Corporate Customer Behavior &
Indian Hardware Market
(With special reference to HCL Infosystem Ltd.)

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INTRODUCTION

The global computer hardware market generated total revenues of $338.5 billion in 2004, representing a compound annual growth rate (CAGR) of 2.4% for the first five-year period of the millennium spanning 2000-2004. The market is forecasted to grow at a faster rate than in previous years, with a CAGR of 5.5% for the five-year 2004-2009 period inflating the market to a value of $442.6 billion by the end of 2009. The Indian computer hardware market generated total revenues of $5.3 billion in 2004, with a projected CAGR of 10.7 % for the period of 2004-2009 thus driving the market to a value of $48.8 billion by the end of 2009(Gartner, 2007). Value creation has become the prime focus of all leading companies globally, and the new mantra of success both for the consumer market as well as the corporate market. Therefore, it has become imperative for domestic organizations like HCL to be equally concerned and proactively responsive towards the corporate customer as they are sensitive towards the retail consumers. The concept and process of organizational buying is distinctly different from that of consumer buying.While the buying decisions of individual consumers are made relatively quickly and easily and more often without a systematic decision-making process, organizational buying involves a through and deep analysis. According to Robert W. Palmatier, 2007 [07-118] a number of key variables have emerged in modeling different relationship situations. The major factors include reputation, performance satisfaction, trust, social bonds, comparison level of alternatives, mutual goals, interdependence and power, non-retrievable investments, adaptation, structural bonds, co-operation, and commitment. In accordance to Michael Solomon, the adoption of a relationship approach probably requires a change in attitude by the parties concerned. The relationship variables identified can be integrated with a relationship development process which includes a number of stages. Not all the variables are relevant at the same time necessarily and may become latent as the relationship progresses. The project was aimed at understanding B2B marketing practices and studying the corporate consumer behavior through primary research. The study was realized through visits to industry houses, dealers and retail outlets of the company. Finally, the report includes the recommendations derived from the study and subsequent analysis. It has become evident through the study, that value consciousness is indeed the business trend in the organizational market where quality per penny rather than quality alone has become the yardstick. It is as important thus to woo the value sensitive corporate customer as it is to maintain that value added relationship over time.

The report has been organized into sections as follows. Section II gives the major objectives, details about the methodology used in the study and the theoretical background. Section III incorporates the comparative analysis and the statistical analysis done using SPSS tool. Finally, the recommendations have been listed in section IV.

II

OBJECTIVES

1. To study and understanding of corporate customer behavior.
2. To understand the business processes practiced in the company.
3. To study the Sales and Distribution processes prevalent in the organization.

METHODOLOGY

The entire study was based on both primary and secondary data. The primary research was spanned across 125 small and medium sized corporate houses in and around Kolkata.The questionnaire for the purpose was designed to unveil the preferences of the corporate world, the correlations of the chief influencing factors with organizational buying behavior and also to ascertain the position of HCL with respect to the leading competitors of the industry. 13 of the responses were invalid and thus finally, responses from 112 business houses were available for analysis. The data so accumulated was subjected to Statistical analysis and graphical interpretation using SPSS software tool. Further, a comparative analysis was undertaken to understand the business practices of HCL in contrast to the major market leaders – HP and IBM. The secondary data has been obtained from independent sources like internal records of HCL etc.

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ANTECEDENTS OF ORGANIZATIONAL DECISIONS

There are two research streams that directly relate to an organization's decision to adopt a new product or technology standard. One is the general study of organizational purchases, the other organizational adoption of new product or technology. The organizational market can be classified into the following subgroups:

☐ **Producer:**	☐ **Reseller:**
o manufacturers	o wholesalers
o service producers	o retailers
☐ **Government:**	☐ **Institutional:**
o central	o charitable
o state	o educational
o district	o community
o local	o other non-business

The decision by organizations to buy specific products is considered distinct from consumer-oriented marketing in four ways: the seller's inter-functional dependence, product complexity, buyer/seller interdependence and the complexity of the organizational buying process. The latter three characteristics are relevant to this study. While the organizational consumers purchase for further production, usage in operating the organization, and/or resale to other consumers, the final (or ultimate) consumers purchase for Personal, Family and Household use. Significant purchases usually require involvement from multiple individuals within the organizations, representing as many as six different roles:

☐ Initiator
☐ User
☐ Decider
☐ Influencer
☐ Buyer and
☐ Gatekeeper

Decisions are reached through a combination of interpersonal (intra-organizational) influence tactics, including problem-solving, persuasion, bargaining and politicking. The organization's decision is often stimulated by a boundary-spanning employee who acts as an internal advocate for an external vendor. The influence of any particular influencer is related both to formal rank and informal position within intra-organizational communication patterns. Organizational purchase has been deciphered into major eight stages, commencing with problem recognition and terminating in Performance evaluation. The difference stages can be enunciated as below:

☐ Problem recognition
☐ Determine product dimensions and quantity
☐ Precise description of product characteristics
☐ Search and qualification of potential sources
☐ Acquisition and analysis of proposals
☐ Evaluation of proposals and supplier selection
☐ Selection of an order routine
☐ Performance feedback and evaluation

Several factors influence the different stages of organizational purchase decision making. Chiefly the most significant parameters that influence the organizational purchase behavior include: Environmental factors, Organizational factors, Social & Interpersonal factors and Individual factors of the persons concerned. Environmental influences can be further sub-classified as technological, economical, physical, political as well as cultural. Influences are exerted by different institutions, like suppliers, competitors and customers. Examples of environmental factors include Regulatory regime, Investment behavior, consumer behavior, interest rate, market environment, technology, legislation, competition, political scenario etc. Broad organizational mission and the organizational work culture influence individuals to act differently with restraint facilitating synergy of organization decisions. Organizational Buying Behavior is influenced by goals of the organization, which are determined again by financial means, technology as well as human resources. Major organizational factors include Goals, Purchase tactics, Organizational structure and Hierarchy. Group decisions significantly affect

corporate buying behavior. Factors of influence include individual goals and character characteristics, Group structure, Group dynamics and external influences (environment, organization). Lastly, ultimately high profile individuals are the absolute decision makers in an organization. Cultural, organizational and social factors affect individuals. Individual factors affect the decision-making process also due to factors like ignorance, over availability of alternatives, information gaps etc. Buying decisions for high technology products as in the IT industry are constrained by buyer uncertainty, due to rapid technological change and mutually incompatible product offerings. This uncertainty, the level of technical expertise, the organization's potential switching costs and the strategic importance of the decision all drive the width of products considered as well as the ultimate purchase decision.

<div align="center">III</div>

COMPARATIVE ANALYSIS

India is the fastest growing IT hardware products market in the Asia-Pacific Region. Most of the prominent global as well as local vendors are operating in the competitive Indian Market. Although, India is a diverse country with a huge population base and a significant enterprise universe, it has one of the lowest IT penetrations. This is perceived to be the greatest opportunity by the hardware vendor community. Additionally, the Indian Software and BPO industry is also creating a great potential for employment with a projected CAGR of 10.7 %. All of these make India one of the most exciting markets for IT hardware vendors. It is very interesting and surprising to note that though HP is the market leader presently, followed by HCL and IBM, the corporate customer perceive IBM as the most preferred brand followed by Dell while HCL and HP fight neck to neck for the 3rd and the 4th spots. HCL faces a tough competition from the major MNC's including behemoths like IBM, Dell and HP. While it has the advantage of being a domestic player fully conversant of the geo-demographical characteristics and business practices of its homeland, it lacks the global technological expertise of its competitors. IBM, Dell as well as HP are all highly acclaimed brands among the corporate buyers. Owing to their esteemed global presence, they enjoy a high perceived brand value. In contrast, HCL is generally perceived as a low end brand. On the **technological front**, while with ninety years of technological lineage, IBM has been effectively leveraging its global know-how across different sectors, combined with innovative technologies, HCL has still to catch up a long way. Market leader HP also has a highly developed research wing on market-driven, application-oriented IT research. With the recent launch of Mileap range of Laptops and BusyBee and BeanStalk series of desktop PCs, HCL has made an aggressive move in this field providing products with different server configurations and hardware profiles. However in the Server market, IBM – world's largest manufacturer of Servers is far ahead. In a fist to increase its dominance of the Indian server market, IBM has recently launched a modular system capable of being expanded as capacity demand warrants. HCL thus needs to infuse over time, much more technological advancements in the likeness of the domestic electronics player Onida for example so as to ameliorate its perception and image. In this regard, **Research and Development** has to gain prominence in the immediate future. Both IBM and Dell have highly developed multiple research facilities worldwide and in India as well. IBM India's Research Lab in Delhi is the youngest of the eight IBM labs across the world, each with world class facilities. HCL on the other hand has a maiden research facility at Pondicherry.

Target customer is another important comparable aspect among the IT companies. While HCL has primarily focused on the small and medium sized business enterprises, HP and IBM have had a broader spectrum of activities. Both HP and IBM have a major chunk of their revenues derived from the large scale businesses where HCL has no significant presence. To make things even worse, almost all the MNC's have lately come up with aggressive down market stretching strategies aimed at the SME's and SMB's in India. For instance IBM has developed a separate wing named Global Small & Medium Business (GSMB) unit to cater to the 3000 SMB customers in India. The **Product portfolio** of HCL is fairly competitive with all the major players in the industry. Its range of offerings spans Product Engineering, Technology and Application Services, BPO, Infrastructure Services, IT Hardware and Systems Integration. Over a business of three decades, HCL has established itself in all the three domains of IT business including Software, Hardware and Training through HCL technologies, HCL Infosystems and HCL Career Development Center respectively. From the **Pricing** point of view, HCL has a distinct edge over HP or IBM. HCL has over the years concentrated on offering value for money to the price sensitive Indian consumer. Its products and services have matched global standards but at much more reasonable and affordable price points. For example, with the launch of 'MiLeap' X Series Ultra Portable range of Leaptops, HCL has broken the Rs. 14,000/- price barrier. With prices starting at Rs 13,990/- the HCL 'MiLeap' X series, is specially designed for the Indian environment, delivers exceptional value at a very affordable price. Similarly,

HCL 'MiLeap' Y Series Ultra Portable Leaptops ranging from Rs 29,990/- onwards are at half the price point of current similar products available in the market.

With regards to **partnerships and alliances,** HCL is at par with the major MNC's. It has alliances with Nokia, Apple, Casio, Kodak, Toshiba, Bull, Ericsson, Cisco, Microsoft, Konica Minolta and many more as IBM is allied with Linux, Bharti, SAP, Oracle, Siebel, Peoplesoft, J. D. Edwards etc. Lastly, **Service and customer support** is the field wherein HCL still needs to improve to compete with the likeness of HP, Dell and IBM. Though HCL has service centers in the metros and the other major cities of the country, the service is often criticized as not being prompt or at par with expectations. There are also complaints of delay and non-availability. On the contrary, HP has service centers at a larger no. of locations that ensure much speedy and prompt solution of grievances. HCL has a customer support center at Noida while Dell's customer support centers are part of a 30-center network worldwide.

STATISTICAL ANALYSIS

Statistical analysis was undertaken on the data collected though primary research. The **questionnaire** was aimed in deciphering the brand value, brand pull and recall of HCL. It also sought to understand the position of HCL with respect to the leading IT companies operating in India. Besides, the respondents were asked to convey their preferences and suggestions with respect to HCL products. Of the 125 respondents interviewed, 112 valid responses could be selected for the analysis. The responses were analyzed statistically using **SPSS** software and the results have been enunciated as under: (refer to annexure)

ANNEXURE
Table 1: Brand preference (No. of responses in favor)

Brand	1st Position	2nd position	3rd Position	4th Position	5th Position
HCL	13	14	29	35	21
IBM	41	38	15	8	10
Dell	32	30	22	11	17
HP	18	17	27	26	24
Wipro	8	13	19	32	40
	112	112	112	112	112

Table 2: Parameter ratings (of HCL products)

Feature	Rating on 10
Service	4
Price	8
Upgradability	7
BTO	6
Technology	4
Brand pull	5
Brand awareness	7

Table 3: Factor ratings (on a scale of 10)

Sl. No.	Loyalty	Brand Awareness	Technology	BTO	Upgradability	Price	Service	Long association
1	0	4	4	3	4	6	2	3
2	0	2	2	5	5	8	4	4
3	1	6	4	7	7	5	6	8
4	0	4	4	2	1	6	3	2
5	0	2	3	2	2	4	5	5
6	0	6	5	2	3	6	2	3
7	0	2	2	6	6	3	4	5
8	1	5	4	2	1	7	1	1
9	0	4	3	5	5	4	2	1
10	1	6	5	8	7	6	9	12
11	1	4	5	6	5	4	7	8

12	0	2	2	3	3	8	4	4
13	1	4	5	3	2	6	8	6
14	0	3	2	4	4	8	5	4
15	0	3	4	8	8	5	7	7
16	0	2	2	3	2	8	4	5
17	0	4	4	3	3	6	2	2
18	0	3	4	6	5	5	2	1
19	1	8	7	4	5	6	6	6
20	0	5	5	6	7	4	2	2
21	1	6	5	9	8	6	8	8
22	1	8	7	4	4	8	6	6
23	0	5	5	7	8	5	1	2
24	1	3	4	7	8	5	6	9
25	0	4	4	1	5	6	2	2
26	0	6	6	5	5	7	3	2
27	0	4	4	3	4	7	5	6
28	1	5	4	7	6	9	2	3
29	0	4	4	5	5	6	3	2
30	0	2	2	6	7	4	5	4
31	1	5	5	9	8	10	6	7
32	0	5	5	3	3	6	3	4
33	1	2	3	7	8	5	8	7
34	0	1	2	5	5	8	4	3
35	1	2	2	6	5	4	5	5
36	0	6	5	3	3	5	4	4
37	1	8	8	4	5	7	5	6
38	0	3	2	4	4	5	6	7
39	1	3	2	6	5	8	8	9
40	0	6	5	4	4	3	0	1
41	0	4	4	7	6	5	2	2
42	1	6	5	5	7	8	3	4
43	0	5	4	7	7	6	2	3
44	1	5	6	6	8	9	7	7
45	0	6	5	5	6	4	3	3
46	1	3	5	7	6	6	4	3
47	0	2	2	3	3	6	4	3
48	0	5	4	3	4	5	2	2
49	0	5	5	2	2	6	4	3
50	1	5	5	6	6	7	8	8
51	0	4	4	3	2	6	1	2
52	1	5	5	8	7	7	6	6
53	1	6	5	7	4	6	7	8
54	0	6	5	4	4	5	3	2
55	1	3	4	6	5	8	7	7
56	0	2	2	3	2	8	4	4
57	1	6	5	8	7	6	4	4
58	0	4	3	1	3	5	2	2
59	0	8	7	3	2	5	2	2
60	1	5	5	6	6	9	7	8
61	0	4	4	1	2	7	2	2
62	1	3	3	8	7	5	4	5
63	0	5	5	4	4	6	3	2
64	1	4	5	8	9	6	6	7
65	0	6	5	3	5	4	3	4
66	1	6	7	8	8	5	9	8
67	0	6	5	2	3	5	3	2
68	0	4	3	4	3	6	2	1
69	1	7	8	5	7	8	6	6

| 70	0	5	4	3	4	5	2	2
71	0	6	5	5	5	6	4	4
72	0	7	6	5	5	7	2	3
73	0	2	2	6	7	5	3	4
74	1	8	7	6	5	7	4	5
75	1	5	5	4	4	8	6	6
76	0	2	1	3	4	6	5	4
77	0	5	4	7	7	6	8	10
78	0	3	2	5	5	5	4	3
79	0	6	5	4	3	7	2	2
80	0	6	6	1	2	5	2	2
81	1	5	5	6	7	5	4	3
82	0	4	3	2	3	8	1	2
83	0	3	2	4	4	6	5	5
84	0	5	5	2	3	6	4	4
85	1	4	4	9	8	6	7	6
86	0	5	4	3	4	8	2	1
87	0	4	4	5	6	5	2	1
88	1	6	5	7	7	8	8	7
89	0	3	2	5	5	6	4	4
90	0	6	7	4	3	5	3	5
91	1	4	4	5	6	7	6	7
92	0	5	5	4	5	5	2	2
93	0	5	6	2	1	6	3	4
94	0	1	1	2	2	5	5	4
95	0	5	4	4	3	8	3	2
96	1	3	4	7	8	6	5	5
97	1	7	6	7	7	8	4	5
98	0	2	2	5	5	6	4	3
99	0	6	5	7	6	5	2	4
100	1	4	4	7	6	9	5	6
101	0	4	4	5	5	6	3	2
102	0	3	3	7	6	5	2	2
103	0	4	3	4	5	6	2	2
104	0	5	3	7	7	6	4	3
105	0	4	5	6	7	7	3	2
106	1	5	4	7	7	9	6	6
107	0	2	3	1	2	8	4	4
108	0	5	4	3	3	6	2	1
109	1	3	3	7	6	5	5	5
110	0	1	2	5	4	5	4	3
111	0	4	3	5	5	6	2	2
112	0	7	6	5	5	6	3	2

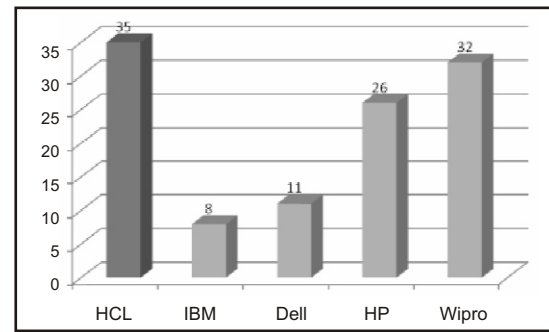**GRAPHICAL INTERPRETATIONS:**
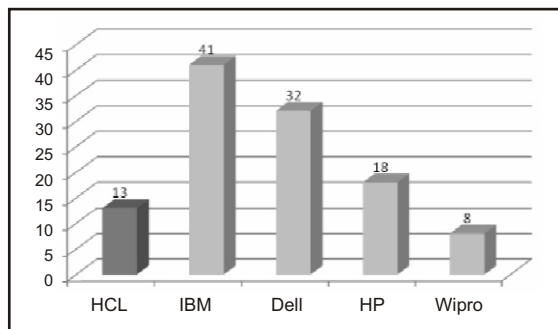

1st Position
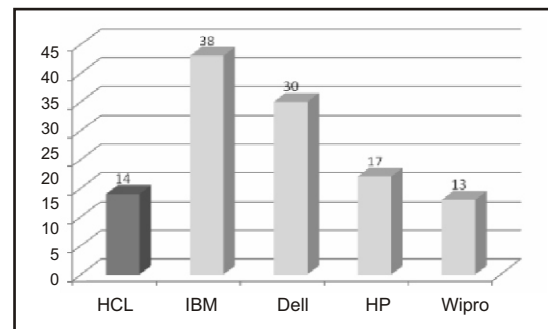
2nd Position
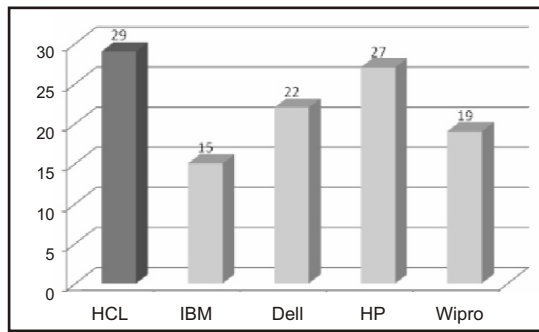
3rd Position

4th Position

From the analysis of the ratings of 5 major IT companies including HCL, an idea of the perceived Brand value of HCL can be inferred as evident from the graphs above. The graphs depict no. of favorable responses in terms of rankings like 1st, 2nd etc. Clearly it seems that IBM is the most respected and trusted brand with 37% and 34% of the 112 responses in its favor for the 1st and 2nd positions respectively. IBM is closely followed by Dell as the 2nd most preferred brand. According to the responses for these positions, it is apparent that only a minor about 12% of the corporate customers consider HCL as the most preferred brand. However it is evident that a substantial no. of responses are observed for the **3rd and 4th positions** in the favor of HCL wherein it accounts for about **26%** and **31%** of the total responses respectively.

The analysis shows that, the most commonly perceived **preference order** of the above brands would be **IBM, Dell, HP, HCL and Wipro**. While IBM is by far, the most revered brand followed by Dell, HCL is a strong contender for the 3rd and the 4th spots. **The study has also identified the major and closest competitor of HCL as HP.** Apparently HCL faces the toughest and strongest competition from HP. While HP overweighs HCL for the 1st and the 2nd positions, HCL has a relatively stronger position in the 3rd and the 4th spots. Needless to say that HCL has to be most cautious about the business strategies and moves of HP above any other company. Wipro has only lately ventured into the hardware market and in consonance, has been mostly ranked as the least preferred brand among the five. It is only a follower of HCL and presently does not pose a major threat. However HCL would do good to keep track of its business moves considering the fact that it is already a well-established player in the other sectors of the IT industry - an advantageous position, which it may leverage to catch up with the likes of HCL. Simultaneously, HCL could benchmark its strategies and business practices with IBM or Dell who have secured a strong preference position among the corporate customers.
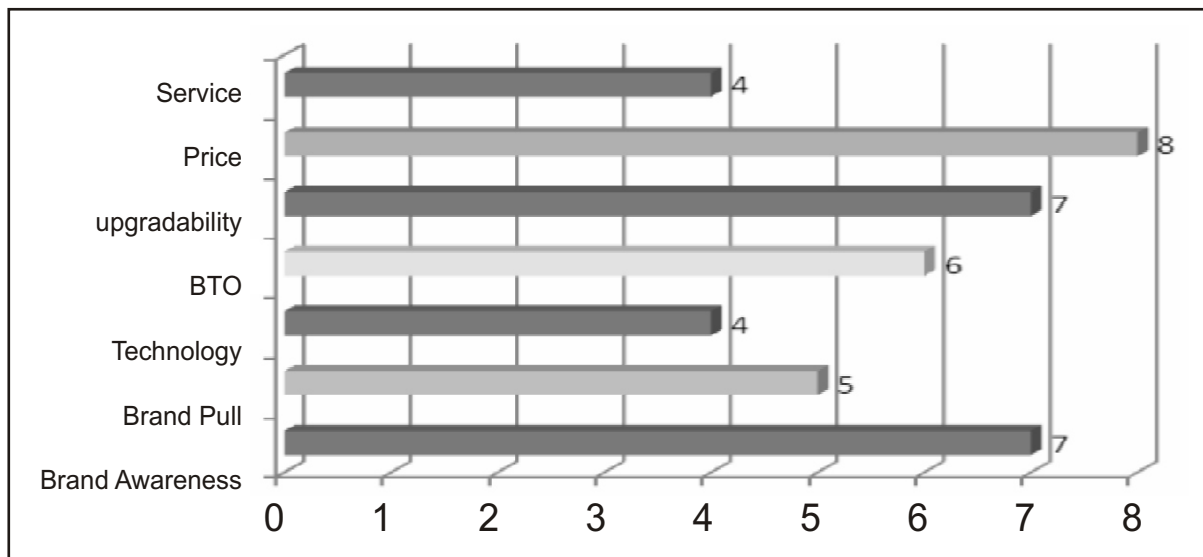
The analysis of the average ratings of the major parameters of HCL Infosystems, we observe a mixed response. Though corporate customers consider the pricing of HCL products as fairly reasonable, the low responses reveal a

relatively dim image on the technological and service aspects. Neither the Brand pull of HCL seems particularly impressive. Conversely, though the organizational buyers are comparatively satisfied with the Built to Order and customization facilities that are offered by the company. Fortunately it seems that HCL has already established itself as a major player as apparent from the high brand awareness value.

From an overall perspective, it seems that the brand value and brand pull of HCL is midway between the established MNC's like IBM and the domestic compatriots like Wipro. Though it enjoys a relatively high ground, there is still much scope of brand building for HCL.

CORRELATION ANALYSIS

The study intended to establish the relationship between corporate buying decision and loyalty with the probable influencing factors like Price, Service, Technological expertise, Brand value etc. SPSS was used to establish the correlations between the said variables. The results are as shown below:

	Loyalty	Brand Value	Technology	BTO	Upgradability	Price	Service	Long association
Loyalty	1	.231(*)	.332(**)	.552(**)	.486(**)	.325(**)	.648(**)	.660(**)
Brand Value	.231(*)	1	.878(**)	.043	.069	.093	-.057	.039
Technology	.332(**)	.878(**)	1	.088	.126	.095	.055	.123
BTO	.552(**)	.043	.088	1	.878(**)	.035	.470(**)	.492(**)
Upgradability	.486(**)	.069	.126	.878(**)	1	.004	.409(**)	.434(**)
Price	.325(**)	.093	.095	.035	.004	1	.218(*)	.208(*)
Service	.648(**)	-.057	.055	.470(**)	.409(**)	.218(*)	1	.912(**)
Long association	.660(**)	.039	.123	.492(**)	.434(**)	.208(*)	.912(**)	1
* Correlation is significant at the 0.05 level (2-tailed), ** Correlation is significant at the 0.01 level (2-tailed).								

Interpretations of the above results lead to the fact that the most significant factors contributing to the loyalty of a corporate customer are **Service** and **Long association**. To a lesser but substantial extent, **Built to Order (BTO)** and **Upgradability** features also have a high correlation with customer loyalty. The results also show that, the perceived **brand value** is determined by the **technological advancement** of the respective products. Technology is also important in determining the loyalty as well. While upgradability and Built to order feature show a high level of mutual dependencies, the most significant correlation of **0.912 is observed between Service and Long association.** It seems that with prolonged relationship between the seller and the purchasing organization, the demand for better and prompt service also strengthens in consonance. Most surprisingly, there is no significant correlation between Price and Loyalty or any other variable. Thus, we may conclude that **Price has a very insignificant role** to play in the determination of the corporate buying behavior.

Co-efficients (a)						
		Unstandardized Co-efficients		Standardized Co-efficients		
Model		**B**	**Std. Error**	**Beta**	**t**	**Sig.**
1	(Constant)	-1.142	.165		-6.942	.000
	Brand Value	-.013	.038	-.047	-.352	.725
	Technology	.094	.042	.292	2.228	.028
	BTO	.076	.031	.323	2.451	.016
	Upgradability	-.006	.032	-.026	-.205	.838
	Price	.065	.021	.191	3.040	.003
	Service	.065	.036	.278	1.797	.075
	Long association	.038	.032	.184	1.195	.235
a Dependent Variable: Loyalty						

REGRESSION ANALYSIS

From the SPSS output and using standardized coefficients, the regression equation for the said variables can be framed as:

Loyalty = - 0.047(Brand Value) + 0.292(Technology) + 0.323(BTO) - 0.026(Upgradability) + 0.191(Price) + 0.278(Service) + 0.184(Long Association)

According to the regression equation, Technology, Built to Order (BTO) facility and Service are the most important factors that determine the outcome of a corporate purchase decision and Loyalty. Though Brand Value and Upgradability have -ve coefficients, we can eventually ignore them as both have insignificant value. Unlike in Correlation Analysis, here Price has a significantly high coefficient, therefore we may revise our interpretation that price can be ignored but rather state that price too is among the major factors that has a considerable influence on the corporate buying decision.

DISCRIMINANT ANALYSIS

Discriminant analysis model suggests an accuracy of 93% of original grouped cases being correctly classified. Here, the categorical variable was "loyalty" which was coded as zero and one signifying disloyal and loyal customer respectively. The Eigen value, also called the characteristic root of each discriminant function reflects the ratio of importance of the dimensions which classify cases of dependent variable. In our case, the Eigen value corresponding to function one was 1.607 corresponding to a canonical coefficient of 0.785. The Wilk's Lambda was calculated to be 0.384 which is less than 0.5 (closer to zero) indicating better discriminating power of the model and that it is statistically significant. From the output of the standardized canonical discriminant coefficient function, the discriminant function can be represented as:

Loyalty = -0.093 (Brand Value) + 0. 566 (Technology) + 0.544 (BTO) - 0.047 (Upgradability) +0.372 (Price) + 0.436 (Service) + 0.285 (Long Association)

The transformed group centroids are -.918 and 1.719 thus with a mean of 0.4005, suggesting disloyalty below it and loyalty above. From the coefficient of the independent variables, we can infer that Technology (coefficient = 0.566) and BTO (0.544) are the most important factors deciding the loyalty of a customer. 2 of 73 of the customers originally classified as disloyal and 5 of 39 of the customers originally classified as loyal are proved to be incorrectly classified yielding 93.8 % accuracy. The percentage of loyalty is calculated to be about **35%**. The no. of disloyal customers (73) being almost twice that of the loyals (39) tends to show that, people are not considerably brand specific and don't prefer to persist with a single company for years when it comes to IT hardware. Therefore, it appears imperative that the companies must focus their attention in building up credibility

Eigenvalues				
Function	**Eigenvalue**	**% of Variance**	**Cumulative %**	**Canonical Correlation**
1	1.607(a)	100.0	100.0	.785
a First 1 canonical discriminant functions were used in the analysis.				

Wilks' Lambda				
Test of Function(s)	**Wilks' Lambda**	**Chi-square**	**df**	**Sig.**
1	.384	102.040	7	.000

Standardized Canonical Discriminant Function Coefficients	
	Function
	1
Brand Value	-.093
Technology	.566
BTO	.554
Upgradability	-.047
Price	.372
Service	.436
Long association	.285

Classification Results(a)			Predicted Group Membership		Total
		Loyalty	0	1	
Original	Count	0	71	2	73
		1	5	34	39
	%	0	97.3	2.7	100.0
		1	12.8	87.2	100.0
a 93.8% of original grouped cases correctly classified.					

to sustain any long-term business prospects, particularly in terms of incorporating advanced technology and infusing customer orientation in product development.

FACTOR ANALYSIS

The factor analysis was aimed at establishing interrelations between the eight primary variables that we considered in the study with respect to consumer buying decisions and subsequently grouping the highly correlated variables into fewer condensed factors. The correlation matrix establishes the fact that variables BTO, Upgradability, Service and long association are considerably highly correlated. Similarly Brand Value and Technology are mutually highly correlated. Price does not show significant correlation with any other variable and therefore was considered as a separate variable itself. From the KMO and Bartlett's Test, the measure of sampling adequacy comes out to be 0.582 which is acceptable. Further from the communality table, the measures of variance of a given variable towards the factors are reliable. Total Variance table indicates that **three factors** can be extracted by Principal Component Analysis method corresponding to total Eigen values of more than 1 and cumulative percentage of variance of 84.335. The Scree plot shows a change of steepness corresponding to component no. three justifying the no. of factors. From the Component Matrix table and the table of Rotated Component Matrix, the variables can be grouped into the respective components based on their Loadings as shown below:

Component 1

Built to Order (BTO)	0.824
Upgradability	0.791
Service	0.826
Long Association	0.851

This component can be termed as *"Customization and Service".*

Component 2

Brand Value	0.953
Technology	0.927

This component can be termed as *"Brand Equity"*

Component 3

Price	0.723

This component can be termed as *"Price".*

From the analysis it becomes obvious that, Brand Value and Technology are the chief variables that decide Brand Equity of a corporate customer. BTO, Upgradability, Service and Long Association attribute towards Customization and Customer centric business strategies, while Price forms an independent component deciding the purchase behavior of the corporate buyer. The Analysis corroborates the findings from the Correlation and Regression results with regards to the interdependences of the factors. Apparently, an organization in the IT business must inevitably focus on technological advancements to establish its brand pull. Technological obsolence is thus a major threat for companies like HCL who must therefore keep abreast with the latest technologies prevalent globally. A high degree of customer orientation and prompt service are among other aspects where an organization needs to concentrate and strategize well.

Total Variance Explained										
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings			
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	
1	2.868	40.976	40.976	2.868	40.976	40.976	2.316	33.080	33.080	
2	1.863	26.611	67.587	1.863	26.611	67.587	1.891	27.015	60.095	
3	1.172	16.748	84.335	1.172	16.748	84.335	1.697	24.240	84.335	
4	.778	11.117	95.452							
5	.129	1.837	97.289							
6	.112	1.599	98.888							
7	.078	1.112	100.000							
Extraction Method: Principal Component Analysis.										

Component Matrix(a)			
	Component		
	1	2	3
Brand Value	.178	.953	-.038
Technology	.268	.927	-.017
BTO	.824	-.120	-.422
Upgradability	.791	-.076	-.484
Price	.231	.115	.723
Service	.826	-.213	.359
Long association	.851	-.129	.328
Extraction Method: Principal Component Analysis. a 3 components extracted.			

IV
CONCLUSIONS AND RECOMMENDATIONS

The findings of the research work have shown that, in spite of the market statistics establishing HP as the market leader followed by HCL poised favorably at the second position, the perceptions of the corporate buyers in contrast, is not particularly in favor of Indian domestic players like HCL Infosystems or Wipro. It is in fact, an observation of caution that the targeted audience perceives IBM and Dell as the most preferred brands while HCL is at best the third or the fourth choice. It seems evident thus, that companies like HCL are required to act at the earliest so as to improve its business prospects and perception among its targeted customer. The following recommendations have made based on the findings during this period.

Firstly, the product portfolio of HCL is abruptly truncated at the higher end both technologically as well as from the price point of view. Therefore the company may have to helplessly compromise. Simultaneously, the concern is thus incapable of addressing a very important, rich and major market altogether. Line modernization and improvement of the portfolio may prove beneficial for the organization. HCL Infosystems Ltd. has been following Ad-Hiatus-Ad strategy. However, it has become apparent during this project that the communication strategy is not precisely effective and is inadequate. Such a strategy is not suited owing to the nature of the product itself as well as the cut throat rivalry as prevalent in the market. The hiatus or gap between the advertisements is often too long and thereby the awareness level among the targeted consumer falls. This in fact, provides the competitors opportunity to gain relative business advantage over HCL. Conducting frequent PR and publicity exercises among prospective corporate buyers may be another effective method of marketing communication for HCL. Development of an online portal is another probable improvement that the organization may consider. Presently, HCL unlike globally successful brands like Dell, does not have the feature on its web page where-from the customer can place orders online. This could serve as an effective communication medium for interactions

with the corporate customers, both cost effectively and timely. Service has been another major issue of concern. The company needs to immediately focus on the betterment of service at the earliest so as to make it both prompt and readily available. Statistical analysis has shown that the brand equity of a company is determined by the technological expertise of its offerings. Therefore to improve the credibility of the HCL brand, the organization must focus on technological advancement. The Company would do well by increasing the exclusive dealers of HCL. HCL already has its exclusive showrooms named Digilife Shops, it is strongly suggested that more of such stores be opened for direct consumer interactions. It would also provide the company insight into customer preferences. The organization may endeavor in Up-Market Stretching to establish the brand and simultaneously address the premium segment. Discriminant Analysis has shown that the most important factor influencing the loyalty of a corporate customer is the degree of customization facility provided by the company. Evidently, the company must improve its Built to Order feature and increase the scope of customization and customer centric product development furthermore to leverage long-term associations. Comparative analysis has revealed that the company needs to give due significance to Research and Development to develop products with latest and innovative technology matching the needs of the corporate purchaser. Analyzing the comparative position of HCL with respect to HP or IBM, the company may also undergo geographical expansion to cater to a broader global market and finally HCL may undertake CSR exercises to increase its brand awareness and long-term credibility in the society and among the corporate and retail customers alike.

The study of the buying behavior of the organizational market in the IT hardware sector is a representative of a broader arena of corporate buying. The research has revealed several important aspects of customer behavior and the underlying dynamics of the market. It has unveiled the intricacies of the rivalry of the said industry and has also provided a glimpse of the actual market scenario in contrast to the perceptions of the targeted customer. The market itself is highly value sensitive and is continuously evolving and rapidly metamorphosizing. Needless to say, all the players in general and the domestic companies like HCL in particular, will have to keep pace with the changing trends, technology and demands to stand their ground, to establish brand preference and sustain competitive advantage.

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