

Can we trust that groups make sustainable purchase decisions?

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Abstract

Extant research finds that more and more companies want to opt for sustainable solutions when making a purchase decision. Hereby, Total Costs of Ownership (TCO) are helpful in estimating economic sustainability, yet relying on TCO is not always the most common practice for companies. The cause of TCO deviating decisions might be attributed to various factors, such as the information completeness, the product categories, and the composition of the decision-makers. Hereby, it can be often observed that groups serve as decision-makers, e.g., in families or buying centers. Prior research suggests that there are differences in the individual and group decision-making. A laboratory experiment provides evidence that indeed the number of deciders influences the TCO optimal supplier selection. The results imply that groups are more likely to make worse decisions in terms of the TCO than individuals, but that when given complete information, group performances in terms of an optimal TCO improve.

Subject Areas: *Business-to-Business Marketing, Decision-Making, Information Processing, Organization Behavior*

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