

THE IMPACT OF BENCHMARKING, STANDARDIZATION AND PURCHASING ON BUSINESS PERFORMANCE IN THE FOOD & BEVERAGE INDUSTRY IN THAILAND

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ABSTRACT

The researcher examines benchmarking, standardization, and purchasing characteristics to identify their relationship with purchasing performance and business performance. Hypotheses, derived from the key features as presented by previous authors, are tested using Structural Equation Modeling through field research on a sample of manufacturing companies in Thailand.

Findings from this study indicate that there is significant evidence to support the hypothesized model in which benchmarking, standardization, purchasing characteristics have a direct impact on purchasing and business performance, as well as an indirect impact on business performance mediated through purchasing performance. Firms can thus improve their purchasing and business performance through an increased emphasis in benchmarking, standardization, and purchasing characteristics.

Keywords: Benchmarking, Standardization, Purchasing Characteristics, Purchasing Performance, Business Performances.

INTRODUCTION

The 2006 edition of 'What's Hot around the World - Insights on Growth in Food & Beverage Products' looks at the fastest-growing categories and product areas across 66 key markets around the world, based on the value in sales increases from mid-year 2005 to mid-year 2006. The consumers in these markets make up more than 75% of the world's population, contributing more than 90% of the world's GDP. (AC Nielsen, 2006). The research question for this research is: 'How can firms can enjoy higher purchasing and business performance by focusing on three main factors which include benchmarking in the purchasing

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