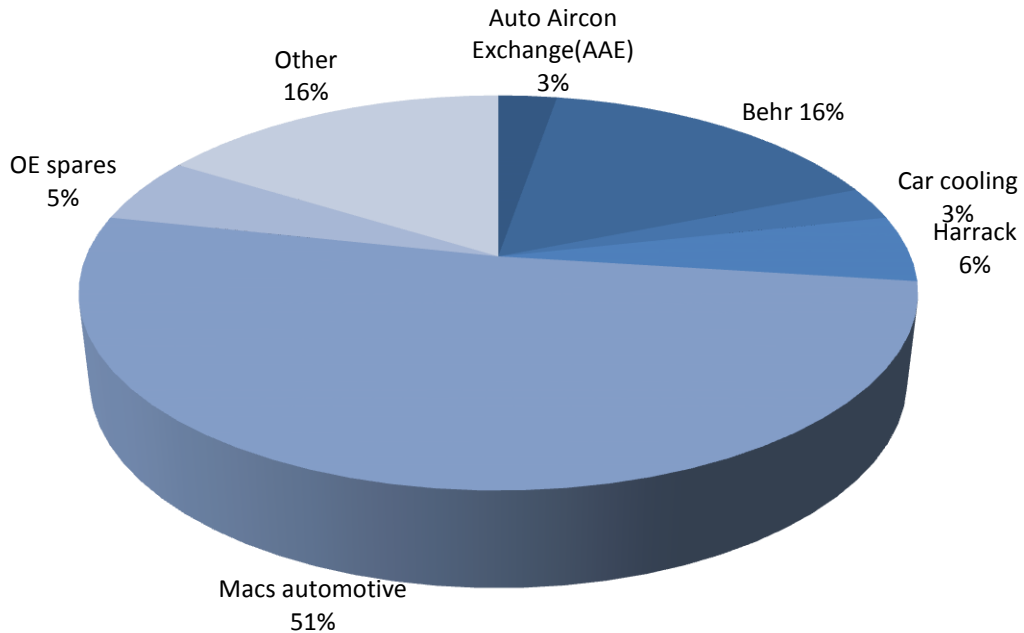


Figure 4.9 Most price competitive supplier

The majority (51%) of the dealers agreed that Macs automotive was the most price competitive supplier. Distant second was Behr and other with 16% each. Harrack, Car cooling and AAE made up the remaining 12%. None of the dealers believed that Profit was the most price competitive supplier.

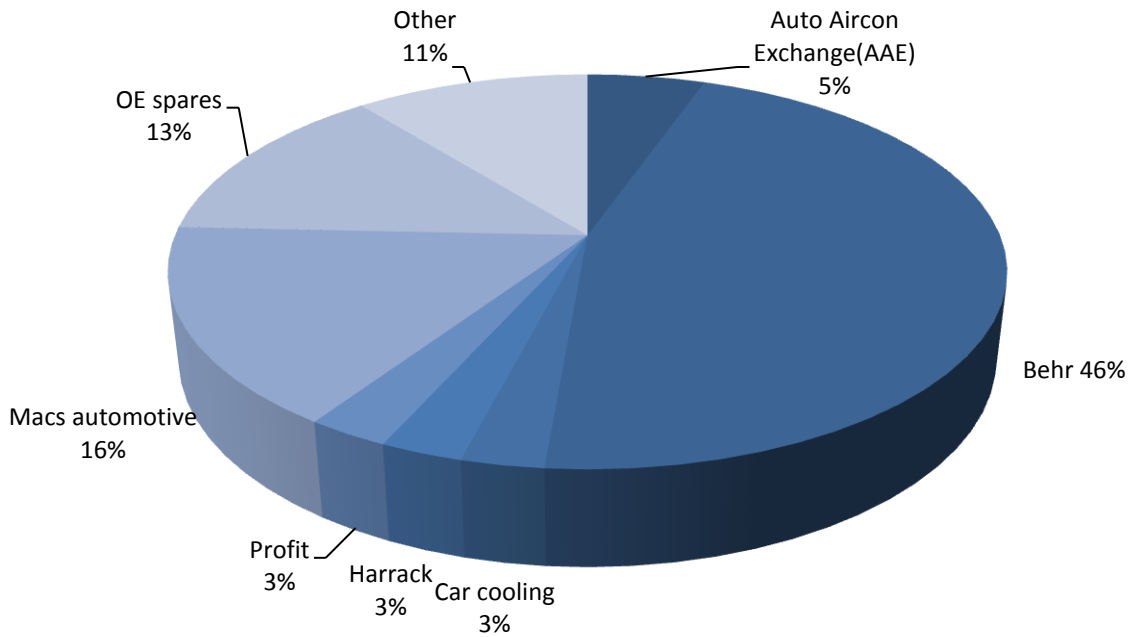


Figure 4.10 Suppliers by best quality product

Of the dealers surveyed, 46% agreed that Behr had the best quality products. A distant second was Macs automotive with 16%, OE spares with 13% and other with 11%. The remaining surplus was made up of single digit contributions by AAE (5%), Profit (3%), Harrack (3%) and Car cooling (3%).

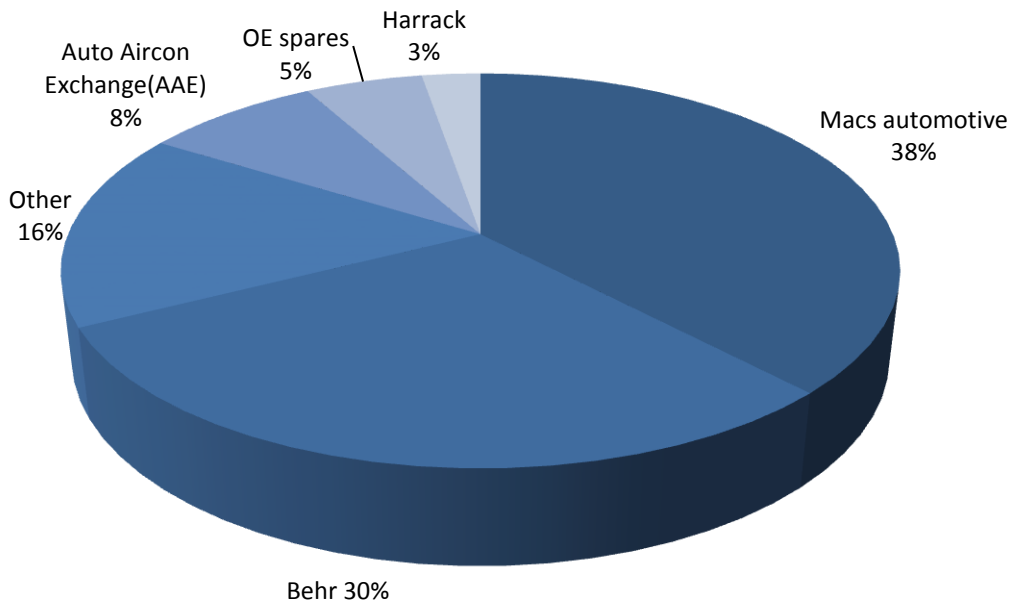


Figure 4.11 Suppliers by the most comprehensive product range

Of the dealers surveyed, 38% agreed that Macs automotive had the most comprehensive product range, followed closely by Behr with 30% and OE spares with 13% in third. The rest made up single digit percentage contributions, while Profit was the least favoured supplier.

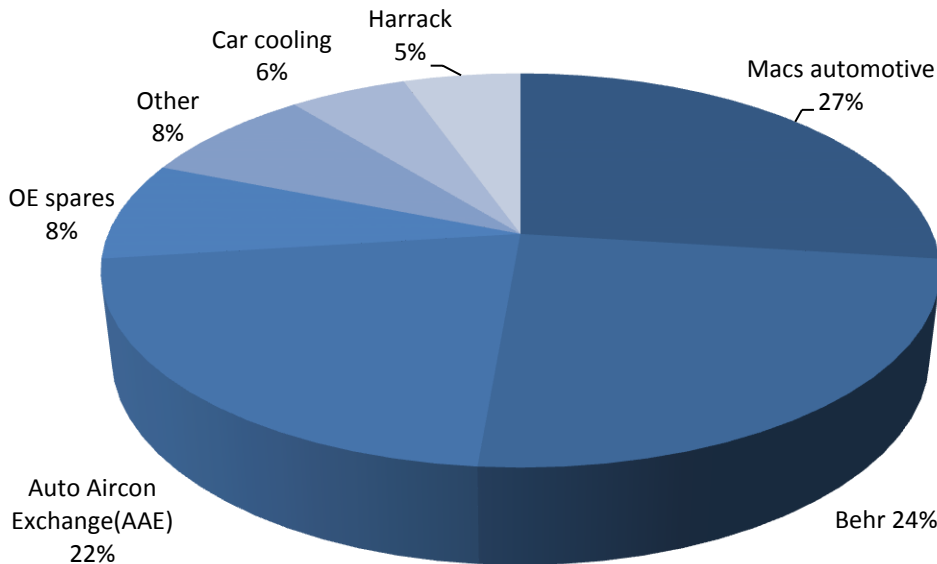


Figure 4.12 Supplier preference in terms of customer service

Supplier preference in terms of customer service was considerably more competitive. Macs automotive were the preferred supplier with 27%, followed closely by Behr with 24% and AAE with 22%.

The dealer network was least satisfied with availability, followed by warranty policy and price. They appear to be most satisfied with quality. Availability, quality and price were previously identified as the most sought-after factors. As such, there appears to be an opportunity for a supplier who can satisfy their customers in respect of availability as a priority, followed by price. Macs automotive were the overall preferred supplier. They were ranked best for customer service, comprehensive product range and price competitiveness and only Behr could better their quality. It would appear that Macs automotive is the benchmark in terms of supplier performance.

4.6. Objective 4: To determine the level of awareness of the Dunair offering amongst the IAM dealers.

4.6.1. Channels of communication

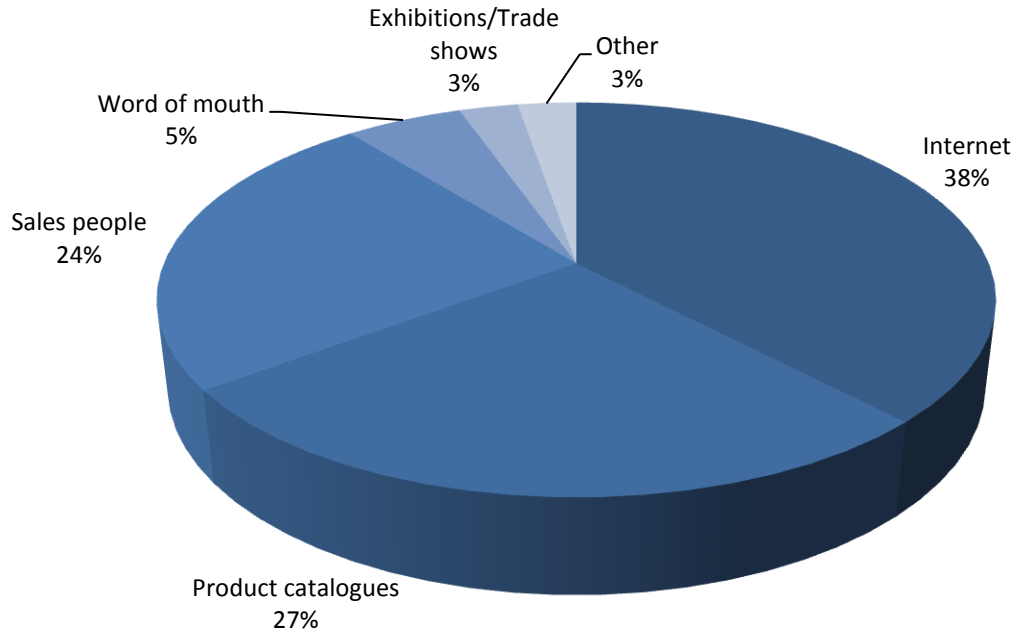


Figure 4.13 Preferred means of searching for new products

The Internet was the preferred means of searching for new products amongst the respondents. Second most popular was product catalogues and third was interaction with sales people.

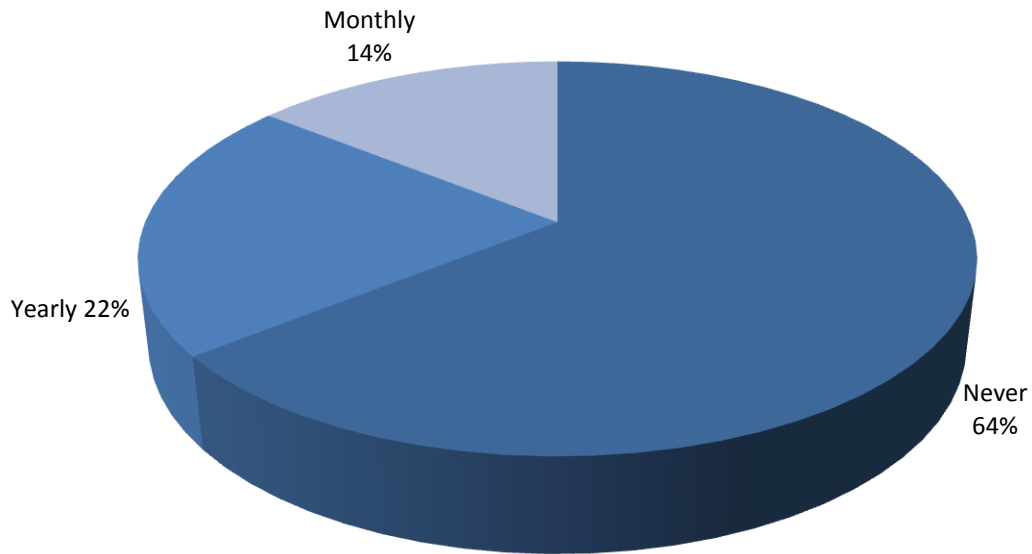


Figure 4.14 Customer visits to the Dunair website (n=14)

Of the respondents that chose the Internet as their preferred means of searching for new products, only 36% had ever used the Dunair webpage.

4.6.1.1. Website experience

Table 4.4 Website experience (n=5)

Characteristic	Disagree	Agree	Strongly Agree
Ease of navigation	-	80%	20%
Visually pleasing	20%	60%	20%
Contact details	-	20%	80%
Latest news	20%	20%	60%
Information relevance	-	60%	40%

Of the respondents that had previously used the Dunair webpage, all agreed that it was easy to navigate, that the contact details were easy to find and that they found the information accurate and current. Eighty per cent (80%) agreed that it was visually pleasing and 80% agreed that the latest news was meaningful. While the

respondents were largely satisfied with the attributes of the Dunair webpage, there is an opportunity to improve the appearance of the latest news.

4.6.1.2. Trade show interaction

None of the respondents had previously visited a Dunair stand at a trade show.

4.6.1.3. Catalogue experience

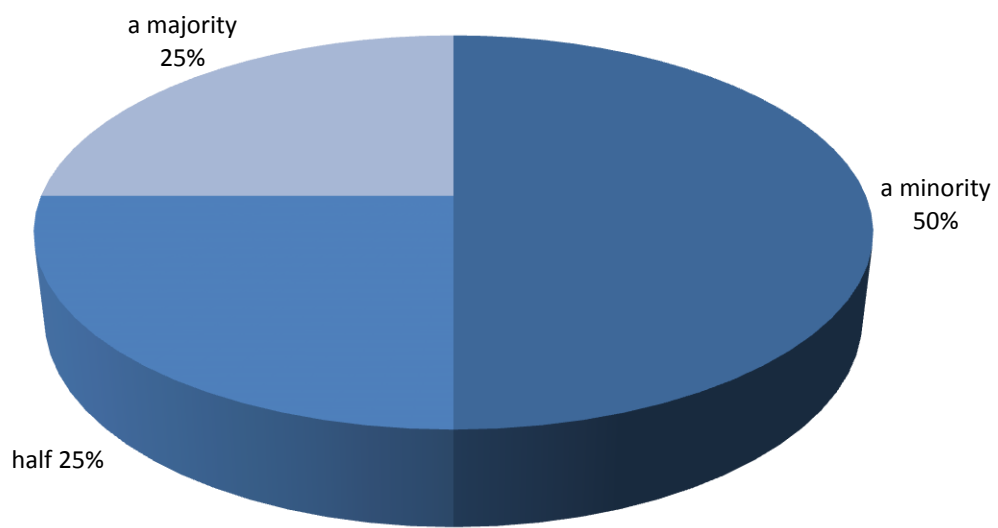


Figure 4.15 Number of suppliers that provide product catalogues (n=12)

Of the respondents that chose the product catalogue as their preferred means of searching for new products, 50% indicated that only a minority of their suppliers provided them with a product catalogue. Of the remaining dealers, 25% indicated half provided them with product catalogues. The remaining 25%, the majority, supplied them with product catalogues.

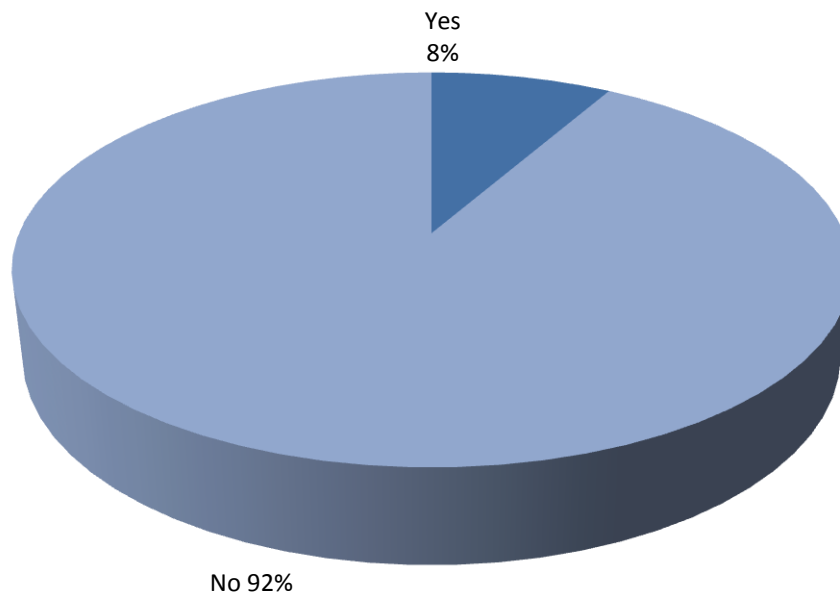


Figure 4.16 Number of respondents in possession of a Dunair parts catalogue (n=12)

Of the 12 respondents that chose the product catalogue as their preferred means of searching for new products, 92% did not possess a Dunair parts catalogue.

Table 4.5 Catalogue experience (n=1)

Characteristic	Disagree	Agree
Ease of navigation	100%	-
Visually pleasing	-	100%
Information relevance	-	100%
Aids product selection	-	100%
Information relevance	-	100%

The only respondent that was in possession of a product catalogue, was satisfied with attributes of the catalogue with the exception of ease of navigation. There is certainly a need for improvement.

4.6.1.4. Sales staff interaction

Table 4.6 Sales staff interaction (n=9)

Characteristic	Disagree	Agree	Strongly Agree
Politeness	-	78%	22%
Compassion	11%	67%	22%
Record keeping	44%	44%	11%
Responsiveness to queries	56%	33%	11%
Product knowledge	44%	33%	22%
Promise fulfilment	44%	44%	11%

All dealers that preferred sales staff interaction as a means of finding products agreed that the sales staff of the suppliers were polite. Of those dealers that preferred sales staff interaction as a means of finding products, 89% agreed that the sales staff of the suppliers were sympathetic and reassuring. The opinion amongst respondents in respect of record keeping was mixed, 55% agreed that the record keeping of the sales staff of their suppliers was accurate. The opinion amongst respondents in respect of responsiveness to queries was mixed, 44% felt that the sales staff of their suppliers were too busy to respond to their requests promptly. The opinion amongst respondents in respect of product knowledge was mixed, 56% felt that the sales staff of their suppliers were knowledgeable about the products they sold. The opinion amongst respondents in respect of promise fulfilment was mixed, 56% felt that the sales staff of their suppliers fulfilled their promises on time. While there are high satisfaction levels with the sales staff of the suppliers to the independent aftermarket in respect of politeness and compassion there appears to be considerable room for improvement in respect of record keeping, responsiveness to queries, product knowledge and promise fulfilment.

4.6.2. Product awareness

In this section, respondents were asked to indicate multiple areas that they were aware of.

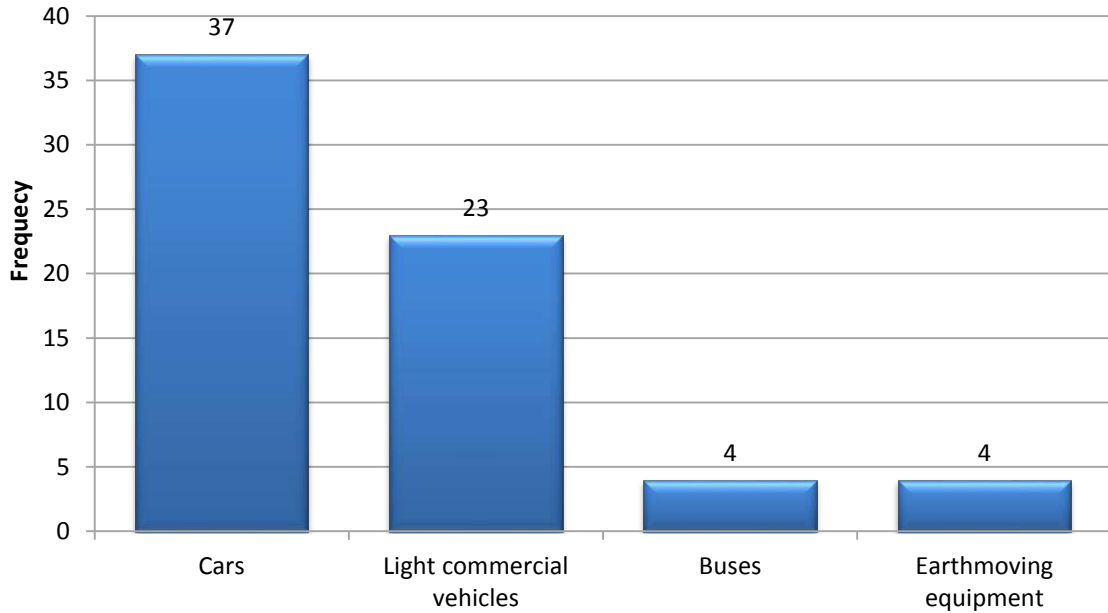


Figure 4.17 Product awareness - air conditioning kits

While the awareness of Dunair's car and light commercial vehicle air conditioning systems is good, it is evident that there is very little knowledge of their Bus and Earthmoving products.

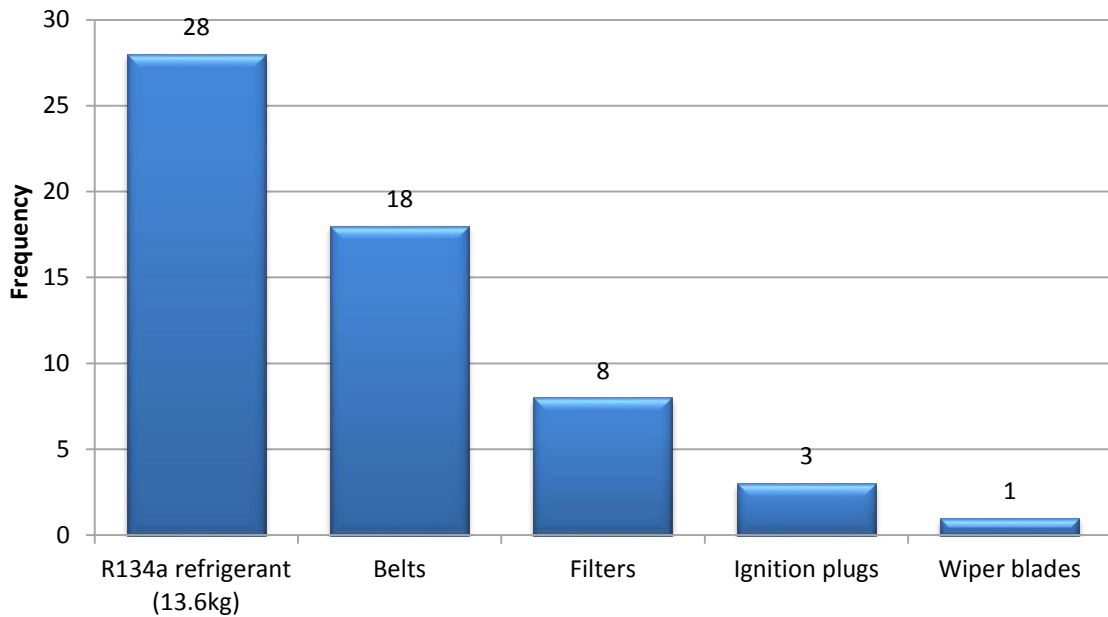


Figure 4.18 Product awareness – service parts

Dealers were more aware of Dunair's R134a supply of air conditioner belts. There was very little awareness of Dunair's filters, spark plugs and wiper blades.

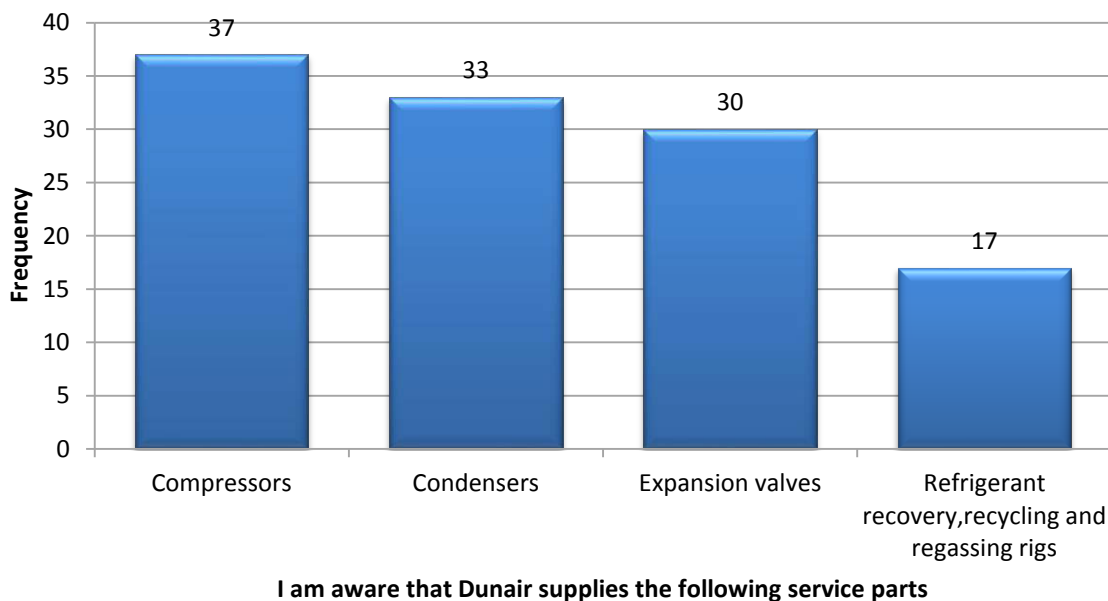


Figure 4.19 Product awareness - air conditioning parts

The general awareness of Dunair's traditional core air conditioner products was highest amongst components such as compressors, condensers and expansion valves, however, the comparative lack of awareness of refrigerant recovery, recycling and re-gassing rigs is an area that should be slated for improvement.

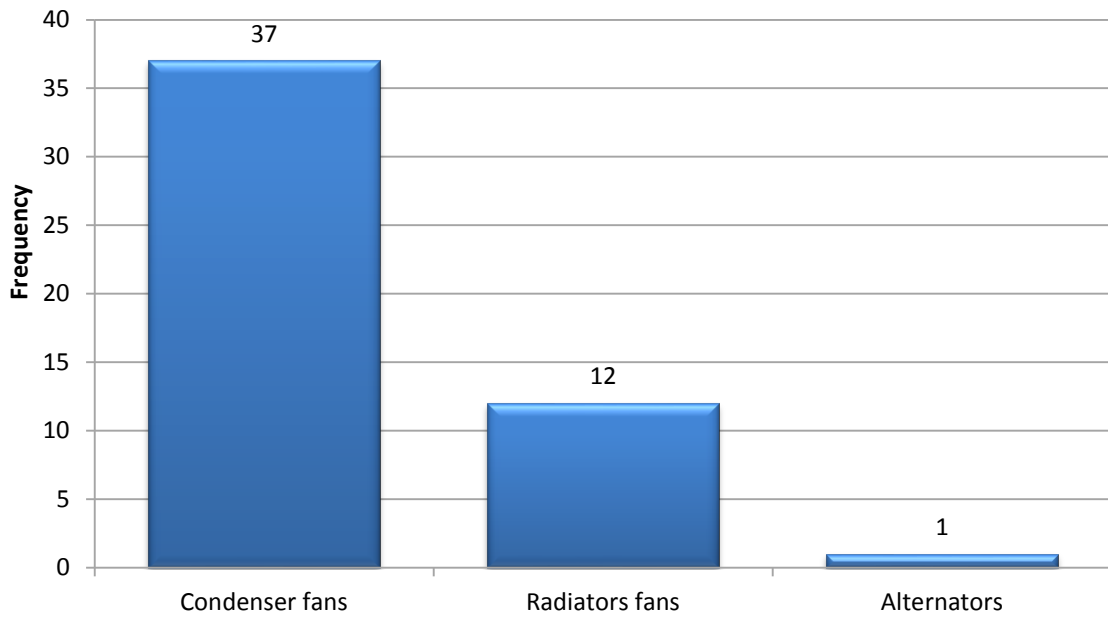


Figure 4.20 Product awareness – electrical parts

Condenser fans, which are typical of air conditioning components, attracted the most awareness. By comparison there was much less awareness of radiator fans. Fuel pumps are not a product that Dunair currently supplies and this item was included merely as a test of validity. Of concern is the complete lack of knowledge that Dunair supplies alternator and starter parts.

There is an obvious lack of awareness when it comes to products such as filters, ignition plugs, wiper blades and refrigerant recovery, recycling and re-gassing rigs. Further, products such as alternators and starters had very little awareness. These are areas that could pose considerable opportunity through increased awareness.

4.7. Objective 5: To identify opportunities for new product introduction to IAM dealers.

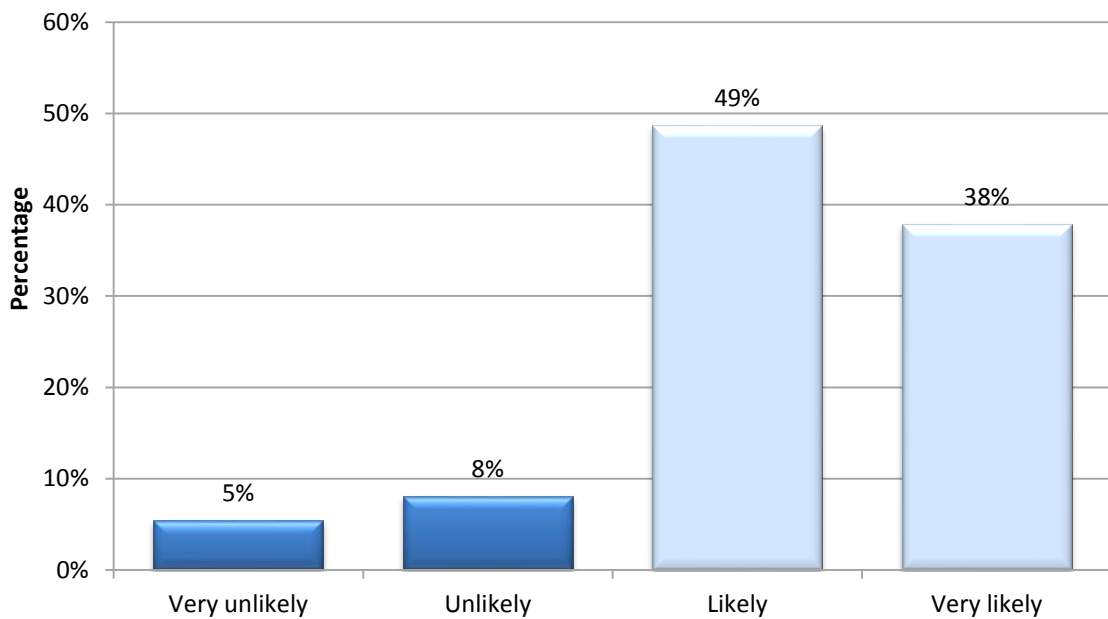


Figure 4.21 Dealer referral

Of the respondents surveyed, a vast majority (87%) indicated that they would be likely to recommend Dunair products to customers. This would indicate that there is a high level of confidence in Dunair products amongst the dealer network.

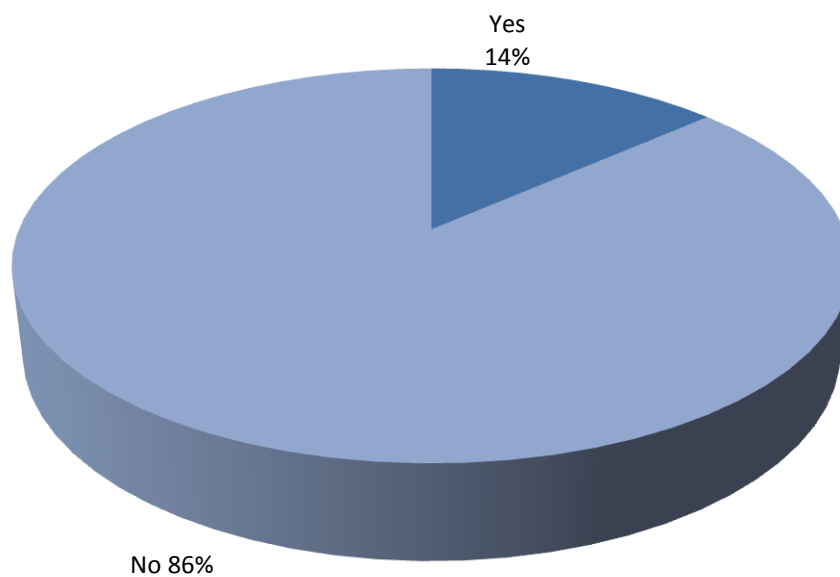


Figure 4.22 Recommendations for products/services not yet mentioned

Of the respondents, 14% offered recommendations for products/services not yet mentioned. Those that opted to offer recommendations were given an opportunity to provide open-ended answers. They suggested that Dunair should offer technical support, manufacture home & office air conditioners, supply compressor spares, supply domestic fridge parts and a greater range of spares.

4.8. Objective 6: To identify IAM dealer’s willingness to explore opportunities/products in non-automotive markets.

In this section the dealer’s willingness to support products that are not automotive in nature are identified.

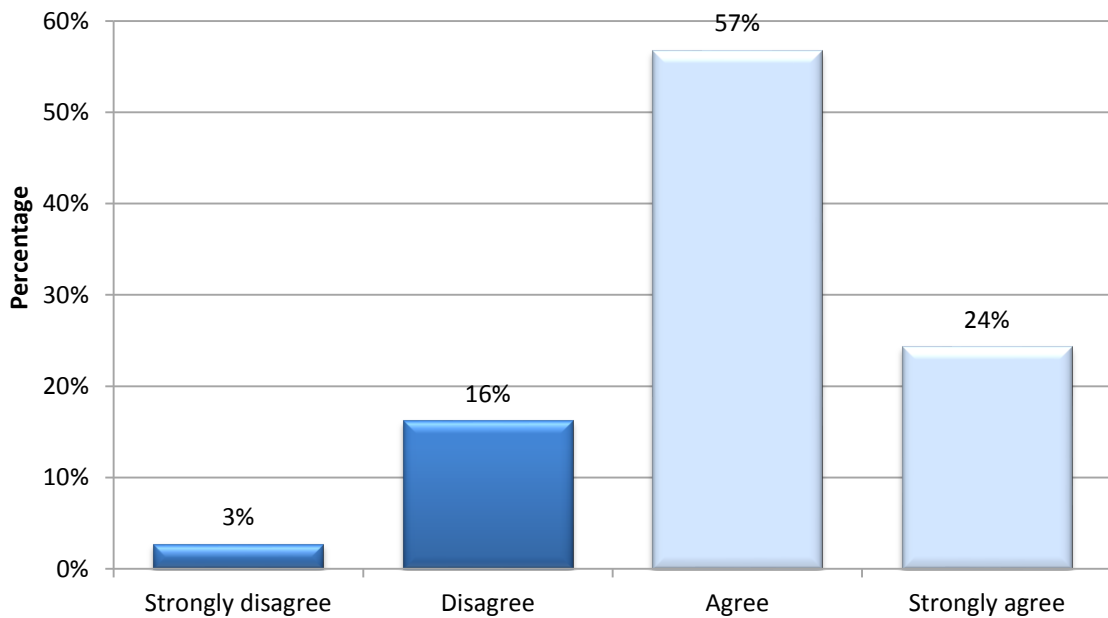


Figure 4.23 Impact of the recession on the dealer network

Of the respondents, 81% agreed that the recent recession had changed the air conditioner repair business in Southern Africa.

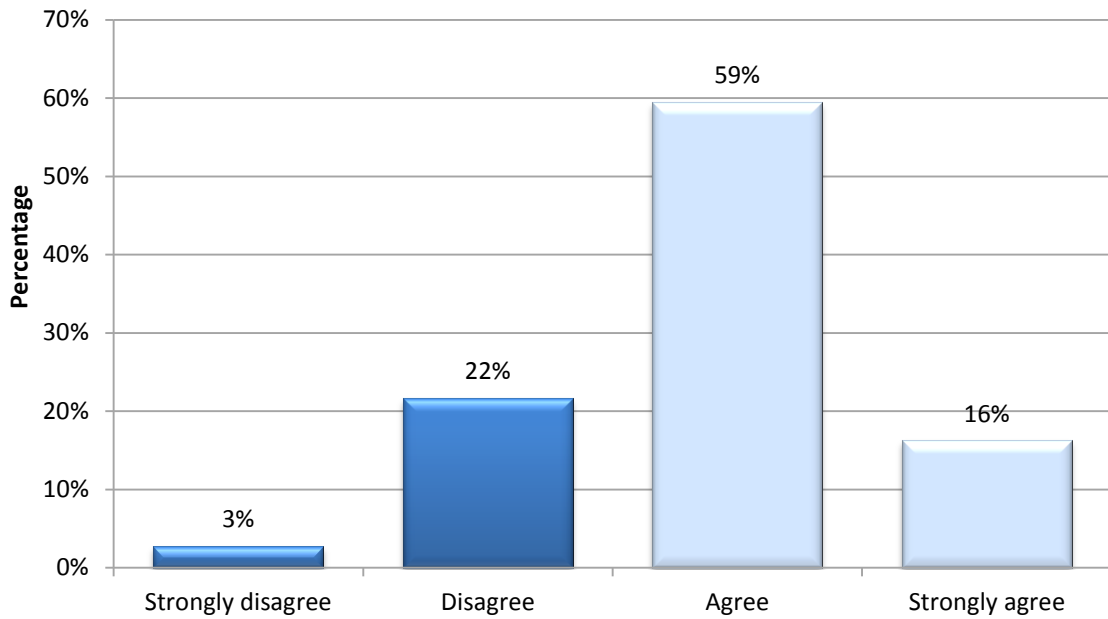


Figure 4.24 Willingness to explore alternative industries

A majority (75%) of the respondents were willing to explore opportunities in alternative industries.

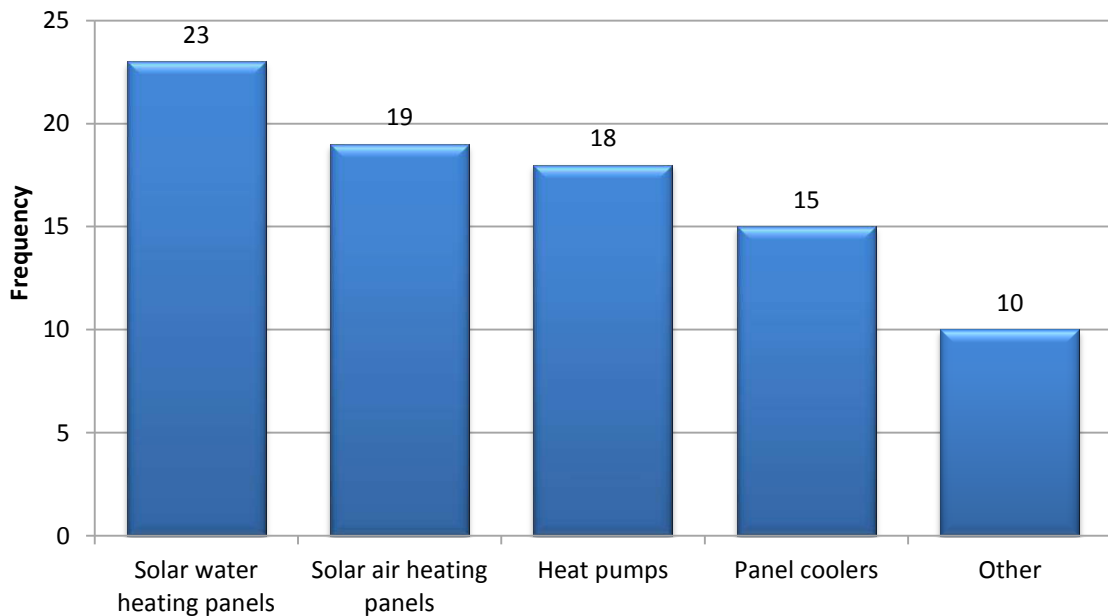


Figure 4.25 Support for non-automotive products

Of the 28 respondents willing to support non-automotive products, most were in favour of solar water heating products, followed closely by solar air heating

products and heat pumps. Although there was interest in panel coolers, it was the least favoured of the products on offer.

There was considerable interest in non-automotive products, mostly focused on products in solar water and air heating as well as heat pumps.

4.9. Cross-tabulations

Table 4.7 Cross-tabulation between availability and means of product searches

		What is your preferred means of searching for new products?						
Availability		Internet	Exhibitions/ Trade shows	Product catalogues	Word of mouth	Sales people	Other	Total
	Very Dissatisfied	3	-	1	-	1	1	6
	Dissatisfied	3	-	2	2	-	-	7
	Satisfied	7	-	6	-	8	-	21
	Very Satisfied	1	1	1	-	-	-	3
	Total	14	1	10	2	9	1	37
n = 37		$X^2 = 30.003$					p = 0.04	

As $p \leq 0.05$, it can be concluded that a strong relationship exists between availability and respondent's preferred means of searching for new products. Forty three per cent (6/14) of all respondents that chose the internet as their preferred means of searching for new products were dissatisfied with the availability of their existing supplier base. As indicated in Figure 4.6, availability was the most

favoured factor when making a purchase decision. Eighty per cent (8/10) of all respondents that chose product catalogues as their preferred means of searching for new products were satisfied with the availability of their existing supplier base. Eighty nine per cent (8/9) of all respondents that chose sales people as their preferred means of searching for new products were satisfied with the availability of their existing supplier base.

Table 4.8 Cross-tabulation between product range/features and preferred channels of communication

		What is your preferred means of searching for new products?						
Product range/features		Internet	Exhibitions/ Trade shows	Product catalogues	Word of mouth	Sales people	Other	Total
	Very Dissatisfied	2	-	-	-	-	-	2
	Dissatisfied	1	-	2	-	1	1	5
	Satisfied	11	-	8	2	7		28
	Very Satisfied	-	1	-	-	1	-	2
Total	14	1	10	2	9	1	37	
n = 37		$\chi^2 = 30.267$					p = 0.035	

As $p \leq 0.05$, it can be concluded that a strong relationship exists between product range/features and respondents preferred channels of communication. Seventy nine per cent (11/14) of all respondents that chose the internet as their preferred means of searching for new products were satisfied with the product range/features of their existing supplier base. Eighty per cent (8/10) of all respondents that chose product catalogues as their preferred means of searching

for new products were satisfied with the product range/features of their existing supplier base. Eighty eight per cent (8/9) of all respondents that chose sales people as their preferred means of searching for new products were satisfied with the product range/features of their existing supplier base. As indicated in Figure 4.6, product range/features is not a highly regarded decision factor when considering a purchase. As a result, this link poses very little opportunity for suppliers to the IAM.

4.10. Summary

The data suggests that there is a likelihood that a typical Dunair dealer is a white male, aged between 40 and 59 based in the South African provinces of KwaZulu-Natal, Western Cape or Gauteng. Conservatively the dealer's combined spend was estimated at R60 million, however, the data is insufficient to indicate Dunair's market penetration. Availability closely followed by quality and price were identified as the most important purchasing factors. Macs automotive were identified as the benchmark in terms of supply performance. The Internet followed by product catalogues and interaction with sales people were the preferred channels of communication when searching for new products. There were numerous products identified that could benefit from increased awareness, such as nonautomotive products which mostly focused on products in solar water and air heating as well as heat pumps. Chapter five will explore the limitations of the study and make recommendations to solve the research problem.

Chapter Five

Recommendations and Conclusion

5.1 Introduction

In this chapter the purpose and objectives of this study are revisited to establish whether the problem has been resolved or not, giving due consideration to minor exceptions and limitations. This study addresses the dynamics of the autonomous buying behaviour of smaller independent aftermarket firms within a Southern African context. This exploratory study provides numerous positive implications for Dunair's marketing practitioners, sales and management, as well as other organisations that operate in the independent aftermarket sphere. The recommendations suggested offer Dunair practical solutions that are reasonable, cost effective and address the issues identified in the study. Further, they consider actions in respect of the supply chain, channels of communication and technical training at dealer level. This research was originally intended to be generalizable to the entire population of interest but owing to the poor response rate it could only be considered exploratory.

5.2 Has the problem been resolved?

The purpose of the study was to determine what factors influenced the buying behaviour of independent aftermarket (IAM) installers within a Southern African context. To this end the study has achieved its objectives, with the exception of identifying Dunair's current market penetration. Conservatively the dealer's combined spend was estimated at R60 million, however, the data was insufficient to indicate Dunair's market penetration. The research identified availability closely followed by quality and then price as the most important purchasing factors that impacted on the purchasing decision of IAM dealers. In attempting to determine the level of satisfaction of the IAM dealers with their existing suppliers, it became apparent that opportunities exist for suppliers who can satisfy the dealer network in respect of availability and price. Macs automotive, as a supplier to the IAM, were identified as the benchmark in terms of supply performance.

The level of awareness of the Dunair offering amongst the IAM dealers was poor. The preferred channels of communication amongst the IAM dealers were firstly the Internet followed by product catalogues. Interaction with sales people was their third preference. Data suggested that there was an opportunity for improvement in the appearance and the latest news displayed on the Dunair webpage. The majority of dealers did not possess a Dunair product catalogue. There is considerable room for improvement in respect of record keeping, responsiveness to queries, product knowledge and promise fulfilment amongst the sales staff of suppliers. There were numerous products identified that could benefit from increased awareness. There was considerable interest from the IAM dealers in exploring nonautomotive products, mostly focused on solar water and air heating as well as on heat pumps.

5.3 Implications of this Research

Marketing practitioners within Dunair will benefit from the knowledge that their target market is typically a white male, aged between 40 and 59 with the majority based in the South African provinces of KwaZulu-Natal, Western Cape or Gauteng. They can use this information to align their marketing efforts to target these individuals. They will likewise benefit from the fact that a strong relationship exists between availability and the preferred channels of communication as well as those who seem to be willing to explore non-automotive opportunities. The level of awareness of the Dunair offering was poor, it is apparent that Dunair's intermediary distributors (IAM suppliers) are ineffective in promoting Dunair products to the IAM dealer network. Marketing practitioners need to focus on marketing directly with the IAM dealer network to improve awareness of Dunair's offerings. This should include delivery of product catalogues directly to the IAM dealers.

Dunair management can utilise this information to improve the current supply chain in the following ways:

- They could utilise this information to negotiate service level agreements (SLA's) to improve satisfaction in the existing supply chain structure; and

- A more reliable supply chain would lead to better on-time delivery, improving availability and ultimately this could contribute to a reduction in manufacturing lead times.

It is recommended that Dunair should supply directly to the IAM dealer network. By bypassing intermediary supplier's altogether Dunair could reduce prices and improve service to the dealers thereby increasing demand while reducing channel conflict. Management should offer free technical training to their distributors to improve product knowledge. Service training for Dunair sales staff and front line sales staff of the dealer network will serve to align efforts to deliver consistently high customer service thereby improving customer satisfaction of the end user, thus driving demand from dealer level through the supply chain.

Sales staff should prioritise availability closely followed by quality and then price, as these are the most important factors that impact on the purchasing decision of IAM dealers. Strategies could include a minimum stock-holding policy for fast moving parts to improve availability to the dealer network. This could also include stipulating a recommended retail price in product catalogues and on the Dunair webpage to help prevent overpricing of Dunair products in the industry. Online point of sale software at dealer level could help to disseminate real time consumption data to trigger immediate stock replenishment with Dunair sales staff which will improve stock availability. This will also contribute to improved product forecasting which would drive material support to improve product availability. Point of sale software could also be used to measure key performance indicators (KPI's) of supply performance such as order fulfilment. Bypassing intermediary IAM suppliers in the supply chain reduces the likelihood of record-keeping errors through improved communication. This information could aid the strategic thinking of management as a whole.

5.4 Recommendations to resolve the research problem

Firstly, it is recommended that Dunair management should bypass the distributor intermediaries and supply directly to the IAM dealer network. This will reduce the supply lead-time and handling costs, which would positively impact on the selling

price to the IAM dealers while achieving better profit margins for Dunair. Stock holding could be consolidated in a central distribution warehouse and shipped directly to dealers upon receipt of order, thus reducing stock holding within the supply chain.

Secondly, an online point of sale ordering system should be made available to the IAM dealer network. This negates the need for sales staff interaction and will assist in automating order processing. This will improve responsiveness, record keeping, allow measurement of supply-chain performance and reduce administration costs. Internet access amongst the dealer network would be essential for this to be successfully implemented. Such a system should be capable of tracking an order from placement to dealer receipt and essential activities in between. For this to be successful, it is recommended that strategic dealers become involved in the development of such a system. All dealers would require extensive training on the use of such a system and the system itself should undergo extensive testing prior to roll out. These recommendations are derived from the knowledge that the dealer network most values availability, quality and price yet suppliers seem unable to provide good product availability at a reasonable price. Successful implementation of these suggestions would position Dunair to surpass Mac's automotive as the new bench mark for supply to the IAM dealer network.

Thirdly, product and technical training is essential to increase product awareness and maintain high quality levels. As independent aftermarket dealers, they are responsible for their workmanship in providing good quality diagnosis and repair. Although Dunair warrants its products against manufacturing defects, poor workmanship can reflect poorly on the product. Consumers consider manufacturing and workmanship to be part of the overall perception of the product. As such, to guaranty quality of repair and installation amongst the IAM dealer network Dunair should provide them with cost-effective technical training, if not entirely free. In the absence of technically trained sales staff the dealers themselves should have suitable expertise to effect repairs correctly. This includes the ability to order the correct part.

Fourthly, marketing practitioners need to produce high quality product catalogues suitable to support the IAM dealer to identify the correct part to affect the best quality repair and/or installation. This would help to reduce inconvenience to the vehicle owner due to misidentified parts. Marketing practitioners also need to ensure that once the product catalogues are created that they are delivered to the desired recipient. The catalogues must be delivered directly to the dealers. It is recommended that product catalogues should be updated or reviewed at least quarterly, more frequently if required. A section of the catalogue or a separate catalogue should be developed to include non-automotive products in order to increase awareness of such products.

Fifthly, as the internet is the preferred channel of communication amongst IAM dealers, Dunair's marketing practitioners should endeavour to improve the appearance of the Dunair website. It is recommended that the webpage undergoes a facelift at least every two years, to keep the cosmetic look of the webpage fresh and appealing to potential users. They should also make at least a weekly contribution to the latest news on the website. This indicates to potential website browsers that the website is well maintained and creates the perception that the website information is current. The results of this study reveal that very few IAM dealers utilise the Dunair webpage, regardless of the fact that technical data is at their disposal via the dealer login. Dealers can be drawn to the webpage by the inclusion of an online warranty system which can be accessed via the dealer login option. Likewise, repairs and installations could be registered online by the dealers for warranty purposes. Thus providing Dunair's marketing practitioners with valuable information such as installation date, vehicle owner details, product type, amongst others. This information can provide insights that could assist to develop product profiles that can be used to improve product forecasting which is particularly useful for seasonal, low volume and new products. Product catalogues should also be included online. Likewise, such catalogues should be updated or reviewed at least quarterly. A section of the webpage or a separate webpage should be developed to include non-automotive products and catalogues to increase awareness of these products.

5.5 Recommendations for Future Studies

This research was originally intended to be generalizable to the population of interest but owing to the poor response rate it could only be considered exploratory in nature. An area for further research could be to build on this research by successfully completing a descriptive study, the results of which could be generalizable to the entire population of interest. As the survey for this research was voluntary, it lacked a call to action which could have resulted in a considerably higher response rate. A call to action in the form of a discount offer or entry into a draw as a reward for successful completion of the survey may have been beneficial to this study.

A shortcoming in the area of understanding occupation split could be the omission of owner as an option and could be an area for future research. To understand the proportion of owner-managed stores amongst independent aftermarket dealers and any comparative differences in their purchasing behaviour with the other occupations would be of interest.

Research into what motivates the vehicle owner's purchasing decisions in respect of IAM products would certainly be of interest to complete the circle of the supply chain, from manufacturer to end user.

This study fails to examine a number of focus areas. Topics that arise from this study and warrant future study include, but are not limited to:

- Internet Strategies for the independent aftermarket;
- The impacts of technical training on Industrial buying;
- Industrial buying habits of smaller firms within Southern Africa; and
- Similarities of consumer and IAM dealer buying habits within South or Southern Africa

5.6 Summary

This study has identified the factors that influence the buying behaviour of independent aftermarket (IAM) installers within Southern Africa, all be it with some

limitations. To this end the study has achieved its objectives, with one exception. The data was insufficient to indicate Dunair's market penetration. This research was originally intended to be descriptive in nature but owing to the poor response rate it could only be considered exploratory in nature. This presents an opportunity for further future research. A descriptive study, when successfully completed, can be generalizable to the entire population of interest.

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Sample Template for Cover Page of Questionnaire / Interview Schedule 3B**UNIVERSITY OF KWAZULU-NATAL
GRADUATE SCHOOL OF BUSINESS & LEADERSHIP**

Questionnaire version 2

Dear Respondent,

MBA Research Project

Researcher: Marc Lightley (0836790498)

Supervisor: Professor Anesh Singh (0312607061)

Research Office: Ms P Ximba 031-2603587

I, Marc Lightley, am an MBA student at the Graduate School of Business and Leadership of the University of KwaZulu-Natal. You are invited to participate in a research project entitled *Factors influencing the purchasing behaviour of Dunair's dealer network in the Southern African automotive aftermarket*. The aim of this study is to identify which factors influence the buying behaviour of Southern African independent aftermarket (IAM) firms in the automotive industry.

Through your participation I hope to understand what drives your purchasing decisions. The results of the survey are intended to contribute to Dunair's offering and enhance their ability to better meet the needs of IAM installers in Southern Africa.

Your participation in this project is voluntary. You may refuse to participate or withdraw from the project at any time with no negative consequence. There will be no monetary gain from participating in this survey. Confidentiality and anonymity of records identifying you as a participant will be maintained by the Graduate School

of Business and Leadership, UKZN. In this questionnaire, you are asked to indicate what is true for you, so there are no 'right' or 'wrong' answers to any question. Work as rapidly as you can.

If you have any questions or concerns about completing the questionnaire or about participating in this study, you may contact me or my supervisor at the numbers listed above.

The survey should take you about 10-15 minutes to complete. I hope you will take the time to complete this survey.

- I hereby confirm that I understand the contents of this document and the nature of the research project, and I consent to participating in the research project.

1. In which country is your firm located?

- BOTSWANA
 NAMIBIA
 SOUTH AFRICA
 SWAZILAND
 ZAMBIA
 ZIMBABWE

2. In which province is your firm located?

- EASTERN CAPE
 FREE STATE
 GAUTENG
 KWAZULU-NATAL
 MPUMALANGA
 NORTH WEST
 NORTHERN CAPE
 NORTHERN PROVINCE
 WESTERN CAPE
 LIMPOPO

3. Age?

- 20-29

- 30-39
- 40-49
- 50-59
- 60 or older

4. Gender?

- Male
- Female

5. Race?

- Asian
- Coloured
- Black
- Oriental
- White

6. What is your area of expertise within your organisation?

- Purchasing
- Accounts
- Reception
- Installer
- Supervisor
- Sales
- Other

7. What is your role in your organisations buying process?

- User(make use of purchased products and services)
- Buyer(have the responsibility and authority to contract with suppliers)
- Influencer(influence the buying decision process by providing criteria/information)
- Decider(have the authority to decide on buying actions)
- Gatekeeper(control the flow of information and materials in the buying process)

8. How important are the following factors to you when making a decision to purchase from a supplier:

	Very Unimportant	Unimportant	Important	Very Important
Availability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Communication	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Price	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Products range/features	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Relationship	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Specification	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Trust	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Warranty policy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

9. How satisfied are you with your current suppliers with regards to the following attributes:

	Very Unsatisfied	Unsatisfied	Satisfied	Very Satisfied
Availability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Communication	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Price	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Products range/features	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Relationship	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Specification	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Trust	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Warranty policy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

10. Which is your preferred parts supplier?

- Auto Aircon Exchange(AAE)
- Behr
- Car cooling
- Harrack
- Profit
- Macs automotive
- OE spares
- Other

11. Which of your suppliers is the most price competitive?

- Auto Aircon Exchange(AAE)
- Behr
- Car cooling
- Harrack
- Profit
- Macs automotive
- OE spares
- Other

12. Which of your suppliers provides the best quality products?

- Auto Aircon Exchange(AAE)
- Behr
- Car cooling
- Harrack
- Profit
- Macs automotive
- OE spares
- Other

13. Which of your suppliers offer you the most comprehensive product range?

- Auto Aircon Exchange(AAE)
- Behr
- Car cooling
- Harrack
- Profit
- Macs automotive
- OE spares
- Other

14. Which of your suppliers do you rate as the best in terms of customer service?

- Auto Aircon Exchange(AAE)
- Behr
- Car cooling
- Harrack
- Profit
- Macs automotive
- OE spares
- Other

15. What is your preferred means of searching for new products?

- Internet
- Exhibitions/Trade shows
- Product catalogues
- Journal advertising
- Word of mouth
- Sales people
- Other

16. How frequently do you visit the Dunair website?

- Yearly
- Monthly

- Weekly
- Daily
- Never

17. How do you feel about the following attributes of the Dunair webpage:

	Strongly disagree	Disagree	Agree	Strongly agree
It is easy to navigate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
It is visually pleasing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Contact details are easy to find	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The latest news is meaningful	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Information is accurate and current	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

18. Have you previously visited a Dunair stand at a trade show?

- Yes
- No

19. How did you feel about your interaction at the Dunair stand?

	Strongly disagree	Disagree	Agree	Strongly agree
The employees were polite	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The employees were well-dressed and neat	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The stand was visually appealing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The employees were too busy to respond to requests promptly	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The employees seemed knowledgeable about the products on display	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The employees exchanged contact details with you	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

20. How many of your suppliers provided you with product catalogues?

- none
- a minority
- half
- a majority
- all

21. Do you have a Dunair parts catalogue?

- Yes
- No

22. How do you feel about the following attributes of the Dunair catalogue:

	Strongly disagree	Disagree	Agree	Strongly agree
It is easy to navigate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
It is visually pleasing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Information is accurate and current	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
It helps to select the correct product	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

23. Overall, how do you feel about your interaction with the sales staff of your suppliers?

	Strongly disagree	Disagree	Agree	Strongly agree
The employees are polite	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
When I have problems, the employees are sympathetic and reassuring.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The employees keep accurate records.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The employees were too busy to	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

respond to requests promptly				
The employees are knowledgeable about the products sold	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
When the employees promise to do something by a certain time, they do so.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

24. How do you feel about your interaction with the Dunair sales staff?

	Strongly disagree	Disagree	Agree	Strongly agree
The employees are polite	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
When I have problems, the employees are sympathetic and reassuring.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The employees keep accurate records.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The employees were too busy to respond to requests promptly	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The employees are knowledgeable about the products sold	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
When the employees promise to do something by a certain time, they do so.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

25. How likely are you to recommend Dunair products to a customer?

- Very unlikely
- Unlikely
- Likely
- Very likely

26. The recent recession changed the air conditioner repair business in Southern Africa.

- Strongly disagree
- Disagree
- Agree
- Strongly agree

27. I would be willing to explore opportunities outside of the automotive industry.

- Strongly disagree
- Disagree
- Agree
- Strongly agree

28. If given the opportunity, I would be willing to support the following products (Select all that apply):

- Heat pumps
- Solar water heating panels
- Solar air heating panels
- Panel coolers

29. I am aware that Dunair manufactures and supplies aftermarket air conditioning kits for the following (Select all that apply):

- Cars
- Light commercial vehicles
- Buses
- Earthmoving equipment

30. I am aware that Dunair supplies the following service parts (Select all that apply):

- Filters
- Wiper blades
- Ignition plugs
- Belts
- R134a refrigerant (13.6kg)

31. I am aware that Dunair manufactures and supplies the following automotive air conditioning parts (Select all that apply):

- Compressors

- Condensers
- Expansion valves
- Refrigerant recovery, recycling and re-gassing rigs

32. I am aware that Dunair supplies the following electrical parts (Select all that apply):

- Condenser fans
- Radiators fans
- Alternators
- Starters
- Fuel pumps

33. Of the following suppliers please indicate their percentage of your organizations total spend for 2012:

- Auto Aircon Exchange(AAE) _____ %
- Behr _____ %
- Car cooling _____ %
- Harrack _____ %
- Profit _____ %
- Macs automotive _____ %
- OE spares _____ %
- Other _____ %

34. What was your organisations total purchase per month for 2012?

- less than R15000
- R15001-R30000
- R30001-R45000
- R45001-R60000
- R60001-R75000
- R75001 or above

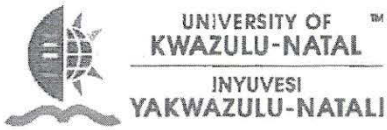
35. Are there any other products/services not yet mentioned that you believe

Dunair should consider supply/manufacture of (please also indicate why):



Thank you for your time and participation.

Appendix 2 Ethical clearance approval



28 May 2013

Mr Marc Sean Lightley 211526198
Graduate School of Business & Leadership
Westville Campus

Dear Mr Lightley

Protocol Reference Number: HSS/0161/013M
Project Title: Factors influencing the purchasing behaviour of Dunair's dealer network in the Southern African automotive aftermarket

FULL APPROVAL NOTIFICATION- AMENDMENT

This letter serves to notify you that your application for an amendment has been granted full approval.

- Amendment to Questionnaire.

Any alterations to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form, Title of the Project, Location of the Study must be reviewed and approved through an amendment /modification prior to its implementation. In case you have further queries, please quote the above reference number. PLEASE NOTE: Research data should be securely stored in the school/department for a period of 5 years

Best wishes for the successful completion of your research protocol.

Yours faithfully

Dr Shenuka Singh (Deputy Chair)
Humanities & Social Sciences Research Ethics Committee
/pm

cc. Supervisor: Professor Anesh Maniraj Singh
cc. Academic Leader: Dr E Munapo
cc. School Admin: Ms Wendy Clarke

Humanities & Social Sciences Research Ethics Committee
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