

EXECUTIVE TRAINING: EXPECTATION AND BUYING PROCESS OF COMPANIES IN THE SOUTH OF VIETNAM

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ABSTRACT: This study aims to provide the insights of executive training market in terms of customer expectation, buying process, and buying center. It helps training organizations knowing what their customers expect, how they buy training service, who are involved in the buying process, and how they affect the buying. Depth interviews are used to collect data for the research.

The results of this research reveal that to satisfy the customers, training organization should not only focus on the outcome of training but also on the delivery process. Moreover, buying process is a multi-phase and multi-class process with the involvement of many people who play several roles during the process. Understanding the expectation of customer, their buying process, and buying center will help training organizations marketing their offers better.

1. INTRODUCTION

As the competition increases rapidly, many companies have the needs to improve their human resource capability since it is the most valuable resource for competition. Therefore, there is a need for executive training because the formal education cannot provide all skills and knowledge needed for them. On the other hand, given this changing environment, they need to update their skills and knowledge frequently. However, the current executive training systems could not fulfill these requirements in terms of organization, contents, training methods, and trainer capability [1]. Understanding the expectation of training process is the aim of this study. It helps training organizations to understand what their customers expect so they can provide better solutions to the customers. In addition, recognizing the buying process and buying center of the customers enables training organizations to market their offers better.

This paper presents the results of the exploratory stage of the study. Seven in-depth interviews are conducted to collect primary data. The interviewees are human resource managers or others who are responsible for executive training in the foreign companies or joint-ventures in the South of Vietnam. The sample is diversified in terms of industry. It includes manufacturing and service companies, consumer product and industrial product companies.

2. EXPECTATION

The combination of seven in-depth interviews discloses the expectation of executive training. To be perceived as high quality service, training courses should be better than the expectation of the customers. The term "expectation" in this study refers to "should expectation" [2]. As explored in the study, the expectation of executive training includes many attributes. They are classified into five dimensions: content, trainer, facility, trainee interaction, and outcome.

2.1. Content

It is expected that the contents of training courses are well developed and verified before the class. There is a worry that the Vietnamese developed courses are not well verified as those developed abroad. Moreover, the later are more up-to-date. However, the contents of Vietnamese developed courses are more localized to Vietnamese business and culture.

The most important expectation is that the contents must be appropriate to the training objectives of the companies and satisfies the individual needs of trainees. Especially, the contents should be designed for specific industry. There is the lack of specific designed courses for a special industry. Most of the courses are general for all industries.

Concerning the mixture pattern of theory and practice, the lecturing sections (theory) should be less than 50% total time of the course. Normally, it is expected that the practical sections should vary from 50% to 70% of the total time.

2.2. Trainer

Besides the contents, trainer is a very important dimension. It is expected that the trainer should have a lot of skills and capabilities as follows:

- Applying the theory to practical situations
- Creating the open and exciting environment for learning
- Raising the interesting discussion
- Getting the trainees involved actively in the learning process.
- Customizing the contents and training methods to be suitable with trainees' capability and experience during the course
- Having good presentation and convincing skills
- Checking the knowledge and skills acquisition of the trainees regularly
- Getting the attention of the trainees during the course delivered

2.3. Facility

The third dimension of the expectation is the facility. It includes all the hardware which facilitates the learning process. The expectation of the customers varies from the very basic condition to the very luxury facility. In sum, the following are the common expectation in terms of facility:

- The facility should be organized to support multi-way interaction.
- Meeting room must be large enough for movement and activities
- Devices are efficient equipped.
- Lighting and sound systems should be considered
- Air conditioner is the must

2.4. Trainee interaction

There are two sets of opinion. Some companies do not want to learn in the same class with other companies since they do not want to share their insight. In the opposite, others want to learn with other companies but not direct competitors. Besides learning

from the trainers, they want to learn the experience from other companies. However, they just want to interact with others in some general courses.

2.5. Outcome

The companies expect that what they learn from the courses could be transformed into practical results directly. There is the difficulty that they do not have the practice to measure the outcome effectively. Therefore, the training organizations are expected to have effective measurement tool kits.

3. BUYING PROCESS

The exploration of the buying process is based on the buy-grid model [3] in which the buying process is examined on the grid of buy-phase and buy-class. The buy-phase part suggests that people go through several phases when making a purchase, beginning with the demand recognition. They then search for alternatives, select a solution, and evaluate the buying [4]. Moreover, many organizations have well-established buying procedure that formalizes the phases of the model [5].

Buy-class refers to the type of buying decision, based on the experience of the buyer with a purchase of a particular product or service. According to the model, there are three buying classes. They are new-buy, straight re-buy, and modified re-buy. To be simple, straight re-buy and modified re-buy are combined as re-buy in this study.

Buying process varies from company to company. However, there is a common pattern which appears across the companies. The following are the buy-phases which are adapted to the study:

3.1. Demand recognition

There are two main reasons for buying training courses: improving performance of executives and the need to spend the pre-determined training budget. Concerning the first reason, there are several triggers:

- New recruitment
- Job rotation and promotion
- Launching new system, new business or new product

In addition to the need to improve the knowledge and skills of executives, increasing their confidence is also the purpose of these courses. Mostly, the course requirements are determined by job description and business plan.

3.2. Supplier selection

For the case of new-buy, the selection of suppliers is mostly based on brand name and references of other customers. In the re-buy situation, the selection is based on past experience. To select the suppliers for executive training courses, a multi-criteria process is usually applied. The criteria in use are varied from companies to companies. Generally, they are:

- The ability to conduct training needs assessment precisely
- New courses development
- Well course design
- Appropriate course objectives to the training objectives of the customers

- Practical curriculum and content
- Prestige and capability of trainers
- Interactive communication between trainer and trainees and among trainees
- Ability to conduct effective follow up program as coaching, consultancy, and evaluation
- Cost
- Long term relationship with customers

3.3. Trainer selection

For trainer selection, they rely mostly on reputation of the trainer. In addition, they attend a public course or ask other customer for further information. The following are criteria used for trainer selection:

- Well known in the field of training
- Having degrees and certificates from abroad
- Having training experience
- Having broad and deep knowledge of the product and history of the industry
- Excellence in English (for courses delivered in English)
- Nationality, there is the preference of western nationality of trainer.

3.4. Evaluation

This is the most difficult and confusing phase of the buying process. There is no criterion to evaluate the training results effectively. The reason is that the effects of training are not easy to measure and it takes a long time to be realized. However, the combination of evaluation from many perspectives is used commonly for this purpose. The training course is evaluated by the trainees using evaluation form and written report after the course delivered to measure the in-course performance. After a period of time (from 3 to 6 months), the course is evaluated by the direct supervisors of the trainees based on the improvement of working performance. The second kind of evaluation is to measure the course effects on business performance.

4. BUYING CENTER

Contrary to consumer buying behavior in which the buying process is conducted individually, organizational buying process involves many people in the organization. The group of these participants is called buying center or decision making unit [3, p.98].

There are several roles in the buying center. The *initiator* starts the purchase process by recognizing the demand, while at the other end of the process is the *decision maker* who makes the final decision. The *purchasing agent* is the person who actually makes the purchase. *Influencers* are those individuals who seek to affect the decision maker's final decision through recommendations of which suppliers to include or products are best suited to solve the organization's needs [6], [7]. Even though *gatekeepers* do not participate directly into the purchase process, they can control the information into or out of the buying center or between members of the group. Sometimes gatekeepers can influence a decision actively by determining what information is available to the decision maker. Therefore, the final decision reflected his own personal preferences [8]. There is

another role called *evaluator* which does not involve into the purchase process directly. Evaluators are people who evaluate the training course and provide the information to make the re-buy decision.

There is a difference between the title and the role so many different people can play the same role and vice versa. Moreover, buying is not a formal group but an informal, complex, and changing group [9]. Hereafter are people who usually play these roles in the buying center:

- Initiators: head of department, direct supervisor of trainees, and human resource manager.
- Decision makers: general director, and human resource manager
- Purchasing agents: human resource staff, human resource manager, and training manager
- Influencers: trainees, directors, human resource staff, human resource manager, and training manager
- Gatekeepers: receptionists, and secretaries
- Evaluators: trainees, direct supervisor of trainees, and human resource manager.

5. CONCLUSION & RECOMMENDATION

To market training courses more effectively, training organizations should understand the expectation, buying process, and buying center of their customers. Understanding clearly the expectation makes training organizations design their course content and course delivery better. Recognizing the buying process of customers helps them know how to market their services better and how to become an ideal training service supplier. In addition, realizing the buying center and its roles helps marketers of training organization target their marketing efforts more efficiently.

The expectation of executive training has five dimensions: content, trainer, facility, trainee interaction, and outcome. In short, the content should be more practical and the trainer is expected to apply theory into practice rather than giving lecture. Therefore, training methods such as practice, case study, game, and role-play are preferred. The content is not only expected to be updated but also localized. It is recommended that training organization should localize the contents and cases of the courses and also update them regularly. There is the trend of active learning so trainer, facility, and trainee interaction are expected to support multi-way communication and active participation of trainees. Opened classroom with group oriented seats is the trend. Moreover, the outcome of the courses must be obvious. What are learned in the class must be transformed into business results. It is necessary to develop a method to measure learning outcomes.

The buying process of this kind of service has four phases: demand recognition, supplier selection, trainer selection, and evaluation. The demand for training is generated to develop the human resource to catch up with the changing environment. Supplier and trainer are selected based on the ability to meet or exceed the expectation of the customers. There should be the evidence for trainer and supplier capabilities such as

demonstration and records. For the case of new-buy, prestige and references from other customers are the criteria for selection so building a good reputation and spreading out worth-of mouth are the bases the attract new customers. Besides, the suppliers who can provide full range services from training needs assessment, course design, course delivery, to follow up programs are preferred. Additionally, cost is also a factor to be considered.

People who play roles in the buying center are general director, director, head of department, human resource manager, training manager, human resource staff, supervisor, trainees, receptionist, and secretary. Roles of these people vary from company to company. To target marketing efforts more precisely, training organization should identify these roles in the buying center of customer in advance then customize their marketing activities for every role in buying center.

This paper is just the exploratory stage of the study. Therefore, the results are all about qualitative figures of executive training in terms of expectation, buying process, and buying center. A further research should be conducted to quantify the variables mentioned above.

ĐÀO TẠO DOANH NGHIỆP: KỶ VỌNG VÀ QUY TRÌNH MUA CỦA CÁC CÔNG TY Ở MIỀN NAM VIỆT NAM

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TÓM TẮT: Bài nghiên cứu này nhằm cung cấp những hiểu biết sâu sắc về thị trường đào tạo doanh nghiệp ở các khía cạnh kỳ vọng của khách hàng, quy trình mua dịch vụ đào tạo, và sự vận hành của nhóm mua hàng. Nghiên cứu này sẽ giúp cho các tổ chức và công ty đào tạo hiểu được khách hàng của họ muốn gì, mua dịch vụ đào tạo như thế nào, ai tham gia vào quá trình mua, và họ ảnh hưởng như thế nào trong quá trình mua. Phỏng vấn sâu được dùng để thu thập dữ liệu cho nghiên cứu này.

Kết quả của nghiên cứu này cho thấy các tổ chức và công ty đào tạo không những phải tập trung vào kết quả đào tạo mà còn phải quan tâm đến quá trình đào tạo để thỏa mãn khách hàng. Hơn nữa, việc mua dịch vụ đào tạo là một quá trình nhiều giai đoạn và nhiều loại với sự tham gia của nhiều người đóng nhiều vai trò khác nhau trong suốt quá trình. Việc hiểu rõ kỳ vọng của khách hàng, quy trình mua hàng của họ, và nhóm mua hàng sẽ giúp các tổ chức và công ty đào tạo tiếp thị tốt hơn.

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