

THE INFLUENCE OF SUSTAINABILITY ASPECTS ON B2B PURCHASING DECISIONS: THE SPECIAL CASE OF THE HEALTHCARE INDUSTRY

Patrick Ulrich^{*}, Simone Häußler^{**}

^{*} Aalen University, Aalen, Germany; University of Bamberg, Bamberg, Germany

^{**} Aalen University, Aalen, Germany



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Abstract

Companies are increasingly under pressure to report not only on their financial performance but also on their social and environmental performance in their entire supply chain. Regulations such as ISO 14001 or the *new supply chain* act provide a normative framework for sustainable corporate practices. Though, evidence on how sustainability aspects influence purchasing decisions is yet still limited. This research takes up from this point and investigates the influence of sustainability aspects on B2B purchasing decisions in German listed firms. Hence, we conducted a quantitative survey using a set of criteria. The goal of the survey was to determine 1) the level of sustainability maturity in general, as well as 2) the level of integration of sustainability into B2B purchasing decisions. We find that the respondents are already aware of the need to integrate sustainability aspects into different business areas, but sustainability aspects have no significant impact on B2B purchasing decisions yet. As a result, price and quality still play a crucial role in B2B purchasing decisions. Our findings shed new light on this under-researched area of B2B purchasing and could be of interest to policy-makers, companies and stakeholders.

1. INTRODUCTION

Supply chains are often dispersed around the globe. Companies are increasingly under pressure to report not only on their financial performance but also on their social and environmental performance in their entire supply chain (Johnsen et al., 2017; Schulze et al., 2018). Regulations such as ISO 14001 or the *new supply chain act* provide a normative framework for sustainable corporate practices. In this regard, one key topic is the field of sustainable purchasing of goods and services, as purchasing is crucial for a company's competitiveness (Locker & Grosse-Ruyken, 2019, p. 9). Sustainable purchasing, including ordering, sourcing, buying, receiving and selecting suppliers is one of the eight practices for supply chain sustainability (Silva et al., 2022).

According to Walker et al. (2012), sustainable purchasing involves mainstreaming sustainable development goals into the entire procurement and supply process. Miemczyk et al. (2012) define sustainable purchasing as *"[...] the consideration of environmental, social, ethical and economic issues in the management of the organization's external resources in such a way that the supply of all goods, services, capabilities and knowledge that are necessary for running, maintaining and managing the organization's primary and support activities provide value not only to the organization but also to society and the economy"* (p. 489).

The number of scientific publications on the field of sustainable purchasing has increased in recent years, post 2010, with a strong focus on environmental aspects (Rajeev et al., 2017). In the past, systematic literature reviews have shown that all 3 pillars of sustainability (economic, social and environmental) are rarely considered in the context of sustainable supply chain management publications, specifically, research addressing social issues are scarce (Seuring & Müller, 2008; Miemczyk et al., 2012; Rajeev et al. 2017). Recently, Silva et al. (2022) confirm these findings and quantify that environmental aspects are mostly observed in the literature (38% of total, n = 232), whereby the range of papers that mention mixed dimensions of sustainability count 20% of total. Silva et al. (2022) emphasize that social aspects in particular continue to be given low priority. It is also noticeable, that there are many studies on sustainable B2B purchasing decisions (Gazzola et al., 2017; Eberhart & Naderer, 2017; Simon-Kucher & Partners, 2021), but in contrast, the strategic area of B2B purchasing is scarcely explored (Zolkiewski et al., 2017).

This research aims to identify the current implementation status of the consideration of sustainability aspects in B2B procurement.

The major objectives of this study are to address the following gaps:

- to date, all dimensions of sustainability have rarely been considered in the context of sustainable procurement;

- there is little evidence of sustainability in B2B purchasing decisions and, following on from this;
- how barriers can be countered.

Hence, a survey was conducted aiming to collect and analyse data 1) to determine the level of sustainability maturity in general, and 2) the level of integration of sustainability into B2B purchasing decisions. The survey, running from April to May was accomplished in 2022.

Hereafter, the research methodology is described while some initial results are displayed. Distinctive features of B2B procurement will be outlined. Some suggestions for future research conclude the study.

2. METHODOLOGY

The healthcare industry was chosen as an example to conduct the survey as it is crucial for the overall development of the German economy and as it contributes 12% of the gross domestic product (GDP) (Federal Ministry for Economic Affairs and Climate Action of Germany, 2021, p. 2).

For this purpose, a written survey of healthcare stakeholders was conducted. The survey was addressed separately to different groups (clinics, general practitioners, drugstores, retailers) in order to examine the different facets of the question of the importance of sustainability for purchasing decisions.

The survey has been running since April 24, 2022, and is still ongoing. Currently, with approximately 12,000 organizations contacted, there is a net response of 154 companies. The survey was open until May 30, 2022.

The share of the total sample returned is distributed among the various channels as follows: 20 percent nursing homes, 50 percent clinics, remainder retail and physicians.

3. SURVEY STRUCTURE

The written company survey was focused on the following aspects:

- general information about the company;
- strategic importance of sustainability in the company (definition, maturity level, drivers);
- purchasing process in the company;
- costs and benefits of different product categories;
- future development of sustainability.

4. FIRST RESULTS AND OUTLOOK

The survey data showed that although sustainability is in principle on the agenda of B2B purchasing organizations in the healthcare sector, this criterion has so far played only a minor role in purchasing

decisions *per se*. The companies surveyed generally rate the maturity of their sustainability management as rather low on a scale of 1–5, with a mean value of 1.87. The reasons for dealing with sustainability were asked on a 0–1 scale. The organizations most frequently mention their own motivation (mean 0.42) and regulatory issues (0.40). In the context of concrete purchasing criteria, the following categories play a role: high delivery reliability (on a scale of 1–5, a mean value of 2.97), high product safety (2.83), quality (2.80), ensuring human rights (2.10) and sustainable image (1.73). In this respect, sustainability aspects do not yet seem to play a major role, at least in general.

By the time of the conference, further statistical analyses will have been carried out and the remaining questions of the questionnaire will have been evaluated, especially with regard to specific purchasing characteristics and price willingness.

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