

Comparative study between open and closed businesses on the importance attached to the quality, price and bargaining power of suppliers of mses in San Pedro Cholula, Puebla

Estudio comparativo entre empresas abiertas y cerradas sobre la importancia que se otorga a la calidad, el precio y el poder de negociación de los proveedores de MSES en San Pedro Cholula, Puebla

LOZADA-LECHUGA, Jorge*†, ORTIZ-CARRANCO, Araceli, RAMIREZ-ROSAS, José and MOLINA-GAYOSSO, Eduardo

ID 1st Author: *Jorge, Lozada-Lechuga*

ID 1st Coauthor: *Araceli, Ortiz-Carranco*

ID 2nd Coauthor: *José, Ramirez-Rosas*

ID 3rd Coauthor: *Eduardo, Molina Gayosso*

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Abstract

A Comparative Study Between open and closed companies on the Importance Assigned to the quality, price and bargaining power of the suppliers of small business in San Pedro Cholula, Puebla. The objective of esta paper is to conduct a comparative study Between open and closed companies to determine the Importance Assigned to the quality, price and bargaining power of the suppliers of small business in the closing of These entities in the municipality of San Pedro Cholula, Puebla. This work presents a descriptive study with a quantitative approach, with the characteristic of being mixed; Which in a questionnaire designed by the Latin American Administration and Business Network (RELAYN) was used, Which is part of an annual investigation Consisting of four steps to collect the data. Subsequently, the basic statistics and an ANOVA Were Calculated analysis was performed to determine the Variable With the greatest impact on the SMEs. The main contribution of this paper is the determination of quality as the Variable With The most statistically significant Differences Between the open and closed companies of San Pedro, Cholula.

Small business, Supply, Quality, Price, Bargaining power

Resumen

El objetivo de este trabajo es realizar un estudio comparativo entre las empresas abiertas y cerradas para determinar el impacto de las variables precio, calidad y poder de negociación dependientes de los proveedores en MyPEs y que pueden representar un factor determinante para el cierre de estas entidades en el municipio de San Pedro Cholula, Puebla. Este trabajo presenta un estudio descriptivo con un enfoque cuantitativo, con la característica de ser mixto; en el que se utilizó un cuestionario diseñado por la Red Latinoamericana de Administración y Negocios (RELAYN), el cual forma parte de una investigación anual que consta de cuatro pasos para recopilar los datos. Posteriormente, se calcularon los estadísticos básicos y se realizó un análisis ANOVA para determinar la variable de mayor impacto en las MyPEs. La principal contribución de este artículo, es la determinación de la calidad como la variable que más diferencias estadísticamente significativas presentó entre las empresas abiertas y cerradas, de San Pedro, Cholula.

MyPEs, proveedores, calidad, precio, poder negociación

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* Correspondence to Author (email: jorge.lozada@uppuebla.edu.mx)

† Researcher contributing first author.

Introduction

A problem with the survival of MSEs is taking to achieve successful financing, growth options or strategies to position themselves in a market decisions. From the foregoing, it is considered important to study the first link in the supply chain to microentrepreneurs reduce uncertainty about three determinants in the performance of a supplier, such as price, quality and bargaining power aspects.

The aim of this research is to determine the differentiated influence managers assigned MyPEs open and closed businesses variables for money and bargaining power of suppliers.

Through the processing of the information obtained from questionnaires managers of open MyPEs and which have ceased to operate, performing tests descriptive statistics such as basic statistical and ANOVA comparison of means was performed to differentiate effect of each variable to determine the influence that each of these would have on the survival of a business.

This paper consists of five parts, the first the theoretical framework of research, where the terms of quality, price and bargaining power defined develops.

In the second part of the research methodology which has in turn four steps outlined for detailed results.

In the third part the research model based on the questionnaire taken from Relayn describes the variables quality, price and bargaining power were selected.

In the fourth statistical analysis, mean comparison of data from the instrument that was applied in the municipality of San Pedro Cholula, Puebla develops.

Finally the results of research highlighting the variables that most influence the survival of MSEs in the municipality of San Pedro Cholula, Puebla described.

Theoretical framework.

The concept of quality is a concept that has different definitions depending on the context in which you are, well, this concept has evolved over time.

Currently, according to the ISO 9000: 2015 which refers to "Quality Management Systems. Principles and vocabulary" stipulates that quality is the degree to which a set of inherent characteristics meet the requirements.

During the twentieth century there were several important contributions to the quality from the statistical process control to strategic quality management in the nineties.

Today, in the twenty-first century entrepreneurs must be prepared for change in industries and the different ways in which customers can receive quality, we can mention that in force internationally is the ISO 9001.

From the perspective of Marketing Mix as defined price:

Amount money you are willing to pay consumers or users to achieve the use, possession or consumption of a product or service. (Soriano, C. 1991).

Following (Soriano, C. 1991) states that the purpose of this element is to ensure a level of price for the product or service reaches predetermined marketing goals and also said that the price can be used strategically to any (s) of the following objectives:

Attack the competition, increase profitability, market segment, among others.

On the other hand, Ortega (2008) says that there are four categories in classifying providers are divided into: manufacturers, distributors, independent and importers.

By manufacturers usually their prices are low except be further from the company, many retailers purchased through vendors or independent representative company that manages catalogs of different companies.

Known distributors for purchases at large scales handle a higher price than manufacturers, but the shipping price is low due to the volume purchased.

Independents tend to get at fairs, offering their products to the general public resulting in exclusive designs and much depends on the added value that is put to them.

Finally importing most of their prices exceed the budget becoming a high cost for companies and thus to the final consumer.

Also, some authors state that the power of acquisition by companies to their suppliers is focused this price and the bargaining power they might have to gain a competitive advantage.

In addition to this, it is appropriate to define the concept of power and bargaining power. The power is to have and implement this capability to deal with a situation. Power has a strong social aspect, it is always perceived, either by oneself or by others. Actually, rather than having it is able to show that we can get to use that power because we have the capacity. (Sanchez G, 2012).

With regard to bargaining power, as discussed (V Parra, 2010) in agreement (Avila M., 2008) negotiation "is a process in which two or more people exchange ideas with the intention of changing their relationships and reach an agreement to satisfy mutual needs."

Now, referring to the bargaining power of suppliers, it can be defined as follows:

According to Michael Porter (Thompson A., 2008) and model of the 5 competitive forces, must be an important force is the suppliers of raw materials, parts, components or other resources and inputs. Following Porter says that the strength or weakness of the supplier-seller relationships depend on two factors:

- 1) If the main suppliers wield sufficient bargaining power to influence the terms and conditions of the offer on their behalf
- 2) The nature and extent of the supplier-vendor industry collaboration.

The bargaining power of a supplier is a competitive factor and is stronger when:

- Industry members incur high costs when changing providers.
- There are few suppliers of a particular input.
- A provider has a different input.

The supplier bargaining power is weaker when:

- The paper provides a commodity available with many suppliers at market price.
- Costs to change providers are low.
- There are good substitutes or new inputs appear.

In another order of ideas to study the MSEs, material inputs can be very different given the variety of ways that these businesses can take. A company that initiates requires products and services such as raw materials, components, insurance, communication services, etc. (Lopez, A., Ramos, D., Torre, I., 2009).

Thus, decisions regarding the selection of suppliers is no longer subject to those offering the lowest price and the best quality of materials or services offered, as other criteria such as delivery, flexibility, reliability and service have already taken an important place from the current competitive challenge. Therefore, choose the best suppliers, it is a multi-criteria decision and strategic impact (Sarache, 2004).

Dickson (1966) pioneered research on relevant criteria in the selection of suppliers, this author identified and analyzed the importance of 23 criteria, concluding that quality was the most important criterion. Also, Ho, Xu and Dey (2010) reached the same result as above and further concluded that deliveries are on time and good historical performance of the organization second; it is worth noting that the price is not listed as one of the main criteria, however, ranks No. 6.

Mauleón (2006) explains that there are variables that affect the relationship between company and supplier in order to build a conceptual framework for measuring the quality of the relationship between companies and suppliers regarding the price offered, these variables can be from factors internal or external Del Rio (2009) that in the end these variables directly affect the quality of price between company and supplier.

Satisfaction is an aspect that allows companies to constantly seek their suppliers, ie while companies experience success in their joint activities with time to experience such a degree of satisfaction to reach compatibility between one and the other.

Commitment is also a fundamental part organizations constantly seeking a stable relationship and the willingness to make sacrifices to keep the relationship will be linked to compliance with organizational goals between company and supplier.

Coordination emphasizes the perception of the company with the supplier to do so against any extra ordinary circumstances, the ability that companies have that conception see your provider as an ally.

Specific aspects should be aligned with the previous variable ie business objectives must be aligned collectively to achieve the goals set by both parties.

A dependency which an exchange relationship between the company with the supplier is defined in order to achieve the objectives must exist.

Moreover formalization restricts behavior of participants in the supply chain. Companies and suppliers know what to expect from each other in the future therefore is expected to increase formalization reduce the potential for conflicts especially in the area of price.

Continuity gives certainty by companies for their suppliers to maintain strategic alliances as defined above allows the level of prices does not affect both the supply chain, these partnerships must provide certainty that in the future must be met fully to continue the company's supplier relationship.

Derived from these features Ortega (2008) states that it is looking for an economic provider but rather comes to looking for a provider that offers more to do with the price so that in this way companies can compete and gain an advantage over competitors not only .

Turn the River (2009) explains that a company spends on average two-thirds of the budget with suppliers making common in most organizations but if it can reduce cost benefits of the entities will be higher.

On the other hand Mauleón (2006) concludes that there are prices that depend on the amount and duration in time collaboration between company and supplier leading to organizations such as Small and Medium Enterprises (MSEs) could not compete with large corporations since they would have no bargaining power for their operations.

Ortega (2008) says that there are four categories in classifying providers are divided into: manufacturers, distributors, independent and importers.

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Methodology

To address this section refer to a project proposed by the Latin American Network of Business Administration (RELAYN) design, which is part of an annual survey based on questionnaires given to entrepreneurs is done, the results are in Posada, Aguilar and Peña (2016) and Pena Aguilar and Posada (2017).

Step 1.

Each questionnaire will be applied by students to managers who run a MyPE who is currently acting as firms that have ceased operations.

Step 2.

Foliar questionnaires so that possible traceability of each instrument.

Step 3.

Enable students to apply the methodology questionnaires included in Posada, Aguilar and Peña (2016), Aguilar, Posada and Peña (2016) and Pena Aguilar and Posada (2017).

Step 4.

Validate that students delivered according to the specifications established by the Academic Committee.

- The researcher reviewed every questionnaire upon receipt to verify that it is consistent and valid, then captures the observations in the validation platform.

- The researcher sends questionnaires physically technical committee correctly identified folders.

Analysis model

Based on the questionnaire taken from Relayn the study variables analyzed in this study were selected, which correspond to responses section 27, which correspond to aspects transactions with suppliers to MSEs of San Pedro Cholula, such as it is shown in figure 1.

27) Suppliers					
27th most important thing for me is a provider is to give me the best price	5	4	3	two	one
27b The most important thing for me is the quality provider of your product or service.	5	4	3	two	one
27f My suppliers have a very strong negotiating power over the company.	5	4	3	two	one

Table 1 operational aspects with suppliers (RELAYN, 2017)

Analysis of the Study**Instrument Design**

The sample consists of companies for the municipality of San Pedro Cholula, Puebla. a random statistical sampling, with a confidence level of 95% and a maximum error of 5% was calculated.

It was performed a selection of items based on model systems analysis and qualitative study in 2017 by RELAYN; applied to a universe of XX companies in operations.

Definition of the population**Inclusion criteria**

- The participant must be a director (a) of MSEs.

- The director (a) is the person who makes most of the decisions.

- A MSEs is at least 2 people and a maximum of 50 (30 if only commercial).

Data Collection

Data collection was conducted through questionnaires acting enterprise application was made by supporting students in the Polytechnic University of Puebla, in a period spanning February 2017 to April respectively. The results are captured in a database designed by Relayn.

Methodology to develop

According to CISM (2010), la company must submit an innovative character in its production processes and in selecting its suppliers according to the needs of its customer base. And incorporate technology and quality in production processes, invest in new equipment and train personnel to handle them. the questionnaire items related to the corresponding providers Township MSEs were selected variables, especially those related to the price, Negotiation and Quality for the realization of this study.

Definition of variables

- Price.

MSEs under study are highly dependent on specific variations in local markets, since the small size of the company there is a greater closeness to the customer and can meet your needs in a timely manner. The price of the products or services offered is an important to generate loyalty in their customers and attract potential customers factor.

- Negotiation.

According to Araya (2006), and No agreement negotiating the characteristics of cooperation are defined in order to avoid future conflicts, but also because during the process, managers of MSEs are known, and may arise convinced that the ally will have a correct behavior both in formalizing the agreement, as when executed, creating a sense of mutual trust which translates to a lower likelihood of opportunistic behavior.

- Quality.

The quality factor is present in competitive companies, today customers are inclined to products or services quality and culture of customer service is important, where quality management customer oriented becomes important, planning in commitment, which turns out to be a key factor for competitive success.

Results.

Based on various previous studies (Araya 2006, 2007 and Araiza Velarde Diaz and de la Garza, 2007) has found that there are several obstacles to the survival of businesses. Some of the issues that are of great importance in the study of the causes that accompany success and closing of MSEs and are in the field of suppliers are price, quality and negotiation.

In Figure 1 the results of the means of each variable under study grouped based on open companies and closed companies are presented. the average of responses for each is calculated using an arithmetic, median, mode and standard deviation average.

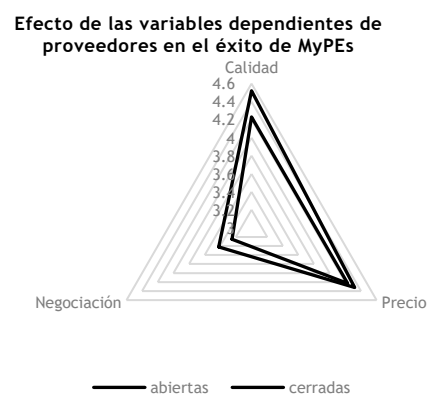


Figure 1 Results of average Source: Authors.

Table 1 The level of importance that the manager gives to factors related to the price, quality and trading company, on a scale from 1 to 5 analyzed (1 = no / not applicable and 5 = strongly agree) confronting open and closed businesses. The test results of one-way ANOVA, significant differences reveal 5% in the case of variable quality ($p = 0.00049$). However, there were no significant differences for the variables price negotiation when compared between open and closed businesses. This indicates that the most successful companies attach greater importance to factors related to the quality of my suppliers, but not in aspects of price and trading.

variables	Prom.en emp. open	Prom. In emp. closed	No. Resp. Emp. open	No. Resp. Empr. closed	Desv. Est. Open emp	Desv. Est. Emp closed.
Price	4.32	4.23	285	133	0.91	0.91
Negotiation	3.42	3.25	285	129	1.28	1.61
Quality	4.52	4.23	285	133	0.57	0.86

Table 2 Levels of importance Source: Authors.

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Conclusions

The present research was to analyze the relationship between the variables associated with providers MSEs in the municipality of San Pedro Cholula, specifically those related to price, quality and negotiation of suppliers.

In the present study statistically significant variable in quality between open and closed businesses differences. However, no statistically significant differences for the variables of price and negotiations between open and closed businesses found.

Statistical analysis of hypothesis testing by unidimensional ANOVA applied to the data indicates that a variable of great impact for the directors of MSEs is the quality of the product or raw material suppliers provide them, which affects the quality of products or services offered. Therefore, this quality factor providers is very important in business stability and to minimize the risk of closure.

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