DETERMINANTS OF INDUSTRIAL PURCHASER DELIVERY SERVICE EXPECTATIONS AND SATISFACTION: AN ETHNOGRAPHY

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ABSTRACT

This research consisted of an ethnographic study of industrial purchaser expectations of delivery service. Using the work experience of industrial purchasers, an inductive model is developed which describes how satisfaction can occur even when initial expectations are not met. Factors affecting satisfaction or dissatisfaction with a delay in delivery are described.

INTRODUCTION

This paper describes how expectations for delivery service emerged from the work experience of industrial purchasers. Expectations arose when vendors made commitments to a delivery date. As one might predict, if the delivery date was met, satisfaction resulted. Paradoxically, dissatisfaction did not necessarily result if the shipment was late. In this paper we will present an account of expectations for delivery service that will resolve the paradox of satisfaction with performance below expectations. Also by an analysis of expectations grounded in the day-to-day work experience of industrial purchasers, we develop a sociological model of expectations that is a better fit to the setting than is the only current model of service expectations, the cognitive - contingency model proposed by Zeithaml, Berry and Parasuraman (1993).

Expectations is a core concept in theory and research on customer satisfaction/dissatisfaction, as expectations serve as the standard against which the adequacy of product/service performance is judged, and as performance exceeds expectations the level of satisfaction increases (Oliver 1980). In the general literature on customer satisfaction, theory and empirical research on the nature and determinants of expectations are underdeveloped (Zeithaml, Berry and Parasuraman 1993), and work within the specific setting of this study, industrial purchaser expectations of delivery service, has not been reported.

THEORETICAL BACKGROUND AND RESEARCH ON EXPECTATIONS

Our concept of expectations is the common view in the literature that expectations are the consumer's prepurchase predictions of the performance that will be obtained when the service or product is utilized (Yi 1990). Also congruent with the literature is our definition of satisfaction as the customer's positive affect, resulting from positive disconfirmation which occurs when performance is equal to or exceeds expectations.

Research on expectations can be divided into three categories as follows: 1) A number of studies have found that disconfirmation is an antecedent of satisfaction (Yi 1990); 2) the possibility of different types of expectations (Swan and Trawick 1980), such as: a) Desired Service - the level of service performance the customer believes should or ought to be provided, compared to b) Predicted service - the level of service the customer thinks will, in fact, be forthcoming (Parasuraman, Zeithaml and Berry 1985); and 3) antecedents of expectations. With the exception of Zeithaml, Berry and Parasuraman (1993) the last category has received very little attention in the literature, especially for services. Our paper will cover all three of the categories of expectations research. We develop a process model of the industrial purchaser's expectations for delivery service that is quite different from the account of service expectations offered by Zeithaml, Berry and Parasuraman (1993), primarily because their model was not linked to a specific social setting. We found that expectations emerged from the work setting of industrial purchasers.

In order to convey the purpose of this paper, two points concerning ethnographic research will be made. First, the analysis upon which this paper is based was not designed to test Parasuraman, Zeithaml and Berry (1985), or other ideas about expectations and satisfaction. Rather, our purpose was to describe the purchasers' experience as it occurred to them and attempt to better understand

those experiences by developing an inductive model built from the purchasers' experiences. Our model was designed to offer a theoretical account of the phenomena of interest. A second point that is important to understand is that ethnographic research often uses two types of concepts, emic and etic. Emic concepts are concepts from the informants' own experience, in their words. As an example, construction engineering purchasers were concerned with items arriving on the promised delivery date. Some emic terms used by purchaser Murry Dill were "on time," "timely shipment," and "delivery on time". Etic concepts are not those voiced by the informants; rather, etic concepts are used by researchers in order to provide a theoretical account of the phenomena of interest. As an example, **expectations** was an etic concept. In order to help make the division between emic and etic material clear, major **etic concepts are in bold.**

This paper is based on ethnographic, open ended interviews conducted by one of the authors (hereafter I) with construction engineering and job shop manufacturing purchasers who were part of a larger project. The larger study was conducted using ethnographic, interpretive research methodology. The methodology included four major activities: 1) initiating the project; 2) collecting data; 3) sampling informants; and 4) coding data, developing an analytical focus, and constructing the analytical theme that emerged from the preceding steps.

Initiating The Project

In December, 1989, I received a phone call from Ted Sawyer (all informants and their organizations are pseudonyms) who told me that he was calling from the Purchasing Professionals Association to see if I would be interested in becoming their University Advisor. His call came at a time when I was searching for an opportunity to do a qualitative research study. I had a personal history of cordial contact with purchasers and good cooperation from them on two survey research studies that I had conducted. Early in January, 1990, I attended my first "Pro-D" (Professional Development Committee) meeting as the new University Advisor. Eight people sat around a conference table and made plans for upcoming events. Since others took some notes, I did also since I hoped that in some way the PPA would become my data site for participant observation. After the meeting, Tom Evans, the PPA Staff Manager invited me over to the PPA office as he wanted to tell me about the organization. He explained that a major goal of the PPA was to provide members with purchasing educational opportunities and that as a teacher, perhaps at some point I would be interested in offering instruction to their members. Most of the PPA members were employed as purchasers by business firms in manufacturing, financial or business services and industrial distribution.

Linked to gaining access is the relationship of the investigator to the informants (Lofland and Lofland 1984,pp. 20-30). I became a known investigator who was a full participant as an academic member of PPA with a clear research role when conducting interviews. My relationship was a joint product of how I was recruited to the PPA and my ethical concerns. The PPA had two other professors of Business Administration as members when I joined. The PPA is a closed setting and I do not believe I could have obtained access except as an academic member.

Another concern of the investigator is in gaining the informant's trust and cooperation. When I was initially recruited to the PPA I told the officers that I came in contact with that I was interested in learning about purchasing and that I would probably do a study. I was promised and given their support. I was introduced to those in attendance at the first general meeting that I attended and on some subsequent meetings. My affiliation with the PPA was announced in the monthly magazine of the association with a photo of me. The officers hoped that I would actively attend the meetings, which I did. The officers also encouraged me to offer a purchasing course at the University of Alabama at Birmingham. I did so in the 1991 Winter and Spring sessions. The courses were preceded by an announcement in the PPA magazine which helped me become accepted by PPA members as someone interested in purchasing. When I was introduced to a purchaser that I had not met, on a number of occasions the purchaser acknowledged that he/she knew of me. In May, 1992, at the annual awards meeting, I received a plaque in recognition of my support of

purchasing education.

Collecting Data: Interviewing

After about nine months of attending PPA meetings as a participant observer, I judged that my possible research topic would require interviews and the PPA membership gave me rapport with the purchasers that I wished to interview. The purpose of interviewing in naturalistic data collection is to gain intimate familiarity with the slice of society that the researcher wishes to study (Lofland and Lofland 1984, p. 11-12). That goal can be achieved by face-to-face interaction with informants as the researcher takes the role of the informants, that is, participates in the mind of the informants. As a method of naturalistic data collection, intensive interviewing uses a set of open ended questions that the researcher uses to discover the informants experiences and interpretations. My interest was in how purchasers experienced their work, their careers in purchasing, and membership in the PPA.

I followed the suggestions offered by Lofland and Lofland (1984, pp 46-68), and prepared an interview guide. A guide is essentially a set of questions that the interviewer plans to use in order to obtain a narrative of the informant's experiences in his/her own terms. The interview started with an introduction in which I explained that I was "interested in purchasing work and wanted to learn what you do and how you do it---to see purchasing through your eyes"; and led into the first main question in which I asked the purchaser to "describe a day in your work." From that point on, I would let the purchaser answer the questions as he/she chose to do. I would not ask another question until a long pause or when some other cue suggested that the purchaser had come to the end of their train of thought. Sometimes I would seek clarification or follow up on a thought that was of special interest to me. The open ended nature of the interview resulted in some questions that were on my guide being answered before we reached that part of it. Following the first main question were two questions that were of special importance to this paper: 1. I am interested in learning how you buy, what do you do in order to buy? It may help me to understand if you could tell me about a recent purchase. How did it start? 2. Is the delivery date an important consideration? How close should the receipt of the order be to the delivery date?

Most interviews required a little over an hour to complete. All interviews were conducted at the purchaser's work place. All, except one, of the purchaser quotations in this paper are from a tape recording of the interviews; the remaining quote is from field noted.

Sampling Informants

The final sample of twenty purchasers evolved using theoretical sampling. The basic concept of theoretical sampling is to draw a sample in order to test hypotheses that have emerged from previous analysis of an initial sample (Strauss and Corbin 1990, pp. 176-193). In the theoretical sampling phase of my work, purchasers were selected from four industry groups, as a major hypothesis that emerged was that purchasing work varied across industry. The subsample that this report is based upon included construction engineering (four interviews) and job shop manufacturing (three interviews). The purpose of the subsample was to focus on purchasers with similar work experience concerning delivery service. The sample is small in comparison to most work in marketing; an exception is Bettman's (1970) information processing study of two consumers. Wilson (1985) argues strongly for using small samples in developing organizational buying theory. Qualitative work typically obtains in depth information on a small sample. As an example, Steffensmeier (1986) has a book length account of a fence (a dealer in stolen goods) based largely on extended interviewing of one professional fence.

Analysis of the Interviews

The basic method of analysis in qualitative research is analytical induction in which the investigator examines data to identify concepts and their relationships so that a major theme or theoretical account of some aspect of social life can be developed (Strauss and Corbin 1990). In the major study from which this paper is taken, delivery service had been identified as a major concept, so that data was examined to determine

how purchasers experienced delivery service. We recognized that the delivery date formed the basis for an **expectation** and our analysis turned to identifying the process that included the antecedents and consequences of the delivery **expectation.**

AN OVERVIEW OF PROJECT WORK AND THE EMERGENCE OF DELIVERY EXPECTATIONS

This paper combined purchasers in two industries: 1) construction engineering, the design and construction of industrial plants; and 2) job shop manufacturing using materials and components to produce custom built industrial machinery and facilities made to order for customers. Both industries organized work around a scheduled project, the successful completion of which depended on the "on time" availability of items acquired by purchasers. The tie between a scheduled project and purchasing work in construction engineering is detailed below.

Purchasers that I interviewed who worked for construction engineering firms described their work as being done in order to obtain items that were necessary in order for their firms to complete a project. Project work was seen by purchasers as starting with a customer that needed to have an industrial facility designed and built. Next, the construction engineering firm won the job which required engineering work to design the facility such as an electrical utility generating plant, paper mill or chemical processing plant. The construction engineering firm was often responsible for the construction of the plant which required the acquisition of machinery, equipment and materials out of which the plant was constructed. Purchasing became responsible for negotiation with vendors to supply items for plant construction, and selection of a vendor that could deliver items in time to meet the schedule for the project. **Expectations** for delivery service emerged from vendor negotiation and commitment to a delivery date. Although beyond the scope of this paper, purchasing for a project ended when the facility proved to meet the customer's requirements and the construction engineering firm no longer had responsibility for the project. Murry Dill conveyed the purchasers' view of their work as linked to a project involving a series of steps as follows:

> The process that a project goes through would be our sales force out beating the bushes and finding a job that's coming up down the road. O.K., we're given those specifications and we are then to respond with our offering. We have a proposal and the Engineering Department will take those specifications and begin - basically our plants are chemical plants - they'll begin a process design and out of their facts and figures on the chemical process that we have to complete they'll be able to size the various pieces of equipment to do the work.
>
> If we get the job then it goes to the engineering department who begins the real finite engineering process to the very nth degree and then we'll use a combination of the customer's specifications, project specifications, and our own specifications for a particular project. When the specification is ready then the engineers may have some particular people (vendors) they want to go to. If I know of anyone I can go to them as well. If one of the companies that they've suggested is one where I know some bad experience, I can relate that to engineering and we can decide whether or not to go to that company (vendor).

Murry went on to explain that after a set of technically approved vendors had been identified and the technical dimensions of a contract with a vendor had been settled, then purchasing would assume responsibility for negotiating the commercial side. Part of the commercial considerations included delivery time: "I had an example just recently of a company that we gave an order to and part of - a big part of the reason they got the order was that they promised delivery on a certain date on some switch gear."

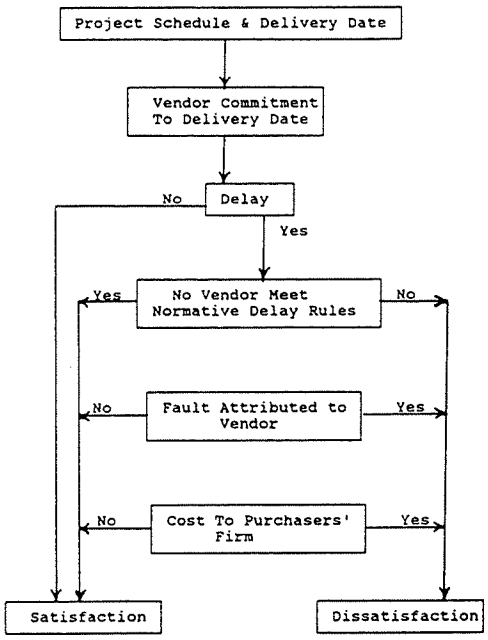
The **job shop manufacturing** purchasers discussed a similar process. After the firm obtained a job, the equipment or storage facility to be built was designed and the purchaser was given information, such as a bill of materials, concerning what items needed to be purchased in order to complete the job. The purchaser also received a

production schedule. It became the purchaser's responsibility to obtain the needed items on time, and that was accomplished by obtaining a commitment from a vendor to deliver on time to meet the schedule.

DELIVERY EXPECTATIONS, DELAYED DELIVERY AND SATISFACTION

How delivery **expectations** arose as part of the purchasing process is developed in this section and our etic model of the process is shown in Figure 1.

Figure 1
A Delivery Service Delay & Satisfaction/Dissatisfaction Model



Our overview of the **expectations-satisfaction/ dissatisfaction** process starts with the project schedule (see Fig. 1). The project schedule determined the delivery date. In order to obtain on time delivery, the purchaser would negotiate with vendors and select a vendor that made a commitment to meet a delivery date. An **expectation** concerning the delivery date was created. Once a vendor who committed to a due date had been selected the next phase in the procurement process was expediting, monitoring vendor progress toward delivery on time. If no delay occurred and delivery was on time, the purchaser would be **satisfied.**

On the other hand, if a delay occurred purchasers could be relatively satisfied with a late delivery depending upon the degree to which the vendor followed normative **rules for an anticipated** late delivery; whether or not the cause of the late delivery was **attributed** to the vendor or some other reason; and the purchaser's firm did not incur a loss due to the delay. Dissatisfaction would result if the vendor failed to follow **normative delay rules**; **fault** was attributed to the vendor; and the delay resulted in a cost to the buying firm.

In the remainder of this section, we present an account of the **expectations-satisfaction** process drawn from the purchasers' experiences, and quotations taken from the interviews are used to convey how the purchasers attempted to obtain on time delivery and responded to delays.

Vendor Selection and the Emergence of Delivery Expectations

After the purchaser's firm had won a contract, the purchaser would assume responsibility for selecting and recommending a vendor. Technical approval of vendors before purchasing involvement was a common practice in construction engineering and to some extent in job shop manufacturing. The usual procedure in both industries was that it was up to the purchaser to negotiate what purchasers referred to as "the commercial" aspects of an agreement with prospective vendors, and to recommend a vendor that offered the best combination of the ability to meet the required delivery date and commit to deliver on time, offered a competitive price, and a package of services, warranties and other provisions that are beyond the scope of this paper. The important point is that purchasers experienced a commitment to receive items on time from the vendor that was ultimately selected. John Baker, construction engineering, talked about finding a vendor that could meet the schedule and negotiating a commitment to it:

> We will then tie down the delivery dates. Due dates might be a better phrase, for all the deliverables that are associated with the work

itself. (JS: Does this take some negotiation sometime?) Yes, we have some specific needs and we try to get the supplier to commit contractually that they will meet or exceed those. (JS: Is this something that if the contractor is too far removed from the goals you have, that you have to go to another vendor?) Absolutely.

When the vendor made a commitment to deliver on time to meet the project schedule, delivery service **expectations** emerged as the delivery or due date. Purchasers had experienced situations in which vendors failed to deliver on time, yet they still anticipated that the due date would be met, and plans for the project were made on the premise of meeting the due date. Expectations in terms of the due date was part of the experience of Jack Harris, construction engineering:

> (How close would this have to be to meet the schedule?) We try to pin it down to the day, and that's very important. You get a piece of equipment that's 20,000 pounds, and when that thing shows up at the gate you'd better know it's coming so we'll have a crane there to off load it. You know you wind up paying that driver to sit there overnight so it's critical. Of course the job sites are set up to receive - fork truck or whatever and a warehouse - but certain things, certain equipment like your major pieces of equipment has go to be closely scheduled. We have an expediting department that follows these on a daily basis so they know everyday where that piece is.

Meeting the due date was also emphasized by Frank Turner in his experience in job shop manufacturing:

> Now just an overview from manufacturing is that generally in terms of manufacturing you are driven by the schedule...you don't want the thing in before it is supposed to be in. It has a date when it is supposed to be in for them, and if you get it in too early you are causing the company's funds to be spent unnecessarily, prematurely.

Expediting: Learning Of A Delay

Once a vendor who committed to a due date had been selected the next phase in the procurement process was to monitor vendor progress and take action if it appeared that the original due date was not going to be met. The general term used by purchasers for that activity was expediting and it was a way that purchasers learned that a delivery would be delayed. Doris Cole, construction engineering, explained that after the vendor had been awarded a contract for materials and committed to a delivery date:

> Then our expeditor will take over and my expeditor then will see in the system that this purchase order is done. Once that happens it feeds another system that tracks the material based on a component code number. That component code number will show up in the system. Our expeditor (will think) "O.K. I see this material is due to ship on and she has a promise date". Now if she does not receive papers documenting the fact that this material has been shipped or if there is not a RIR report, receiving and inspection report, that comes back from the job site stating that "yes" the equipment has been received then that's when they come in and they start calling people with problems.

Purchaser Response To An Anticipated Delay

After learning of a delay purchasers would typically attempt to have the vendor commit to a revised delivery date and improve delivery performance. In response to receiving information that a shipment would be late, Ken Vincent, job shop manufacturing, pressured the vendor for better service:

> Well, late shipments are a problem with us right now. I explained about this mad rush we have here. Monday I had Steel Co. A's man and Steel Co. B will have their man in here tomorrow morning to go over the orders because a lot of them have items that have shifted as much as a month. So I'll have to come in, pound on the desk and whatever to tell them that this is unacceptable... I can sort

of threaten to give one or the other more of the business because the one in front of me is slow and I think they know I would do it and I would.

Purchasers would also see if the project could be rescheduled or if the progress on the project was such that the delay would not cause a problem. Ken Vincent, job shop manufacturing, in talking about his response to a vendor with late shipments said:

> They (vendors with late deliveries) will start promising to do better. I will give them a chance especially if I need the suppliers, I'll give them every chance that I feel is acceptable (Swan: Are they usually able to pick things up?) Usually, I had this happen about a year ago, it was just with one of the vendors. I called them in and I just told them in no uncertain terms - hey we're going to have to start looking more at deliveries even if it costs us a little bit more. They went back and I kept up a sheet on all the orders and one of them had been delayed six different times. I said luckily that one didn't hurt the job because the job had been delayed, but generally that's not acceptable. They did straighten it out.

Purchaser Satisfaction/Dissatisfaction

Purchaser **dissatisfaction** with a late vendor depended on the extent to which the vendor followed what we have termed **normative delay rules**; fault for the delay was **attributed** to the vendor; and the amount of the loss to the purchasers firm due to the delay.

Normative rules were voiced by the purchasers that as soon as the vendor could anticipate missing the due date, the vendor had an obligation to: 1) inform the purchaser of the problem and 2) be responsive to any request that the purchaser made concerning the status of the order and due date. The reason given by purchasers for the inform and respond rules was that with adequate notice it was sometimes possible to reschedule the project with a minimal loss. As Jack Harris, construction engineering, explained:

> A better job in my mind is a vendor that has a project manager that communicates real well. He responds to our communications. I mean they may have a major problem but if they don't tell us it becomes even more of a problem. Tell us about it and we can make adjustments to either help them overcome it or minimize the impact. Say it's in the delivery schedule. If that project manager has told us look it ain't gonna meet that date, if we know that we don't have a crane sitting there waiting to unload it or field people waiting to go to work on it or whatever - so it's really communication.

Following the **normative inform and respond rule** would decrease purchaser dissatisfaction with the vendor. However, not all purchasers would be satisfied enough with the vendor to reorder. Purchasers often felt that they had no choice but to work with the vendor and make the best of the situation as the long lead time on many items closed off the opportunity to simply go to another vendor. John Baker, construction engineering, explained why vendor flexibility was important to his company and that once a vendor was working on the order, his firm would stay with a vendor that had difficulty in meeting change orders which would slow down the job. However, John Baker would not wish to give that vendor a reorder.

> We build the majority of our plants on what we call a fast track basis. Now that's defined as we try to start purchasing and constructing the job while detail engineering is still going on so we have a multitude of activities that are worked simultaneously or in parallel with each other. We have a higher number of revisions and modifications that will take place because we have already told (the vendor) that I want to buy this copper now. It may be 2 months before we make up our mind that I want it painted and it may be another month before I can tell you what color. So with that passage of time the fact that we have these revisions or additional information, he has to have the ability to be able to have his own administrative controls set up so that when changes do come in everyone that needs to know within his own

organization is in the communication link. There are some firms that are so highly structured if you give them a change the only way they can handle it is that they take you totally out of the production cycle, and they withdraw everything and have a total new order entry. (JS: So that would slow you down?) Absolutely! When we're looking at companies and how well they work with us that's one of the elements that we look at. We're certainly not saying that the more highly structured and disciplined company is wrong. It's just that the atmosphere and environment that you work in is difficult for us. If we were working on projects where the design and specifications were 100% complete before we ever start them then that would be fine, we could work in that environment but the way we are today we do not.

It was clear that if a supplier failed to honor the inform and respond rules the purchaser could become quite dissatisfied. In recounting his experience with a delay Murry Dill, construction engineering, said:

> I guess the thing about this whole situation that really upset us was they did not keep us up to date as they saw delivery slipping. The thing that really chapped us was the fact that it was us having to call them only to be told that "no", it's going to be 4 weeks late. If we had known ahead of time we could have perhaps adjusted our construction schedule.

Attribution and Dissatisfaction With An Anticipated Delay

We found that the purchaser experience of learning of a delay would trigger an attribution of responsibility to either the vendor or some other cause and dissatisfaction resulted when responsibility was attributed to the vendor.

The experience of Doris Cole, construction engineering, illustrates dissatisfaction with vendor delay:

> The customer had this existing track and he wanted the trolley to be upgraded so I therefore had to use that supplier. I will tell you this supplier will never be used again on another job site and it's simply because they did not respond in a timely manner. They did not do what they were asked. They would give us schedule dates, when they would get in their drawings, or when they would get specific equipment to the job site, and they have yet to meet any one of these dates. Needless to say they will never be used again.

Doris Cole went on to explain more about the situation and it was clear that she attributed the cause of the delay to the vendor:

> (And did you let them know about your dissatisfaction?) Oh yes, I certainly did - about how unhappy I was, I felt like at times that he was really trying, but his hands were tied on a couple of occasions because he was dealing with some suppliers. But the thing that made me so very unhappy is he said "I can't get them to budge --- they said this is the best they can do". I said well let's see about that. I called his supplier. I bettered that date. I went in and I said "now - this equipment will be here this date." "You mean he gave you a better date than he gave me? Well I'm upset that he gave you a better date than me". I said, "Well I'm not, I tried to get that date changed. I don't know how far you tried" So you see what I'm saying. There are ways that you can find out if suppliers are really doing their best.

On the other hand Murry Dill, construction engineering, was satisfied with late delivery from a supplier when the problem was not attributed to the supplier and Dill's firm would be reimbursed for the delay cost:

> I've got to get $12,000 worth of liquidated damages on some motors from a supplier here because late delivery has cost us that much money in increased cost for the company that's utilizing their motors and assembling a piece of equipment for us. The assembler is charging us more for overtime and week-end work and so it should not cost (our firm) anymore. I'm going to have to take advantage of what we negotiated with this motor supplier

and charge him liquidating damages. I'd buy more motors from the guy in a minute. In fact the problems that they had were with one of their suppliers so the lateness was really out of their hands but that's the way it goes and that's the way you need to look at it.

Cost Of a Delay To The Purchaser's Firm

The preceding quote from Murry Dill illustrates our finding that satisfaction or dissatisfaction with a delay depended on the cost to the purchaser's firm. Increasing cost would increase dissatisfaction. A major work goal of purchasers was to help their company make money, as Ken Vincent, job shop manufacturing said:

> We do our best of course to help the company to make money. That can be done both with the cost of material and getting it in time to meet all the schedules. I had learned many years ago back at PDM (former employer), these field people are most expensive personnel. The ones that put the tanks up in the field. It bothered me when I first started to work in a company like this saying why should we bow down and say the field people are the greatest people. Then I got to looking at their salaries and the overhead and so forth on that end. He can make or break the job, so we do gear everything to meet his needs. If we do have to have a shut down whether it's directly related to a job in progress or not being able to meet a schedule in general, then it does cost the company quite a bit of money.

Receipt of the Order, Satisfaction and Intentions

The last step in the procurement process that we considered is receipt of the order. Purchasers were notified when orders were received, records were kept of vendor performance in terms of meeting delivery dates, and on time performance resulted in satisfaction. The contingencies following delays have been discussed above, and if the vendor failed to follow **normative delay rules**, the problem was **attributed** to the vendor, and it was costly to the purchaser's firm, dissatisfaction would occur.

The record of vendor performance could be either a computerized information system or an informal reliance on memory. Purchasers routinely used prior vendor performance as a basis for vendor selection so the on time record influenced both satisfaction and intentions. The experience of Charles Saunders, job shop manufacturing, illustrates vendor choice based on past performance including delivery (the following is based on field notes):

> When asked about supplier performance he said that they keep the purchase order and he will sometimes refer to the purchase order and thereby get an idea of vendor problems. He went on to say he might check the last 2 or 3 orders. He relies a lot on memory, and he said he can remember who he talked to, the price of an order, the name of the person at the desk that he talked to. He says he remembers all that and uses that in making a choice of a vendor.
>
> I asked about poor supplier performance. Mr. Saunders mentioned bad delivery and bad material, particularly raw material. Sometimes material might be bent to the extent it can't be used and he is interested then in how quickly the material can be replaced. I asked if sometimes vendors gave him problems and excuses. He doesn't like to receive excuses and sometimes wouldn't buy from a vendor anymore that has given him poor service. He seems to feel that if the vendor ignores him the vendor is not being responsible. He said, "I'm held responsible," and he expected others must be held responsible for their acts. He does choose not to do future business with poor vendors although he added he may go back sometime in the future.

CONCLUSIONS

The major contribution of this study was the finding that expectations emerge and evolve as the purchasing process unfolds. A set of contingencies following initial expectations determines the extent to which an industrial buyer is satisfied or dissatisfied with delivery service. If the material

arrives when expected, on the due date, purchasers are satisfied. Delay of an order can still result in a satisfied buyer when the seller (vendor) follows normative rules for late delivery, when the cause of the delay was not the vendor's fault, and when there was no loss (cost) to the buyer.

This article also illustrates how ethnographic research can be used in conducting marketing studies. It can serve as a guide to others who wish to explore the use of this research methodology.

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ACKNOWLEDGEMENTS

We wish to thank William C. Yoels for his invaluable advice and comments on all phases of the project that served as a basis for this article. We acknowledge with deep appreciation the purchasers who patiently told us of their work.

We also wish to thank an anonymous referee for major suggestions for redirecting our original effort.

We are very grateful to Martha Posey for her assistance in transcribing interviews with purchasers and preparation of this manuscript. Thanks goes to Bettye Courington for assistance on a number of occasions as the project evolved.

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