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OK you are now an approved supplier—but you still do not get orders Understanding the case of the P-Card

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Abstract

The purchase card (P-Card) was introduced in the 1990s as a payment mechanism for smaller value items so that purchase paperwork is reduced, itemized reporting and control become possible, and purchasing and payment are decentralized at the user level. Since the late 1990s, with E-procurement and B-to-B E-commerce, the possibilities of P-Card use have magnified exponentially. However, the adoption and success of P-Cards in organizations has been short of initial expectations.

Using P-Cards with approved suppliers is an ideal situation for both buyers and sellers. In practice however, many P-Card users seem to buy many items from suppliers who are not on the approved supplier list. To make payments to these ''new'' suppliers, organizations need to make exceptions resulting in paperwork, costs, and loss of business for approved suppliers. However, there are many P-Card users who indeed follow the company-approved list and these users may be called ''P-Card conforming users.''

This article takes a knowledge-based approach and presents a model for conforming P-Card use (CPU). The model is tested in an organization, and results are used to derive managerial and research implications. While orientation training of P-Card users is important, both business marketers and purchasing departments need to reach out directly to the P-Card user to ensure that approved supplier lists work well in an electronic age.

Keywords: P-Card; Purchase card; Knowledge-based view; Approved supplier; B2B E-commerce; B-to-B E-commerce; Electronic business processes; Organizational learning; Centralized purchasing; Decentralized purchasing

1. Introduction

Business-to-business (B-to-B) E-commerce (Grewal, Comer, & Metha, 2001; Hutt & Speh, 2001; Kalakota & Whinston, 1999) is dramatically changing the nature and functioning of business markets. The exciting possibilities of technology adoption such as reverse auctions (Bandyopadhyay, Lin, & Zhong, 2001; Oliva, 2001) and decentralized purchasing through approved supplier lists (Jackson & Pride, 1986; Plank & Kijewski, 1991) bring several established industrial marketing theories into serious question and the need for review (Sheth & Sisodia, 1999).

Approved supplier lists have been in use for many years, and several studies have ascertained that as much as 70% organizations use approved supplier lists (Plank & Kijewski, 1991) of some kind. Approved supplier lists help organizations to (a) reduce risks in industrial buying, (b) keep suppliers from bothering departments other than purchase for a ''foot in the door,'' (c) allow negotiation of a better price for orders that would be placed over time, and (d) allow development of long-term buyer–seller relationships. While the area of approved supplier management has been under-researched (Plank & Kijewski, 1991), technology adoption has pushed the practice of approved supplier management to a new and higher level. The emergence of E-procurement and electronic payment methods like the purchase card (P-Card) has brought a new urgency for research in the area.

Introduced in the 1990s, the P-Card (Karpinski, 1999; Messmer, 1999) allows companies to prepare lists of approved suppliers through their centralized purchasing departments and then allows designated employees across departments throughout the company to purchase directly from approved suppliers. From a human resource (HR) perspective, P-Cards help empower individual employees to buy directly with the freedom of recommending suppliers for addition to the approved list. The P-Card issuers (viz.,

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Amex, Visa, and MasterCard) provide detailed reports to help management control including seller information, amount spent, item purchased, tax information, minority status of supplier, etc. Buyers' accountants and controllers strongly support P-Cards because every purchase transaction detail can be directly dovetailed to the Enterprise Resource Planning (ERP) system of the buying company. In addition, the P-Card is reported to reduce supplier's order action time from 9.1 days to nil and administrative costs from US$91 to US$15 per order by eliminating paperwork and the need to issue check payments (Palmer, 2000).

To become a P-Card vendor, a marketer must sign-up with the P-Card provider, obtain their reporting software, and bear the transaction expenses of 5% or more (Messmer, 1999). Given the B2B E-commerce possibilities, buying organizations would like to retain the advantages of centralized purchasing, viz., few suppliers and strong and long-term relationships (Han, Wilson, & Dant, 1993) while gaining advantage of decentralized purchasing, including paperless purchasing and employee empowerment, and yet maintain full control. To ensure sales volume, business marketers would like to become "approved" suppliers to a buying company even at special discounted prices. However, if any individual P-Card holder approached a P-Card supplier who was not a company-approved supplier, the transaction would proceed.

Such "maverick" or nonconforming purchase behavior (Murphy, 2001) would have several repercussions for both the buyer and seller. First, corporate purchasing would loose credibility with business marketers, and marketers would have lower incentives to go through the effort or make the commitment of becoming an approved supplier. Second, buying costs from nonnegotiated pricing and resulting paperwork would increase. Third, a seller having agreed to lower prices for higher volumes would post losses on the account due to "maverick" purchases. Finally, traditional responses such as "account management" (Boles, Johnston, & Gardner, 1999; Shapiro & Moriarty, 1982) may not be justified given that low-ticket items are purchased (Kotler, 2000) on typical monthly P-Card limits of US$2500 (*Credit Card News*, 2000).

In disciplined organizations like the Army, the P-Card is successful (Sullivan, 1999) while in the commercial world, the P-Card has run short of expectations (Palmer, 2000). Initial projections (Palmer, 2000) had indicated that P-Card spending will exceed US$300 billion/year but banks now acknowledge that the market has reached only US$15–25 billion/year.

Given that the P-Card has fundamental and far-reaching implications for business marketing, it is surprising that marketers have not studied P-Cards at the intraorganizational level. Some (e.g., Hult, Hurley, Giunipero, Ernest, & Nichols, 2000) have recognized that there is a lack of communication between purchasing and users in organizations, while others (e.g., Jackson & Pride, 1986; Plank & Kijewski, 1991) have urged more emphasis in both teaching and research into the implications of approved supplier lists in business marketing.

This gap of knowledge in the marketing literature is surprising for at least two practical and one theoretical reason. First, approved suppliers expect to receive corresponding orders when approved through due process by the buyer company. In particular, approved suppliers do not like to lose orders to nonapproved suppliers through nonconforming purchasing by P-Card holders. Second, buyers and purchasing departments, in order to retain credibility in the business market, need to ensure that projected volumes do materialize for the suppliers on their approved list.

Theoretically, conceptions of business buying have assumed buying organizations to become cohesive, single, predictable entities once the buying center forms and decides on a supplier (Dawes, Lee, & Dowling, 1998). Research has therefore focused upstream on buying center formation and decision-making (Lau, Goh, & Phua, 1999; Lichtenthal & Shani, 2000; Morris, Berthon, & Pitt, 1999) and approved supplier enlistment (Jackson & Pride, 1986) rather than examining how the buying organization behaves *after* approving a supplier. The latter phenomenon is a further example of the lack of research in the area of intrafirm diffusion of innovations (Jensen, 2001). Industrial marketing literature (Jackson & Pride, 1986) suggests that once a supplier is able to navigate the industrial buying process and become approved—orders should automatically follow. This theoretical assumption is arguable in the changing environment of P-Cards and Internet-based B-to-B E-commerce. Merely becoming an approved supplier does not seem to be sufficient to ensure orders and exploring this downstream process, after supplier approval, is the domain of this article.

2. Theoretical background

The P-Card is a payment method and an important component in decentralized purchasing in an E-commerce environment. Following (Achrol & Kotler, 1999; Grewal et al., 2001) this research takes the position that electronic systems like web-based procurement systems are meant to decentralize, liberate, and empower the employee rather than be used to gather nonconforming behavior data to monitor, control, and intimidate the employee. Such a view of E-commerce is consistent with the knowledge-based view of the firm. Briefly, the knowledge-based view of the firm (Grant & Badden-Fuller, 1995; Kogut & Zander, 1992; Nahapiet & Ghoshal, 1998; Spender, 1996; Tsai & Ghoshal, 1998) maintains that knowledge is unlike traditional economic resources like land, labor, and capital. If shared, understood, and combined—knowledge can spiral (Nonaka & Takeuchi, 1995). The P-Card implants technology into an age-old practice of organizations having approved suppliers. The technology is supposed to make ordering decentralized and closer to users, while payment,

Table 1
Features and benefits of P-Cards

Features
Works like credit cards
Uses company-approved suppliers where available
Keeps the payment slip or authorization code for record
Benefits
Cuts ordering and payment time
Cuts ordering and payment costs
Reporting of expenses are in detail
Employees feel empowered and purchase and accounts payable staff are freed up

accounting, and control become far more efficient given the electronic linkages between ordering and card statements. Taking a knowledge-based business marketing view, P-Cards should make approved suppliers even more effective in business relationships.

Orientation type training for P-Card users has been recommended for the effective use of P-Cards (*Ioma's Report on Managing Accounts Payable*, 2001). This article argues that in a knowledge-based approach, orientation is the first stage of a two-stage learning process that determines effective use of the P-Card. Orientation training provides features, benefits, and uses of P-Cards (see Table 1). Such training is organized in industry over a maximum of a 2-day period where videos, lectures, and discussions are held to improve the awareness of P-Card users.

The second stage of learning is work-based situated learning (Raelin, 1997). The process of understanding and learning takes place through interactions between organizational buyers and users. This is called *situated learning* (Brown & Duguid, 1991; Lave & Wenger, 1990) and can only be acquired with experience. The transfer of knowledge and problem solution takes place not only at the explicit level but also at the tacit level. This is made possible when corporate buyers, accountants, and users have ongoing interactions to enable solution of problems as they emerge in the rapidly developing E-procurement field.

3. Conceptual model and hypotheses

The dependent variable is "conforming P-Card use" (CPU) (see Fig. 1). CPU occurs when P-Card users make purchases from the approved supplier list created by the purchasing department. In case any other supplier accepts a P-Card but is not an approved company supplier, the user *does not* place an order. The P-Card user either buys from an approved supplier or attempts to get the supplier on the approved list before proceeding with ordering.

4. Basic knowledge of P-Card use

Based on the theoretical background, this research argues that CPU is the outcome of a two-stage knowledge acquisition process, i.e., first, a basic knowledge of P-Card use (BKPU), which leads to working knowledge of P-Card use (WKPU). These two levels of P-Card user knowledge

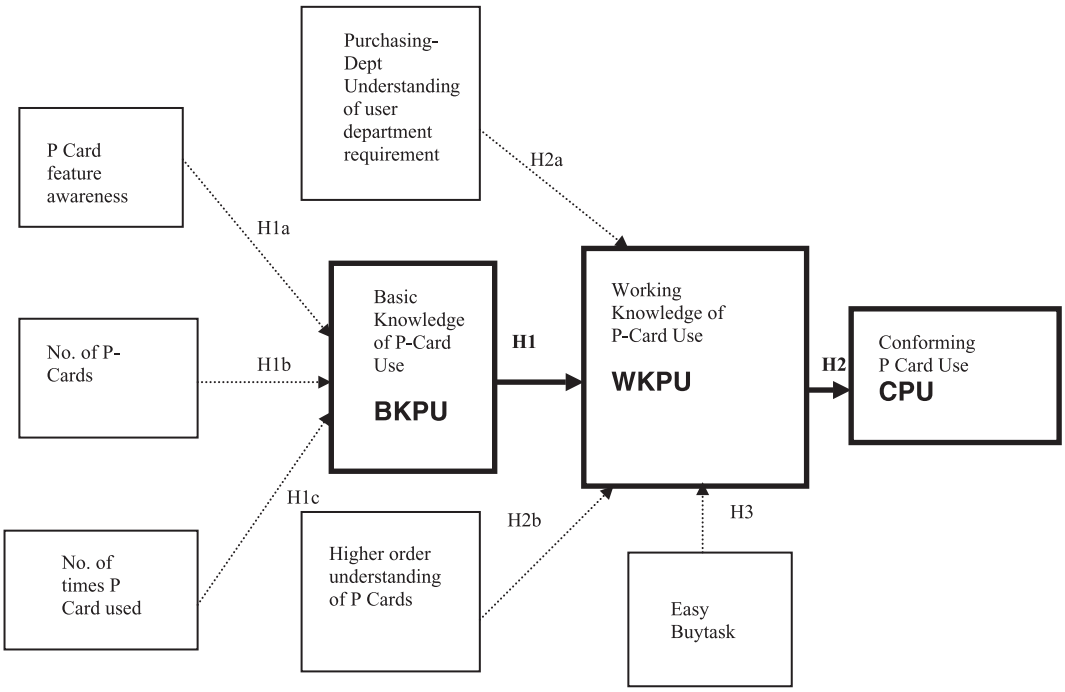

Fig. 1. Conceptual model of CPU.

are outlined in bold boxes in Fig. 1. BKPU is a basic or orientation kind of understanding of P-Card features and benefits. Such a basic knowledge has may be attained in part by attending say a half-day seminar organized by the purchasing department in cooperation with the P-Card issuer (*Ioma's Report on Managing Accounts Payable*, 2001). For example, should a P-Card user have missed the orientation training, we might expect such an untrained user to be slow in acquiring the next level of knowledge—WKPU. Thus, if basic knowledge is made available to the P-Card user, it is likely that the user would be in a position to acquire WKPU. Thus, our first hypotheses, stated formally is:

H1: The greater the BKPU, the greater the WKPU.

Knowledge, however, can be abstract. Thus, this research turned to a learning theory to examine the kinds of learning that might make up the basic knowledge. At the core of BKPU is a basic familiarity with the P-Card and how the P-Card dovetails with earlier methods of ordering from approved suppliers. Thus, a greater basic awareness about the aims and objectives of the P-Card would lead to a greater BKPU and finally increased CPU.

In the context of P-Cards (Palmer, 2000) and generally in the context of implementing technology (Griffith, Zammuto, & Aiman-Smith, 1999; Hebert, 1994; Meyers, Sivakumar, & Nakata, 1999), user training is suggested as a mechanism for improving implementation. Visualizing the P-Card as an innovation being implemented, this research conceptualized a basic but general knowledge of the P-Card as the core requirement for successful implementation. Just as new software systems need employee orientation, it is assumed that basic knowledge of the P-Card would be the first requirement for its successful implementation. Stated formally:

H1a: The greater the P-Card awareness, the greater the BKPU.

Some people within departments of organizations are designated (Sullivan, 1999) to use P-Cards. In some cases, more than one P-Card is provided to an employee to overcome the spending limit on the card. The degree of P-Card adoption in the department and the degree of adoption of P-Card by the individual seem to be important factors of the speed with which learning of proper use of P-Card takes place.

If a P-Card user uses a card repeatedly and has several cards to use, the P-Card user may be expected to become at least more proficient on the BKPU. Theoretical repetition of a task "primes" the learning process (Grant & Logan, 1993; Obermiller, 1985). However, mindlessly repeating a task over time does not add to deeper understanding and knowledge as learning declines exponentially (Grant & Logan, 1993; Obermiller, 1985; Poldrack, Selco, Field, & Cohen, 1999). In the case of P-Cards, repeated usage has two dimensions: these are the number of P-Cards the individual has and the number of times each P-Card is used. Both these dimensions of repeated use are reflected in the propositions below.

H1b: The greater the number of P-Cards, the greater the BKPU.

H1c: The greater the use of P-Cards, the greater the BKPU.

The second type of knowledge is WKPU and this understanding occurs at a deeper and more tacit level. WKPU is possible only after actually using the P-Card over some time and after the user has started with some BKPU and results in CPU. The P-Card user is a situated learner (Brown & Duguid, 1991; Lave & Wenger, 1990) as they gather WKPU through application of BKPU in practice.

The P-Card user understands and appreciates the organizational benefits of CPU. These benefits include the advantages of long-term reliable suppliers and clearer accounting and reporting of purchases that becomes possible when the P-Card system works as intended. We argue that:

H2: The greater the WKPU, the greater the CPU.

WKPU is, however, not entirely dependent on BKPU. Three additional factors beyond BKPU are hypothesized to be determinants of WKPU. These are the understanding of user needs by the purchasing department, a higher order understanding of P-Card use by the user, and the nature of buy-task from the perspective of the user.

Purchasing departments must have close understanding of user requirements as they set up the approved supplier list and update it. The approved supplier list cannot be very long, as volumes would decline for suppliers who are willing to give discounts. Thus, using the fewest possible suppliers, corporate purchasing would try to generate long-term relationships as envisaged in the marketing literature (Dwyer, Schurr, & Oh, 1987; Han et al., 1993). Internally therefore, the purchasing department must have a deep and clear understanding of user department needs and be able to aggregate common needs to build an effective approved supplier base.

Contrary to buying center notions of organizational consensus *before* purchase, the P-Card calls for organizational behavioral consensus *after* purchase. Specifically, consensus must be continually re-enforced between the purchase department and the departmental P-Card users that the approved supplier list should be followed as far as possible. Such re-enforcement is visualized as helping increase WKPU.

Working knowledge of an advanced kind (i.e., WKPU) would be achieved once P-Card users have thought about the use of the P-Card and the opportunities and problems such a card would present. This would not come merely out of using the P-Card as reflected in H1. Such a higher order understanding would come after cognitive processing (following Obermiller, 1985) of the experience of using the

P-Card. Cognitive processing will involve consideration and reflection about the way the approved supplier list works. It involves understanding of the manner in which any outside purchases disrupt the corresponding business market besides showing up the P-Card user and their department as a nonconforming department in audit reports.

Stated formally:

H2a: The greater the purchase department's understanding of user department needs, the greater the WKPU.

H2b: The greater the higher order understanding of P-Cards, the greater the WKPU.

5. Buy-task

Buy-task, in the buy grid Robinson, Faris, and Wind (1967), involves classification of buying tasks as straight rebuys, modified rebuys, or new task buys. In the pre-P-Card era, the centralized purchasing department was the unit of analysis with more than one person being involved in any kind of buy-task. If the purchasing or using department had bought the item several times in the past, it would be a straight rebuy and past quotes; papers would be readily available. In the decentralized P-Card environment, the individual P-Card user becomes the unit of analysis. If the individual has never bought the item in the past, the item would classify as a new task for the P-Card user; although others in the organization might have bought the item from the approved vendor at earlier occasions.

In straight rebuys, the P-Card user buys a product that they have bought earlier using the P-Card. In modified rebuys, the product is bought but in a modified form. New tasks involve purchases that have not been undertaken before at least by the same P-Card user. A straight rebuy is the easiest task as the P-Card user and the company accounting system are both familiar with the product and its approved supplier. Similar to the notion of new task is the notion of urgent purchase or emergency purchase that cannot wait for the purchasing system to take time in developing a supplier list.

Following the easy buy-task notion, P-Card writers and issuers suggest that low value routine items are particularly appropriate for inclusion as P-Card purchase items (Belyea, 2000; Murphy, 2001). This view argues that for low value, routine purchases P-Cards are the way to immediately reduce purchasing costs and paperwork. Routine buy-tasks improve WKPU with repetition and practice and we may argue that it is the nature of the task, i.e., easy and straight rebuy that allows a buyer to enhance their WKPU and thereby improve CPU.

It would thus be expected that P-Card users would follow the approved supplier list for repeat items that are easy to buy. However, they would not follow the list for new or modified tasks for which it may be difficult to locate a supplier in the approved supplier list. Stated formally:

H3: Routine (straight rebuy) purchase situations will lead to greater WKPU compared to modified rebuy and new tasks.

6. Research design, methodology, and measures

This article examines a particular organization and its CPU employees to understand what drives CPU behavior. In doing so, this research takes a cue from the distribution literature, which commenced studying the determinants of a relationship positive like trust (Young & Wilkinson, 1989), in contrast to focusing on the determinants of a negative like causes of mistrust. In other words, this research tries to explore the drivers of conforming behavior with respect to P-Card use in the theoretical context of a knowledge-based approach.

The CPU behavior of P-Card users in a U.S. pharmaceutical company is examined in the following sections. The company is widely considered as a good and kind employer and was listed as among the top 50 employers in the USA by *Fortune* magazine in early 2001. Company employee turnover was 3%, while 85% of employees surveyed planned to stay on in the company until retirement.

The company has 2500 employees and 600 hold P-Cards. The spending limits on the P-Card are US$1000 per transaction and a maximum of US$5000 per month. In 1995, prior to P-Cards, 50% of the purchase orders of the company were under US$250. In 2000, with the use of P-Cards, these reduced to less than 20% of purchase orders. The company is striving to eliminate the purchase orders for these transactions as more and more employees adopt the P-Card.

This research started with an exploratory discussion with the purchase department personnel involved with the P-Card. A pool of items was pretested for each construct with two P-Card users before a questionnaire was prepared. The questionnaire was administered over the Internet using a survey package ("surveybuilder" thanks and kind courtesy of informative.com) as part of an MBA project. An e-mail announcement and reminder was sent by the purchasing department to P-Card users. One hundred and seventy-two responses from 600 P-Card users were tabulated yielding a 35% response rate that may be considered acceptable for intraorganization studies.

The items against each observed construct, their factor loadings, and reliabilities are presented in Table 2. Measure purification procedure was followed as per Churchill (1979).

Following Fig. 1, Table 2 summarizes the measures developed for each of the observed constructs. Summated scales were created for the dependent variable (CPU) and

Table 2
Construct items and reliabilities

Item description	Communalities	Factor loading
CPU		
I use the preferred supplier list	N.A.	
I choose my vendor based on the preferred supplier list		
Reliability (Cronbach's alpha)	.81	
P-Card feature awareness		
Am aware of corporate purchasing's preferred supplier list	.50	.77
I know where the preferred supplier list can be found	.56	.87
I am satisfied with the current selection of preferred suppliers	.49	.56
Corporate purchase keeps me informed of the modifications/changes in the preferred supplier list	.32	.37
Reliability (Cronbach's alpha)	.79	
Purchasing department understanding of user department requirements		
Corporate purchasing has sufficient knowledge of my department's purchasing needs in selecting a competent supplier	.44	.70
The current preferred supplier list is adequate for my purchasing needs	.47	.60
The spending limits on the P-Card are appropriate	.50	.50
My department can choose suppliers better than corporate purchasing can (reverse coded)	.61	.61
Reliability (Cronbach's alpha)	.75	
Higher order understanding of P-Cards by users		
Rate the level of freedom you feel with P-Card	.47	.71
P-Card training was sufficient	.49	.61
If I have questions about the P-Card, I know who to contact	.32	.48
Purchasing departmental requirements is easy with the P-Card	.38	.56
The P-Card system is difficult to understand (recoded)	.47	.68
Reliability (Cronbach's alpha)	.75	
Buy-task		
Use P-Card for urgent manufacturing items, manufacturing items, other items, stationery	N.A.	
Card use		
How many times used per day, week	N.A.	
Number of cards		
How many P-Cards do you have?	N.A.	

two of the antecedents of latent construct WKPU and one antecedent of the latent construct BKPU. Exploratory factor analysis, i.e., principal components analysis was used with varimax rotation to examine the loading of various items on to these three summated scales. The WKPU antecedents were "purchasing department understanding of user department requirements" and "higher order understanding of P-Cards." The "P-Card feature awareness" was treated as an antecedent of BKPU. The Cronbach's alphas ranged between .75 and .81, which is considered acceptable for exploratory research.

7. Data analysis

Structural equation modeling (SEM) allows the researcher to "accommodate multiple interrelated dependence relationships in a single model" (Hair, Anderson, Tatham, & Black, 1998, p. 586). For models, as in Fig. 1, SEM is particularly applicable as CPU is the ultimate dependent variable and is hypothesized to be a result of BKPU and WKPU. In simple regression terms, the model considers WKPU as an independent variable for CPU but WKPU is a dependent variable for the independent BKPU. In addition, both WKPU and BKPU are conceptual constructs and are unobserved and latent therefore amenable to SEM analysis. In fact, SEM computer programs allow the researcher to explore if a measured construct like "Number of P-Cards" loads better on BKPU or on WKPU in the context of the entire model being tested simultaneously. Thus, SEM allows alternative paths of antecedents to various factors to be tested for better fitting paths within the entire model.

Alternative paths for the antecedents of BKPU and WKPU were attempted but the fit measures were the best for the paths represented by dashed lines in Fig. 1. The fit measures are presented in Table 3.

Table 3
Goodness of fit measures for model

Goodness of fit measure	Associated reference	Acceptable level	Obtained result
CMIN[a]	Bryne (2001)	*P* value < .05	110.092
P value[a]	Bryne (2001)	*P* value < .05	.000
CMIN/*df*[a]	Bryne (2001), Marsh and Hocevar (1985), Browne and Cudeck (1993)	lower 1 – upper 3.0	7.864
RMSEA[b]	Bentler and Bonett (1980)	< .9	.200
TLI[c]	Hair et al. (1998)	> .9	.973
NFI[c]	Hair et al. (1998)	> .9	.952

[a] CMIN and the associated *P* value is the chi-square statistic and is an absolute fit measure that is found acceptable. CMIN divided by the degrees of freedom is somewhat high at 14 *df*.

[b] The RMSEA measure provides a measure of the closeness of fit with respect to the degrees of freedom.

[c] The TLI (Tucker – Lewis measure) and the NFI (normed-fit index) are measures of incremental fit and are acceptable.

Table 4
Summary of hypothesis test results

Hypothesis	Independent variable	Relation	Dependent variable	Regression weight	*P* value	Outcome
H1a	P-Card awareness	→	BKPU	.587	.000	supported
H1b	number of P-Cards	→	BKPU	− .081	.479	not supported
H1c	frequency of P-Card use	→	BKPU	− .268	.002	supported (− ve)
H2a	department understanding	→	WKPU	.371	.010	supported
H2b	higher order understanding	→	WKPU	.354	.007	supported
H3	task easy	→	WKPU	.131	.475	not supported

Examining the *P* value of the various paths as presented in Table 4 tested the hypotheses. The hypotheses and test results are summarized in Table 4.

8. Discussion

The proposed path model was supported in the SEM as evidenced in the fit measures. Alternative paths of the antecedents of BKPU and WKPU were attempted, but the overall model fit did not improve. Thus, our conception of the CPU as an outcome of a two-stage process comprising of WKPU supported by BKPU is supported by the data.

The antecedents of both BKPU and WKPU have mixed support compared to our expectations of the model hypothesized in Fig. 1.

There were three hypothesized determinants of BKPU, viz., P-Card feature awareness (H1a), number of P-Cards (H1b), and number of times P-Card is used (H1c). The P-Card feature awareness (H1a) had support as an antecedent of BKPU. The number of P-Cards (H1b) had no significant support as a precursor of BKPU, while the frequency of P-Card use (H1c) was negatively and significantly related to BKPU. In some sense, this is possible as learning in use may follow an inverted U, increasing at first and decreasing after a point. After the commencement of P-Card use, probably there is no additional learning of a higher order and this supports prior research (Grant & Logan, 1993; Obermiller, 1985), on exposure, and learning. This result is consistent with, Grant and Logan (1993) and Obermiller (1985) who both found that only repeated exposures, in the absence of cognitive processing of the experience, helped initial learning, but actually was inversely related to higher order learning over time.

Of the antecedents of WKPU, purchasing departments' understanding of user department requirement (H2a) and higher order understanding of P-Card (H2b) was supported by our regression weights significance. The ease of buy-task (H3) did not seem to affect the WKPU and was not supported. In other words, an easy task did not facilitate knowledge of P-Card use nor did it help in improving CPU.

9. Managerial and research implications

There are several managerial implications of this study. The managerial implications are for three constituencies of managers, viz., (1) the business or industrial marketer who is interested in ensuring that "approved" supplier status does indeed result in additional business, (2) the P-Card purchasing departments and P-Card user departments in buying firms, and (3) P-Card Issuing companies like Visa, MasterCard, and Amex. In the following paragraphs, recommendations and actions that different constituencies of managers need to consider will be highlighted.

Approved suppliers may need to reorganize their account management function and should not assume that being an approved supplier after following due process is enough. They must act proactively to reach out to the P-Card users in organizations so that the user knows their name. The fact that they accept P-Card and are an approved supplier should be reinforced repeatedly. In the firm we studied, we found that all P-Card users were Internet users and would therefore be easy and inexpensive to approach via the Internet. Purchasing departments should be willing to share user email addresses with approved suppliers both in the middle of an ongoing contract and more easily at the start of new negotiations. Local businesses need to be particularly alert to build relationships with corporate and P-Card user employees so that they can compete globally in an Internet environment.

Purchasing departments in buyer organizations need to promote basic training to improve BKPU. This is consistent with the suggestions of researchers investigating P-Card implementation (Sullivan, 1999) and consistent with the advise on technology implementation. In this case, however, in the interest of the business market and the supply chain, it is important that there is a deep and specific knowledge

sharing between purchase department and users. A full-time dedicated "P-Card champion" within the purchasing department would help in improving the fit between BKPU and WKPU. In addition, purchasing departments need to actively examine user satisfaction like other service departments (e.g., human resources). Corporate purchasing would need to accelerate efforts to communicate with users *after* the supplier selection to ensure more support for approved suppliers. The communication should facilitate a higher WKPU between purchasing and users.

Card-issuing companies need to consider the buy-task results of this study. It was hypothesized, in line with current practices of P-Card marketers, that easier tasks would facilitate CPU. The P-Card has been promoted as ideal for small ticket items that are relatively easy to buy like books, stationery, and gifts. Surprisingly, the ease of buying has no significant impact on users choosing approved suppliers. Buy-task notions suggest that when buyers, like P-Card users, are faced with nonroutine tasks, like modified rebuys or new buys, they need to divert from approved supplier lists. However, results of this research indicate that users do not necessarily go outside the approved list for "technical" items, as business marketing "buy-task" notions seems to suggest. Easy tasks are helped with a better BKPU, but easy tasks do not help in developing more WKPU. Thus, P-Card issuers may like to rethink their current promotions of the card as useful for low value routine items. Data from this research do not support the P-Card issuer promotions that easy tasks are more amenable to P-Card use.

There are several research implications of this study. First is a more thorough understanding of the WKPU. An instrument can be developed to assess the extent of BKPU and WKPU in organizations. This would help organizations identify specific areas that need more work to make P-Card programs successful. The second research area is into the state of practice of having approved suppliers in the context of the Internet. The biggest pain of loosing orders to non-CPU is to approved suppliers and to facilitate their business, additional research is needed in the approved supplier area as suggested by Plank and Kijewski (1991). Approved supplier thinking is consistent with long-term relationship theory in marketing, and given the emergence and growth of B-to-B E-commerce, there is urgent need to examine how approved supplier practices are changing in industry. The third research area is the interface of the P-Card issuer and the accounts payable departments who seem to be taking a lead in the implementation of P-Card, without considering the business marketing implications more fully.

10. Limitations and conclusion

This study took place in one company and is a case study of a company widely regarded as a good and benign employer. In more typical workplaces, the management may be unwilling to "let go" and genuinely empower employees to make purchases with the P-Card. In such organizations, constructs such as the degree of empowerment felt by employees may need to be measured and assessed as a predictor of WKPU.

This research was an exploratory investigation into P-Card buying that attempts to capture the benefits of both centralized and decentralized purchasing. It is supposed to allow organizations to dovetail approved supplier lists by allowing other department employees to purchase directly. The findings of this research will assist P-Card issuers, purchasing departments, and industrial marketers to more closely align P-Card use to the system of approved suppliers.

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