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Purchasing behavior of professional buyers in out of home industry

The significance of price in the purchasing behavior

The School of Marketing and Communication
Master's Programme in
International business

Vaasa 2022

VAASAN YLIOPISTO**Markkinoinnin ja viestinnän akateeminen yksikkö****Tekijä:** Mikko Husu**Tutkielman nimi:** Purchasing behavior of professional buyers in out of home industry:
The significance of price in the purchasing behavior**Tutkinto:** Kauppatieteiden maisteri**Oppiaine:** International Business**Työn ohjaaja:** Peter Gabrielsson**Valmistumisvuosi:** 2022 **Sivumäärä:** 91

TIIVISTELMÄ:

Tässä työssä tutkitaan media-alan ammattiestajien ostokäyttäytymistä. Tutkimus keskittyy mediatoimistojen henkilökuntaan ja vielä tarkemmin niihin henkilöihin, jotka ovat ulkomainosalaan erikoistuneita. Työ toteutetaan kolmessa markkinassa verkkolomakkeen avulla. Nämä kolme maata ovat Yhdistyneet kuningaskunnat, Suomi ja Ruotsi. Työn pääaiheita ovat ulkomainonta, kulttuurien väliset teoriat, mediatoimistot, suhdemarkkinointi ja ammattiestajien ostokäyttäytyminen.

Ostot ovat tärkeitä yrityksille, koska niillä on suora vaikutus yritysten tulokseen. Ostot vaikuttavat merkittävästi yritysten liikevaihtoon. Ostojen ulkoistaminen on yleistynyt ja sen odotetaan kasvavan entisestään tulevaisuudessa. Yksi tärkeimmistä mediatoimistojen tehtävistä on ostaa mediaa heidän asiakkailleen kustannustehokkaasti. Mediatoimistot luovat merkittäviä hinta-etuja ja voivat kasvattaa näin asiakkaidensa kannattavuutta. Mediatoimistoja pidetään tärkeinä kumppaneina median ostamisessa.

Tutkimuksen analysointi toteutetaan kvantitatiivisella analyysillä, joka keskittyy neljään riippumattomaan tekijään ja yhteen riippuvaan tekijään. Nämä neljä riippumatonta tekijää ovat ympäristön vaikutus, organisaation vaikutus, ryhmän vaikutus ja yksilön vaikutus. Tutkimuksen riippuva tekijä on hinnan merkitys ostamisessa. Näiden neljän riippumattoman muuttujan suhdetta tutkitaan ja määritetään, onko niillä merkittävää vaikutusta hinnan merkitykseen. Tämän jälkeen suhteita arvioidaan maskuliinisuuden avulla ja lisääkö maskuliinisuus hinnan merkitystä ostamisessa. Maskuliinisuus on yksi Hofstede:n (1980) luoman mallin neljästä tutkittavasta osa-alueesta. Kyseinen tutkimus tarkasteli kulttuurien välisiä eroja kansallisessa mittakaavassa.

Tutkielmalla on kaksi tavoitetta. Ensimmäinen liittyy tietoon ammattiestajien ostopäätöksistä media-alalla ja toinen tutkimuskysymys vastaa miten maskuliinisuus vaikuttaa ostokäyttäytymiseen.

Avainsanat: Ammattiestaja, kulttuurien väliset erot, kustannusten hallinta, mainonta, mediatoimisto, ostoprosessi, ostokäyttäytyminen, ulkomainonta

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The significance of price in the purchasing behavior**Degree:** Master of Science in International Business**Programme:** International Business**Supervisor:** Peter Gabrielsson**Year:** 2022 **Number of pages:** 91

ABSTRACT:

This research is observing purchasing behavior of professional buyers in the media industry. The study focuses on media agency personnel who are specialized in out of home advertising. The research is conducted in three countries via online survey. The countries being Finland, Sweden, and United Kingdom. The key concepts of the thesis are out of home advertising, cross cultural theory, media agencies, relationship marketing and purchasing behavior of professional buyers.

Purchasing is important for companies because it has effect on the bottom line. Purchasing forms considerable portion of the turnover in most organizations. Outsourcing the purchases has become more common and it is expected to increase in the future. One of the most important tasks of media agencies is to purchase media for their customers cost effectively. They create significant cost advantages and can increase the profitability of their clients. Media agencies are seemed as crucial partners in the purchasing of media.

The analysis of the study is conducted with quantitative analysis where the focus is on the relationship between four independent factors and the dependent factor. The four independent factors of organizational buying behavior are environmental force, organizational force, group force and individual force. The dependent factor is the importance of price in purchasing. These relationships are analyzed and whether they have significant influence. Then the relationships are moderated with masculinity dimension. Masculinity is a dimension from a model by Hofstede (1980) where he observed cross cultural theory from the perspective of four different dimensions.

The study has two objectives. The first concerns delivering data regarding purchasing behavior of professional buyers in the media industry and the second one gives an answer whether the masculinity dimension has effect on the purchasing behavior.

KEY WORDS: Advertising, cost management, cross cultural theory, media agency, out of home advertising, professional buyer, purchasing behavior, purchasing process

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Abbreviations

ANOVA: Analysis of variance

B2B: Business to business

B2C: Business to consumer

CPM: Cost per Mille

CPT: Cost per Thousand

CRM: Customer relationship management

DOOH: Digital out of home advertising

IB: International Business

IDV: Individualism

MAS: Masculinity

OOH: Out of home advertising

PDI: Power distance

ROI: Return on investment

RTB: Real time bidding

UAI: Uncertainty Avoidance

1 Introduction

This research focuses on the purchasing behaviors of professional buyer's in the media industry. The research is conducted with quantitative analysis where the interviewees are media agency personnel who are specialized on out of home advertising. The study has two objectives. To observe influencing factors on the organizational buying behavior and whether they have significant effect. And the second objective is to find out if masculinity dimension as a moderator has effect on these relationships. This study is conducted as an assignment for MT Mediateko Oy. After the introduction of the assigning company the research gap, justification for the project, research questions, research objectives, delimitations, key concepts, and structure of the study are presented.

MT Mediateko Oy is a Finnish out of home company. The company has currently 17 employees and the company's revenue in the yearly financial period of April 2021 until March 2022 was around 6 million euros. The total Finnish out of home market in 2021 was 64,5 million euros (Kantar TNS, 2022). Mediateko operates in several out of home advertising environments such as ski resorts, golf resorts, harbors, railway stations, grocery stores and city centers. The company operates nationally in Finland and offers advertising solutions from Helsinki till Kittilä.

1.1 The research gap

Purchasing is important for companies because of one reason, its significant effect on the bottom line. Purchasing forms, a significant portion of turnover in most companies. As the result, outsourcing of the purchasing is increasing and the percentage is likely to continue increasing. (Cheverton & van der Velde, 2011, p. 9) Business to business (b2b) purchasing process and buying behavior in b2b market is abundantly researched (e.g. Hutt & Speh, 2010; Jobber & Lancaster, 2009; Kemp et al, 2018; Kotler & Keller, 2012; Webster & Wind, 1972).

The communication between the seller and buyer has become key part of the relationship marketing. (Wong & Sohal, 2002, p. 35) One of the keys for a success in the buying and selling process is an efficient human interface. (Cheverton & van der Velde, 2011, p. 71) Relationship marketing has become essential part of business strategies because of the complexity of communication and increased competition. (Wong & Sohal, 2002, p. 35) Relationship marketing has been a focus of wide range of research (e.g. Bruhn, 2002; Morgan & Hunt 1994; Baron et al. 2010; Sin et al. 2002).

This study aims to add to the existing literature on outdoor advertising that is overlooked (Blythe & Zimmerman, 2005) (Hutt & Speh, 2004) and add to the advertising specific b2b studies such as (Halinen, 1994). Wide range of generic b2b relationship studies have been conducted (e.g. Cheverton et al, 2011; Hutt & Speh, 2010; Kemp et al, 2018; Kotler & Keller, 2012) but the advertising industry specific researches are limited. Media management studies have been on the macro level and been more focused on the consumer side of the business (Küng, 2007). According to Jenkins & Deuze (2008) media organizations are special cases in terms of managing and organizing. Therefore, it is important to solely focus on the media organizations.

1.2 Justification for the research

Ojasalo & Ojasalo (2010, p. 35) states that essential part of the purchasing behavior is knowing the customers decision makers, official and unofficial ones. The decision makers vary in companies, and they might not be part of the purchasing department. Selling organizations competitive advantage is closely related with the understanding of the purchasing process and purchasing behavior of its customers (Aminoff & Rubanovitsch, 2015, p. 50) & (Kotler & Keller, 2012 p. 216). The marketing strategies of a selling company should be based on these observations of customer-orientated buying behavior. (Ojasalo & Ojasalo, 2010, p. 35)

Media agencies has been chosen as the focus of this study since they are important clients for media companies. Most of the biggest advertisers utilize the services of media agencies. Kahri et al. states (2013, p.81) that media agencies do media purchases for their clients and provide significant price advantages for them through their relationships with different medias and through volume discounts.

Outdoor advertising is a field that is studied by a handful of researchers (e.g. Lichtenthal, et al. 2006; Mustafa, et al. 2010; Gurumoorthy, 2015; Hampp, 2010). Out of home industry was constantly growing in Europe from 2010 until 2020 (IAB Europe, 2020), the growth stopped because of Covid-19 and it affected the whole advertising industry. Also, out of home industry is in constant change and development because of digitalization. In Europe the share of digital out of home advertising was 15% of the whole out of home market and it is estimated to have a 30% share in 2023. (IAB Europe, 2020, p. 7)

Culture has significant effect on international business (IB). The differences in culture and cultural behavior have impact on the decision making. (Ferreira, et al. 2014, p. 381) Hofstede's cultural dimensions (1980) was chosen as the model that the moderating effect is observed with. According to Kirkman et al. (2006, p. 285) Geert Hofstede is regarded as on the most influential scholars regarding national culture. The research has four cultural dimensions that observes cultural traits, compares people's behavior between countries and attitudes of the people. The study points out single traits and specific cultural differences and how these variables may influence the end result. (Ferreira, et al. 2014, p. 381)

The purpose of this study is to fill the research gap by focusing on purchasing behavior of b2b market in the advertising industry. The research is carried out observing the variables through a model by Hutt & Speh (2010). The model focuses on the forces effecting the organizational buying behavior. There are four forces effecting the organizational buying behavior. The forces being environmental force, organizational force, group force and individual force. These four forces will work as the independent factors of this study. The dependent variable in the research is the importance of price. According to

Bergström and Leppänen (2016, p. 132) the most common criteria for purchasing decisions include price and the terms and Cheverton & van der Velde (2011 p. 76-77) adds that prices of purchases have direct impact on the bottom line of the company and therefore it is significant aspect to study. Price is also easily measurable objective and therefore suitable variable for this research.

1.3 Research questions and research objectives

This study aims to deliver data regarding the purchasing behavior of professional buyers. The research data is collected through survey and the data provides quantitative analysis concerning the relationships of the independent variables and the dependent variable. These four independent factors will be moderated with masculinity dimension by Hofstede (1980) and the relationship is observed and whether masculinity strengthens the importance of price as a factor.

Research questions:

- 1. Does environmental force, organizational force, group force, and individual force have significant influence on the importance of price in purchases?*
- 2. How masculinity dimension effects the relationship between the four forces and the importance of price?*

The first research question focuses on the four forces that effect the organizational buying behavior (Hutt & Speh, 2010) and observes the effects of these factors from the perspective of the media industry. These forces being the purchasing process (organizational force), customership (group force), programmatic buying (environmental force), and individual buyer profiles (individual force).

The second research question observes masculinity dimension as a moderator and how it effects the relationship between the forces and the organizational buying behavior. The three markets of this study have the most separation on the masculine dimension (Hofstede, 1980) therefore the study focuses only on this dimension. The theoretical framework and the hypotheses of the study are presented in the chapter three.

1.4 Delimitations

The study is limited to professional buyers in b2b market. This study will focus on the media agency personnel who plan out of home advertising campaigns. This will narrow down suitable candidates for the study, and it will focus purely on the industry that the assigning company is operating in. Media agencies are biggest customers for media companies and therefore knowing their purchasing behavior is important.

The research is limited to three countries: Finland, Sweden, and United Kingdom. The mandating company is operating in Finnish market and their customer portfolio is mainly based on these countries. In addition, the advertising market size of the countries is different and how the advertising expenditure is split between all the medias is diverse. This gives an idea if there are variables between different market sizes and if the spread of the advertising expenditure influences the out-of-home advertising purchases.

And the last limitation is that the study will focus on purchasing behaviors of the professional buyers. The aim of this study is to deliver data regarding the purchasing behavior since the advertising industry is currently overlooked regarding academic research. The focus on this study is on the price as dependent factor since it is easy to measure, and it has significant relevance due to its effect on the bottom line.

1.5 Key concepts of the study

The key concepts of this study include out of home advertising (OOH), cross cultural theory, media agencies, relationship marketing and purchasing behaviors of professional buyers. Out of home advertising includes all advertising that happens in public places, out of home. OOH advertising can be seen for example in shopping malls, public transport, airports, ski resorts and billboards besides highways. (Mediateko, 2021a)

Culture has influence on the international business. The differences in culture effect the decision making. (Ferreira, et al. 2014, p. 381) There are different laws, regulations and customs that need to be considered in international business. (Ghauri & Cateora, 2006 p. 74) The cross-cultural theory is observed with Hofstede's four cultural dimensions. The research by Hofstede (1980) pointed out cultural traits, attitudes of people and how different countries behaved. Because of the study culture can be segmented into smaller more manageable sections. (Ferreira, et al. 2014, p. 381-382)

Media agencies work together with different medias. And they control the largest advertising budgets since most of the largest companies utilize the services of media agencies. They provide different services for their clients such as purchasing media, creating media strategy and analysis services. (Kahri et al. 2013, p. 81-83)

Relationship marketing focuses on the long-term mutually beneficial relationship with customers (Bruhn, 2002, p. 17). The role of relationship marketing is to cover the internal and external relationships (Bergström & Leppänen 2011, p. 460). It strengthens the trust and loyalty towards the company through managing and understanding the customer relationship (Baron et al. 2015, p. 5).

Organizational purchasing behavior has four influencing factors which work as the independent variables in the research. These four forces are environmental, organizational, group and individual forces. All these forces have effect on the purchasing behavior. (Hutt & Speh, 2010 p. 71) There are also many other factors effecting the buying behavior. For

example, personal and company's goals and motives (Webster & Wind, 1972, p.19), the customer relationship (Sin et al. 2002, p. 258) and, price and the terms (Bergström & Leppänen 2016, p. 132). Purchasing process is a complex decision-making process with multiple participants (Webster & Wind, 1972, p.19). Individuals make the purchasing decision and therefore it is important to recognize different buyer profiles and how to be successful with them. (Cheverton & van der Velde, 2011, p. 71).

1.6 Structure of the study

The study consists of six chapters, firstly the study is introduced. The research gap is presented, and the project is justified. Also, the research questions and objectives are showed with the delimitations and key concepts of this study. Then the literature for the research is reviewed in the chapter two. The key concepts are presented in the beginning of the chapter. After the literature review the theoretical framework and the hypotheses are presented in the chapter three. The theoretical framework is illustrated with figure 11. The methodology of the study is discussed after that. The chapter four begins with the introduction of the research methods and the research design. Then the data collection and sample are introduced and lastly the validity and reliability of the research is discussed. Chapter five is the chapter where the empirical findings are analyzed. The background factors are presented, and the hypotheses are tested. The last chapter is about discussion and conclusions. The findings of the analysis are summarized, and the managerial implications are presented. Also, the limitations and future research are discussed.

2 Literature review

In this chapter the literature of the thesis is presented. The chapter consists of five main concepts for this study. These being the out of home advertising, cross cultural theory, media agencies, relationship marketing and the buying behaviors of professional buyers. The chapter starts with defining out of home advertising as a concept, what are its strengths and the introduction to the OOH markets of Finland, Sweden, and United Kingdom. Then the four cultural dimensions of Hofstede (1980) are explained, followed by the explanation of a media agency and what is their role in the media industry. Relationship marketing as a concept is then explained and how it effects the relationship between the seller and the buyer. Lastly the purchasing behavior of professional buyers is presented with the focus on the purchasing process, forces influencing the organizational buying behavior, purchase decision, individual buying behaviors with generalized buyer types and lastly the importance of cost management. After the literature review the framework and hypotheses are presented in the chapter 3.

2.1 Out of home advertising

Gurumoorthy (2015, p.93) states that out of home advertising is advertising that reaches consumers outside their home. OOH advertising is perceived as the last mass media. Mass media refers to a media that reaches a high number of contacts at once. It has a large reach, but it can also target different target groups based on the chosen location of the advertising campaign. (Mediateko, 2021a) There are two types of OOH advertising; traditional or static out-of-home advertising that is usually in a poster or billboard format, and constantly growing digital out of home advertising (DOOH) (Riipinen, 2017). Digital advertising screens enable the advertising to be interactive and produce relevant information. The advertising screens can consider for example what the weather is like, what time of the day, or what time of the year it is. It allows the communication between the brand and consumer to be more relevant and it provides more contextual information for the consumers. (Clear Channel, 2018) The outdoor industry is nowadays mostly

controlled by a handful of major players that can provide national or international OOH campaigns for their customers. It has changed dramatically through the last 20 years from being a local business with dozens of different operators providing advertisement solutions within the land that they own. (Hampp, 2010 p.48)

2.1.1 Traditional and digital out-of-home advertising

Traditional OOH appears in a lot of ways and shapes reaching considerable number of consumers at once. It varies from bus shelters to roadside advertising, hooded construction sites and ski resort gondolas (Clear Channel, 2021b) & (Bloom & Hampp, 2009 p.4-5). Campaign time in traditional OOH is usually longer compared to DOOH because of the production, installation, and maintenance costs. Because the advert itself is static and there can only be one to three adverts at once in scrolling posters and only one advertiser in billboards, construction sites and gondolas the advertising is not as versatile or timely as DOOH can be. (Kettunen, 2021) DOOH appears in digital screens that advertisers utilize to reach consumers. These screens can be in malls, public transport, city centers and even in grocery stores. (Hartikainen & et al, 2021 p.7) In DOOH the advertiser can use multiple varied materials in rotation and the advert can be responsive to different variables (Clear Channel, 2021a). DOOH enables a lot of options for the advertisers and media companies. The campaigns can be started within minutes or hours from receiving the materials and it also allows that there can be more advertisers at once. Different target groups are easier to target with DOOH because it allows the advertiser to buy certain time periods from a day or only weekends depending on the advertisers needs. This way the campaigns can be as cost-effective as possible, and it allows companies with smaller budgets to allocate a part of their marketing budget to out-of-home advertising. (Kettunen, 2021)

There is a lot of technology that OOH utilizes to gain information in planning and reporting the campaigns. Geolocation, mobile carrier data and Bluetooth beacons can be used to gain knowledge about people's movement and how much certain advertising

campaign has reached. This information can be used to plan the message in a campaign. For example, the message for people going to work can be different from the time they leave from work. Media companies also utilize their partners knowledge in calculating contact numbers. These partners can vary from public transport companies to ski resorts. (Gandhi, 2019 p. 68)

Digital out-of-home is growing fast. DOOH's share of the total OOH revenue in Europe was 10% in 2015 and it is calculated to be closer to 30% by the year 2023 (IAB Europe, 2020, p. 7). Also, the digitalization of the industry is happening quickly in Finland and in Europe. At the same time the constant development in the physical size of the screens and the sharpness of the screens increases every year. The extensive digitalization that is happening is good for the out of home industry. It enables OOH to be more impressive and measurable in the future. (Hartikainen & et al, 2020 p. 3)

Programmatic buying is a technology that is currently being introduced to the OOH market. (Hartikainen & et al, 2020 p. 15) Programmatic buying refers to the automated process of selling and purchasing media. This is generally used in online advertising. (Hughes, 2021) The programmatic buying has not been able to develop at the same pace with online advertising due to restrictions in data. Online advertising utilizes cookies that are not possible in OOH advertising. OOH can be targeted but the data collection is much more complex in public places compared to cookie settings. The targeting can be based for example on traffic flows, location, or gps tracking. Technology companies are focused on developing programmatic buying and data analyzing possibilities which creates good foundation for the development of the OOH industry. Programmatic buying makes the purchasing of OOH campaigns more efficient and easier. It makes the purchasing process faster. (Hartikainen & et al, 2020 p. 15)

2.1.2 The strengths of OOH

The biggest strength of OOH is its reach. It can reach up to 97% (Figure 1) of the Finnish population according to (TNS Kantar, 2019). It is the media channel that has the highest reach of all the medias in Finland. OOH creates large attention values for advertisers internationally, nationally, or locally. People spend most of their time awake outside of their home and out home advertising is there informing people with different media surfaces. (JCDecaux, 2021) & (Clear Channel, 2021b) OOH advertising can deliver messages constantly and consistently. This creates multiple encounters with the advert. (Gurumoorthy, 2015, p. 94) Repetition is required in order to pass the threshold in communication. To deliver your message to the audience, you need to capture their attention and expose them to your message several times. (Hutt & Speh, 2010 p. 391)

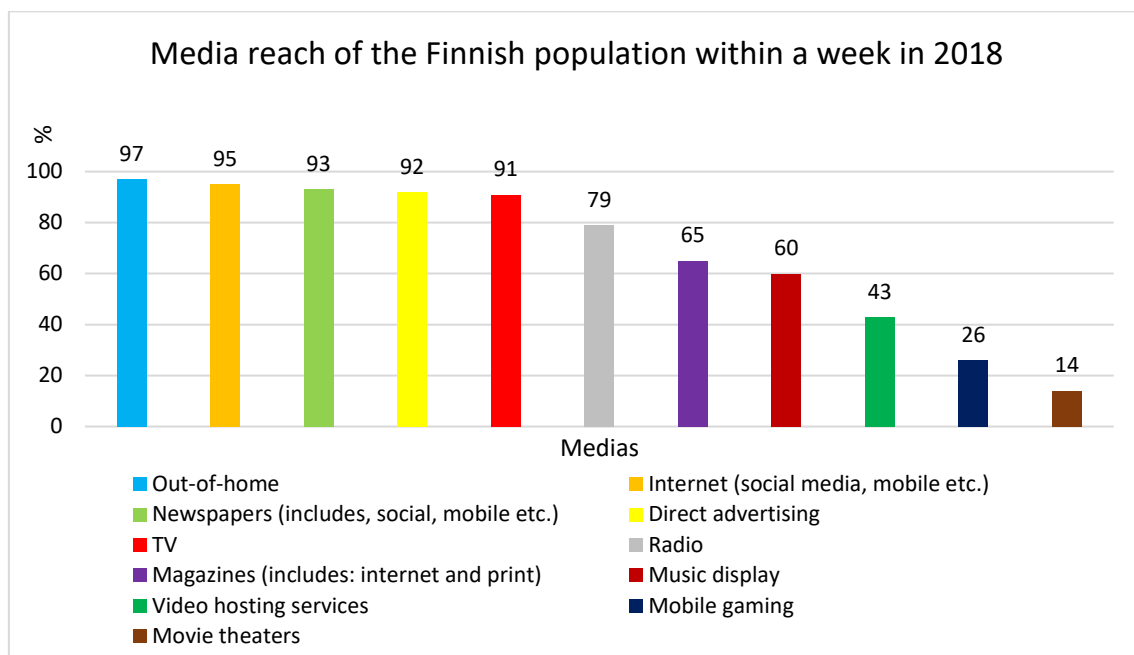


Figure 1. Media reach of the Finnish population within a week (TNS Kantar, 2019)

One of the advantages of OOH advertising is its cost effectiveness. It is affordable when compared with other forms of advertising especially in b2b marketing. (Gurumoorthy, 2015, p. 94) To reach up to 1 000 people cost per mille (CPM) or cost per thousand (CPT) can vary between different medias largely. In TV advertising the cost can be from 22\$ to

28\$, in social media from 2,5\$ to 23\$, in magazines from 16\$ to 30\$ and lastly in OOH the range can vary from 3,38\$ to 8,65\$ dollars to reach 1 000 people. (LinkedIn, 2016) & (OAAA, 2013) & (Magna Global, 2016).

According to (JCDecaux, 2021) OOH works well in different type of launches and for that reason it is often used to build recognition, inform about a new product or communicating about product modifications. OOH advertising can be modified for the environment that advert will be, creating more context between the advertised service or product and the consumer. It makes the advert more eye-catching and impressive. (Clear Channel, 2021 b) & JCDecaux, 2021). OOH is an effective way to activate and guide consumers to purchasing decisions. Up to 88% of the Finnish people have noticed OOH advertising on their way to shopping and even seven out of ten people said that the advert created an interest towards the product or service. (Clear Channel, 2021 b)

In addition to OOH, digital out-of-home advertising generates even more possibilities that can be used to create impressive and timely advertising campaigns. Other than the already mentioned cost effectiveness, data collection and the flexibility of DOOH campaigns, it can target smaller target groups than the traditional OOH. The advertising is easier to allocate to specific regions and easier to adjust if necessary. Programmatic buying is a concept that will make the DOOH comparable to buying any other digital media. Programmatic buying will enhance the current DOOH advertising and make it more real-time, impressive, and timely. (Hartikainen & et al, 2021 p. 8)

2.1.3 OOH in Finland

Out-of-home industry in Finland was constantly growing from 2015 until 2020 when the Covid-19 had a huge effect on the marketing industry and especially OOH industry. Due to the restrictions and safety precautions, it was recommended for people to stay at home during the pandemic. Total revenue of OOH in Finland was 48,4 million euros in 2015 and in 2019 it was 64,6 million. Equaling growth of 33,5%. The total revenue

dropped 12% in 2020, making yearly revenue of 56,8 million euros. OOH's market share was 5% of the whole Finnish media market in 2020 (Figure 2). (TNS Kantar, 2017 & 2021a) The growth of OOH has come mainly from the digital out of home. Additionally, the growth has generated from outside the industry and not in a way that it would have consumed the sales of traditional OOH. (Outdoor Finland, 2018)

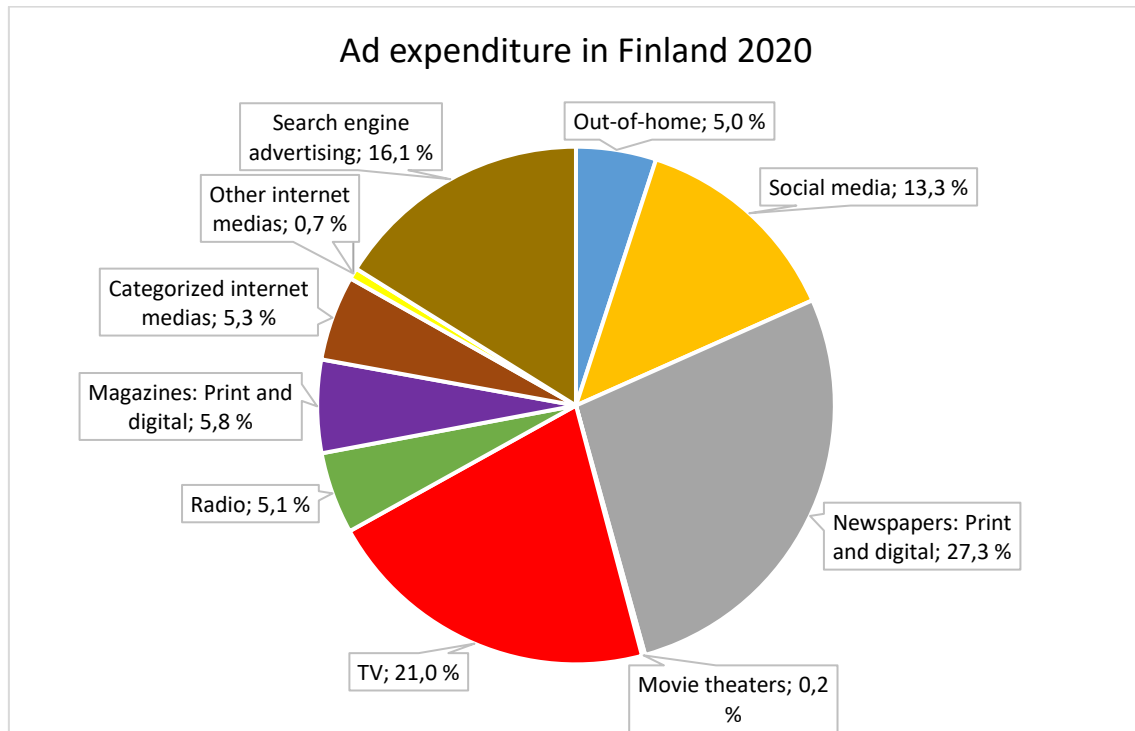


Figure 2. Ad expenditure in Finland 2020 (TNS Kantar, 2021 a)

The advertising industry in Finland is currently showing an upward trend compared to 2020. The second quarter of 2021 showed an increase of 110% in OOH advertising compared to the same time period from 2020. (Kantar TNS, 2021b).

OOH market in Finland consists of two big international companies JCDecaux and Clear Channel. And then there are several smaller competitors: Mediateko, MediaMix, Atlas Media, VMV Media, Medialiiga, Esa Digital and Neon Media. According to (Asiakastieto, 2021a & Asiakastieto 2021b) the two biggest companies made 48,3 million euros of the total 56,8 million market share in 2020.

2.1.4 OOH in Europe

In figures 3 and 4 it is illustrated that different medias have different roles depending on the market. Figure 4 shows that in Sweden the portion of OOH is 8,7 % of the whole media market whereas in the UK OOH's share is only 3%. (Guttmann, 2021 & AA/WARC Expenditure report, 2021) The OOH market in both countries has grown for the last 5 years prior to 2020. OOH's revenue in Sweden was 204 million euros in 2015 and the UK had revenue of 1 006 million euros in the same year. In 2019 the revenue of Sweden was 241 million euros and in the UK 1 300 million euros. Making a total growth of 18 % in Sweden and 29% in the UK. (Guttmann, 2021 & PWC, 2015 p. 13) The importance of DOOH is crucial for the industry. As stated in the chapter 2.2.1 digital out of home is constantly growing. DOOH's share of the total OOH revenue in Europe was 10% in 2015 and it is calculated to be closer to 30% by the year 2023 (IAB Europe, 2020 p. 7).

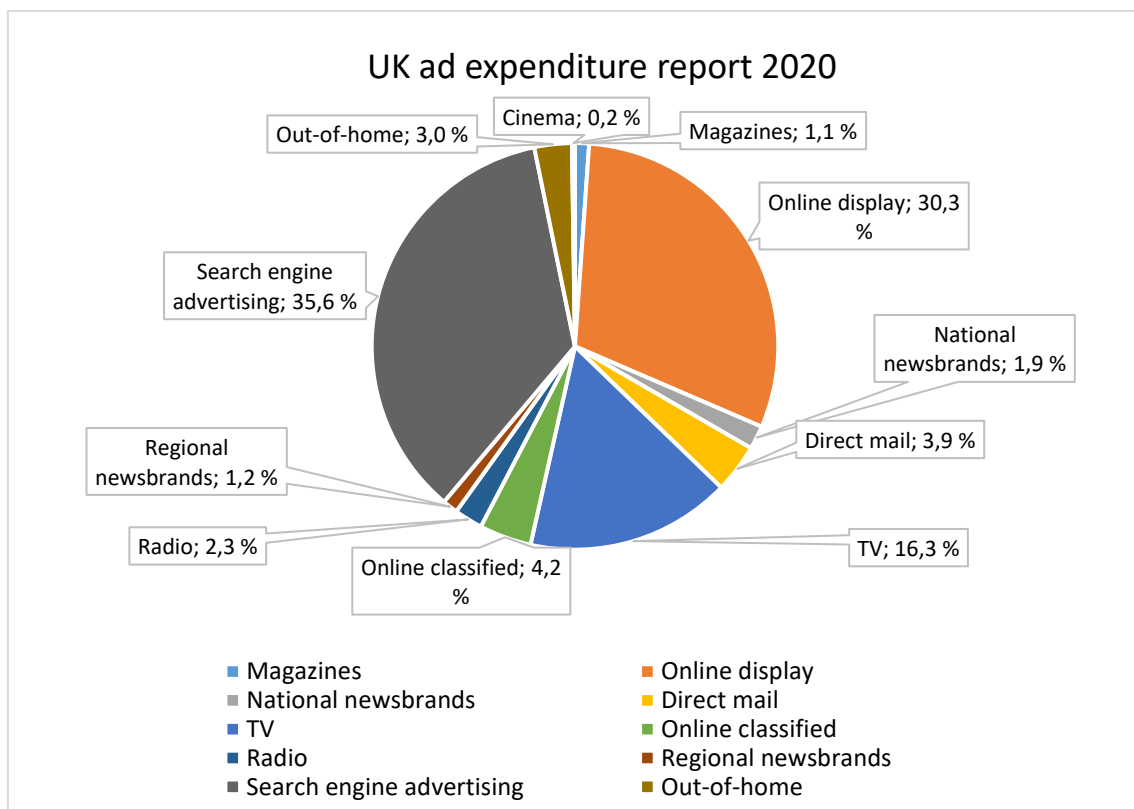


Figure 3. UK ad expenditure report 2020 (IAB UK, 2020)

In figure 3 online classified includes the advertising revenues from TV broadcasting, digital revenues of all the newspapers and online radio display.

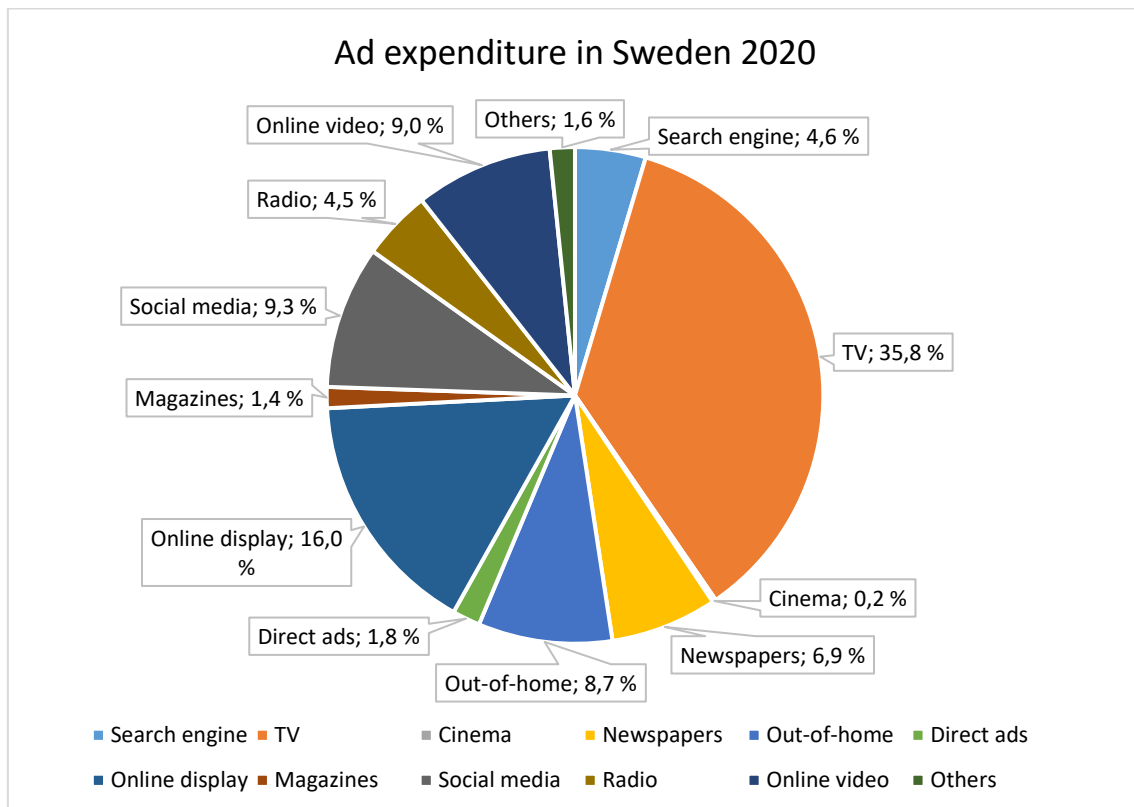


Figure 4. Ad expenditure in Sweden 2020 (Guttmann, 2021)

The 3% market share of the UK equals to 700 million euros and the 8,7% share in Sweden equals 109 million euros. The effects of Covid-19 can be seen as more severe in these markets compared to the Finnish market which dropped 12% from 2019 to 2020. In the UK the decline was 46 % and in Sweden 55%.

2.2 Cross cultural theory

Culture is the sum of knowledge, art, laws, customs, morals, beliefs, and other habits within that specific human society (Ghauri & Cateora, 2006 p. 74). It is characteristic for a particular group, it is hard to change, and it will be transmitted to future generations. (Kazi, 2009, p.97) Hofstede (1991, p. 5) & Kazi (2009 p. 97) states that culture is learned within the society and not inherited. Culture can be viewed from different perspectives

and how it is perceived depends on the user and the context where it observed from. (Hofstede, 2001, p. 9)

Culture has an established influence in international business (IB). Culture and cultural differences effect IB decision making. (Ferreira, et al. 2014, p. 381) For instance marketing activities must be culturally acceptable. The success of marketer can be measured on how well the marketing efforts resonates with the culture and its consumers. (Ghauri & Cateora. 2006, p. 77). In addition, it varies how laws and customs are interpreted within a certain country or a region (Ghauri & Cateora, 2006 p. 74)

Geert Hofstede the author of the study that modelled the cultural dimensions in 1980, is regarded as one of the most influential scholars regarding national culture. (Ferreira, et al. 2014, p. 381) & (Kirkman, et al. 2006, p. 285) & (Kovacic, 2005, p. 147). Hofstede's study of cultural dimensions consists of 11 600 questionnaires in more than 50 countries (Ghauri & Cateora, 2006 p. 74). The research highlights four cultural dimensions that studied how people in different countries behave, cultural traits and attitudes of the people. (Ferreira, et al. 2014, p. 381) Michael Minkov (2018, p. 232) reminds that the model observes national level of analysis not at the individual level. Hofstede's work advanced the research of cross-cultural comparison and showed that culture can be quantified and compared across nations. The study illustrated that culture can be fragmented into smaller more manageable pieces. Through this study specific cultural traits can be understood and how these single traits may influence action or phenomenon. (Ferreira, et al. 2014, p. 382)

Hofstede's model from 1980 has four dimensions of cultural differences. The concepts are Power distance (PDI), Individualism (IDV), Masculinity (MAS) and Uncertainty avoidance (UAI). (Aramo-Immonen, et al. 2014 p. 33) & (Ferreira, et al. 2014, p. 382) & (Kovacic, 2005, p. 147) & (Fougère & Moulettes, 2007, p. 12-18) Power Distance indicates the unequal distribution of power among organizations and institutes (Aramo-Immonen, et al. 2014 p. 33). Accepting this inequality is also another manifesto of power distance

(Kovacic, 2005 p. 147). In powerful countries people accept the hierarchical system whereas in low power countries citizens have more social mobility and more people are participating in the decision making. (Aramo-Immonen, et al. 2014 p. 33) & (Kovacic, 2005 p. 147). Lower PDI can be held as the desirable direction since these countries are deemed as more legal, more modern, more educated, more wealthy, more democratic, and more equal. Lower power distance can be represented as the idea of a first world country. (Fougère & Moulettes, 2007, p. 12)

Individualism is the dimension that focuses on the relationship between individuals and groups within a society. Individual societies are more individual performance focused where people are encouraged to look out for themselves. And in collectivistic societies the group is encouraged to look out for every individual. (Ferreira, et al. 2014, p. 382) & (Aramo-Immonen, et al. 2014 p. 33) & (Kovacic, 2005 p. 147) High individualistic societies are economically more developed, wealthier, stronger development in middle class, better educational system, lower birth rate and have more individualistic thinking. Collectivist societies are more traditional and religious. (Fougère & Moulettes, 2007, p. 16 - 17)

Masculinity refers to values of appreciation in a society. In feminine societies the focus is on communication, nurturing the weak and in the quality of life. And in masculine cultures achievements, self-confidence and materialistic achievements are valued highly. (Aramo-Immonen, et al. 2014 p. 33) Also high levels of masculinity reflects on the inequality between a male and a female, where males are more appreciated. (Kovacic, 2005 p. 147). Generalizing the results of MAS: western countries, especially the Nordics are more feminine and the countries in Middle east are more masculine. The masculinity and femininity are interpreted based on dominant sex roles where men are more masculine, and females are more feminine. By feminine and masculine, the model refers to masculine being more achievement orientated and feminine being more care orientated. (Fougère & Moulettes, 2007, p. 17 - 18)

Uncertainty avoidance measures how comfortable or uncomfortable individuals are in unstructured situations. People in societies that are uncomfortable with uncertainty, prefer stable, structure and precise conditions. Whereas individuals that are comfortable with uncertainty, tolerate risks and are okay to work in broad and unstructured environments. (Aramo-Immonen, et al. 2014 p. 33) & (Ferreira, et al. 2014, p. 382) & (Kovacic, 2005 p. 148)

The three markets of this study are observed through Hofstede's four dimensions in the figure 5. The figure illustrates that the power distance in Finland, Sweden and United Kingdom is quite homogeneous. Individualism and uncertainty avoidance has some separation especially in the United Kingdom, but Sweden and Finland are within 8 % in IND and 6% separation in the UAI. The variance between the countries in these three dimensions are close to each other and because of this, the study will focus on the masculine dimension solely.

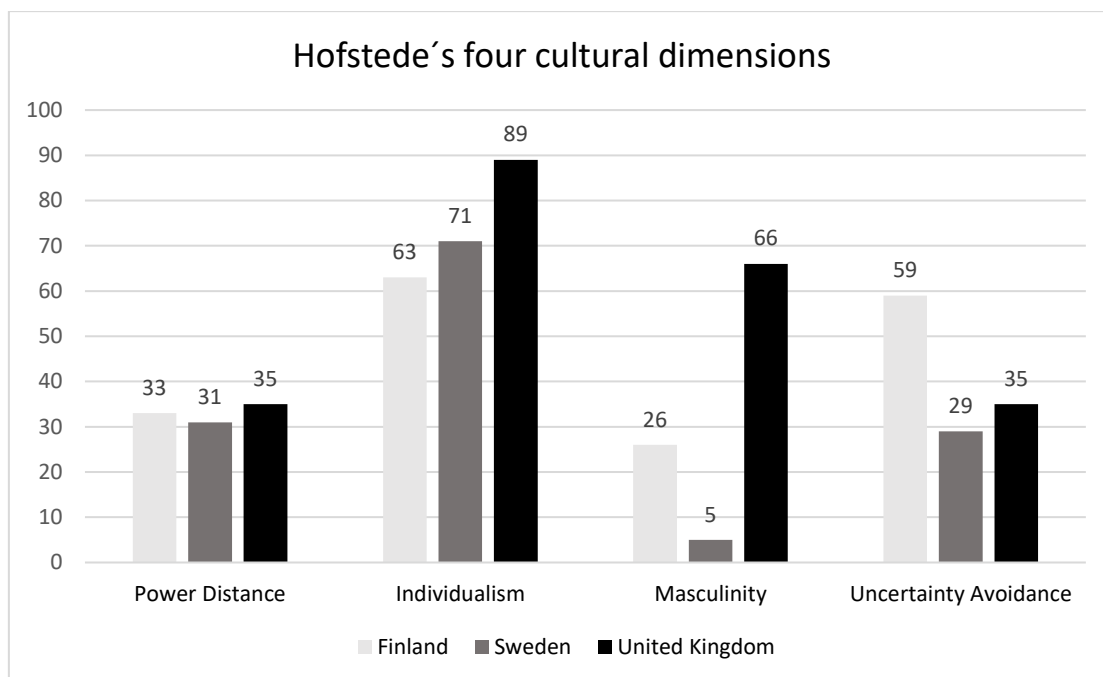


Figure 5. Hofstede's four cultural dimensions: Finland, Sweden, and United Kingdom (Hofstede, 1980).

2.3 Media agencies

Media agencies work as partners in marketing communication with the advertisers, advertising agencies and with different medias. Media agencies offer wide range of research and analysis services, the purchasing of different medias and the creation of media strategy. One of the most important tasks of media agencies is to purchase media cost-effectively. Media agencies must understand their customers business strategy and what are the important target groups that need to be targeted. One of the competitive advantages that media agencies have are the large networks with different medias. They can utilize these connections and gain significant volume discounts for their customers. The customers benefit financially from the contract negotiations that media agencies do for them. (Kahri et al, 2013, p. 81-83)

Media agencies provide professional marketing services that makes their client's business more efficient. Media agencies utilize data and technology, and their professional personnel to find new possibilities to grow for their clients. The personnel are professional in the use of digital platforms in diverse manner and understanding how to efficiently manage projects. Media agencies get credit for their understanding of different industries, profitability, strong digitalization, and modern marketing expertise. (Dagmar, 2021)

Media agencies try to build long-lasting relationships with their customers. These long-lasting relationships benefit both the agency and the customer. (Kahri et al, 2013, p. 40) Marketing takes time, effective implementation, and a long-term strategy in order it to be successful (Stettinius et al, 2015, p. 1). Also fully realizing the customers business model and their marketing communication takes time. Long term customer relationships enable the possibility of learning from previous marketing campaigns and allows the relationship to grow more efficient. (Kahri et al, 2013, p. 40)

2.4 Relationship marketing

Globalization has forced the service industry to be more competitive and complex. Therefore, a strong relationship with customers is needed through maintaining customer satisfaction. Marketing must aim towards maintain long-term mutually beneficial relationships with customers. (Bruhn, 2002, p. 17) Relationship marketing is a segment of Customer Relationship Management (CRM). The role of relationship marketing is to cover internal and external relationships of the company. (Bergström & Leppänen 2011, p. 460.) Relationship marketing is managing and understanding the relationship with the customer to strengthen the trust and loyalty towards the company. (Baron et al. 2015, p. 5) It focuses on establishing, developing, and maintaining a successful business relationship. (Morgan & Hunt 1994, p. 20) Grönroos (2015, p. 15) adds that terminating unsuccessful relationships with customers and stakeholder may be required alternative if objectives of all parties are not met. Morris et al. (1998, p. 359) states that relationship marketing should be focused on mutually beneficial long term strategic decisions.

Customer retention is critical. It reflects to the long-term effects of the business. (Baron et al. 2010, p. 34) Customers are the key to growing the business and its profitability. Acquiring new customers and keeping the current customers satisfied is important. Providing customer-orientated services for existing customers and enhancing the relationship can help the business to maximize revenue. (Baron et al. 2010, p. 34) & (Bergström & Leppänen 2011, p. 460) & (Sin et al. 2002, p. 258) A strong relationship with customers helps a business to influence them on a higher degree. When the trust is high towards the company, customers believe they gain more value for their purchases. (Sin et al. 2002, p. 258)

Success in the service quality will lead to a better customer satisfaction. This will strengthen the relationship even further and it ends up as profits for the company. (Baron et al. 2010, p. 34) The development of the service is based on creating value for the customers, profitability of the customer relationship and the satisfaction of all parties. (Bergström & Leppänen 2011, p. 461) Satisfied customers make repurchases. If the

first purchase is not up to expectations, it will significantly affect the trust towards the company. (Sin et al. 2002, 258.)

Different customer profiles and segments are created through relationship marketing. They are based on the information of the customer, customer valuations and the knowledge of customer relationship development. With this data, different products and services can be provided to right customers for the right price. (Bergström & Leppänen 2011, p. 483.) & (Grönroos 2000, p. 29) Better understanding of the customers creates trust towards the company and can remove possible concerns and issues the customers might have. These customer-orientated actions can encourage the customer to repurchases in the future. The individual customer knowledge allows the company to market their products to the right target groups. This helps to build the relationship with the buyer and increase the sales revenue. (Grönroos 2000, p. 29)

2.5 Purchasing behavior of professional buyers

2.5.1 Purchasing in business-to-business market

Business-to-business (b-to-b, b2b) purchasing process is a complex decision-making process, where the buyer is guided by both, the personal and company's goals, motives, and the requirements of every party in the process (Webster & Wind, 1972, p.19). Organizational buying behavior is often treated as rational activity (Kemp et al, 2018 p. 19) even though human decision-making includes wide range of emotions and rationalizations. Organizational buyers are driven by logic, facts, and testing but also by emotions. (Baggozzi, 2006 p. 453-456) These emotions are connected to the customer relationship as well as to the bond with the salesperson. (Singh & Venugopal, 2015 p. 594-607)

Kotler & Keller (2012, p. 207) states that the purchasing operations of companies are professional, systematic, and calculated. The purchases are budgeted, and the expenses of these purchases are being tracked. Because there are multiple quarters participating

in the decision-making, it should be considered in the purchasing process, for example in the marketing communications. And it makes the sellers job even harder when there are several people making the decisions, and all of them have unique needs and goals that should be considered. The needs and goals can be for personal benefit or the company's benefit or both. (Bergström & Leppänen, 2016. p. 128). In b2b market the products and services are more customized to fill the needs of the customer compared to the business-to-consumer (b2c) market. (Jobber & Lancaster, 2009 p. 78-79). In the commerce between two companies the importance of personal sales work has more significant role. Therefore, the personal relationships between the buyer and the seller are crucial. (Ojasalo & Ojasalo, 2010 p. 25) & (Bergström & Leppänen, 2016. p. 128) The goal for the buyer in b2b-negotiations is to find the most beneficial products or services compared to the costs (Kotler & Keller, 2012 p. 215).

Business negotiations are typical in b2b markets. The volumes are higher, and the customer relationship tend to be longer lasting than in the b2c-market (Bergström & Leppänen, 2016. p. 128). It is common that the negotiations are longer, where the buyer and the seller negotiate multiple offers and counteroffers before the outcome is right for both sides (Brennan et al, 2008 p. 40) & (Jobber & Lancaster, 2009 p. 78). It is important for the seller to understand how the buyers think and how they make decisions between products and services that are available to them (Kotler & Keller, 2012 p. 216). In b2b-market the group that takes part in the purchasing decision is called purchasing organization or purchasing department. In smaller companies there is not usually separate purchasing department. (Bergström & Leppänen, 2016 p. 128) The major stages of the organizational purchasing process can be displayed with eight step model (Figure 6) by Hutt & Speh (2010 p. 65).

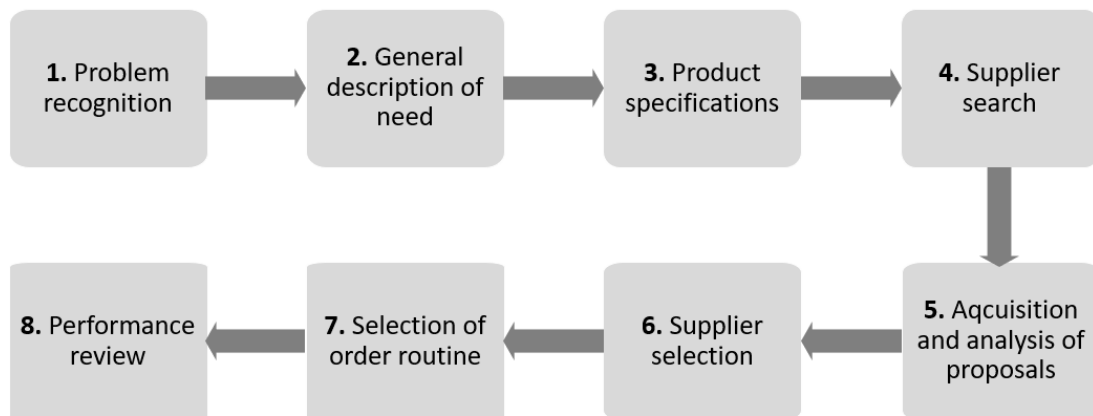


Figure 6. Major stages of the organizational buying process (Hutt & Speh, 2010 p. 65)

The first phase of a purchasing process is to recognize a problem or a need, or to foresee a becoming issue that the company might be having (Hutt & Speh, 2010 p. 65). The first phase has changed due to digitalization. Nowadays buyers have done research and discarded providers even before reaching out. In these scenarios the selling process can be shorter, and the role of the salesperson is significant. To affirm the needs of the buyer and to make the need into a purchasing decision the salesperson must understand the client's needs and to provide the best possible solution for their problem. (Aminoff & Rubanovitsch, 2015, 13-14)

Phases two and three determine what type of supplier the company will prefer. If there are specific requirements this can narrow down the suitable suppliers to just one or two but if there are multiple options to choose from this is an ultimate time to be in contact with the buyer. (Hutt & Speh, 2010 p. 65) The product specification is important phase since the buyer determines what type of product they need. This has significant effect on what type of product the company is going to provide. The specifications also have large effect on the costs. When there is a need for more specific and modified solution the costs will be accordingly higher. These will all have impact on the final product and the total life cycle costs. (Cheverton et al, 2011, p. 24)

After deciding what type of solution, the company is looking for, the company's decision makers start to reach out for the suppliers that seems the best fit for the problem. The companies that have already been in contact with the buyer and their solution is suitable for the problem have an advantage at this point. (Hutt & Speh, 2010 p. 65-66) According to Aminoff & Rubanovitsch (2015, p. 46) one of the biggest challenges in sales is to reach and convince the buyer at the right time. The timing should be just before the buyer is considering different purchasing decisions. The seller must convince and be trustworthy from the beginning of the process. Otherwise, the purchasing process can end even in the preliminary stages.

The stages four and five are in a larger role when the purchase has a significant impact on the company's organizational performance. Especially stage five becomes relevant only when the need for a purchase is high. In these stages the buyer determines which of the proposed suppliers are suitable candidates and proceeds the process with the selected suppliers. The process continues with phases six and seven where the supplier is selected and all the details such as quantities and delivery dates are determined. (Hutt & Speh, 2010 p. 66) B2B buying process has become more linear where customers re-search, evaluate and share experiences about products. People outside the selling organization have increasingly important role in the decision-making, so the closing of the sales has become more complicated. (Lindqvist et al, 2015, p.74-75)

The last phase of the process is the performance review, where the bought service or product is reviewed. In this stage the buyer may continue, modify, or cancel the agreement. This is crucial stage for the seller since the customer must be completely satisfied with the purchase for them to retain the new customer. (Hutt & Speh, 2010 p. 66) There are benefits for both parties from these reviews. The buyer has had experience with the product and there might be some issues or challenges that need to be adjusted. It also gives a good opportunity for the salesperson to interact with the customer and to gain knowledge if there are any problems with the purchase. If there are not any problems, it usually means that the customer is likely to renew the contract and continue with the

same supplier. And if there are some issues the supplier can correct the issues fast and apply the gained knowledge into future steps. (Cheverton & van der Velde, 2011 p. 30) In an occurrence of a critical event it is dependent on the relationship between the seller and the buyer. One unsatisfactory process is not enough to ruin the relationship when the bond between the parties is committed and there is trust between the two. The consequences of such event are measured in the behaviors of the parties. In worst case scenarios the badly conducted critical event can make the relationship dissolve. (Halinen, 1997, p. 297)

The model can change based on the complexity of the purchasing process. The stages in the model may vary and there can be some stages that are not always necessary. For example, in a routine buying process the phases four and five can be overpassed. However, the model gives eminent insights into the organizational buying process. (Hutt & Speh, 2010 p. 66)

One of the main keys for success in the buying and selling process is an efficient human interface. The seller must adapt his style according to different buyer types. What are the drivers for those buyers, what motivates them and what is their reward structure. (Cheverton & van der Velde, 2011, p. 71) Aminoff & Rubanovitsch (2015, p. 147-150) states that the key factor in the purchasing decision is that the selling company enjoys extensive support from the official and unofficial decision makers from the buying company. The second most crucial factor is how the selling organization has conducted and kept communications going throughout the purchasing process. The third one is, the effortlessness of the process, and the fourth factor is, how the selling company co-operates with other product and service providers of the buying company.

According to Bergström and Leppänen (2016, p. 132) the most common criteria for purchasing decisions are:

- The features of the products, problem solving and the offered solution as a whole
- Product availability and security of supply

- The salesperson's trustworthiness and expertise
- Price and the terms
- The information shared. Its quantity and quality.
- Expertise in the customer service and maintenance of the customer relationship
- Recommendations and the actions after the purchase

Marketers who are presently supplying other goods for the organizational buyer "in" suppliers have an edge over other companies. They are familiar with the personnel and the behavior pattern of the buying organization. A successful salesperson monitors the needs of the buyer and is prepared to assist with new-task buyers. (Hutt & Speh, 2010 p. 68)

2.5.1.1 First purchase

In a completely new purchasing situation decision makers can perceive the problem as a completely new because the need may be different from their previous experiences. To make the purchasing decision easier, the decision-makers need significant amount of information to find alternative options for their new problem. The buyers lack well-defined criteria for comparing alternative solutions and suppliers. But in these situations, the buyers do not have any predispositions towards a particular solution or supplier. (Hutt & Speh, 2010, p. 68) & (van Weele, 2010, p. 24-28) (Jobber & Lancaster, 2009, p. 97-98) In a first purchase companies tend to use more time and personnel to map out different solutions and possible challenges. If the supplier is completely new one, these tasks are longer and require more resources. (van Weele, 2010, p. 24-28) There are two distinct buying-decision approaches: judgmental and strategic. In the judgmental situation the buying company faces great level of uncertainty because the products can be complex, evaluation is difficult and dealing with a new supplier can have unexpected challenges. Judgmental purchase requires a moderate amount of information search and evaluation of the key aspects of the buying decision. These aspects include the appropriate price, which model or brand to use and what is a suitable level of quality. Strategic

purchase decision requires even more effort than the judgmental one. These purchases have extreme importance for the firm financially and strategically. In strategic buying situation the long-term effect of the solution is the priority. And for that reason, the decision process can be long or there is a lot of effort put into a shorter period of time. (Hutt & Speh, 2010, p. 68)

The marketer can have advantage in first purchase-situations by actively participating in the early stages of the purchasing process. The salesperson should find the problems that the buying company is facing and provide solutions to the exact problems. The marketers who are currently supplying other items for the buyer has an advantage over the ones that are not supplying any products. (Hutt & Speh, 2010, p. 68)

2.5.1.2 Rebuys

According to Hutt & Speh (2010, p. 68-69) there are two types of repurchases. Straight rebuy and modified rebuy. Straight rebuy is continuing or recurring purchase that requires little or no new information. van Weele (2010, p. 24-28) states that if the buyer purchases the product from a familiar supplier the risks and required resources are lower especially if the purchasing process is a routine one. In a routine purchase the buyer usually purchases the product directly through agreed channel, without any negotiations needed. (Blythe, 2005, p. 34-35) In modified rebuy the organizational decision-makers are satisfied with the current situation but still feel that they must re-evaluate their situation and perhaps consider alternative solutions. (Jobber & Lancaster, 2009, p. 97-98) (Blythe, 2005, p. 34-35) In both purchasing processes the appropriate approach varies based on the situation. Whether the company is already doing business with the buyer "in supplier" or if the potential customer is new "out supplier". (Hutt & Speh, 2010, p. 68-69)

In straight rebuys if the supplier is "in" it must reinforce the current relationship and meet the expectations of the buyer organization. The supplier must be alert and

responsive to the needs of the buyer. If the supplier is “out”, it faces a lot of obstacles and the supplier must convince the buying organization that the buyer will gain significant benefit from breaking the routine. This task is difficult because the buyer perceives it as a risk to change from known supplier to completely new supplier. There might be testing, evaluations and approvals necessary to change the supplier and it will be time-consuming and costly for the buyer. And if the buyer chooses untested supplier and the co-work fails, the fault becomes directly at the decision-makers. To succeed, the company that is “out” needs to understand the buying needs of the buying organization. It must convince the buyer that their needs have changed or that the requirements should be interpreted differently. The goal is to persuade the decision-makers to consider alternative solutions. (Hutt & Speh, 2010, p. 68-69)

In modified rebuys there are several factors that may trigger the reassessment. Usually, the situation occurs when the company is displeased with the current supplier. There can also be internal searches that reveal a need in improvement of the quality or cost reductions. (Blythe, 2005, p. 34-35) And sometimes a competitor may approach the buying company and provides cost, quality, and service improvements. The marketing efforts should differ also in the modified rebuys as it differs in the straight rebuys. But in modified rebuys there are more variables that must be considered. A supplier that is “in” should fully understand the situation and satisfy the procurement needs of the buying organization. The supplier’s goal is to make the buyer into a straight rebuy. Because if the buyer perceives potential payoffs by re-examining alternatives the “in” supplier might be out of the buying organization’s requirements. The supplier should ask what caused the need for a change and act immediately to the problems. The objective for the “out” supplier is to drive the buying organization into modified rebuy status and hold the company in that status long enough for the buyer to consider alternative suppliers. The “out” supplier must know the facts that led the buying company to re-evaluate their situation and act upon them. An effective strategy is to offer performance guarantee as part of the proposal. (Hutt & Speh, 2010, p. 69-70)

2.5.2 Organizational buying behavior

There are four forces that influence the organizational buying behavior according to Hutt & Speh (2010, p. 71). These four forces are environmental, organizational, group and individual forces (Figure 7). The factors related to these forces are usually related to politics, general economic situation, general legislations, industry legislations, regulations, technological development, and lastly social, ethical and cultural dimensions. (Blythe, 2005, p. 38)

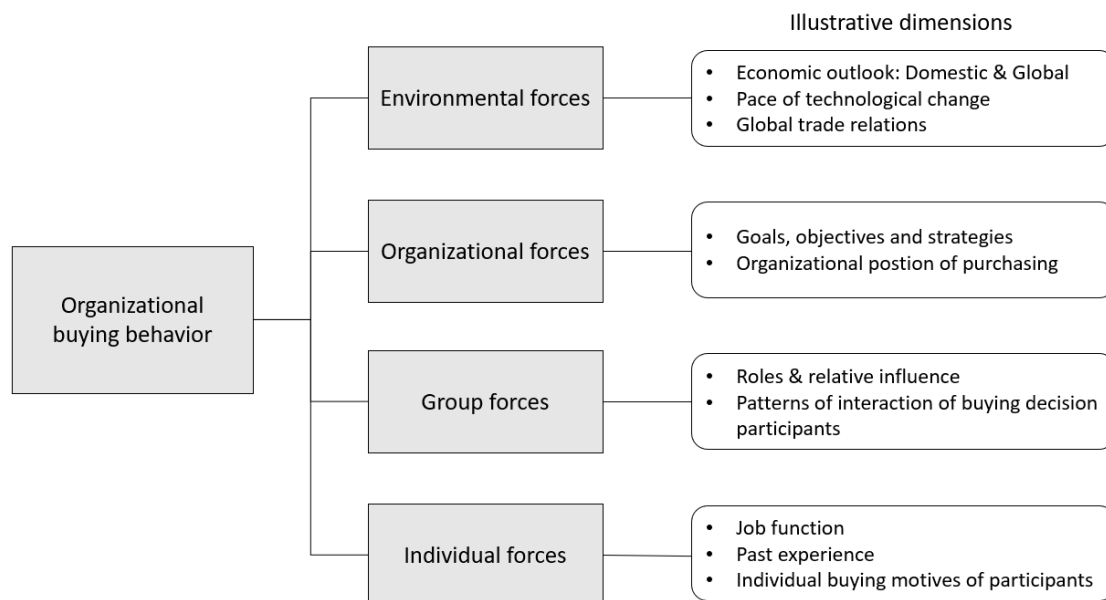


Figure 7. Forces influencing the organizational buying behavior. (Hutt & Speh, 2010 p. 71)

The organizational forces are based on the buying organization's strategic priorities and the company's competitive challenges. These factors are influential since the role of the purchasing is growing. Cost savings are important part of the procurement factor, but it is not the only factor that can be considered. Companies rely on the procurement function to keep their business in a strong position in the competitive market. Meanwhile outsourcing is becoming more common to enhance the efficiency and effectiveness. (Hutt & Speh, 2010 p. 73)

Environmental forces can occur from a change in technological development, new legislations or change in business conditions. These forces have economic, political, legal, and technological influence on the organizational buying behavior. Collectively such factors determine which buyer-seller relationships develop. Especially the economic and technological forces have significant role in the buying decision. (Hutt & Speh, 2010 p. 71-72) The economic fluctuation affects the purchasing power of consumers, and this way reflects to the organizations. Also, political regulations have huge impact on international trade. The regulations modify the possibilities and manners that the business is conducted between nations. New legislations within countries can also change how the markets behave and it can create price changes in raw-materials and influence the organizational forces and how they proceed their purchases for example. (Blythe, 2005, p. 38)

Individuals make the buying decisions. Each individual participating in the purchasing process has a unique personality, a particular set of learned skills and a specified organizational function. (Rope, 1998, p. 43) Based on these everyone creates a perception of how to achieve both personal and organizational goals. (Hutt & Speh, 2010, p. 81) These perceptions can include general idea of the product, its quality and how the individual perceives the selling company. These combined with the emotions that the separate individuals have in the buying organization can create misbeliefs regarding the selling organization or the product. (Solomon, 2002, p. 351) The persons who have important personal stakes in the negotiations participate in the buying-decision more forcefully. To fully understand the organizational purchasing process the seller should acknowledge the individual perceptions of the buying decision. (Hutt & Speh, 2010, p. 81)

There are four different buyer types (Figure 8) according to Cheverton & van der Velde (2011, p. 71). A salesperson should understand the reward structure of the buyer, in addition to what drives and motivates the buyer. It is important to acknowledge different buyer types, and how to behave and be successful with several types of buyers.

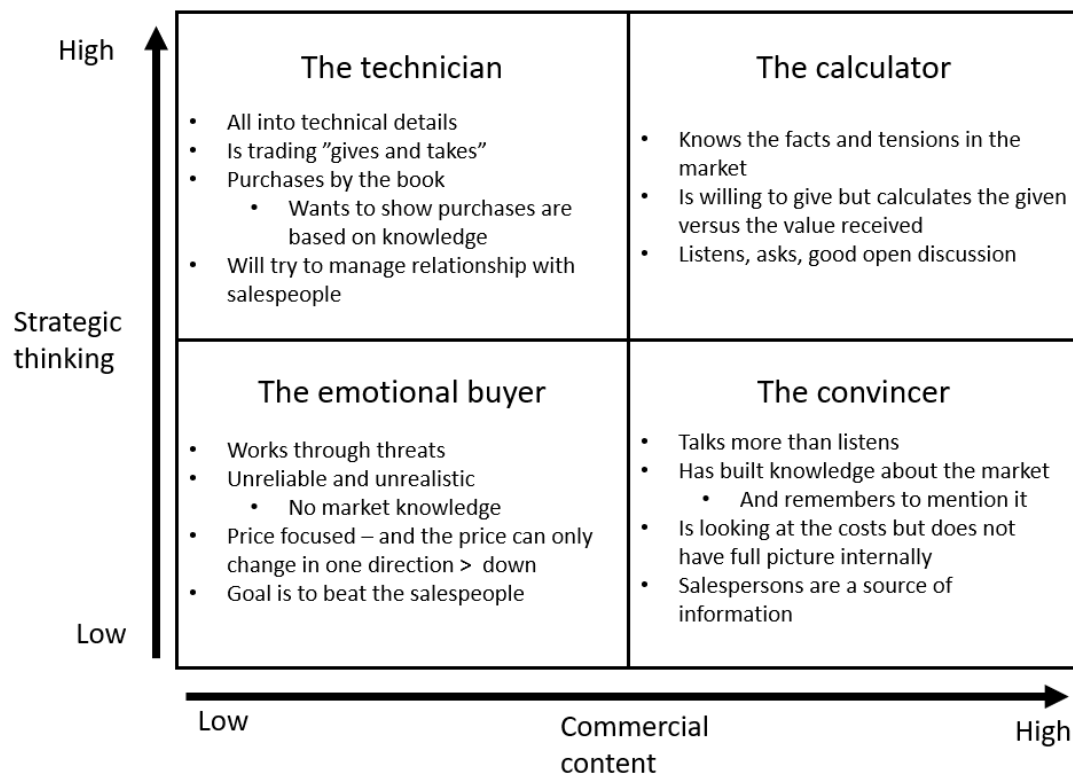


Figure 8. Professional buyers' buying profiles (Cheverton & van der Velde, 2011, p. 72)

2.5.2.1 Tendencies of the buyer types and how to interact with each type

The first buyer type is the technician. This type of buyers focuses mainly on technical details. They tend to do everything by the book and follow every rule. This limits their capabilities to make the right strategic interpretations of models and analyses. They tend to develop technically correct models which requires their time and prevents them from gaining the maximizing benefit from the analysis. They are more focused on the technical challenges. Technical buyers have good technical knowledge and by giving insight of this knowledge to the seller they believe that it will get them the right price and realistic information from the seller. They are likely to be in a good relationship with the end user since they both understand the technical requirements. Technical buyers tend to trade with give and takes where the trust goes both ways. This type of buyer tends to lack in the commercial tactics and action orientation because they are so focused on the technical requirements of the end-user. Managing technical buyers can be a challenge

because their commercial instinct may be limited but this also enables a lot of possibilities. The best way of convincing this type of buyer is to design a product that suits their technical needs, and that the product is not a typical in the market. Technical buyers value information and if the seller can provide a reliable data constantly, it will build a level of respect that the buyer will pay back. (Cheverton & van der Velde, 2011, p. 75-76)

Calculator type of buyers are good listeners that show little to no emotions during negotiations. They obtain a lot of information that they seem to share but in honesty they will only share selective information. They have a deep understanding of the overall business direction and strategy. Calculative buyers are capable of argumentation and can push back on the sales information provided. They back their arguments with facts. Because this type of buyer is solid with numbers, they are likely to be close with the general management, technical department, and financial department. They base every decision with economic logic and compare negotiations in terms of winning and losing. They are willing to give in in negotiations, but they calculate every decision carefully. (Cheverton & van der Velde, 2011, p. 73-74)

Calculator type of buyers keep salesperson as a source of information that give them view of the market. The calculator type of buyer sees the outcome through numbers and facts. They do not rush their decisions and because of that they are not easily talked into deals. The salesperson will rarely get a final decision during the negotiations. Salespersons tend to come along well with calculator type of buyers because they are good listeners, and they question the sales pitch with positive and well argumentative questions. In result of this there is usually a good relationship with the buyer and the seller that is driven by respect and both sides keeping their ends of the bargain. Another positive consequence of working with this type of buyer is that there can be discussion about difficult subjects and the conversations are rational. The calculators can be hard negotiators since they will use all the shared information against you if necessary. The negotiations will be fact based and detailed. The buyer has the power of the decision-making, so they are willing to stand up for the decision. Fact based and professional salespersons

prefer this type of buyer. Salespersons that are opportunistic and storytellers tend to have hard time with the calculative buyers. (Cheverton & van der Velde, 2011, p. 73-74)

Emotional buyers tend to do irrational decisions from time to time. Even if there would be an analysis or data that would suggest different approach. Their logic can be limited, and they lack deeper understanding of the end-use requirements. Their perception of the market can be unrealistic. This type of buyer has usually short-term focus and their strategy or goal is to try to beat the salesperson. Their strategy differs from the company's strategy and they can be unreliable for two reasons. Firstly, their decision-making may vary on daily basis. Other days they are pleased with the supplier and the next day they are negotiating a new contract with another supplier. They also lack the connection with the end-users and contracts done by emotional buyer may not be the best fit for the company and its end-users. From strategic point of view the emotional buyer lacks the level of thought required so this type of buyer is best at making purchases that are less important for the company. Otherwise, the buyer can damage both the supplier and the customer. (Cheverton & van der Velde, 2011, p. 72-73)

Their negotiation tactic is price driven. They want price reductions every time discussing a new contract. Emotional buyer operates without utilizing all the available tools and analyses. This type of buyer might seem like a difficult and incompetent buyer but depending on the market and the strategic importance of the purchases emotional buyer can be effective and gain significant price benefits. Emotional buyers are hard negotiators that are willing to use leverage if given to them. All available tactics are used in the negotiations for the buyer to get what he wants. Working with this type of buyer can be hard sometimes, but they rarely have an impact on the supplier's business in the long run. Although they might do short term damage to your business. There are limited opportunities in the cost negotiations and there is a high chance of emotional buyer backing up and returning into already existing contracts. (Cheverton & van der Velde, 2011, p. 72-73)

The last buyer type is the convincer. They do their job based on having good knowledge of the market. They are talkative people who are usually commercially well trained. Their logic is that they will impress the salesperson with their knowledge and get the best deal this way. Convincers tend to focus on commercial trading and the market itself and they are convinced that they acknowledge total costs and have a complete linkage through the supply chain. But this is not completely true. Their internal network can be limited and the communication with the end-user is insufficient due to the lack of product knowledge. Convincers can present a good commercial story, but end-users tend to struggle with them and feel that their demands and requirements are neglected. (Cheverton & van der Velde, 2011, p. 74-75)

The convincer tends to use salespersons to improve their market knowledge and most likely will share the gained information to another supplier in order to show their deep market knowledge. Convincers provide results through market reports. They might miss the company's wider strategy since they fail to link the internal processes with the gained information. Salespersons might get frustrated with this buyer since the convincers like to tell their story and the salesperson must content into filling the story that the buyer is telling. In the long run the interaction becomes easier because the salesperson knows the convincer's story and can fill in information that suits the buyer's agenda. The buyer tries to argue why the price should go into a certain direction and will exaggerate factors that could impact the price. The counter arguments are usually quickly surpassed or ignored completely. Negotiating beforehand and preconditioning is important when dealing with this buyer type. Convincers can have limited ability to deliver because of the lack of knowledge required regarding the market and the buyer's company. Because of the lack of knowledge there can occur sudden changes that they buyer was not conscious about. (Cheverton & van der Velde, 2011, p. 74-75)

2.5.2.2 The benefits of understanding buyer types

Understanding how buyers behave and what can be expected from a certain character type can help in one of the most common dilemmas that the sellers face. If there is a good idea, could the possible buyer steal that idea and ask another lower-priced supplier to implement this concept to action. If you are dealing with a technical buyer, it is more likely that they are straight and honest with you. But if you are negotiating with an emotional buyer, it is more likely that you will get cheated on. Also, the possible favors that you may have done are more likely to be paid back by the technical buyer than the emotional buyer. This is down to the fact how the buyer feels about the mutual loyal relationship and what they can achieve with it. It is not because the other type is more honest than the other but what benefits they feel it will bring to them. (Cheverton & van der Velde, 2011, p. 79)

The basic principle of building rapport with people is that we should try to match the inherent behavior of the other person. The challenge for sellers is that they must make the buyer work in their favor. This requires business rapport which is much harder to build than personal rapport Cheverton & van der Velde (2011, p. 79). According to Halinen (1997, p. 250) some level of trust is necessary for a business relationship to even exist. In fact, trust is as a key factor in advancing and maintaining relationships. A trust towards a company is usually a function of how an individual feels about the representatives of the company, but the also the company's trustworthiness has a role in building the trust.

It is still common for buyers to feel that they are the underdogs due to their position in the negotiations. To compensate this feeling most buyers feel it is important to show their peers and managers the positive contribution that the function of buying creates. Salespeople should understand this challenge and avoid undermining the buyer's position since it can provoke strong negative reaction towards them. This is also an opportunity for the seller. If you can make the buyer look good for example by giving them information, it can increase their personal preference towards you and the company.

(Cheverton & van der Velde, 2011, p. 78) Relationship bonds develop partly simultaneously and partly in succession. Trust builds up with common experiences of interaction and it can fluctuate in time. It needs effort from both sides of the parties to maintain and enhance the relationship. (Halinen, 1997, p. 296) The main task for the supplier is to keep promises. The buyer is the first person who will get the blame if things do not go according to the plan. (Cheverton & van der Velde, 2011, p. 78)

Cheverton & van der Velde (2011, p. 79) states that one of the best things a salesperson can do is to make the buyer look good among their peers. If the buyer succeeds because the salesperson has given them information and kept their end of the deal, some parts of their advances are because of the salesperson. Timely knowledge and analysis are one of the most powerful assets that a supplier can deliver for the buyer. There are still only few suppliers that utilize this asset. The fault is often that the information is lazily dropped or mentioned in a conversation quickly. Formal reports and regular timetable will most likely make the buyer remember the source of the information. The news does not have to be good news every time because above all the buyers hate surprises whether they are good or bad. Aim to keep your buyers informed on a regular basis and provide them with the facts even if they are bad ones. If you bring bad news at an early stage, you can have the time to take actions and make things right and you are more likely to be forgiven for your part in the crisis. This can be seen as a damage limitation or having a good business rapport with the buyer.

2.5.3 The importance of cost management

Purchases represent a significant part of turnover in most companies. The trend towards outsourcing means that this percentage is likely to increase. (Cheverton & van der Velde, 2011, p. 9) Media agencies create cost savings for their customers through cost-effective media purchases. The agencies utilize their large networks with different medias and gain volume discounts for their customers. This way customers of media agencies benefit

financially from the negotiations that agencies take care from them. (Kahri et al, 2013, p. 81-83)

According to Cheverton & van der Velde (2011, p. 9) there is one factor that makes purchasing important for companies. The significant effect on the bottom line, this cause can be divided to two main reasons. The obvious one being the costs of the products or services bought. The other reason is related to supply chain flexibility and the innovation agenda. Even though the costs have immediate effect on the bottom line, the long-term effect is the crucial one. Smith (2014, p. 21-22) states that in long-term cost management creates value for the revenue gained and that cost savings should be separated from the mindset of creating profit since they are completely two different things. In cost savings there is not any profit created but profitability increased.

Both internal and external costs must be controlled, and they cannot be significantly higher of its direct competitors to maintain business. The price pressure effects the whole supply chain from raw materials to service providers. In order to stay competitive, the company must pay attention to every step of the supply chain. Cost savings need to be similar or better than the competitors have, and part of the cost pressure must go through the suppliers. (Cheverton & van der Velde, 2011, p. 9)

Return on investment (Roi) is one of the standard measures of a success of a company. Roi measures the percentage of sales. It divides the amount of profit by the total sales figure then multiplies that by the turnover. (Phillips & Phillips, 2006, p. 8) & (Cheverton & van der Velde, 2011, p. 13) & (Friedlob & Plewa, 1996, p. 3-8) Easiest way to highlight the effect of cost savings is through DuPont's return of investment chart. (Cheverton & van der Velde, 2011, p. 13-14)

The demonstration starts by indicating additional costs, sales, and investments. Let's decide that the sales are 100, investments are 50, cost related purchases are 60 per cent

on overall, and earnings are 5 per cent. Then these numbers are put into two charts. One prior to the cost savings (Figure 9) and one after the cost savings (Figure 10).

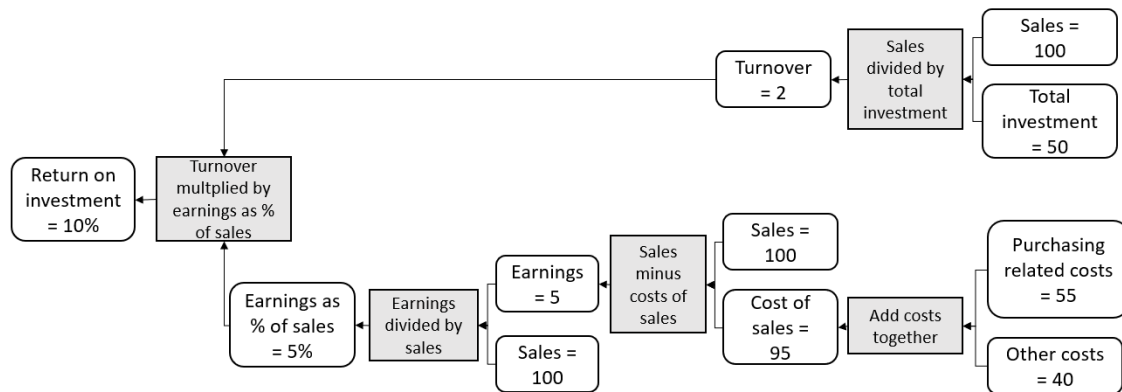


Figure 9. DuPont's chart prior to the cost savings. (Cheverton & van der Velde, 2011, p. 14)

As the figure shows the Roi in this case is 10% and in the next figure there can be seen the effect of the cost savings. In this scenario the price reduction that the professional aid provides is only 5% of the costs. According to Cheverton & van der Velde (2011, p. 14) typically focusing on cost savings leads to a savings in the double-digit range if the purchases have been formerly handled unprofessionally

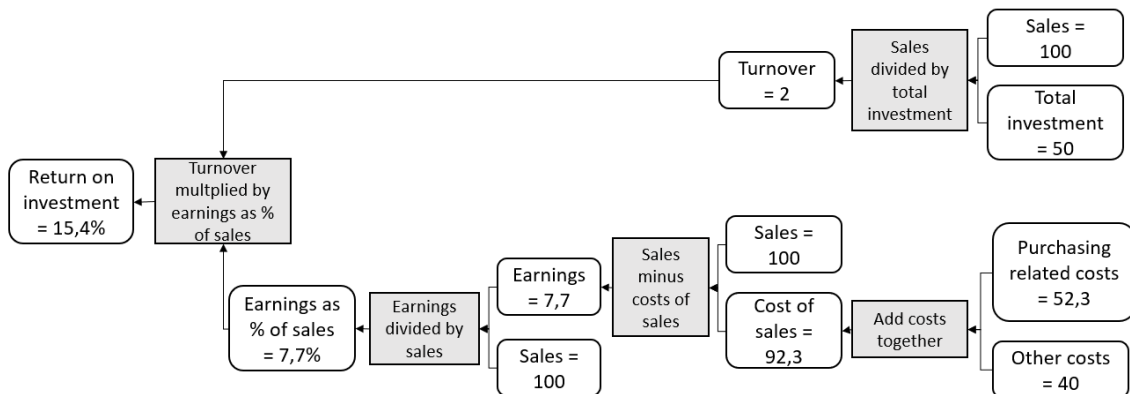


Figure 10. DuPont's chart after the cost savings. (Cheverton & van der Velde, 2011, p. 14)

The second chart reveals that there has been an improvement of 54% in return to investment ratio by only reducing cost savings by 5%. If you compare the effect that lowering of the costs brings versus how much the company would have to increase its sales to gain same results is significant. To gain same improvement in Roi the company would

have to increase its sales by over 50%. And to gain this type of growth by increasing sales would mean that there could not be any increase in the investments. To facilitate this type of growth in sales would certainly need increase in investments (Cheverton & van der Velde, 2011, p. 15).

3 Theoretical framework and the hypotheses

In this chapter the theoretical framework of the study and the hypotheses are presented. The theoretical framework presents the concrete area of focus of a study and facilitates the research plan to understandable figure. (Larsen & Adu, 2021, p. 127) In this study the dependent variable is price, and the research focuses on how the independent variables effect the dependent variable. The relationship is then moderated with the masculinity dimension. The hypotheses are formed from the basis of these relationship, and the hypotheses observe whether the independent variables have significant effect to the dependent variable.

3.1 Theoretical framework

The theoretical framework of the study is observing the research problem through model by Hutt & Speh (2010). The model includes four forces that effect the organizational buying behavior. In this study the forces are observed from the perspective of media industry, and the forces are programmatic buying (environmental force), purchasing process (organizational force), customership (group force) and the buyer profile (individual force). These four forces work as the independent variables in this research and the importance of price works as the dependent variable. The theoretical framework is presented in the figure 11.

The four forces effecting the relationship on the importance of price is observed because price is an easily measurable objective, but it should not be the only objective of a cost management. Other targets are product management, technical management, and supply chain management but this study focuses solely on the price as a dependent factor in order to outline the research topic and for easy measurement. Purchasing prices also have a direct impact on the profitability and therefore effect to the bottom line which makes it an important factor. (Cheverton & van der Velde, 2011 p. 76-77)

The hypotheses one to four are observing the effect that the independent variables have on the dependent variable. Hypothesis five moderates the relationship of the variables with the masculinity dimension.

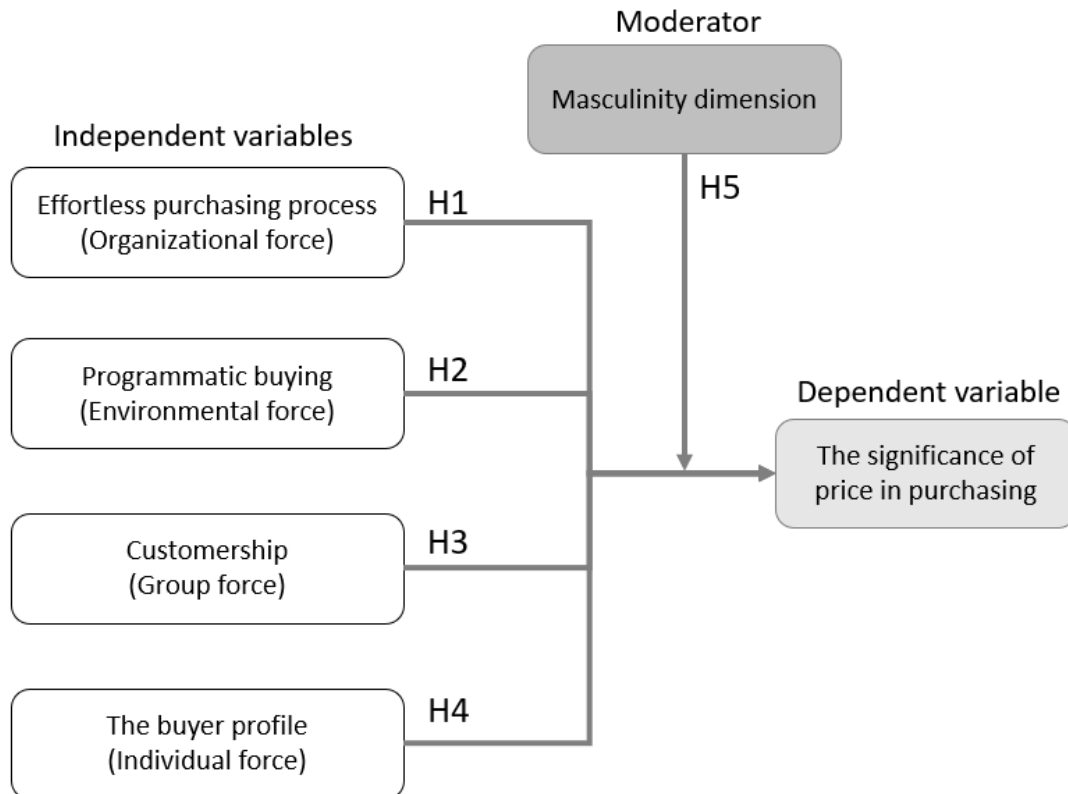


Figure 11. Framework: Forces effecting the organizational buying behavior and their effect on the importance of price in purchasing.

3.2 The hypotheses of the study

According to Aminoff & Rubanovitsch (2015, p. 147-150) the key factors effecting the purchasing decision are the communication during the purchasing process and the effortlessness of the process. Hutt & Speh (2010, p. 73) are also underlining the importance of the purchasing process. Purchasing organizations are building closer

relationships with carefully chosen strategic suppliers and the role of the procurement is growing. van Weele (2010, p.24-28) adds that routine purchases are effortless, and they are made through agreed channels without any negotiations needed. The importance of performance review in the end of the purchasing process is important especially with new customers because the customers must be satisfied with the purchase in order to remain as customers. (Hutt & Speh, 2010 p. 66) Blythe (2005, p. 34-35) states that the need to change a supplier usually emerges when the customer is displeased with the current supplier. Success in the service quality will lead to a better customer satisfaction. This will strengthen the relationship even further and it ends up as profits for the company. (Baron et al. 2010, p. 34) Therefore, I formulate the following hypothesis:

H1 Effortless purchasing process negatively correlates with the importance of price, in a way that price has less influence when the purchasing process is effortless.

Technological forces have significant impact on the buying decision (Hutt & Speh, 2010 p. 71-72) The digital out of home side of the industry is growing at a fast rate and the digitalization provides new possibilities for the out of home industry. (IAB Europe, 2020, p. 7) & (Hartikainen & et al, 2020 p. 3) DOOH allows the programmatic buying and selling. Out of home executives are worried that opening the inventory to real time bidding (RTB) will make the price of OOH advertising to go down. On the other hand, programmatic buying allows a lot of different purchasing possibilities. For example, purchasing certain number of displays or buying certain time periods of a day. Therefore, these premium solutions can have a higher price than a bulk orders. (IAB Europe, 2020, p. 6-7) There is a lot of discussion about the pricing of programmatic buying, therefore I expect that:

H2 The importance of programmatic buying positively correlates with the importance of price. The more programmatic buying is valued, the more price has importance in purchasing.

Organizational buying process includes multiple set of complex smaller decisions made by several individuals. The involvement of these individuals differs based on the importance of the purchase and the character of the purchase. Whether it is a routine purchase or more complex one. (Hutt & Speh, 2010, p. 77) In first purchase situations generally the buying center is large, and it needs time to analyze the possible solutions and they are more concerned on finding a good solution than getting a lower price. They are more likely to listen to “out” suppliers rather than “in” suppliers. On the other hand, routine purchase situations have smaller buying centers that are quick to decide and are familiar with the offered solutions. They are more concerned about the price and supply and are more likely to prefer the “in” supplier. (Anderson et al. 1987, p. 82) Based on these I propose the following hypothesis:

H3 Being a current customer positively correlates with the importance of price. Current customers are more concerned about the price than buyers who are not current customers.

There is no good or bad buyer type. Finding the right buyer for a right role in the right company is the key. An unfit buyer can damage business of both parties. These four buyer types are archetypes and there will not be a buyer that will behave exactly like in the examples. One of these generic types will be more aligned with a buyer than the rest of the tree types. The described behaviors are tendencies that will mixture in real life. Not all tendencies suit one person exactly but will give generic picture of a buyer type. This model helps salesperson to identify these buyer types and how to interact with them (Cheverton & van der Velde 2011, p. 76) Based on the buyer profiles I propose the following hypothesis:

H4 The buyer profiles have impact on the buying behavior, so that the importance of the price varies between the four buyer types. Emotional buyer is expected to be the most price sensitive and technical buyer to be the least price sensitive

In b2b negotiations the buyer's goal is to find the most suitable product or service compared to costs (Kotler & Keller, 2012 p. 215). In masculine cultures achievements, self-confidence and materialistic achievements are valued highly. (Aramo-Immonen, et al. 2014 p. 33) Price consciousness refers to a buyer's exclusive focus on paying low prices where the buyer is unwilling to pay a higher price for a product (Lichtenstein et al. 1993, p. 235). Price-consciousness means that more material goods can be purchased because they are bought for less money. Masculinity orientation highlights the importance of ego goals such as careers and money. (Hofstede, 2001) Therefore, I expect that:

H5 Masculinity moderates the relationship with the importance of price so that, higher level of masculinity increases the importance of price significantly.

4 Methodology of the study

Often researchers are interested in certain behaviors or specific beliefs and how people behave in order to predict how they might act in the future. All these issues can be systematically measured and scientifically assessed. These type of questions and assumptions can be answered with quantitative methods. (Nardi, 2018, p. 22) Quantitative research method is used to analyze questionnaires or numerical data (Saunders et al. 2009, p. 151). The findings are observed with statistical methods and therefore the approach is more scientific compared to qualitative research method (Ghauri et al. 1995, p. 83).

4.1 Research method and research design

Survey research was the most suitable approach for this research. In a large-scale, data is required to be obtained directly from the persons involved in the question. Reliable data cannot be obtained without asking individuals directly. Research survey collects the data samples systematically from the identified individuals. (Rossi et al. 1983, p. 1-3) Maylor & Blackmon (2005, p. 250) adds that quantitative research is based on theoretical concepts. These concepts are measured on different variables that are collected and analyzed through the relationships among the chosen variables. Quantitative data allows to describe, explore, and examine relationships. (Saunders et al. 2009, p. 414). Miller (1983) states that surveys are best approach when data is needed from large number of statistical individuals because the approach is time-efficient and cost-effective.

Research design provides the plan on how the study answers the research questions and therefore connects the empirical data with the research questions (Yin, 2014, p. 28). The objective of this study is to find out if the specific forces effecting the organizational buying behavior have significant influence. And what influence does the masculinity dimension have as a moderate between the relationships. According to Jenkins & Deuze (2008) media organizations are special cases in terms of managing and organizing and therefore it is important to focus on this industry solely. Quantitative approach allows the analyzing

of the structured questions. The numeric values of the data are easier to measure and enables the possibility to examine the relationship between two variables. (Saunders et al. 2009, p. 414) The questionnaire will be analyzed with SPSS software and the reliability of the results will be tested with Cronbach's alpha which measures the ratio between the covariance of two variables. The analysis is conducted with Pearson correlation and ANOVA.

4.2 Data collection and sample

Primary data was collected for this research. The advantage of primary data is that the data is collected by the researcher and is therefore more likely to answer the research problem (Ghauri et al. 1995, p. 55-57). The data was collected with an online survey. The survey was based on Perrault's (1990) research on the buyer-seller relationship. The survey was although modified to match the media industry and not all the question were relevant for this study, therefore questions were cut off or modified. The questionnaire also included questions regarding Hofstede's (1980) masculinity dimension and questions about different buyer types by Cheverton & van der Velde (2011).

A pre-test of the questionnaire was conducted with a small group of Finnish respondents in order to find any vague or obscure questions. The answers are provided as numerical so they can be statistically analyzed. The sample size is important in survey research since the number of respondents must be large enough to be able to generalize the results. To achieve a high number of responses the questionnaire must not be too long or challenging, otherwise the data collection might be jeopardized, and the results cannot be generalized. Also, survey as a method limits the number of questions that can be asked. (Saunders et al. 2009, p. 144)

The questionnaire consists of 21 questions and most of the questions have multiple sub questions. The questionnaire is divided to five sections. First eight questions are about the background of the interviewees and the second section is regarding the buyer profile.

Third chapter is about the masculinity dimension. The fourth section consists of the purchasing process and the last three questions are about Mediateko as a supplier. The interviewees who have not made purchases from Mediateko in the last two years are excluded from the last three questions. The questionnaire can be found in the appendices.

4.3 Validity and reliability of the research

In this study, validity and reliability are considered as quality standards. (Saunders et al. 2009, p. 192) Validity answers the question, how accurately the method measures what it is intended to measure (Maylor & Blackmon 2005, p. 159). There are two types of validity, external validity, and internal validity. External validity answers to whether the results can be generalized or not and internal validity examines if the results of the study can be regarded as true. (Ghauri et al. 1995, p. 33) & (Creswell, 2014, p. 174-175)

Internal validity can be affected for example from an event that happens during the research process that could influence the results. This is most likely to happen in long term research where the participants behavior might change, or the participants mature. Threats to external validity can occur when incorrect conclusions are made regarding the data and the data's interpretations are wrongly connected to other persons, settings, and time. (Creswell, 2014, p. 175-176)

Both risks are unlikely to occur in this study. The internal risks are minimalized since the span of the data collection is short, two to three weeks and there is only one answer per interviewee. External risks should not occur since the study uses primary data and the study is finished within two months from the data collection. Also, the theoretical framework is based on existing model by Hutt & Speh (2010) which makes the researched variables relevant to the buying behavior of professional buyers.

Reliability can be referred as repeatability. It is used to observe the research process and measure if the results would be the same in case the study would be repeated. (Maylor & Blackmon 2005, p. 159) Easterby-Smith et al. (2008, p. 109) describes reliability as a

metric on how the data collection technique and analysis procedures will provide consistent findings. Reliability can be assessed through three questions. Will the study provide same results on other occasion? Would the results be the same regardless of the observer and lastly, is the logic transparent on how the raw data was analyzed?

There are four threats to reliability. These threats are researcher or participant error, subject or participant bias, observer error and observer bias. Subject or participant error could occur from various distractions. One example could be the time of the week the interview is conducted. Employees are usually in different moods on Monday compared to Friday. Therefore, the survey is sent in the middle of the week as well as the reminder e-mails. Subject or participant bias could take place in when the interviewees feel pressured for example their organization, for that reason the questionnaire is anonymous, and allows the participants to be honest with their answers. Observer error can occur when the interview is unstructured and there are multiple researchers conducting the research. In this study the error for observer is minimalized since there is only one researcher and the interview is the same for everyone. Observer bias concerns the interpreting of the answers and because there is only one researcher the threat is minimal. (Saunders et al. 2009, p. 156-157)

Internal researcher is a researcher that works in the assigning organization. As an internal researcher I have advantage because of the knowledge regarding the industry, the organization, and the interviewees. It allows me to access knowledge easier than an external researcher. There is also a disadvantage of the internal researcher conducting assumptions and preconceptions that may vary from reality. (Saunders et al. 2009, p. 172)

The reliability of the study was tested with Cronbach's Alpha reliability test. According to Homburg & Giering (1996); Fu & Yukl (2000); & Ralston, et al. (2014) Cronbach's Alpha is the most used test method for reliability. The test measures the internal consistency of the indicators of a factor. The range of the values in the coefficient test can vary from 0 to 1. The closer the value is to 1, the more reliable the analysis is. The results in

Cronbach's Alpha must be above 0.60 for them to pass the reliability test. (McAllister, 1995, p. 36) & (Fu & Yukl 2000) & (Ralston, et al. 2014)

Table 1. Reliability analysis

Variables	No. of items	Cronbach's Alpha
Importance of price	3	,780
Programmatic buying	3	,801
Effortless purchasing process	2	,911
Calculator buyer type	6	,662
Technical buyer type	2	,666
Emotional buyer type	3	,696
Convincer buyer type	4	,677
Masculinity moderator	4	,689
Customership	1	-

As shown in the Table 1 all the variables can be held as reliable since they are all above the accepted level of 0,6 on the Cronbach's Alpha coefficient. Customership has only one item and therefore it cannot be observed with the Cronbach's Alpha coefficient. Therefore, no more reliability testing is needed, and the variables can be held as relevant regarding the study.

5 Analysis of the empirical findings

This chapter starts with the empirical analysis of the background where the background factors are presented. Then the objectives of the research are presented and how the hypotheses of this study will answer the research objectives. The hypotheses are analyzed with Pearson correlation and ANOVA.

5.1 Empirical analysis of the background factors

This subchapter will present the data analysis of the background factors in the study. The data was collected solely for this research and 62 professional buyers completed the questionnaire. 32 of those knew Mediateko and 27 of the respondents were current customers of the company. The frequencies of the background variables are shown in Tables 2, 3, 4, 5, 6, 7, 8, 9 and 10. A variable that can stand out is the fact that 75,8% of the interviewees were female, but this is equivalent with the media agencies gender distribution where the average of female employees is 78%. (Mediateko, 2021b)

Table 2. Role in the company

Role in the company	Frequency	Percent	Average price importance
Trainee	0	0%	-
Junior planner	13	21%	6,05
Senior planner	25	40,3%	5,95
Account manager	4	6,5%	4,33
Strategist	0	0%	-
Team lead	8	12.9%	5,83
Director	12	19.4%	5,78
Total	62	100%	5,82

Table 3. Job experience in media agencies

Job experience in media agencies	Frequency	Percent	Average price importance
0 – 2 years	8	12,9%	6,21
2 – 5 years	9	14,5%	5,85
5 – 10 years	17	27,4%	5,51
+ 10 years	19	30,6%	5,95
+ 20 years	9	14,5%	5,74
Total	62	100%	5,82

Table 4. Age of the respondents

Age	Frequency	Percent	Average price importance
Under 20	0	0%	-
20 to 30	13	21%	5,92
31 - 40	19	30,6%	5,98
41 - 50	22	35,5%	5,3
51 - 60	8	12,9%	6,67
61 +	0	0%	-
Total	62	100%	5,82

Table 5. Sex of the respondents

Sex	Frequency	Percent	Average price importance
Male	15	24,2%	5,67
Female	47	75,8%	5,87
Other	0	0%	-
Total	62	100%	5,82

Table 6. Countries of the respondents

Country	Frequency	Percent	Average price importance
United Kingdom	16	25,8%	5,79
Sweden	19	30,6%	5,84
Finland	27	43,5%	5,81
Total	62	100%	5,82

Table 7. Educational level of the respondents

Education	Frequency	Percent	Average price importance
Upper level of comprehensive school	6	9,7%	5,00
Upper secondary school	0	0%	-
Degree in the field of work from vocational school	11	17,7%	5,76
Bachelor's degree	31	50%	5,97
Masters' degree	14	22,6%	5,88
Doctoral degree	0	0%	-
Total	62	100%	5,82

Table 8. Budget responsibility

Are you budget responsible?	Frequency	Percent	Average price importance
Yes	30	48,4%	5,62
No	32	51,6%	6,00
Total	62	100%	5,82

Table 9. Mediateko recognition

Do you know Mediateko?	Frequency	Percent	Average price importance
Yes	32	51,6%	5,67
No	30	48,4%	5,98
Total	62	100%	5,82

Table 10. Purchases from Mediateko

Have you made purchases from Mediateko in the last 2 years?	Frequency	Percent	Average price importance
Yes	27	43,5%	5,78
No	35	56,5%	5,85
Total	62	100%	5,82

Based on the tables 3-10 there were most senior planners in the participants (40,3%), the most common job experience length in media agencies was + 10 years but under 20 years. The most common age range was from 41 to 50 and the majority of the interviewees were female as stated before. The respondents were divided between the three countries so that Finland had 27 respondents, Sweden 19 and the United Kingdom had 16 respondents. Most of the interviewees had Bachelor's degree (50%). The budget responsibility, recognition of Mediateko and having made purchases from Mediateko were quite evenly distributed between the interviewees with answers: yes and no.

Most price conscious were the junior planners and the personnel who had under two years job experience in media agencies. Interviewees aged 51 – 60 were the most price conscious age group and females were more price conscious than men. Sweden was the country that perceived the price as the most important out of the three countries but the separation between the countries was small. Persons with Bachelor's degree were most price conscious which equals to half of the interviewees. Interviewees that were not budget responsible were more price concerned than the persons who were budget responsible. People who did not know Mediateko were more price conscious than the ones who did and the persons who were not current customers were also more price conscious compared to the ones who had made purchases from the company within two years.

In Table 11 the classification of the buyers into the buyer types is presented. Cheverton & van der Velde (2011 p. 71) states that the buyer types are characteristics of any buyer, and the characteristics can vary infinitely. The purpose of this classification is to provide a general framework of the individuals. In this study the questionnaire is on scale from 1 to 7 and the level of recognition to be included in the buyer type is 5 or above. Because this is a framework, several individuals can have characteristics of multiple buyer types and therefore be included in one type or all the buyer types. Based on the Table 11 the convincer buyer type is the most common amongst the professional buyers in media agencies that are specialized in out of home advertising. Emotional buyer is the most price conscious of the buyer types and technical buyer is the least price conscious.

Table 11. The classification of the buyers into buyer types.

Buyer type	Frequency	Percent	Average price importance
Convincer buyer type	57	92%	5,89
Calculator buyer type	28	45%	6,24
Emotional buyer type	36	58%	6,25
Technical buyer type	4	6%	5,8

5.2 Empirical testing of the hypotheses

The study has two objectives that will present an answer to the research questions. The first objective is to gain knowledge whether the four influencing factors have significant impact on price as a factor in the purchasing. The four effecting factors being effortless purchasing process, programmatic buying, customership of the buyer and lastly the buyer profile. The second objective observes the effect of the masculinity dimension and its effect as a moderator on the relationship between the independent factors and the dependent factor.

In this subchapter the hypotheses are tested with Pearson correlation and analysis of variance (ANOVA). Pearson correlation measures the ratio between the covariance of two variables, essentially a normalized measurement of the covariance (R-value). The range of the values in the coefficient test can vary from -1 to 1. The closer the value is to

1 or -1, the more reliable the analysis is. If the correlation is 0,8 - 1,0 the correlation is very strong, between 0,6 – 0,79 strong, moderate at the level of 0,4 – 0,59, weak at 0,2 – 0,39 and lastly very weak between 0 – 0,19. The same levels of correlation apply when the result is negative. The acceptable results statistically are divided into three groups that are measured with p-values. If the value is above 0,05 the correlations is not significant. The correlation is highly significant if the p-value is smaller than 0,001***; very significant if smaller than 0,01** and significant if the value is under 0,05*. (Metsämuuronen, 2005, 346.) As for ANOVA, it observes if the mean scores of groups differ. It uses variances to compare the means. It measures if there is significance difference between the chosen groups. The closer the ratio is to 1 or -1 the less there is difference between the groups. The same significance levels mentioned earlier are applicable with ANOVA. (Burns & Burns, 2008, p. 285-286)

Table 12. Pearson correlation of the variables

Dependent variable →	Importance of Price	
↓ Independent factor	Pearson correlation	Sig. (2-tailed)
Programmatic buying	,377	,002 **
Effortless buying process	,563	,000 ***
Convincer buyer type	,532	,000 ***
Calculator buyer type	,436	,000 ***
Emotional buyer type	,556	,000 ***
Technical buyer type	-,058	,655
Masculinity moderator	,091	,480

*** $p < 0,001$, ** $p < 0,01$, * $p < 0,05$

As the Table 12 illustrates the technical buyer type and masculinity moderator are the only variables that do not have significant correlation with the dependent variable. All the other independent variables have significant correlation with the importance of price. Programmatic buying differs from the other significant variables since it has only weak correlation whereas effortless buying process, convincer buyer type, calculator

buyer type and emotional buyer type have moderate correlation towards the importance of price.

The technical buyer type was the other variable that did not have significant correlation between the variables and the correlation was negative ($r = -.058$, $p = .655$). The analysis regarding the hypothesis four will still include the technical buyer type since it was expected to be the least price sensitive which turned out to be correct. The three remaining buyer types had highly significant correlation with the importance of price and the correlation was moderately positive. Emotional buyer was the most price sensitive ($r = .556$, $p = .000$), convincer buyer type was the second ($r = .532$, $p = .000$) and the calculator buyer type was third ($r = .436$, $p = .000$). Based on this we can accept the hypotheses four and state that the emotional buyer type was the most price sensitive and the technical buyer type was the least price sensitive.

Effortless purchasing process was expected to negatively correlate with the importance of price. The hypothesis one must be rejected even though there is highly significant correlation between the variables, but it is moderately positive ($r = .563$, $p = .000$). It was expected to be negative in a way that the more effortless the purchasing process was the less price would have importance in purchasing. The effortlessness of the purchasing process increases moderately the importance of price and not the other way round.

Hypothesis two observes the importance of programmatic buying and the importance of price. There is a very significant positive weak correlation ($r = .377$, $p = .002$). Therefore, we can accept the hypothesis. The more interviewees valued programmatic buying the more they set importance to the price as factor.

With Pearson correlation in table 12 it can be determined that there is not significant effect between the masculinity moderator and the importance of price ($p = .480$). The masculinity moderator was predicted to increase the importance of price significantly. There is a very weak positive correlation, but it is not significant. The moderator is

analyzed more in depth with moderation analysis where the low masculinity interviewees (table 13) are compared with the highly masculine interviewees (table 14). The average masculinity level was 3,65 and both the low and the high level of the masculinity categories have 31 answerers per category. As we can see the price is more important for the high masculine interviewees, but it is not significant in either of the tables. It strengthens the relationship but not significantly therefore the hypothesis five is rejected.

Table 13. Moderations analysis, low masculinity

Dependent variable →	Importance of Price	
↓ Independent factor	Pearson correlation	Sig. (2-tailed)
Programmatic buying	,450	,011*
Effortless buying process	,510	,003**
Convincer buyer type	,488	,005**
Calculator buyer type	,381	,035*
Emotional buyer type	,495	,005**
Technical buyer type	-,226	,222
Masculinity moderator	,110	,557

*** $p < 0,001$, ** $p < 0,01$, * $p < 0,05$

Table 14. Moderation analysis, high masculinity

Dependent variable →	Importance of Price	
↓ Independent factor	Pearson correlation	Sig. (2-tailed)
Programmatic buying	,327	,073
Effortless buying process	,653	,000***
Convincer buyer type	,610	,000***
Calculator buyer type	,537	,002**
Emotional buyer type	,679	,000***
Technical buyer type	,070	,708
Masculinity moderator	,166	,371

*** $p < 0,001$, ** $p < 0,01$, * $p < 0,05$

The last hypothesis is analyzed with ANOVA in Table 13, and it observes the variance between current customers and noncustomers and what is the relationship between these independent variables and the importance of price.

Table 15. ANOVA, price importance of current customers and noncustomers

Dependent variable: Price importance			
Independent variable	Mean	N	Significance
Customer	5,78	27	
Noncustomer	5,85	35	
Between groups (combined)			,729

*** $p < 0,001$, ** $p < 0,01$, * $p < 0,05$

Based on the Table 13 there is not significant relationship with the importance of price between the current customers and the buyers that are not current customers of Mediateko ($p = ,729$). The means between the variables are very similar. Current customer having mean of 5,78 and noncustomers 5,85. Because of these the hypothesis three is rejected and there is no significant difference between the groups regarding the importance of price.

Lastly the three countries of the research are compared and how the correlation varies within the three markets (tables 16, 17 and 18). As the tables show masculinity has the most effect on the Finnish market where the correlation is positive and the least effect in the United Kingdom. This is interesting since the masculinity averages imitated Hofstede's model. In the United Kingdom the masculinity average was 4,39; in Finland 3,57 and in Sweden 3,12.

Other interesting fact can be observed from the tables is that even though Sweden had the highest average on the importance of price it's correlation between the independent variables and importance of price are the smallest between the three markets.

Table 16. Country comparison, United Kingdom

Dependent variable →	Importance of Price	
↓ Independent factor	Pearson correlation	Sig. (2-tailed)
Programmatic buying	,342	,195
Effortless buying process	,544	,029*
Convincer buyer type	,535	,033*
Calculator buyer type	,420	,106
Emotional buyer type	,563	,023*
Technical buyer type	-,080	,770
Masculinity moderator	-,011	,968

*** $p < 0,001$, ** $p < 0,01$, * $p < 0,05$

Table 17. Country comparison, Sweden

Dependent variable →	Importance of Price	
↓ Independent factor	Pearson correlation	Sig. (2-tailed)
Programmatic buying	,245	,313
Effortless buying process	,455	,050
Convincer buyer type	,472	,041*
Calculator buyer type	,345	,148
Emotional buyer type	,478	,038*
Technical buyer type	-,128	,602
Masculinity moderator	,036	,884

*** $p < 0,001$, ** $p < 0,01$, * $p < 0,05$

Table 18. Country comparison, Finland

Dependent variable →	Importance of Price	
↓ Independent factor	Pearson correlation	Sig. (2-tailed)
Programmatic buying	,488	,010**
Effortless buying process	,639	,000***
Convincer buyer type	,565	,002**
Calculator buyer type	,498	,008**
Emotional buyer type	,599	,001**
Technical buyer type	-,005	,980
Masculinity moderator	,222	,265

*** $p < 0,001$, ** $p < 0,01$, * $p < 0,05$

6 Discussion and conclusions

In this chapter the results are discussed, and the analysis is concluded. The chapter starts with the summary of the findings and then the managerial implications are presented, followed with the limitations of the research and future research possibilities.

6.1 Summary of the findings

To conclude the analysis there was three hypotheses rejected and two hypotheses accepted. The moderating effect of masculinity dimension and its effect on increasing the importance of price was rejected. Effortless purchasing process positively correlated with the importance of price but the correlation was expected to be negative so the hypothesis must be rejected. The last rejected hypothesis was determined regarding the customership and whether the professional buyers were current customers or noncustomers. It did not have a significant importance on the dependent variable whichever group the interviewees belonged to.

The importance of programmatic buying positively correlated with the importance of price and the hypothesis was accepted. Three of the four buyer types had significant correlation with the importance of price. The emotional buyer type being the most price sensitive as expected and the technical buyer type did not have significant correlation with price. The hypothesis four was therefore accepted.

Based on the results it can be stated that price is significant factor in some cases but not all. This study answers both research questions, the answer being no to research question one which observed if the four forces have significant effect on the importance of price as a dependent factor. It applies on half of the first research question's independent factors, the environmental force, and the individual force. The significance is highly significant regarding the buyer types and very significant regarding the importance of programmatic buying. It is not valid on the organizational force and group force. The

study also provides the answer regarding the masculinity dimension as a moderator and how it effects the relationship between the four forces and the importance of price. It does not have a significant effect on the relationship between the variables. The correlation was positive but very weak and insignificant.

The aim of this study was to gain answers to the research questions and add data regarding the purchasing behavior of professional buyers in the media industry. The research answers both research questions and adds new data concerning the advertising industry and more specifically to the business-to-business side of studies. The study shows that price is significant factor, but it is not the only factor that should be considered regarding the buying behavior. Cheverton & van der Velde (2011 p. 77) states that even though price is extremely important factor it should not be the only measurable factor. Purchasing targets are mainly related to price and therefore this puts additional pressure to price as a factor regarding the buyers and buying departments. Focusing solely on this topic could lead to loss of focus on the overall costs, the decline of the quality level and to the level of innovation.

6.2 Managerial implications

Based on this study, the framework of the buyer types can be considered whilst operating with the professional buyers in the out of home industry. The study showed that the buyers had mostly the characteristics of the convincer buyer type. These characteristics being: good market knowledge, commercially well trained, they lack in the end-user insufficiency, and they tend to utilize all of the knowledge provided to them even at the expense of the original source. The salesperson might struggle with this buyer type since the seller must comply with the buyer's story instead of providing their own version of the story. Long term relationships are important in order to understand the thought process of the buyer and to build the sales pitch to match their needs. This type of buyer is significantly affected by the price as a factor. (Cheverton & van der Velde, 2011, p. 74-

75) The salespersons can take this into account when working with the media agency personnel in the out of home industry.

The significance of price can be partially accepted. It has effect on some factors regarding the purchasing behavior, but it alone does not explain the organizational buying behavior. Based on this study price will have larger role to the persons who value programmatic buying. And this form of buying is currently introduced to the market and therefore we can expect that price will have more significant role when purchasing programmatically.

The effortlessness of the purchasing process did not correlate with the importance of price, but this variable could be researched if it has importance towards other aspects such as customer satisfactory. There was not significant variance between the customers and noncustomers and based on this there is no need for specific pricing for current customers and potential customers. The differences between the countries can be considered whilst doing business with each of the countries. Also knowing what typically each of the countries individuals prefer and redeem as important are beneficial to acknowledge.

6.3 Limitations and future research

The sample size of this research could have been larger but the number of suitable candidates for this research was limited. The research was outlined to be out of home industry specific because of the assigning company and to narrow down the research topic. This most likely affected the sample size in a negative way but was necessity in order to reach the right target group for this study. Larger number of respondents would allow more accurate generalization of the findings. Also, the fact that the research was conducted in three markets and English is not a native language in Sweden or Finland may affect that the participant to misinterpret some of the questions. Even though in both countries the knowledge of English language is on a good level.

There are other factors that influence the organizational buying behavior in addition to the price. Other factors effecting the organizational buying behavior are for example economical changes, strategical changes in the buying company, participants attending the purchase decision and past experiences of the buyer. (Hutt & Speh, 2010, p. 71-73, 77, 81)

This study focused purely on the price as a dependent factor to outline the research. Limiting the study just for the price factor will not give an absolutely correct answers to all the factors effecting the organizational buying behavior. Based on this study we can argue whether the price is the most significant factor regarding the buying behavior or if other factors such as the relationship between the buyer and the seller has more influence. This is a topic that future research could be based on. The relationship between the seller and buyer is a theme that the assigning company of this research is also interested in. Therefore, while conducting this research and specifically the importance of the new technology being introduced to the market in a form of programmatic buying. There were parallel questions regarding the role of the salesperson and how the buyers perceive the importance of personal service now, in two years and in five years' time. The means being currently 5,97; in two years' time 5,98; and in five years' time 5,73. This shows that the personal service and importance of the salesperson is still relevant in the future and a new study regarding this topic could point out other significant factors related to the relationship between the salesperson and the buyer. These factors and their effect could be researched from the perspective of organizational purchasing behavior and how the relationship affects the purchasing behavior.

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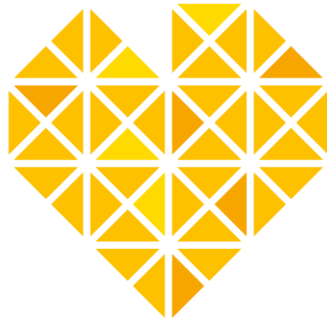
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Appendices

Appendice. The research questionnaire



Vaasan yliopisto
UNIVERSITY OF VAASA

Master's Programme in International business

Master's Thesis

Author Mikko Husu

Purchasing behaviors of professional buyers in the out of home industry

Thank you for participating in my Master's Thesis! My thesis will focus on the buying behaviors of professional buyers in the out of home industry. This questionnaire is the research part of my thesis where I interview media agency personnel who work closely with out of home media companies. Answering this questionnaire takes about 5 to 10 minutes. The questionnaire is anonymous, and all the required information is explained on the next page. Finnish OOH company, Mediateko Oy works as a mandate for this research.

Questionnaire

All the answers will be anonymous. Some general background questions will be asked to analyze the results through different variables. All the questions will be answered on a scale from 1 to 7 apart from the background section.

Background

The questions in this part are multiple-choice questions with only one answer per question.

1. Role in the company

Pick a role that describes your role the best or is equivalent based on the skill level.

- ☐ Trainee
- ☐ Junior planner
- ☐ Senior planner
- ☐ Account manager
- ☐ Strategist
- ☐ Team lead
- ☐ Director

2. Job experience in media agencies

- ☐ 0 - 2
- ☐ 2 - 5
- ☐ 5 - 10
- ☐ + 10 years
- ☐ + 20 years

3. Age

- ☐ under 20
- ☐ 20 to 30
- ☐ 31 - 40
- ☐ 41 - 50
- ☐ 51 - 60
- ☐ 61 +

4. Sex

- ☐ Male
- ☐ Female
- ☐ Other

5. Country

- ☐ United Kingdom
- ☐ Sweden
- ☐ Finland

6. Education

- ☐ Upper level of comprehensive school
- ☐ Upper secondary school
- ☐ Degree in the field of work from vocational school
- ☐ Bachelor's degree
- ☐ Masters' degree
- ☐ Doctoral degree

7. Are you budget responsible?

☐ Yes

☐ No

8. Do you know Finnish OOH company Mediateko?

☐ Yes

☐ No

9. Have you made purchases from Mediateko during the past two years?

☐ Yes

☐ No

10. Rank the following statements regarding your purchases on a scale from 1 strongly disagree to 7 strongly agree

[illegible]

11. Rank the following statements regarding your relationship with salespersons on a scale from 1 strongly disagree to 7 strongly agree

[illegible]

12. Rank the following statements regarding your communications with salespersons on a scale from 1 strongly disagree to 7 strongly agree

[illegible]

17. Purchasing decision | How important are the following aspects in purchasing decision | 1 minor – 7 major

	1	2	3	4	5	6	7
The features of the products, problem solving and the offered solution as a whole	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Product availability and security of supply	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The salesperson's trustworthiness and expertise	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Price and the terms	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Expertise in the customer service and maintenance of the customer relationship	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The information shared. Its quantity and quality.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Recommendations and the actions after the purchase	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

18. Rank the following factors that the buyer should gain from changing a supplier | 1 minor – 7 major |

	1	2	3	4	5	6	7
Better price	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Trustworthiness	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Easiness of the purchasing process	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Operation reliability	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Needing only one supplier	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Campaign reporting	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Product quality	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Product selection / range of products	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Understanding the business activities of each client	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

This was the last question. You can submit the answers by clicking next or make changes.
(Last question for the interviewees who did not know Mediateko)

[illegible][illegible][illegible]

I am grateful for your time.
Every answer means that I am one step closer for my graduation, so
thank you very much for your participation!

If you have any questions regarding the questionnaire or the thesis
do not hesitate to be in touch with me.

Best regards
Mikko Husu
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