

**A STUDY ON ORGANISATIONAL BUYER BEHAVIOUR OF HOSPITALS WITH  
SPECIAL REFERENCE TO BRITANNIA INDUSTRIES, CHENNAI**

by

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Under the guidance of

Dr. Mary Cherian

Professor

**A PROJECT REPORT**

submitted

In partial fulfilment of the requirements

for the award of the degree

of

**MASTER OF BUSINESS ADMINISTRATION**

**Department of Management Studies**

**Kumaraguru College of Technology**

**(An autonomous institution affiliated to Anna University, Coimbatore)**

**Coimbatore – 641 049**

**May, 2012**

*BONAFIDE CERTIFICATE*

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## BONAFIDE CERTIFICATE

Certified that this project report titled "A Study on Organisational Buyer Behaviour of hospitals with special reference to Britannia Industries, Chennai" is the bonafide work of Ms. P. Anto Sahaya Nancy, Reg No: 1020400004, who carried out the project under my supervision. Certified further, that to the best of my knowledge the work reported herein does not form part of any other project report or dissertation on the basis of which a degree or award was conferred on an earlier occasion on this or any other candidate.

Faculty Guide

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Internal Examiner

Examiner

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External

***CERTIFICATE***

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This is to certify that Ms. P.Anto Sahaya Nancy, Roll No. 10MBA04, a student of KCT Business School, Kumaraguru College of Technology, Coimbatore had undergone a Project entitled A STUDY ON ORGANISATIONAL BUYER BEHAVIOUR OF HOSPITALS WITH SPECIAL REFERENCE TO BRITANNIA INDUSTRIES, CHENNAI, between 3.2.2012 and 7.5.2012

During the tenure, her performance was Very Good

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*K Sarf*  
7/15/12

Signature of the Organization Guide

(SARANYA K)

Sales Territory In-Charge



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## DECLARATION

I affirm that the project work titled “**A Study on Organisational Buyer Behaviour of Hospitals with special reference to Britannia Industries, Chennai**” being submitted in partial fulfillment for the award of master of business administration is the original work carried out by me. It has not found the party other project work submitted for award of any degree or diploma, either in this or any other university.

*P. Anto Sahaya Nancy*

Signature of the Candidate

**P. ANTO SAHAYA NANCY**

**Reg no: 1020400004**

I certify that the declaration made above by the candidate is true.

Signature of the Guide

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**Professor**

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I express my sincere gratitude to our beloved chairman **Arutchelvar Dr. N.Mahalingam and Management** for the prime guiding spirit of Kumaraguru College of Technology.

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*EXECUTIVE SUMMARY*

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## **EXECUTIVE SUMMARY**

This chapter introduces the basic theory of organizational buying, an understanding of which is fundamental to business-to-business marketing. It begins by looking at the factors that affect the purchase decision and the nature of the purchase. It then investigates the factors that are considered before finally placing an order and identifies the key factors that influence behaviour. It concludes with a discussion of the role of purchasing which is seen as a key area in the competitiveness of the modern industrial firm.

## *INTRODUCTION*

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## CHAPTER-1

### 1. INTRODUCTION

#### 1.1 INTRODUCTION TO THE STUDY

Organizational buying behaviour is a key element of the relationships that a firm develops, either as part of a series of market-based exchanges or as closer, longer-term relational exchanges. The placing of orders and the signing of contracts between organizations can confirm a current trading relationship, initiate a new relationship or perhaps signal the end of one. Thus, even in handling transactions that appear to be fairly 'hit and run' B2B marketers should consider the relationship potential in the exchange.

Organizational buying behaviour is a very complex area; however, understandings of the key factors are fundamental to marketing strategy and thus an organization's ability to compete effectively in the market place.

The need for an understanding of the organizational buying process has grown in recent years due to the many competitive challenges presented in business-to-business markets. Since 1980 there have been a number of key changes in this area, including the growth of outsourcing, the increasing power enjoyed by purchasing departments and the importance given to developing partnerships with suppliers.

The purchasing function is of great importance because its actions will impact directly on the organization's profitability. Purchasing strategy aims to evaluate and classify the various items purchased in order to be able to choose and manage suppliers accordingly. Classification is along two dimensions: importance of items purchased and characteristics of the supply market. Actions can be taken to influence the supply market. Based on the type of items purchased and on its position in the buying matrix (Fig. 7.3), a company will develop different relationships with suppliers depending upon the number of suppliers, the supplier's share, characteristics of selected suppliers, and the nature of customer-supplier relationships. The degree of centralization of buying activities and the missions and status of the buying function can help support purchasing strategy. The company will adapt its procedures to the type of items purchased which in turn will influence relationships with suppliers.

## 1.2. COMPANY PROFILE

Britannia Industries Limited is an Indian food-products corporation based in Bangalore, India. It is famous for its Britannia and Tiger brands of biscuit, which are popular throughout the country. Britannia has an estimated 38% market share. The Company's principal activity is the manufacture and sale of biscuits, bread, rusk, cakes and dairy products.

The company was established in 1892, with an investment of Rs. 295. Initially, biscuits were manufactured in a small house in central Kolkata. The Mumbai factory was set up in 1924 and Peek Freans UK, acquired a controlling interest in BBCo. Biscuits were in big demand during World War II, which gave a boost to the company's sales. The company name finally was changed to the current "Britannia Industries Limited" in 1979.

The company is growing at a steady rate, and is currently profitable. Between 1998 and 2001, the company's sales grew at a compound annual rate of 16% against the market, and operating profits reached 18%. More recently, the company has been growing at 27% a year, compared to the industry's growth rate of 20%. At present, 90% of Britannia's annual revenue of Rs2,200 crore comes from biscuits. Britannia is one of India's 100 Most Trusted brands listed in The Brand Trust Report.

The company's factories have an annual capacity of 433,000 tonnes. The brand names of biscuits include VitaMarieGold, Tiger, Nutrichoic Junior, Good day, 50 50, Treat, Pure Magic, Milk Bikis, Good Morning, Bourbon, Thin Arrowroot, Nice, Little Hearts and many more.

Tiger, the mass market brand, realised \$150.75 million in sales including exports to countries including the U.S. and Australia, or 20% of Britannia revenues in 2006.

Kerala businessman K. Rajan Pillai secured control of the group in the late 1980s, becoming known in India as the 'Biscuit King'. In 1993, the Wadia Group acquired a stake in Associated Biscuits International (ABIL), and became an equal partner with Groupe Danone in Britannia Industries Limited.

### 1.3. INDUSTRY PROFILE

India Biscuits Industry came into major existence and started gaining a sound status in the bakery industry in the later part of 20th century when the urbanized society called for readymade food products at a tenable cost. Biscuits were assumed as sick-man's diet in earlier days. But today it has become one of the most loved fast food products for every age group. Biscuits are always easy to carry, tasty to eat, cholesterol free and reasonable at cost. States that have the larger intake of biscuits are Maharashtra, West Bengal, Andhra Pradesh, Karnataka, and Uttar Pradesh. Maharashtra and West Bengal are the most industrially developed states; hold the maximum amount of consumption of biscuits. Even, the rural sector consumes around 55 % of the biscuits in the bakery products.

Indian Biscuits Industry seems to be the largest among all the food industries and has a turnover of around Rs.3000 crores. Indian subcontinent is known to be the second largest manufacturer of biscuits, the first being USA. The industry is classified under two sectors: organized and unorganized. Bread and biscuits are the major part of the bakery industry and covers around 80 % of the total bakery products in India. Biscuits today stand at a higher value and production level than bread. This belongs to the unorganized sector of the bakery Industry and covers over 70% of the total production.

In the year 1990 the total production of bakery products have risen from 5.19 lakh tonnes in 1975 to 18.95 lakh tonnes. Today Biscuits contributes to over 33 % of the total production of bakery and above 79 % of the biscuits are manufactured by the small scale sector of bakery industry comprising both factory and non-factory units in the country. The production capacity of wafer biscuits is 60 MT and the cost is Rs.56, 78,400 with a motive power of 25 K.W. Indian biscuit industry has occupied around 55-60 % of the entire bakery production. Today the large scale bakery manufacturers like Cadbury, Nestle, and Brooke bond had traded in the biscuit industry but couldn't hit the market because of the local companies that produced only biscuits. Government has established The Federation of Biscuit Manufacturers of India (FBMI) which has confirmed a bright future of India Biscuits Industry in the year 1953. According to FBMI, a steady growth of 15 % per annum in the next 10 years will be achieved by the biscuit industry of India. Besides, the export of biscuits will also surpass the target and hit the global market successfully.

Today the total production of biscuits in India is estimated to be around 30 lakh MT, the

organized sector accounts for 65% and the unorganized sector accounts for 35% of the total industry volume and the organized sector is valued at above Rs 8000 crores. While the the biscuit industry is estimated to grow over 15-17% in the next few years. The biscuits per capita consumption in India is 2.0 kg. India is ranked 3rd after US and China amongst the global biscuits producers. The export of biscuits is approximately 17% of the annual production, the export of sweet biscuits for year 2007-08 was Rs 145.93 Cr and for year 2008-09(April-Dec) was Rs 280 Cr, the major exporting regions were Haiti, Angola, USA, Ghana, UAE. The imports are not significant amount as compared to the total consumption.

The penetration of biscuits in India among the urban and rural market is 85% and 55% respectively. The annual turnover for the organized sector of the biscuit manufacturers at 2001-02 is Rs. 4,350 crores. The annual Growth showed a decline of 3.5% in 2000-01, mainly due to 100% hike in Central Excise Duty (from 9% to 16%) by the government. Production in the year 2001-02 increased very marginally by 2.75% where in 2002-03 the growth is around 3%. Government took initiative for the development as The Union Budget for 2003-04 granted 50% reduction in the rate of Excise Duty on Biscuit i.e. from 16% to 8%. The Federation's estimate indicates a growth of approximately 8% to 9% per year.

Biscuit is always hygienically packaged nutritious snack food available at very competitive prices, volumes and different tastes. According to the NCAER analysis, biscuits are predominantly consumed by people from the lower strata of society, particularly children in both rural and urban areas with an average monthly income of Rs. 750 and above.

#### **1.4. OBJECTIVES OF THE STUDY**

##### **PRIMARY OBJECTIVE:**

- To understand the organisational buyer behaviour of hospitals in Chennai with respect to Britannia biscuits.

##### **SECONDARY OBJECTIVES:**

- To analyse the factors that affects the buyer behaviour and decisions regarding the purchase of Britannia biscuits.
- To study about the satisfaction level of the purchaser in terms of store manager, purchase manager and pharmacist in hospitals regarding Britannia biscuits.

## **1.6 SCOPE OF THE STUDY**

The project was conducted for a period of 90 days in Britannia. This project was conducted to study about the Organisational buyer behaviour with respect to hospitals in Chennai. The main focus of the project is to study about the factor that influences the purchase decision, nature of purchase and satisfaction level towards Britannia products in hospitals.

## 1.7. LIMITATIONS OF THE STUDY

- The time constraint had restricted an in-depth study.
- The number of respondents who respond to the survey being limited there are chances for bias in the output of the survey.
- There might be some perceptual bias while collecting primary data.
- Most of the respondents are not interested to give their suggestions for the survey.

*REVIEW OF LITERATURE*

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## CHAPTER - 2

### REVEIW OF LITERATURE

- Thomas V. Bonoma and Gerald Zaltman, "Organisational Buying Behavior" states about the phase of buying process such as Specification of Need, Determination of Budget and Selection of Vendor. The research also discusses about the degree of involvement of persons in buying decision. The study is devoted to some of the major conceptual issues such as Direct vs. Indirect Involvement, Role vs. People, Individual vs. Group Characteristics, Temproary vs. Permanent Buying centres etc.

The study also discusses about whether the buying center should be restricted to members of the buying organization or whether it can include outsiders. Structured and unstructured observations of organizational buying behavior over the past ten years suggests to the researcher that the concept of the buying center is a viable concept, central to the understanding of Organisational buying behavior.

The study elucidates that although most of the current buying center studies rely on some survey procedures, one should not ignore two other important research designs: Observation and Experimentation. The study is concluded as, the understanding of the behavior of buying centers can only result from much work on the conceptual problems involved and the design and implementation of better procedures of data collection and analysis.

- Yoram Wind, "Organisational Buying Behavior" says about buying decision regarding product and vendor selection, inter-organisational relations which deals with bargaining procedures, product awareness, perception & preference and also discusses about the criteria used in purchase decisions. The study also briefs about the classification of approaches in Organizatonal Buying Behavior which includes Task oriented models, Nontask oriented models and Complex models. The study discusses about various organizational measures such as domain consensus, formalization, satisfaction, efficiency, intimacy and participation.

The study states that organizational buying behavior literature suggests that organizational buying behavior is a sustem of dynamic interactions among individuals within the context of a formal organization, and between them and members of other organizations. Futhermore, it suggests that such interactions are

affected by four interrelated sets of variables: individual, social, organizational and environmental characteristics. The study concludes that establishing a new discipline-Organizational buying behavior would increase attention given to the field, improve the quality of research and lead to better insight into the nature of Organizational buying behavior.

- Kjell Gronhaug & Alladi Venkatesh, “Needs and Need Recognition in Organisational Buying”, *European Journal of Marketing*, Vol.25 No,2, 1991, discusses about nature of needs and need recognition as reflected in organisational buying, identifies the basic factors that shape, direct and trigger organisational buying needs and defines a perspective on needs in organisational buying. The study defines basic concepts such as need and organization and states that the initial phase of the buying process has been conceptualised in various ways, such as problem recognition, awareness, recognition and definition of the problem and identification of need.

A model of organisational buying needs is constructed and discussed in which two broad classes of factors assumed to influence organisational buying needs, organisational and environmental influences. The organisational influences consist of three subgroups: structural, individual and task related factors. The environmental influences subsume influences from buyers, suppliers, competitors and regulatory forces.

Improved knowledge about the nature and determinants of needs and need recognition is of crucial importance for facilitating exchanges beneficial to sellers and buyers, i.e. improving the main marketing task.

*RESEARCH METHODOLOGY*

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## CHAPTER – 3

### RESEARCH METHODOLOGY

A research cannot be conducted abruptly. The researcher has to proceed systematically in the already planned direction with the help of number of steps in sequence. To make the research systemized, the researcher has to adopt specified methods. The method adopted by the researcher for completing the project is called research methodology.

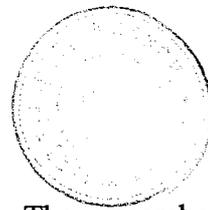
In other words Research methodology is simply the plan for a research, which explains in detail how data is to be collected, analyzed and interpreted.

#### 3.1. RESEARCH DESIGN

A research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure. In fact, the research design is the conceptual structure within which research is conducted; it constitutes the blueprint for the collection, measurement and analysis of data.

The research design which is used in the study is “DESCRIPTIVE RESEARCH DESIGN”. It is undertaken when the researcher wants to know the characteristics of certain groups such as age, gender, educational level, income, occupation etc. Descriptive research studies are those studies which are concerned with describing the characteristics of a particular individual or of a group.

The descriptive study can be used to establish priorities in studying the complete explanation of the phenomenon. It helps in finding the problem in terms of problem definition and helps in clarifying concepts.



## **3.2. SOURCE OF DATA**

Data is the recorded measure of a phenomenon. The researcher has used both primary and secondary data.

### **3.2.1. PRIMARY DATA:**

Primary data required for conducting this research study was collected from the existing customers by giving structured and non-disguised questionnaire (refer to the annexure) and the required data was thus collected. The different types of questions used for this research study are as follows:

- ❖ Dichotomous-choice questions
- ❖ Multiple-choice questions.

### **3.2.2. SECONDARY DATA:**

Secondary data required for conducting this research study was collected from various marketing research books, company brochures, statistics books, journals, magazines and websites regarding the FMCG industry.

## **3.3. RESEARCH INSTRUMENT**

The research instrument employed in this study is a “structured questionnaire”. Structures questionnaires are those questionnaires in which there are definite, concrete and predetermined questions relating to the aspect, for which the researcher collects the data. The questions are presented with exactly same wording and in the same order to all the respondents.

### 3.4. STATISTICAL TOOLS

- **PERCENTAGE ANALYSIS**

Percentage analysis is the method to represent raw streams of data as a percentage (a part in 100 - percent) for better understanding of collected data. Percentage analysis consists of reducing a series of related amounts to a series of percentages of a given base.

- **RANKING**

A ranking is a relationship between a set of items such that, for any two items, the first is either 'ranked higher than', 'ranked lower than' or 'ranked equal to' the second. It is not necessarily a total order of objects because two different objects can have the same ranking. The rankings themselves are totally ordered. By reducing detailed measures to a sequence of ordinal numbers, rankings make it possible to evaluate complex information according to certain criteria. Thus, for example, an Internet search engine may rank the pages it finds according to an estimation of their relevance, making it possible for the user quickly to select the pages they are likely to want to see. Analysis of data obtained by ranking commonly requires non-parametric statistics.

- **WEIGHTED AVERAGE METHOD**

An average in which each quantity to be averaged is assigned a weight. These weightings determine the relative importance of each quantity on the average. Weightings are the equivalent of having that many like items with the same value involved in the average.

### **3.5. SAMPLING DESIGN**

#### **3.5.1. SAMPLE UNIT:**

A decision has to be taken concerning a sampling unit before selecting sample. Sampling unit may be a geographical one such as state, district, village etc. the researcher will have to decide one or more of such units that he has to select for his study. Here Chennai city is considered as the sampling unit.

#### **3.5.2. SAMPLE SIZE**

This refers to the number of items to be selected from the universe to constitute a sample. The size of sample should neither be excessively large, nor too small. It should be optimum. The sample size for this study was taken as 82.

#### **3.5.3. SAMPLING TECHNIQUE**

Random sampling is used in this study. The sampling method involves purposive or deliberate selection of particular units of the universe for constituting a sample which represents the universe. When population elements are selected for inclusion in the sample based on the ease of access. It is used for selecting items which are considered as representative of the population. It is used quite frequently in quantitative research where the desire happens to develop hypothesis rather than to generalize larger populations.

*ANALYSIS AND INTERPRETATION*

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## CHAPTER 4

### 4. ANALYSIS AND INTERPRETATION

Analysis means computation of certain indices or measures along with searching for pattern of relationship that exist among data groups. It is a critical examination of the assembled and grouped data for studying the characteristics of the objects under study for determining the patterns of relationship among the variables relating to it.

Interpretation is the device through which the factors that seems to explain what have been observed by the researchers in the course of the study and provides us theoretical conceptions.

The analysis and interpretation is derived in a parts

Part 1. Primary data

Part 2. Secondary data.

Table No. 4.1

Table showing whether the purchase decision is made by a Group or an Individual

Decision made by	Frequency	Percentage
Individual	67	81.71
Group	15	18.29
Total	82	100

**Interpretation:**

It is inferred from the above table that 81.71% of the purchase decision are made by an individual whereas 18.29% of the decisions are made by group decision makers. Thus majority of the purchase decision are made by individuals.

Chart No. 4.1

Chart showing whether the purchase decision is made by a Group or an Individual

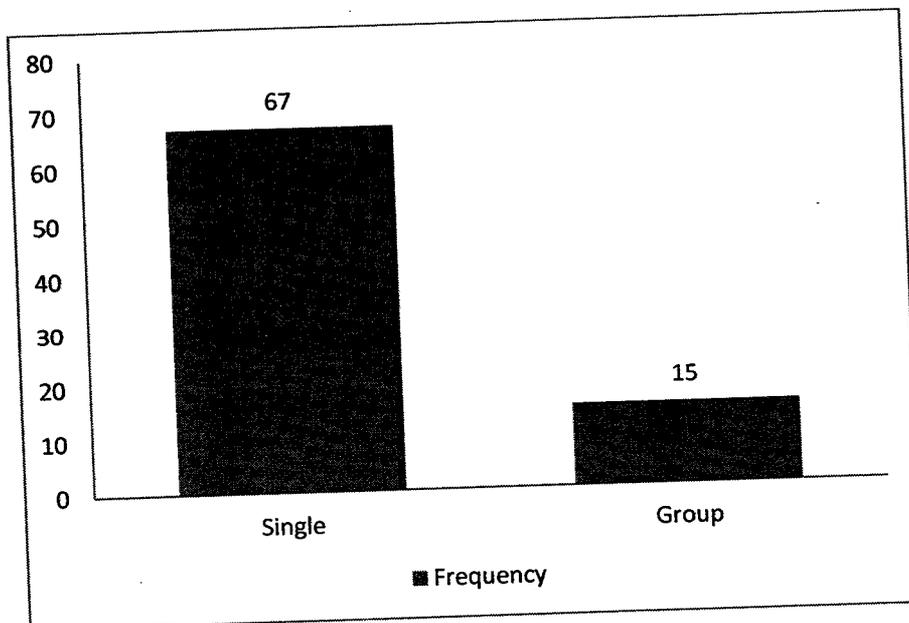


Table No. 4.2

Table showing whether the role or the people has the authority to make Purchase decision

Authority to decide	Frequency	Percentage
Role	42	51.21
People	40	48.78
Total	82	100

**Interpretation:**

It is inferred from the above table that 51.21% of the hospitals gives the authority to make purchase decision by role and 48.78% of the hospitals gives authority to make purchase decision by people. Thus role has the major authority to make purchase decision.

Chart No. 4.2

Chart showing whether the role or the people has the authority to make Purchase decision

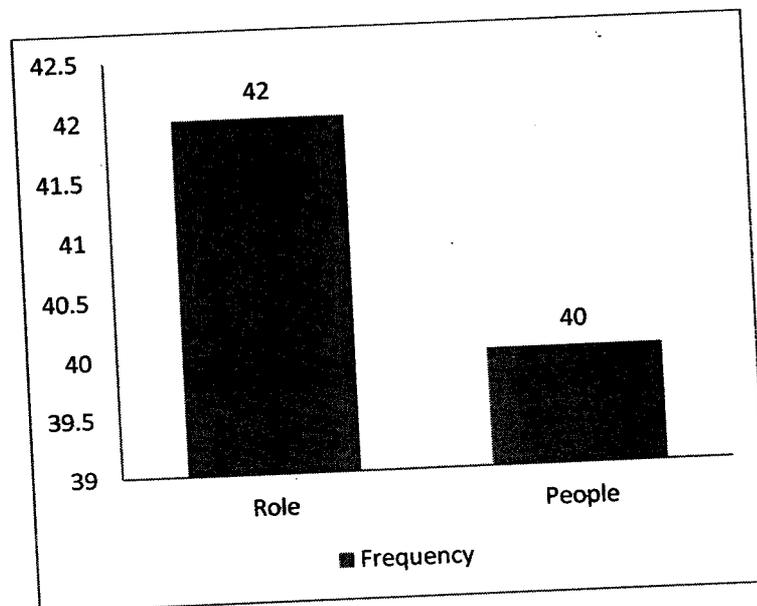


Table No. 4.3

Table showing the Involvement of Outsiders in Purchase decision

Involvement of outsiders	Frequency	Percentage
Involved	8	9.75
Not involved	74	90.24
Total	82	100

**Interpretation:**

It is inferred from the above table that 90.24% of the purchase decision does not include outsiders whereas 9.75% of the purchase decision includes outsiders. Thus in majority of the purchase decision, outsiders are not involved.

Chart No. 4.3

Chart showing the Involvement of Outsiders in Purchase decision

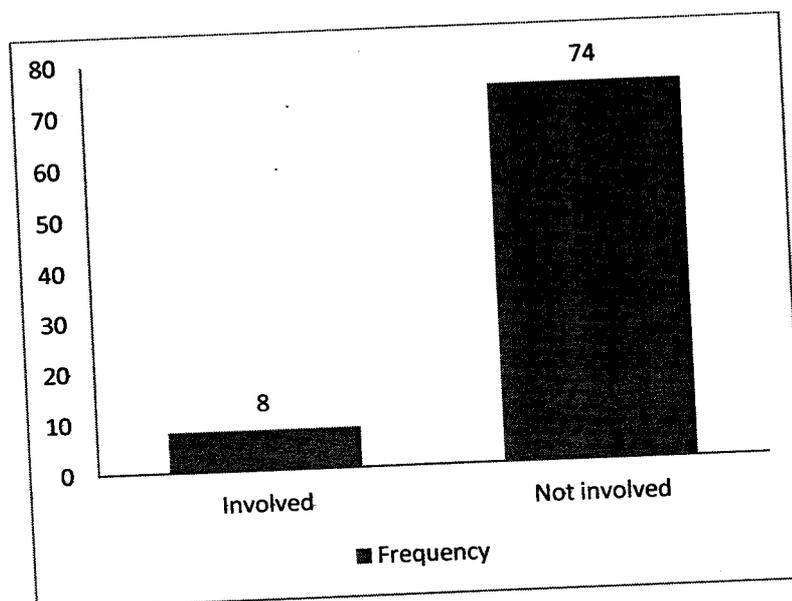


Table No. 4.4

Table showing the facilities available in hospitals

Facilities	Frequency	Percentage
Canteen	29	35.36
Pharmacy	19	23.17
Blood bank	7	8.53
Canteen & Pharmacy	12	14.63
Canteen, Pharmacy & Blood bank	15	18.29
Total	82	100

**Interpretation:**

It is inferred from the above table that 35.36% of the hospitals own canteen whereas only 8.53% of the hospitals own blood bank. 23.17% of the hospitals have pharmacy alone and 18.29% of the hospitals own canteen, pharmacy & blood bank whereas 14.63% of the hospitals have both canteen and pharmacy. It is clear that majority of the hospitals have canteen facility.

Chart No. 4.4

Chart showing the facilities available in hospitals

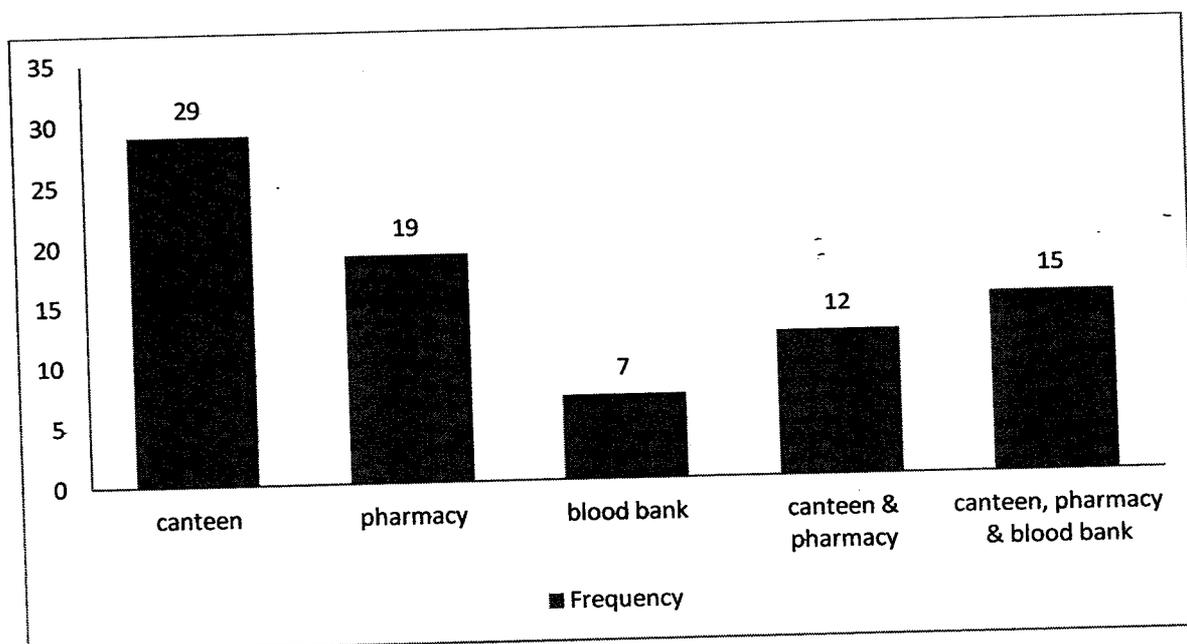


Table No. 4.5

Table showing the number of staffs in Hospitals

Number of staffs	Frequency	Percentage
0-50	41	50
51-100	19	23.17
101-150	11	13.41
151-200	9	10.97
Above 200	2	2.43
Total	82	100

**Interpretation:**

It is inferred from the above table that 50% of the hospitals the number of staffs is below 50 whereas in 2.43% of the hospitals the number of staffs is above 200. 10.97% of the hospitals, the number of staffs are from 151-200 and in 23.17% of the hospitals, the number of staffs are between 51-100. Majority of the hospitals includes the number of staffs below 0-50.

Chart No. 4.5

Chart showing the number of staffs in Hospitals

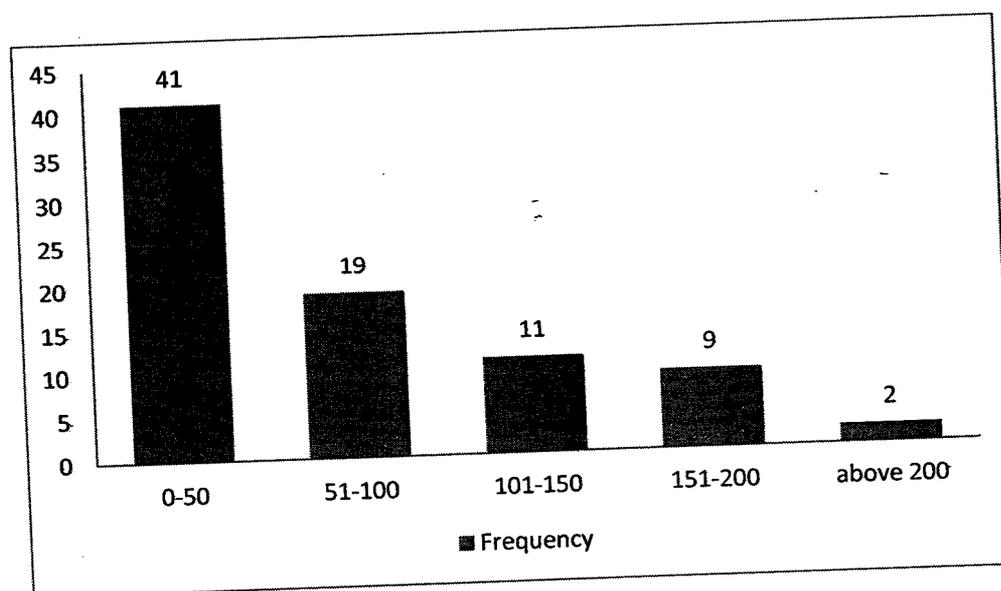


Table No. 4.6

Table showing the frequency of purchasing Britannia biscuits by Hospitals

Frequency of Purchase	Frequency	Percentage
Weekly once	10	12.19
Monthly twice	13	15.85
Monthly once	39	47.56
Fortnight once	20	24.39
Total	82	100

#### Interpretation:

It is inferred from the above table that 47.56% of the hospitals purchase biscuits monthly once whereas only 12.19% of the hospitals purchase biscuits weekly once. 24.39% of the hospitals purchase biscuits fortnight once and 15.85% of the hospitals purchase biscuits monthly twice.

It is clear that majority of the hospitals purchase biscuits monthly once.

Chart No. 4.6

Chart showing the frequency of purchasing Britannia biscuits by Hospitals

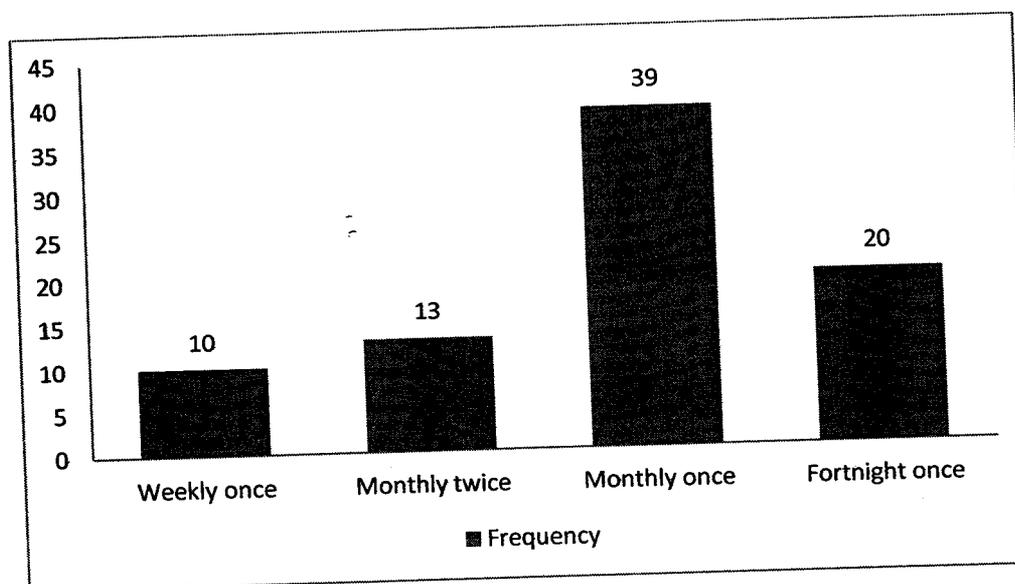


Table No. 4.7

Table showing the Number of units of biscuits ordered in every purchase by Hospitals

Number of units	Frequency	Percentage
5-10 CBB	34	41.46
11-15 CBB	34	41.46
16-20 CBB	9	10.97
Above 20 CBB	5	6.09
Total	82	100

#### Interpretation:

It is inferred from the above table that 41.46% of the hospitals purchase 5-10 CBB and 11-15 CBB. 10.97% of the hospitals purchase 16-20 CBB and 6.09% of the hospitals purchase above 20 CBB.

It is clear from the above table that majority of the hospitals purchase from 5-10 CBB and 11-15 CBB.

Chart No. 4.7

Chart showing the Number of units of biscuits ordered in every purchase by Hospitals

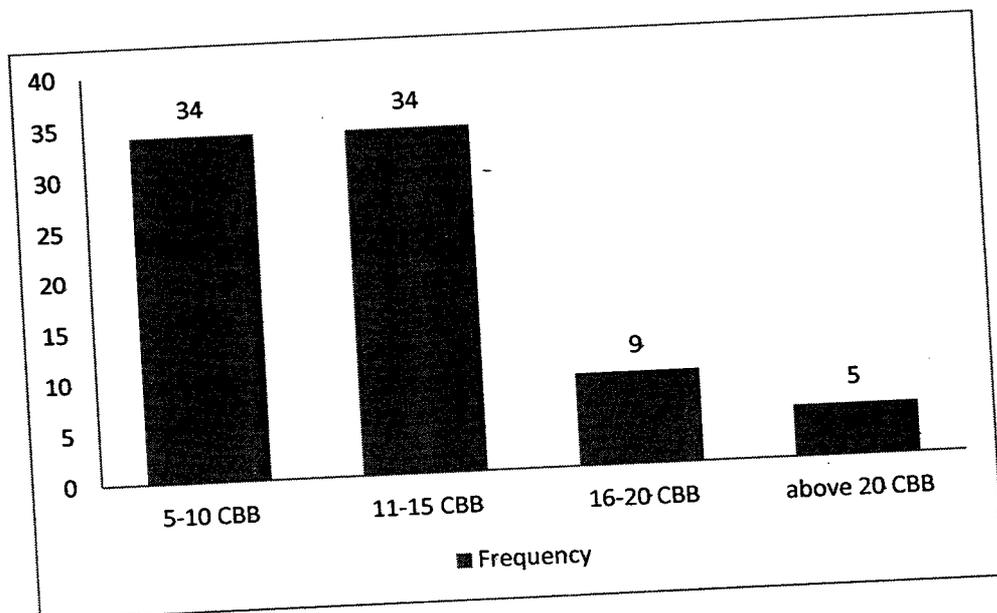


Table No. 4.8

Table showing the Purpose of purchasing Britannia biscuits by the Hospitals

Purpose of Purchase	Frequency	Percentage
To sell	39	47.56
For own consumption	43	52.43
Total	82	100

**Interpretation:**

It is inferred from the above table that 52.43% of the hospitals purchase biscuits for own consumption and 47.56% of the hospitals purchase biscuits to sell.

It is clear that majority of the hospitals purchase biscuits for their own consumption.

Chart No. 4.8

Chart showing the Purpose of purchasing Britannia biscuits by the Hospitals

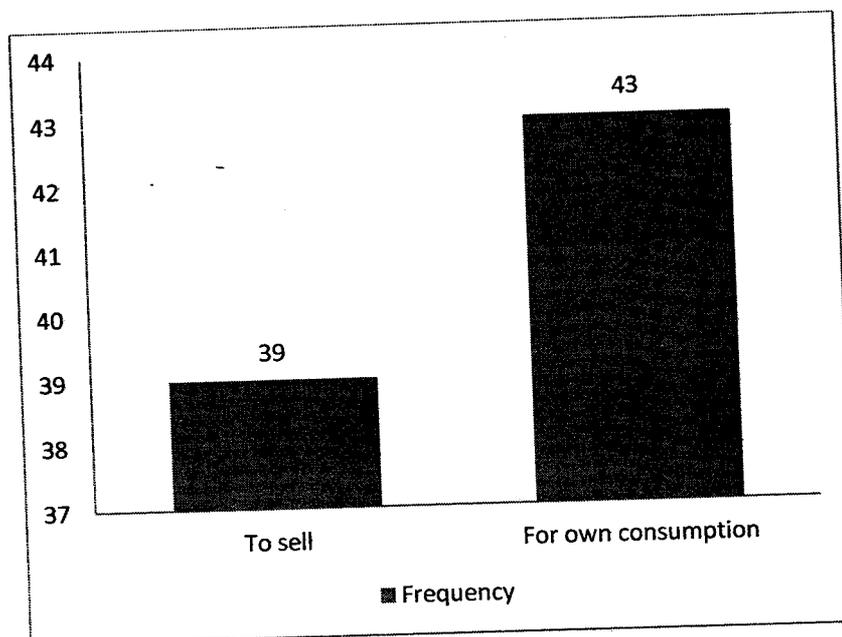


Table No: 4.9

Table showing the Number of years the hospitals are engaged with Britannia

Number of years with Britannia	Frequency	Percentage
0-1 yrs	16	19.51
1-3 yrs	43	52.43
3-5 yrs	14	17.07
Above 5 yrs	9	10.97
Total	82	100

### Interpretation:

It is clear from the above table that 52.43% of the hospitals are engaged for 1-3 years with Britannia whereas 10.97% of the hospitals are engaged for more than 5 years with Britannia. 19.51% of the hospitals are engaged for less than a year with Britannia and 17.07% of the hospitals are engaged for 3-5 years with Britannia. It is inferred from the above table that majority of the hospitals are engaged with Britannia for 1-3 years.

Chart No: 4.9

Chart showing the Number of years the hospitals are engaged with Britannia

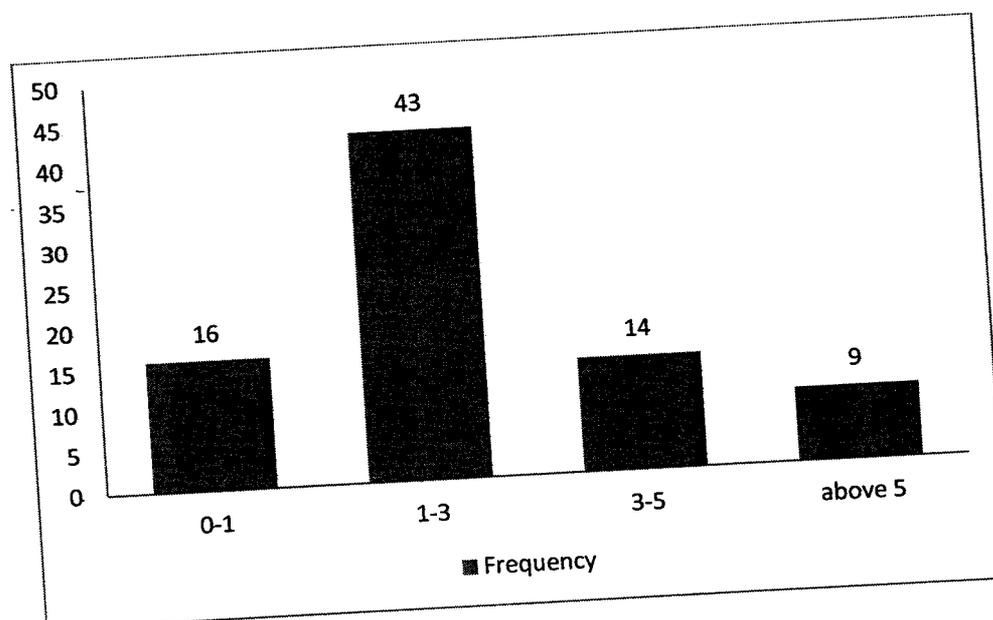


Table No: 4.10

Table showing the Sureness about the principal choice criteria of the Hospitals while placing an order

Sureness about principal choice	Frequency	Percentage
All the time	52	63.41
Sometimes	13	15.85
Often	14	17.07
Hardly	3	3.65
Total	82	100

#### Interpretation:

It is clear from the above table that 63.41% of the hospitals are very sure about their principal choice criteria all the time whereas 3.65% of the hospitals are not sure about their principal choice. 17.07% of the hospitals are sure about their choice often whereas 15.85% of the hospitals are sure about their choice sometimes. It is inferred that majority of the hospitals are aware of their principal choice all the time and minority of the hospitals are hardly aware of their principal choice criteria.

Chart No: 4.10

Chart showing the Sureness about the principal choice criteria of the Hospitals while placing an order

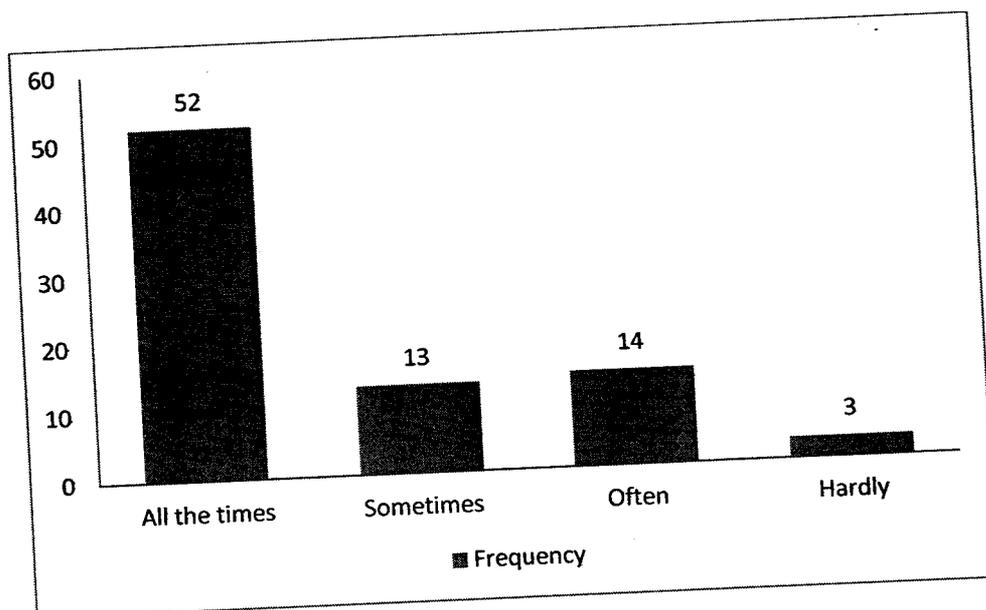


Table No: 4.11

Table showing the Intention of the hospitals to explain the reason for choosing the Supplier

Intention to mention	Frequency	Percentage
Will mention	43	52.43
Will not mention	39	47.56
Total	82	100

**Interpretation:**

It is clear that 52.43% of the hospitals are interested to explain their reasons for choosing the supplier and 39% of the hospitals are not interested to explain it. It is inferred from the above table that majority of the hospitals will mention the reason and the remaining respondents are not willing to mention the reason.

Chart No: 4.11

Chart showing the Intention of the hospitals to explain the reason for choosing the Supplier

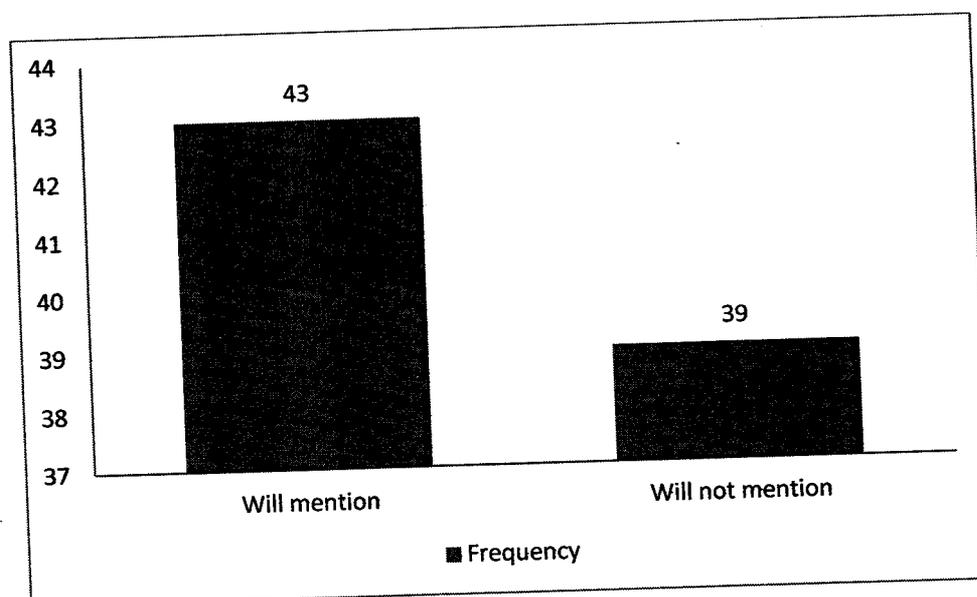


Table No: 4.12

Table showing the Factors that made the hospitals to know about Britannia

Factors	Frequency	Percentage
Through company sales people	63	76.82
Advertisements	8	9.75
Neighbour companies	8	9.75
Others	3	3.65
Total	82	100

**Interpretation:**

It is clear that 76.82% of the hospitals know about Britannia through company sales people and 9.75% of the hospitals know about Britannia through advertisements and neighbour companies. 3.65% of the hospitals came to know about Britannia through promotional activities. It is inferred from the table that majority of the hospitals are aware of Britannia through company sales people.

Chart No: 4.12

Chart showing the Factors that made the hospitals to know about Britannia

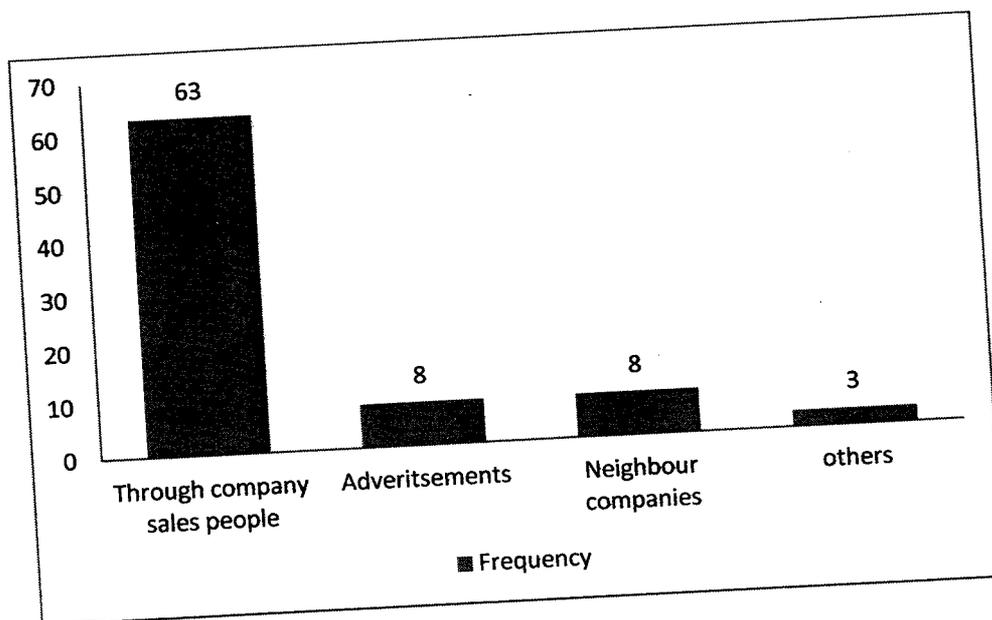


Table No: 4.13

Table showing the Reasons for preferring other brands by the Hospitals

Reason for preferring other brands	Frequency	Percentage
Brand name	11	13.41
Quality	16	19.51
Price	54	65.85
Package	1	1.21
Total	82	100

**Interpretation:**

It is clear that 65.85% of the hospitals prefer other brands due to lower price, 19.51% of the hospitals prefer other brands because of quality and 13.41% of the hospitals prefer other brands due to brand name whereas 1.21% of the hospitals prefer other brands because of package.

It is inferred from the above table that most of the hospitals prefer other brands because of lower price and least number of hospitals prefer other brands due to package.

Chart No: 4.13

Chart showing the Reasons for preferring other brands by the Hospitals

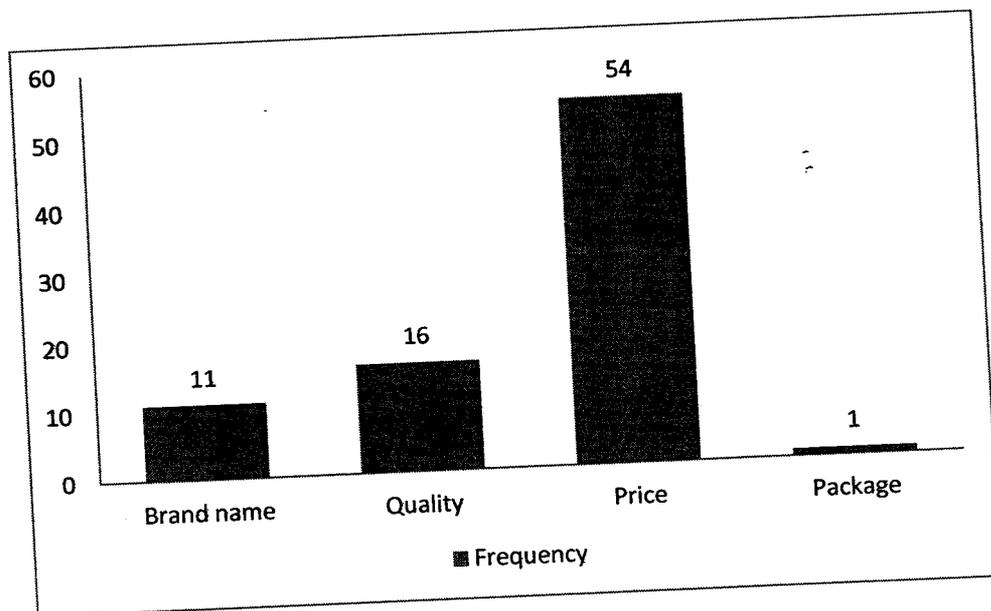


Table 4.14

Table showing the satisfaction level of the purchaser towards other brands

Satisfaction towards other brands	Frequency	Percentage
Highly satisfied	1	1.21
Satisfied	7	8.53
Neutral	45	54.87
Not satisfied	25	30.48
Not at all satisfied	4	4.87
Total	82	100

#### Interpretation:

It is evident from the table that 54.87% of the purchaser are neither satisfied nor dissatisfied towards other brands and 30.48% of the purchaser are not satisfied with other brands. 8.53% of the purchasers are satisfied with other brands.

It is inferred from the above table that majority of the respondents are neither satisfied nor dissatisfied with other brands.

Chart 4.14

Chart showing the satisfaction level of the purchaser towards other brands

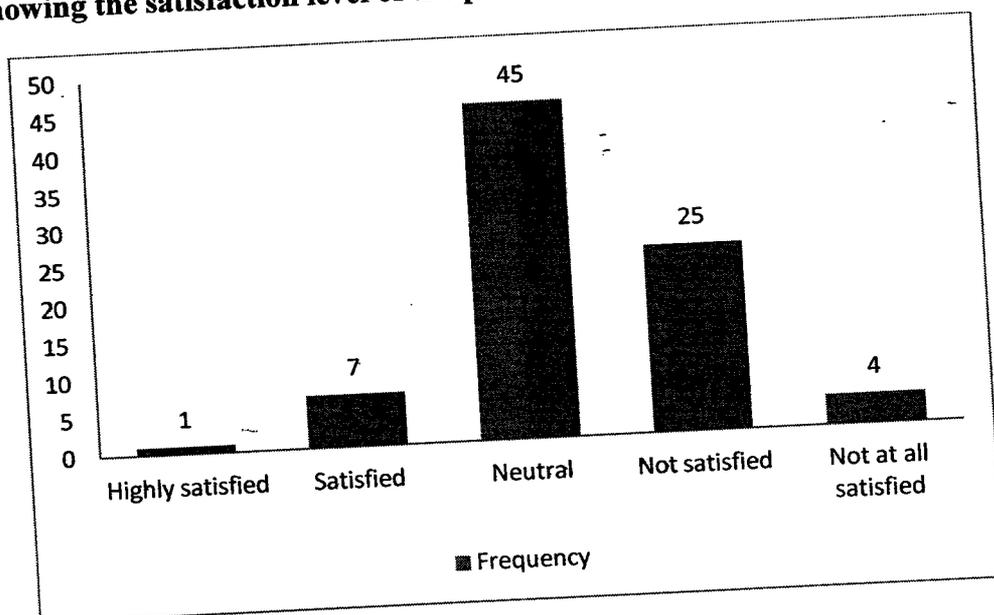


Table No: 4.15

Table showing whether the Hospitals will switch brands in case of more benefits

Switching brands in case of benefits	Frequency	Percentage
Will switch brands	67	81.70
Will not switch brands	15	18.29
Total	82	100

**Interpretation:**

It is evident that 81.70% of the hospitals will switch brands in case of more benefits whereas 18.29% of the hospitals will not switch brands in case of more benefits.

It is inferred that majority of the hospitals will switch brands in case of more benefits.

Chart No: 4.15

Chart showing whether the Hospitals will switch brands in case of more benefits

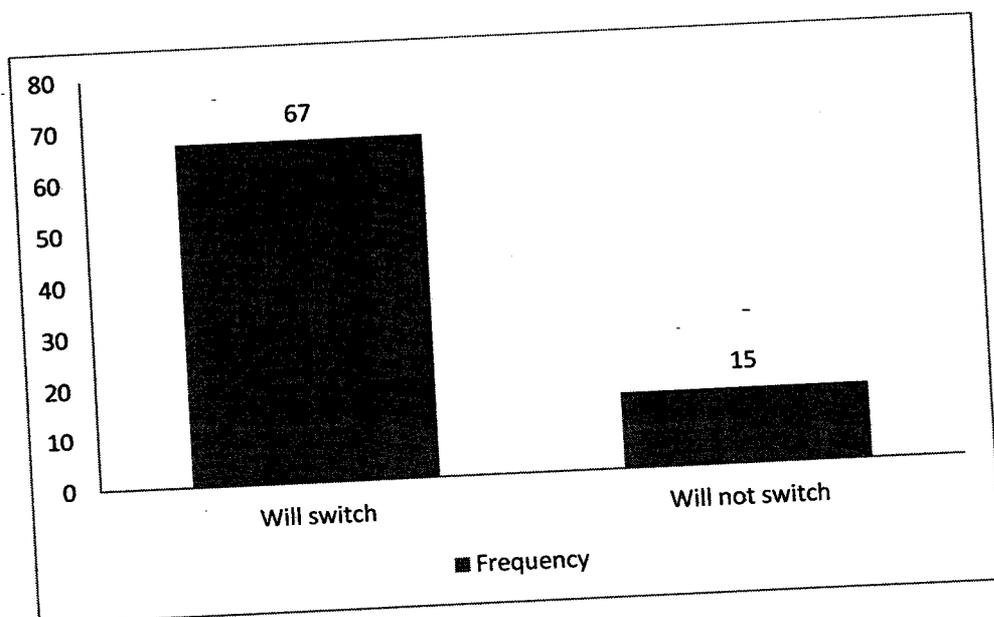


Table No: 4.16

Table showing the Frequency of receiving damaged biscuits from Britannia

Frequency of receiving damaged biscuits	Frequency	Percentage
Never	34	41.46
Hardly	32	39.02
Sometimes	16	19.51
Total	82	100

#### Interpretation:

It is evident from the above table that 41.46% of the hospitals never receive damaged biscuits, 39.02% of the hospitals receive damaged biscuits hardly and 19.51% of the hospitals receive damaged biscuits sometimes.

It is inferred from the above table that majority of the hospitals never receive damaged biscuits and none of the hospitals receive damaged biscuits always.

Chart No: 4.16

Chart showing the Frequency of receiving damaged biscuits from Britannia

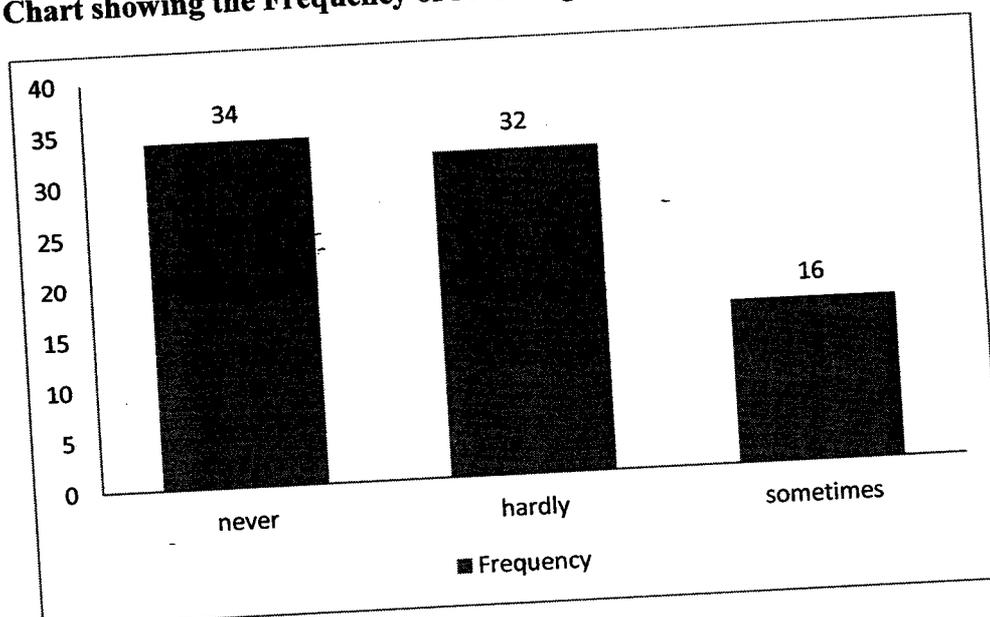


Table No: 4.17

Table showing the Frequency of giving advices to Suppliers by the Hospitals

Frequency of giving advices to suppliers	Frequency	Percentage
Never	51	62.19
Hardly	14	17.07
Sometimes	17	20.73
Total	82	100

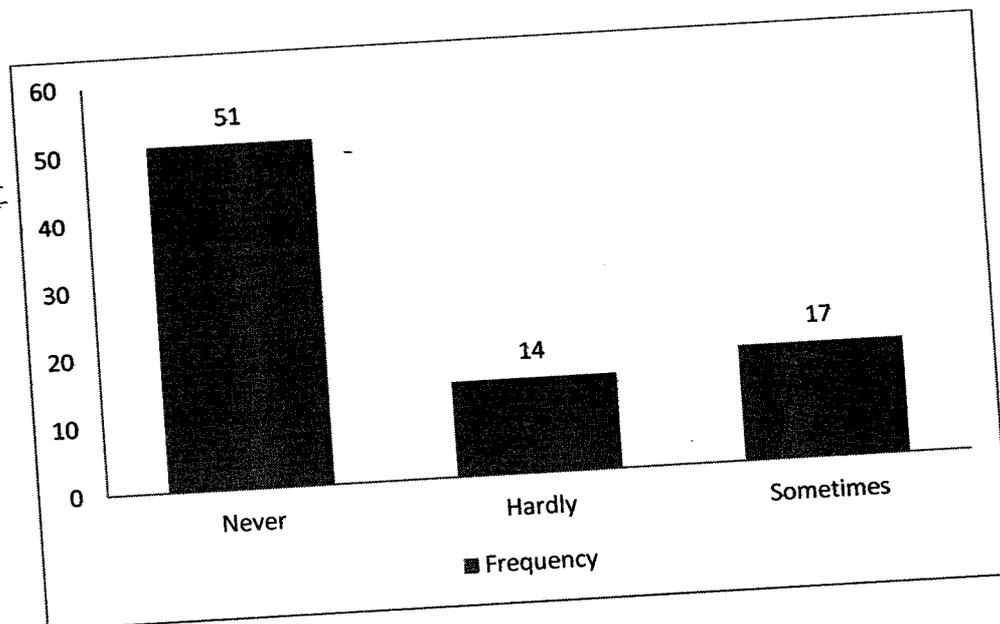
**Interpretation:**

It is evident from the above table that 62.19% of the hospitals never give advice to suppliers, 20.73% of the hospitals give advice to suppliers at times and 17.07% of the hospitals hardly advice their suppliers.

It is inferred from the above table that most of the hospitals never advice their suppliers regarding their service.

Chart No: 4.17

Chart showing the Frequency of giving advices to Suppliers by the Hospitals



**Table No: 4.18**

**Table showing whether the purchaser will recommend Britannia to others**

Recommendation	Frequency	Percentage
Definitely	56	68.29
Probably	23	28.04
May be	3	3.65
Total	82	100

**Interpretation:**

It is clear from the above table that 68.29% of the purchaser will definitely recommend Britannia to other whereas 3.65% of the purchaser may recommend and 28.04% of the purchaser will probably recommend Britannia to others.

It is inferred from the above table that majority of the purchasers will definitely recommend Britannia to others.

**Chart No: 4.18**

**Chart showing whether the purchaser will recommend Britannia to others**

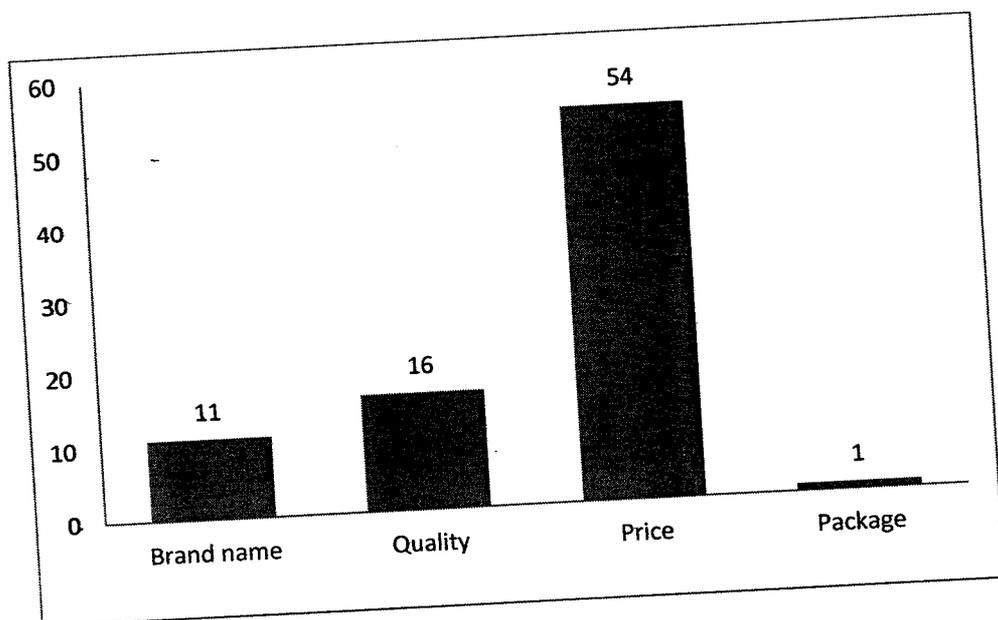


Table No: 4.19

Table showing the Profitability of the purchaser due to Britannia biscuits

Profitability	Frequency	Percentage
Very high	8	9.75
High	23	28.04
Moderate	35	42.68
Low	16	19.15
Total	82	100

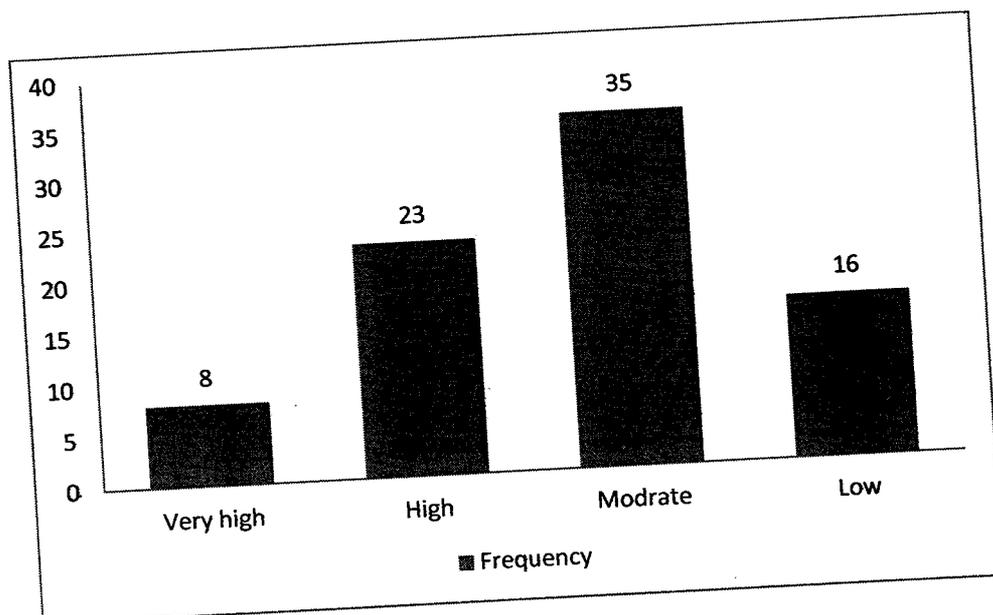
**Interpretation:**

It is evident from the above table that 42.68% of the purchasers obtain moderate profitability because of Britannia, 28.04% of the purchasers receive high profitability, 19.15% of the purchasers obtain low profitability whereas 9.75% of the purchasers obtain very high profitability.

It is inferred from the above table that majority of the respondents obtain moderate profitability and less number of respondents obtain very high profitability.

Chart No: 4.19

Chart showing the Profitability of the purchaser due to Britannia biscuits



## RANK ANALYSIS

**Table No: 4.20**

**Table showing the Importance of Opinion of Management, Doctors, Staffs and Patients before finally placing an order.**

<b>Opinion of</b>	<b>Total</b>	<b>Rank</b>
Management	2.13	3
Doctors	1.82	4
Staffs	3.18	2
Patients	3.43	1

### **Interpretation:**

It is clear from the above table that the opinion of the patients are more influencing as they are ranked 1 and doctors are less influential as they are ranked 4. The opinion of the management is ranked 3 and the opinion of doctors before finally placing an order is 4.

It is inferred from the above rank analysis that the opinion of the patients are more important and influential whereas the opinion of the doctors are least important before placing an order.

Table No: 4.21

Table showing the factors that influences the purchase decision of the Hospitals

Factors	Total	Rank
Quality	2.87	2
Crispiness	2.92	1
Taste	2.78	6
Healthy Ingredients	2.20	11
Brand name	2.56	8
Variety	2.39	10
Availability	2.59	7
Different size	2.18	9
Safe packing	2.69	5
Credit purchase	2.80	4
Schemes	2.82	3

#### Interpretation:

It is evident from the above table that crispiness is the most important factor that influences the purchase decision of the hospitals as it is ranked 1 and quality is ranked as the second important factor. Schemes such as price discount and other offers account to the third important factor to influence purchase. Credit purchase and Safe packing occupies the next two important factors to influence purchase decision as they are ranked as 4 and 5 by the purchasers.

It is inferred from the above table that the most important factor to influence the purchase decision are crispiness and quality whereas the least important factors regarding the purchase decision are variety and healthy ingredients.

Table No. 4.22

Table showing the factors which are considered before ensuring a contract

Factors	Weighted average	Rank
Familiarity of the supplier	2.21	4
Reliability of the supplier	2.41	3
Business profitability	2.84	2
Past record of the supplier	2.85	1

**Interpretation:**

It is clear from the above table that the weighted average score analysis was performed for factors that influences the contract. The order influencing is as follows past record of the supplier, business profitability, reliability of the supplier and familiarity of the supplier.

It is concluded that the past record of the supplier has greater impact.

Table No. 4.23

Table showing the rank analysis of attributes that influences the satisfaction level

Attributes	Weighted average	Rank
Quality	4.80	1
Price	3.46	5
Package	4.59	3
Promotional activity	4.36	4
Sales people relationship	4.60	2

**Interpretation:**

It is clear from the above table that the weighted average score analysis was performed for attributes that influences the satisfaction level. The ranking order is as follows quality, sales people relationship, package, promotional activity and price.

It is concluded that the respondents are highly satisfied with the quality and least satisfied with the price.

*FINDINGS SUGGESTIONS & CONCLUSION*

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## CHAPTER 5

### FINDINGS, SUGGESTIONS AND CONCLUSION

#### 5.1 FINDINGS:

- More than 80% of the purchase decision are made by individuals
- Authority to make purchase decision is diversified equally on role and people. 51% of the hospitals give the authority to make purchase decision by role whereas 48% of the hospitals give the authority to make decision by people.
- Around 90% of the hospitals do not involve outsiders in purchase decision.
- More than 35% of the hospitals have canteen and 23% of the hospitals own pharmacy
- About 50% of the hospitals have less than 50 staffs and only 2% of the hospitals have staffs above 200.
- Around 50% of the hospitals purchase Britannia biscuits monthly once whereas 12% of the hospitals purchase Britannia biscuits weekly once.
- 43% of the hospitals purchase about 5-10 CBB and 11-15 CBB.
- Around 52% of the hospitals purchase Britannia biscuits for their own consumption.
- About 52% of the hospitals are engaged with Britannia for 1-3 years and 10% of the hospitals are engaged with Britannia for more than 5 years.
- 63% of the hospitals are sure about their principal choice criteria while placing an order and 3% of the hospitals are not at all sure about their principal choice criteria.
- About 52% of the hospitals are interested to explain the reason for choosing the supplier whereas the rest of the hospitals have no intention to mention the reason for choosing the supplier.
- 76% of the hospitals are aware of Britannia through company sales people and the rest of the hospitals know about Britannia through advertisements and neighbour companies.
- Opinion of the patients are more important and influential when compared to the opinion of the staffs, management and doctors.
- The most important factor to influence the purchase decision are crispiness and quality whereas the least important factors regarding the purchase decision are variety and healthy ingredients.
- 65% of the hospitals prefer other brands due to lower price

- More than 80% of the hospitals will switch brands in case of more benefits offered by other brands.
- More than 40% of the hospitals never receive damaged biscuits from Britannia and no hospital have received damaged biscuits always.
- 98% of the hospitals never receive poor quality of biscuits from Britannia.
- 62% of the hospitals never suggest their suppliers regarding their service and 20% of the hospitals suggest their suppliers at times.
- 68% of the purchasers will definitely recommend Britannia to others and 23% of the purchasers will probably recommend Britannia to others.
- Nearly 42% of the purchasers obtain moderate profitability due to the sale of Britannia biscuits and 9% of the purchasers obtain very high profitability.
- Past record of the supplier is an important factor which is considered before ensuring the contract.
- The purchasers are highly satisfied with the quality of Britannia biscuits.

## 5.2 SUGGESTIONS

- As individual decision makers are large in number, special offers can be provided to them.
- As role such as purchase manager, store manager etc gives the authority to make purchase decision, the sales person of Britannia must have a good rapport with them.
- As majority of the hospitals buy biscuits for own consumption, the supplier can convince the buyers to sell biscuits more.
- As most of the hospitals are aware of Britannia through company sales people, the supplier must encourage the sales people to concentrate on untapped hospitals.
- The organisation can provide lower price for their products to prevent competition.
- Offers and discounts can be provided, as most of the purchasers have intention to switch brands in case of more benefits offered by other brands.
- The frequency of receiving damaged biscuits is low and so the suppliers must maintain the service.
- The salesperson must encourage the buyers to give suggestions regarding their service as most of the hospitals have never given any suggestion.
- It is a good sign that most of the purchasers will recommend Britannia to others hence they should maintain this reputation in a long run.

### 5.3 CONCLUSION

During the project period, with the observation made, findings drawn and with the analysis done we can come to a conclusion regarding various aspects as follows.

Organizational buying behaviour is a very complex area, however, an understanding of the key factors are fundamental to marketing strategy and thus it is the ability of the organisation to compete effectively in the market place.

The study shows that Britannia is the preferred and leading company in biscuit manufacturing. Britannia must concentrate more on the organizational buyers in order to keep them satisfied and delighted. They must increase sales and maintain the reputation of the organization. Finally the researcher provided all suggestion to improve their service and get an edge over their rivals.

The main aim of this study is to examine the organisational buyer behaviour and analyse the factors which influence it. The organisation should take care of the needs of the buyer. If the buyers are satisfied with their needs, then the organisation will be benefited and can maintain its reputation.

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*APPENDIX*

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## APPENDIX

### A study on the Organisational Buying Behaviour in hospitals with regards to Britannia Industries

1. Name & Address of the Hospital: .....
2. Purchase decision maker : .....
3. Is it a single or a group of decision makers involved in purchase decision?
  - a. Single
  - b. Group
4. Is it the role or the people involved has the authority to make purchase decision?
  - a. Role (purchasing agent, controller etc)
  - b. People
5. Any outsiders are involved in making purchase decisions?
  - a. Yes
  - b. No
6. Tick the Facilities available in your hospital
  - a. Canteen
  - b. Pharmacy
  - c. Blood Bank
  - d. Canteen & pharmacy
  - e. Canteen, pharmacy & blood bank
7. Specify the number of staffs in your hospital
  - a. 0-50
  - b. 50-100
  - c. 100-150
  - d. 150-200
  - e. Above 200
8. Mention the purpose of buying biscuits?
  - a. To sell
  - b. For own consumption
9. Specify the frequency of buying biscuits?
  - a. Weekly once
  - b. Monthly twice
  - c. Monthly once
  - d. Fortnight once
10. Mention the number of units of biscuits you order in each purchase?
  - a. 5-10 CBB
  - b. 11-15 CBB
  - c. 16-20 CBB
  - d. Above 20 CBB
11. How many years are you engaged with Britannia?
  - a. 0-1 yr
  - b. 1-3 yr
  - c. 3-5 yrs
  - d. above 5 yrs
12. Are you sure about what exactly is your principal choice criteria?
  - a. All the times
  - b. Sometimes
  - c. Often
  - d. Hardly
  - e. Never



3.Variety					
4.Availability					
5.Different size					
6.Safe packing					
7.Schemes					
8.Credit purchase					

18. Before you finally ensure the contract, how important is

Factors	Highly important	Important	Neutral	Not important	Not at all important
Familiarity of supplier					
Reliability of supplier					
Business profitability					
Past record of supplier					

19. Name the brand of biscuits you consume other than Britannia?

a..... b. .... c.....

20. Why do you prefer the above said brand?

a. Brand name b. Quality c. Price d. Package e. Others.....

21. Are you satisfied with those brands?

a. Yes b. No

22. Do you agree that you switch biscuits, if another brand of biscuit is found to be more beneficial?

a. Yes b. No

23. Rate your satisfaction level in the following attributes

Attributes	Highly satisfied	Satisfied	Neutral	Dissatisfied	Highly dissatisfied
Quality					
Price					
Package					
Promotional activities					
Salespeople relationship					

24. How often are you receiving damaged biscuits?

- a. Never    b. Hardly    c. Often    d. Sometimes    e. All the times

25. How often do you give advises to your suppliers on how to improve their performance?

- a. All the times    b. Sometimes    c. Often    d. Hardly    e. Never

26. Will you recommend Britannia to others?

- a. Definitely    b. Probably    c. May be    d. Probably not    e. Definitely not

27. The impact of your job as a purchaser to the profitability of your business is

- a. Very high    b. High    c. Moderate    d. Low    e. Very low

28. Your suggestions to improve the satisfaction

.....