

Developments in Business Simulation and Experiential Learning, Volume 26, 1999
DEMONSTRATING PRINCIPLES OF ORGANIZATIONAL PURCHASING BEHAVIOR
THROUGH AN EXPERIENTIAL EXERCISE

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ABSTRACT

The buying game is a simulated purchasing experiential exercise designed to demonstrate concepts of organizational purchasing behavior. The exercise is designed for use in sales and sales management classes, but can also be used in industrial marketing courses, consumer behavior courses, executive education and sales training settings.

PURPOSE

The concept of the buying center (Robinson, Faris and Wind, 1967) is a central theme in research and theory pertaining to organizational purchasing decisions, but it is a difficult one for business students to visualize. It has been described as a group (Wilson, Lillien and Wilson, 1991), an intergroup (Katrichis, 1998), an adhocracy (Bunn, 1984), and a communication network (Bristol, 1993). The purpose of the exercise is to demonstrate to students how the buying center can be all of these things and to demonstrate behavior patterns, antecedents and consequences of buying center decision making.

DEMONSTRATION

The purpose of the demonstration is to introduce the buying center game and to provide a hands-on use opportunity to participants. Participants will receive all necessary materials for producing their own version of the game in the classroom. The demonstration will last about forty five minutes.

GAME DESCRIPTION

The exercise involves two purchase decisions that participants must make, a new telephone

system and a new computer system. Participants are told that bids have been solicited, with five vendors qualify for further consideration for each of the two purchase decisions. Participants are given a total of six documents in order to play the game. These include:

- A basic description of the game.
- A position description for their department members.
- A memo from their CEO spelling out purchase priorities.
- A memo from their superior interpreting these priorities.
- Vendor descriptions for the two purchase decisions.

The game is played in four parts. First, participants are provided documentation and are allowed to familiarize themselves with it. Then participants meet with their own assigned functional group. Functional groups are assigned the task of prioritizing the five vendors for each purchase decision ranking them from one to five.

After functional groups meet, participants are assigned to a buying center. The buying centers then meet and come to a decision on the purchase decisions (simple majority vote) concerning one vendor for each purchase decision. Finally, the game is scored and discussed with participants.

SCORING

There are two possible configurations for scoring the game. How the game is scored can be utilized to demonstrate the effects of the organization's measurement and reward systems on the buying behavior of organizations

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(Anderson and Chambers, 1984). Scoring can be done in either a competitive or collaborative mode.

In a competitive mode, functional departments are scored based on how well their members have promoted their department's preferences in the buying center. In other words, if a buying decision is the same as the participant's department's first choice of vendors, their department earns three points. If a buying decision is the same as the department's second choice of vendors, their department earns two points. If the buying decision is the same as their department's third choice of vendors, the department earns one point. No points are earned for fourth or fifth preferences.

In a collaborative mode, buying centers, rather than departments are awarded points based on how well they have accommodated the preferences of all members.

The competitive mode of scoring seems to work best as it seems much easier for students to envision how the decision would have changed had a collaborative mode been used rather than vice versa. Either scoring scheme allows the administrator to demonstrate the concept of satisficing versus maximizing. In the competitive mode, buying centers tend to attempt to maximize for the department and satisfice for the organization. In the collaborative mode buying centers tend to satisfice for the department and maximize for the organization.

ADMINISTRATION

The game takes between forty-five and seventy minutes to administer in class depending on the number of participants and whether participants are provided with the materials before the session. If students are required to absorb the materials within class, allow an extra fifteen minutes for game administration.

The game needs an absolute minimum of three participants in order to be of any value. The maximum is really only a function of how many groups the administrator is comfortable with. The game has been run successfully with as few as eight and as many as forty-five participants.

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