

**IMPACT OF FACTORS AFFECTING SUPPLIER'S SELECTION  
DECISION IN KARACHI**

**By**

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of the MBA degree



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**2<sup>nd</sup> Half –Semester Progress Report & Thesis Approval  
Statement**

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**APPROVAL FOR EXAMINATION**

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### **List of Tables and Matrices**

Table 1: Results of Cronbach's Alpha reliability test of questionnaire ..... 13

Table 2 : Pearson Correlation ..... 14

## **List of Abbreviations**

SRM..... Supplier Relationship Management

**First page of the plagiarism test report**

## **Acknowledgment**

I would like to give acknowledgment to the most merciful and powerful almighty Allah, to provide me strength and capability to accomplish this research thesis without any hurdles. I am also very thankful to my advisor Mr Naveed without his guidance I want not be able to complete my research work and then Bahria University teachers who have supported and guided me time to time to complete this research thesis and enhanced my research work with intention of making this research valid and true. Last but not least, I also would also like to thank my loving parents, siblings and friends who were always with me for every kind of support to complete this research thesis

## **Abstract**

**Aim of study:** The aim of this study is to find out the impact of five different factors that are price, quality, delivery, technology, supplier relationship management on the supplier selection decision. These variables are selected after a detailed review of available researches and current market trends.

**Research methodology:** The methodology that was adopted for this research is convenience sampling technique of non-probability sampling. All the data was primary in nature and was collected through close ended questionnaire electronically. For this research five independent variables were identified i.e price, delivery, and quality, technology and supplier relationship management.

**Findings of research:** The research was conducted to identify the impact of factors on supplier selections. All the hypotheses were accepted this shows that there is a significant impact of factors on supplier selections in Karachi.

**Significance of study:** Practical implications of this research are that, this research provided a fruitful insight about the importance of supplier selection factors. Organizations should understand and acknowledge this importance for prosperity and growth.

**Key Words:** price, delivery, and quality, technology, supplier relationship management, supplier, selection, decision.



## Table of Contents

IMPACT OF FACTORS AFFECTING SUPPLIER’S SELECTION DECISION IN KARACHI .....	i
2 <sup>nd</sup> Half –Semester Progress Report & Thesis Approval Statement.....	ii
Declaration of Authentication.....	iii
List of Tables and Matrices.....	iv
List of Abbreviations .....	v
First page of the plagiarism test report .....	vi
Acknowledgment.....	vii
Abstract .....	viii
Table of Contents.....	ix
Chapter 1 .....	1
Introduction.....	1
1.1 Problem Background .....	1
1.2 Problem Statement.....	2
1.3 Aim of Study.....	2
1.4 Hypotheses .....	2
1.5 Thesis Time Horizon.....	3
1.6 Thesis Time Scale.....	3
1.7 Limitation of This Study.....	4
1.8 Significance of Study.....	4
1.9 Prospects of Further Research .....	5
1.10 Ethical Considerations Involved.....	5
1.11 Organization of the Thesis .....	5
Chapter 2.....	7
literature review .....	7
Chapter 3.....	11
Research Methodology .....	11
3.1 Nature of Research.....	11
3.2 Population under Study.....	11
3.3 Sample Size.....	11

3.4 Sampling Method.....	12
3.5 Data Collection Method.....	12
3.5.1 Data Type.....	12
3.5.2 Structure of Questionnaire .....	12
3.5.3 Scale used in Questionnaire .....	13
3.5.4 Reliability Values of Questionnaire.....	13
Chapter 4.....	14
data analysis and integration.....	14
4.1Hypotheses Testing.....	14
4.1.1 Hypothesis 1.....	15
4.1.2 Hypothesis 2.....	15
4.1.3 Hypothesis 3.....	16
4.1.4 Hypothesis 4.....	16
4.1.5 Hypothesis 5.....	16
Chapter 5.....	18
Discussion.....	18
Chapter 6.....	21
Conclusion and Recommendation .....	21
6.1 Conclusion: .....	21
6.2 Recommendations:.....	21
References.....	22
ANNEXURE.....	24
QUESTIONNAIRE .....	24

## Chapter 1

### INTRODUCTION

#### 1.1 Problem Background

Suppliers holds an important place in supply chain process. Competition is increasing at a rapid speed as a result survival and profit making have become tougher. With increase in competition and rapid change in technology, role of suppliers has become more significant. Outsourcing is another reason for this. Initially, supplier selection decisions were based on low cost and price option but this decision has become more complex over the period past many years. Various new factors have become critical in this decision. Many researchers have found various different factors that play an important role in supplier selection process. Wrong selection of supplier can be very harmful for organization. Poor supplier selection decisions results in lack of innovation, poor quality of product and high costs (Badorf, 2015).

Various factors of supplier selection decision has been identified by past researches. Different researchers have studied different factors and their role and importance in supplier selection decision. Zaeri et al. (2011) found product price and delivery to be important factors in supplier selection process. Every business wants to earn profits and with increase in competition the price of product can be a deciding factor. Whereas Abdolshah (2013) investigated the role of quality in supplier selection process. The better the quality of raw material the better will be the finish product. Quality is an utmost important factor therefore for some organization no compromise on quality is acceptable. There are several techniques like total quality management (T.Q.M), six sigma, business process reengineering and several others, organizations are now investing in these techniques in order to ensure good quality. Furthermore, According to the research of Cheraghi et al. (2015) quality, technology, price, delivery and the top three factors affecting supplier selection decision. Moreover Mukherjee (2014) concluded that quality, delivery, relationship with vendor, technology and cost are considered at the time of supplier selection. According to Pal (2013) quality, price and delivery are the top three critical factors. Paiva, Phonlor & D'Avila (2008) have concluded that

supplier- buyer relationship have gained a lot of interest by the researchers and various strategies are adopted to make this bond stronger between both parties. Without knowledge and understanding of above mentioned factors supplier selection decision will be affected.

In today's ever changing and growing environment consideration to above mentioned factors are highly important. It will result in selection of the right suppliers which ultimately contributes in success of organization.

## **1.2 Problem Statement**

Suppliers are now days called one of the very important strategic business partners. It is very important for a business to be in business with the right suppliers otherwise the wrong supplier selection can lead to losses and bad performance.

In this research the cause and effect study is conducted between five selected factors: price, quality, delivery, technology, supplier relationship management on supplier selection decisions.

## **1.3 Aim of Study**

The aim of this study is to find out the impact of five different factors that are price, quality, delivery, technology, supplier relationship management on the supplier selection decision. These variables are selected after a detailed review of available researches and current market trends.

## **1.4 Hypotheses**

Hypotheses of this research are as follows:

**H<sub>a1</sub>**: Price has a significant impact on supplier selection decision.

**H<sub>o1</sub>**: Price has no significant impact on supplier selection decision.

**H<sub>a2</sub>**: Quality has a significant impact on supplier selection decision.

**H<sub>0</sub>2:** Quality has no significant impact on supplier selection decision.

**H<sub>a</sub>3:** Delivery has a significant impact on supplier selection decision.

**H<sub>0</sub>3:** Delivery has no significant impact on supplier selection decision.

**H<sub>a</sub>4:** Technology has a significant impact on supplier selection decision.

**H<sub>0</sub>4:** Technology has no significant impact on supplier selection decision.

**H<sub>a</sub>5:** Supplier relationship management has a significant impact on supplier selection decision.

**H<sub>0</sub>5:** Supplier relationship management has no significant impact on supplier selection decision.

### **1.5 Thesis Time Horizon**

As far as the time horizon for this study is concern it is a cross-sectional research as the data for this was collected at a specific point in time. This research was initiated in May 2015. The target time set of completion of this research is four to five months therefore this research needs to be completed by September 2015.

### **1.6 Thesis Time Scale**

A time schedule was designed so that this research can be completed on time .Thesis time scale for this thesis is as follows:

Thesis Registration: 2<sup>nd</sup> May, 2015

Topic Selection 10<sup>th</sup> May, 2015

Approval of topic: 15<sup>th</sup> May, 2015

Proposal Finalization: 27<sup>th</sup> May, 2015

Chapter One- Introduction: June 2015

Study of Literature for chapter 2: June 2015

Chapter 2- Literature Review: July 2015

Questionnaire: July 2015

Data Collection: July 2015

Chapter 3 – Research Methodology: July 2015

Chapter 4 – Data Analysis Integration: August 2015

Chapter 5- Discussion: August 2015

Chapter 6 Conclusion and Recommendations: August 2015

### **1.7 Limitation of This Study**

This research has some limitations that are as follows: There can be various other factors can affect a supplier selection decision, this research is only limited to five factors. Another limitation is that the data for this research was collected from one industry only. Time is another limitation as this research was needed to be completed by September 2015.

### **1.8 Significance of Study**

This research is important and significant as it tells which factors affect a supplier selection decision. It can help new managers and decision makers to become aware of these factors so that they can make the right choice at the time of supplier selection. Moreover, it can help the suppliers to understand factors that organization consider important so that they can improve their performance in those areas and make themselves top priority for the organizations. This research will specifically shed light on the role of price, quality, delivery, technology, supplier relationship management in the supplier selection decision, i.e which is the most important factor among all of these and how this information should be used by organizations and suppliers to their advantage.

### **1.9 Prospects of Further Research**

Supply chain management is a very long and complicated process, previously the importance of supply chain management was an ignored area but with the help of various research and use of technology this topic has gain quite attention in the field of research .Still there is a lot of room for research in this area especially in a developing country like Pakistan. So this research can be taken as a reference point for more in-depth future researchers. Various other factors can also affect the supplier selection decisions those variables should also be included in future researches. Similar research can be conducted for other industry or sector as supplier selection decision and factors affecting this decision may vary from industry to industry.

### **1.10 Ethical Considerations Involved**

It order to make a research authentic and reliable certain ethical guidelines are needed to be followed by the researchers. Following ethical measures have been taken to ensure that this research remains valid and useful. The objectives of study were explained to the respondents in the beginning and their participation was their decision, without any force coercion. Confidentiality and anonymity of responses are made certain so that the respondents' privacy is remained intact. The Respondents were requested to remain truthful while answering the questions and data collected for this research was only used for this research.

### **1.11 Organization of the Thesis**

The thesis consists of six chapters, a list of references / bibliography and appendices.

Chapter 1 constitutes the problem background, aim of the research, research hypotheses and objectives and introduction to the organization/sector over which the research is being conducted etc.

Chapter 2 provides critical review of the existing literature containing the critical academic debate about (the topic) with the views of the academicians' and practitioners' on the matter.

Chapter 3 provides information on research methodology – nature and kind of research, sample size, sampling method, data collection methods employed during the study, kind of data collected, and the way the data is integrated

Chapter 4 includes research data of both kinds – primary as well as secondary – collected and integrated. It will also show findings of the data and their interpretation and analysis.

Chapter 5 provides a critical debate on the study drawing on the literature review and contrasting it with the findings of this study.

Chapter 6 constitutes conclusion and recommendations of the study.



## Chapter 2

### LITERATURE REVIEW

**2.1** In purchasing and supply of products and services identification and analysis of selection criteria of vendors has been a most important issue and matter of concern for the organizations (Dixon, 2010). The managers who work in those areas has a responsibility to identify those suppliers who are best for them by all means (Lincon, 2000). Suppliers hold an important place in supply chain process. Competition is increasing at a rapid speed as a result survival and profit making have become tougher. With increase in competition and rapid change in technology, role of suppliers has become more significant. Outsourcing is another reason for this. Initially, supplier selection decisions were based on low cost and price option but this decision has become more complex over the period past many years. Various new factors have become critical in this decision. Many researchers have found various different factors that play an important role in supplier selection process. Wrong selection of supplier can be very harmful for organization. Poor supplier selection decisions result in lack of innovation, poor quality of product and high costs (Badorf, 2015).

Competition is increasing at a rapid speed as a result survival and profit making have become tougher. With increase in competition and rapid change in technology, role of suppliers has become more significant. Outsourcing is another reason for this. Initially, supplier selection decisions were based on low cost and price option but this decision has become more complex over the period past many years.

Quality is generally defined as fitness to use that is how fit the product or service is for the use of customers. (Rao, 2010). Quality can be perceived as quality of conformance which can be defined by absence of defects and on the other hand it can be defined as quality of design in which the quality is measured by the degree of customer satisfaction with product characteristics and product features. Raw material that supplier provides must be of higher quality if the supplier wants to be chosen by the organization, as good and reputed organizations do not compromise in quality (Rao, 2000). According to the study of Michels (1998) if any supplier provides finished goods of higher quality so there are higher chances that organization select those suppliers. Those suppliers who provide raw material or finished

goods that encounter least waste material are most probably among the highest factors of quality and chances are high that organizations select those suppliers (Naveed, 2010). When any supplier offers a product that has a higher shelf life, organizations tend to select those suppliers because those organizations who want to save their inventory want those suppliers who can provide a high shelf life for their product or service (Midi, 1997).

Price is among one of the most attractive factors when it comes to selecting suppliers. There are many different factors that an organization considers when they select suppliers. One of the researches states that the price that suppliers offer must be market competitive if they wanted to be selected by the organizations (Rahul, 1999). Price should be reasonable enough to survive in the market; otherwise, competitors will take the market share by offering competitive prices (Arjun, 2010),

It should be considered that if there are so many supplier options in the market, the bargaining power of the organization will increase drastically (Michael, 2010). When prices are low, the profit margin of the organization also increases, so organizations tend to select those suppliers (Vijay, 2008).

Delivery timings of products that suppliers offer to the organizations to continue matters a lot at the time of selecting the vendors and suppliers (Roy, 2003). Organizations prefer to get those suppliers who provide on-time delivery of products, by doing these organizations do not have to save the products in their warehouse (Roy, 2010). In most of the cases, those organizations who do not save their inventory in the warehouse select and prefer those organizations who provide just-in-time inventory (Jimmy, 1996). Safe delivery of products is the biggest factor among suppliers selection, because if an organization does not receive the product that they ordered, the organization will incur a loss instead of earning profits and on the other hand, the organization might incur a delay in the delivery of finished goods to the customers that might be problematic in the long run (Vinod, 2005). For the delivery of products safely and timely, the factor of placement of products in the vehicle is also very important because wrong placement of raw material can damage them and incur a loss on the side of the organization. So

placement of raw material during delivery also counts when it comes to selecting and finalizing suppliers for any organization.

In most of the cases, those organizations who do not save their inventory in warehouse select and prefer those organizations who provide just in time inventory (Jimmy, 1996). Safe delivery of product is the biggest factor among suppliers selection, because if organization do not receive the product that they ordered so organization will incur loss instead of earning profits and on the other hand organization might incur delay in delivery of finished goods to the customers that might be problematic in long run (Vinod, 2005).

Technology plays a very important role when it comes to supply chain management. Tracking of material throughout the process is very important element because organization can easily predict the delivery time and lead time (Michel, 1996). Use of technology can help the organization to easily compare different suppliers offering and product line, that helps the organization to easily differentiate between suppliers and select them according to their need (Hogomo, 2010). Use of technology can also help the organization to identify the safety stock and recall time of the inventory. Use of technology can also help in maintain digitalized documents among the organization and suppliers.

Supplier relationship management plays an important role in supplier selection at the side of organization (Rahul, 2006). He supplier should be fair in their deeds and dealings at the time of contract and throughout the session of contract so there should be the maintained level of trust between them (Joe, 2013). Supplier should provide structural advantages to the organization during the whole session of contact, this will be beneficial for both the parties (Jhon, 2007). Integrated value chain should be promoted by the supplier toward the organization so that both of them should have equal opportunity to grow at their side (Nicholous , 2010). The supplier should be fair in their deeds and dealings at the time of contract and throughout the session of contract so there should be the maintained level of trust between them (Joe, 2013). Supplier should provide structural advantages to the organization during the whole session of contact, this will be beneficial for both the parties (Jhon, 2007).

In purchasing and supply of products and services identification and analysis of selection criteria of vendors has been a most important issue and matter of concern for the organizations (Dixon, 2010). The managers who work in those areas has a responsibility to identify those suppliers who are best for them by all means (Lincon, 2000). Suppliers hold an important place in supply chain process. Raw material that supplier provides must be of higher quality if the supplier wants to be chosen by the organization, as good and reputed organizations do not compromise in quality (Rao, 2000). According to the study of Michels (1998) if any supplier provides finished goods of higher quality so there are higher chances that organization select those suppliers

## **Chapter 3**

### **RESEARCH METHODOLOGY**

#### **3.1 Nature of Research**

For this research, deductive approach is followed as the previous researches were read for used as based for this research. In order to check the cause and effect relationship between the elected variables five hypotheses were made.

As the title of thesis suggests that the factors affecting supplier selection decisions are being studied, the selected factors are price, quality, delivery, technology, supplier relationship management all these are selected independent variable and the supplier selection decision is the selected dependent variable in this research.

As all the responses were collected at a specific point in time this makes it a cross sectional study.

#### **3.2 Population under Study**

The target population for this research is the employees having bachelor's degree working in retail industry in Karachi.

#### **3.3 Sample Size**

For this research the sample size is 300 response, as the population includes employees from one industry and the sampling frame is not fully known therefore the sample size was calculated to be 300 as per different books 300 is the right sample size when convenience sampling is opted.

### **3.4 Sampling Method**

For this study, since the sampling frame is unknown therefore non probability sampling is the correct option. Convenience sampling method of non-probability sampling is opted.

### **3.5 Data Collection Method**

Data for this study was collected through questionnaires. A separate questionnaire was designed for this study and reliability test was also run to make certain that the data is for analysis.

336 questionnaires were distributed among the employees and out of which 300 were returned the data of these 300 questionnaires were then used for further analysis and for drawing conclusion of this research.

#### **3.5.1 Data Type**

The data collected through questionnaires for this research is primary data. No secondary data was used in data analysis. All the statements were judged on a five point likert scale .

#### **3.5.2 Structure of Questionnaire**

The questionnaire for this research was a newly designed questionnaire with a total of twenty Likert scale statements. A five point Likert scale was used in this research where 1 was used to represent strong disagreement 5 for strong agreement. Since there are six variables therefore the questionnaire consisted of six construct the first five constructs are for five independent variables that are price, quality, delivery, technology, supplier relationship management, each of these constructs have three statements making the total statements for independent variables to be fifteen and the last construct has five statements on supplier selection decision that is the dependent variable of the research.

### 3.5.3 Scale used in Questionnaire

For this research, Likert Scale was used to design this questionnaire. Where: 5 is used to represent Strongly Agree (SA), 4 is used for Agree (A), 3 denoted Neither Agree Nor Disagree (NAND), 2 is used to represent Disagree (D) and 1 is used for Strongly Disagree (SD).

### 3.5.4 Reliability Values of Questionnaire

It is very important to check the reliability of new questionnaires for this purpose Cronbach's Alpha test was selected. This research has six variables. Out of which five variables price, quality, delivery, technology and supplier relationship management are independent variable with statements for each of these variables and supplier selection decision is the dependent variable with five statements in questionnaire. Results of Cronbach's Alpha test are as follows:

**Table 1: Results of Cronbach's Alpha reliability test of questionnaire**

Variable	Cronbach's Alpha Value	Number of statements	Result
Price	.889	3	Good
Quality	.715	3	Good
Delivery	.782	3	Good
Technology	.724	3	Good
Supplier Relationship Management	.798	3	Good
Supplier Selection Decision	.755	5	Good

The above results show that all the six constructs have acceptable values of Cronbach's Alpha test therefore the questionnaire has passed the reliability test and data collected from this questionnaire is fit for further analysis.

## Chapter 4

### DATA ANALYSIS AND INTEGRATION

#### 4.1 Hypotheses Testing

There are various factors that affect a supplier selection decision. Five hypotheses are studied in this research. Five independent variable are price, quality, delivery, technology and supplier relationship management and the dependent variable is supplier selection decision. IBM SPSS Statistics version 20 was used to run Pearson Correlation and linear regression.

Table 2 : Pearson Correlation		
		SUPPLIER SELECTION DECISION
PRICE	Pearson Correlation	.287**
	Sig. (2-tailed)	.000
	N	300
QUALITY	Pearson Correlation	.338**
	Sig. (2-tailed)	.000
	N	300
DELIVERY	Pearson Correlation	.405**
	Sig. (2-tailed)	.000
	N	300
TECHNOLOGY	Pearson Correlation	.437**
	Sig. (2-tailed)	.000
	N	300
SUPPLIER RELATIONSHIP MANAGEMENT	Pearson Correlation	.319**
	Sig. (2-tailed)	.000
	N	300
SUPPLIER SELECTION DECISION	Pearson Correlation	1
	Sig. (2-tailed)	
	N	300



#### 4.1.1 Hypothesis 1

**H<sub>a1</sub>:** Price has a significant impact on supplier selection decision.

**H<sub>o1</sub>:** Price has no significant impact on supplier selection decision.

According to the table 2, Pearson correlation that is shown above, the result of Pearson correlation between external environment and customer satisfaction is:

$$(r = .287, n = 300, p=.000)$$

So the value of Pearson correlation coefficient between price and supplier selection decision is .287 and the p value is calculated to be 0.000 i.e. <.05 (the significance level) Therefore the alternate hypothesis 1 is accepted. The r value of 0.287 sums a positive but weak relationship between price and supplier selection decision.

#### 4.1.2 Hypothesis 2

**H<sub>a2</sub>:** Quality has a significant impact on supplier selection decision.

**H<sub>o2</sub>:** Quality has no significant impact on supplier selection decision.

As per the results of table 2, the result of Pearson correlation for hypothesis 2 is as follows:

$$(r = .338, n = 300, p=.000)$$

So the value of Pearson correlation coefficient between quality and supplier selection decision is .338 and the calculated p value is 0.000 that is less than significance level of .05. Therefore the alternate hypothesis 2 is accepted. The r value of 0.338 illustrates a moderate positive relationship between quality and supplier selection decision.

### 4.1.3 Hypothesis 3

**H<sub>a3</sub>:** Delivery has a significant impact on supplier selection decision.

**H<sub>o3</sub>:** Delivery has no significant impact on supplier selection decision.

According to results shown in table 2, the Pearson correlation result between delivery and supplier selection decision is:

$$(r = .405, n = 300, p=.000)$$

As per above values 3<sup>rd</sup> alternative hypothesis is accepted and r value of .405 demonstrates that a moderate positive relationship exists between delivery and supplier selection decision.

### 4.1.4 Hypothesis 4

**H<sub>a4</sub>:** Technology has a significant impact on supplier selection decision.

**H<sub>o4</sub>:** Technology has no significant impact on supplier selection decision.

According to results shown in table 2, the Pearson correlation result between technology and supplier selection decision is:

$$(r = .437 n = 300, p=.000)$$

As per above values 4th alternative hypothesis of this research is also accepted and r value of .437 depicts that a moderate positive relationship exists between technology and supplier selection decision.

### 4.1.5 Hypothesis 5

**H<sub>a5</sub>:** Supplier relationship management has a significant impact on supplier selection decision.

**H<sub>o5</sub>:** Supplier relationship management has no significant impact on supplier selection decision

According to results shown in table 2, the Pearson correlation result between supplier relationship management and supplier selection decision is:

$$(r = .319 \text{ n} = 300, p=.000)$$

As per above values 5th alternative hypothesis of this research is also accepted and r value of .319 means a moderate positive relationship exists between supplier relationship management and supplier selection decision.

## Chapter 5

### DISCUSSION

In purchasing and supply of products and services identification and analysis of selection criteria of vendors has been a most important issue and matter of concern for the organizations (Dixon, 2010). The managers who work in those areas has a responsibility to identify those suppliers who are best for them by all means (Lincon, 2000). Suppliers hold an important place in supply chain process. Competition is increasing at a rapid speed as a result survival and profit making have become tougher. With increase in competition and rapid change in technology, role of suppliers has become more significant. Outsourcing is another reason for this. Initially, supplier selection decisions were based on low cost and price option but this decision has become more complex over the period past many years. Various new factors have become critical in this decision.

Poor supplier selection decisions result in lack of innovation, poor quality of product and high costs (Badorf, 2015). Competition is increasing at a rapid speed as a result survival and profit making have become tougher. With increase in competition and rapid change in technology, role of suppliers has become more significant. Outsourcing is another reason for this. Initially, supplier selection decisions were based on low cost and price option but this decision has become more complex over the period past many years.

First hypothesis was about the impact of price on supplier selection decision. Hypothesis testing results show acceptance of this hypothesis, literature also supports this point of view. Research of (Badorf, 2015, Licolen, 2000 and Dixon, 2002) supported this point of view in their research. Outsourcing is another reason for this. Initially, supplier selection decisions were based on low cost and price option but this decision has become more complex over the period past many years.

Second hypothesis was about the impact of quality on supplier selection decision. Hypothesis testing results show acceptance of this hypothesis. Research of (Monal, 2003; Kiran,

1999) sported this point of view in their research. Quality is generally defined as fitness to use that is how fit the product or service is for the use of customers. (Rao, 2010). Quality can be perceived as quality of conformance which can be defined by absence of defects and on the other hand it can be defined as quality of design in which the quality is measured by the degree of customer satisfaction with product characteristics and product features. Raw material hat supplier provides must be of higher quality if the supplier want to be chosen by the organization , as good and reputed organizations do not compromise in quality (Rao, 2000).

Delivery of product is very important factor in supply chain management. Hypothesis testing results shows that acceptance of hypothesis. This means that there is a significant impact of delivery of product over supplier selection. Research of Michels (1998) , Midi (1997) and Naveed (2010) supported this poin of view I their research. Delivery timings of product that suppliers offers to the organizations to continue matters a lot at the time of selecting the vendors and suppliers (Roy, 2003). Organizations prefer to get those suppliers who provide on time delivery of product, by doing this organizations do not have to save the products in their warehouse (Roy, 2010).

Fourth Hypothesis is about technological impact on supplier selection, hypothesis testing results shows that there is a significant impact of technology on supplier selection. Roy (2010), Mishal (2009) supported this research in literature. Use of technology can help the organization to easily compare different suppliers offering and product line, that helps the organization to easily differentiate between suppliers and select them according to their need (Hogomo, 2010). Use of technology can also help the organization to identify the safety stock and recall time of the inventory. Use of technology can also help in maintain digitalized documents among the organization and suppliers.

Fifth hypothesis is about supplier relationship management over supplier selection decision, hypothesis testing result shows that there is a significant impact of supplier relationship management over supplier selection decision. Supplier relationship management plays an important role in supplier selection at the side of organization (Rahul, 2006). He supplier

should be fair in their deeds and dealings at the time of contract and throughout the session of contract so there should be the maintained level of trust between them (Joe, 2013).

## **RESEARCH FINDINGS**

The research was conducted to identify the impact of factors on supplier selections. The entire hypothesis was accepted this shows that there is a significant impact of factors on supplier selections in Karachi.

## Chapter 6

### CONCLUSION AND RECOMMENDATION

#### 6.1 Conclusion:

This study was conducted to identify the impact of factors that affect supplier selection decision. This study is conducted with some limitation one of them is that, this study is limited to Karachi only so results cannot be generalized. To conduct the study five factors were identified as independent variables. These variables are Price, Quality, Technology, Supplier relationship management and Delivery of the products. These variables were classified as independent variables.

To conduct this research data was collected from stores in Karachi, based on convenience sampling technique. The data was collected from around 300 respondents. The nature of data is quantitative and all the data was primary in nature. The results were analyzed with SPSS software and results shows the acceptance of all the hypothesis this means that there are factors that have impact on supplier selection decision.

#### 6.2 Recommendations:

- Hypothesis testing shows that there is a moderate/ weak impact of price over supplier selection so market should consider this actors and should focus more on quality as this shows higher significance.
- Organizations should consider the importance of delivery timings because delivery pf product on the given time is necessary and hypothesis testing also highlight he importance.
- Technological advancement also have a very importance in supply chain management, organizations shows maintain proper tract record of product movement for smooth work flow.
- Supplier relationship management also have a significant impact over supplier selection so organizations should introduce proper supplier relationship management programs

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## ANNEXURE

### QUESTIONNAIRE

DEPARTMENT: PAY GROUP: \_\_\_\_\_

Kindly fill this questionnaire according to provided directions:

**5= Strongly Agree      4=Agree      3= Neutral      2= Disagree      1= Strongly Disagree**

S.NO	STATEMENTS	SA	A	NAND	D	SD
1	<b>Price</b> My organization considers price to be an important factor					
2	My organization find low price attractive					
3	Low price of suppliers' product lead to higher profit					
4	<b>Quality</b> My organization consider quality to be an important factor					
5	The higher the quality of suppliers product/raw material the better will be the finished product					
6	Quality should never be compromised					
7	<b>Delivery</b> My organization considers on time delivery to be an important factor					
8	The faster a supplier fulfills its order the better it is for business					
9	Late deliveries or orders can be very harmful for business					
10	<b>Technology</b> My organization considers technology to be an important factor					
11	Manual systems and record keeping my suppliers are not appropriate in this age of competitiveness					
12	Usage of advanced information system by suppliers produce effective results					
13	<b>Supplier Relationship management</b> My organization make efforts to maintain good relationship with suppliers					
14	Communication is the key for good supplier relationship management					
15	Suppliers are one of our strategic partners in business					
16	<b>Supplier Selection Decision</b> My organization base supplier selection decision on price					
17	My organization base supplier selection decision on good quality					
18	My organization base supplier selection decision on delivery timing					
19	My organization base supplier selection decision on good supplier relationship					

20	Selection of right suppliers is an important business decision					
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**Thank you for your time 😊**