

## **Abstract**

This study examines industrial buying behavior with specific attention to the choice of waste management services. Sheth, Mittal, Newman (1999) stated that the decision process and behavior of business customers differs vastly from those of individual customers. Marketers develop different ways of serving individual and business customers. It is important to understand their buying behavior. This study aimed to examine whether or not organizational characteristics and personal characteristics affect industrial purchasing behavior.

The objective of this study is to determine factors influencing industrial buyers in the selection of a waste services provider and to understand how the characteristics of both organization and person affect the buying decision. The organizational characteristics focused in this research consist of size in terms of capital of organization, nationality, ISO14000 status, volume of waste generated per month, policy of waste disposal method, and length of the use of current waste service. The personal characteristics consist of department of position held and decision role of the respondents. The data are collected from 50 industries located in Bangpoo Industrial Estate. Conjoint analysis is used to generate the choice alternatives as a set of physical cards for the subject score and also to do an analysis of the data so that the attribute importance and the utility score of each respondent are known. The statistic used to test the significant differences among those purchasing criteria is ANOVA.

The results from conjoint analysis indicated that the most important factor used by industries as purchase criteria is service quality, followed by waste disposal method. Price ranks third, followed by ISO 14000 Certification, and equipment. More importantly, the results shows the utilities of various levels of factors which by

examination of the ratings of importance, the most preferred profile can be described in terms of attributes and levels as: service quality (good), waste disposal method (sanitary landfill), price (20% below target), ISO 14000 Certification (obtained), and equipment provided (provided).

Finally, the results of hypotheses tested of both industries characteristics and personal characteristics indicate that there are no significant differences in purchase criteria used in the selection of waste service provider. The exceptions to this are only in terms of company nationality, ISO 14000 status, and volume of waste generated. For example, the most important purchase criteria used by American companies is waste disposal method, while the most important criteria used by other nationalities is service quality. The industries that have ISO 14000 certification consider ISO 14000 certification of waste service provider as the most important criteria. This finding would suggest that ISO 14000 certification would help the service provider to widen the market share for industries.

