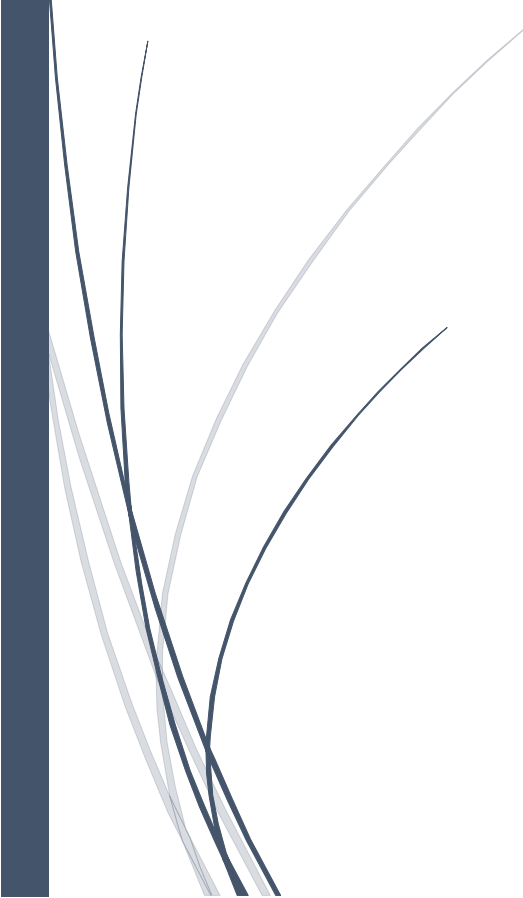




Final Project 2

PMG 497

Market and Sales Preferences in Trading companies in Saudi Arabia



Midocean University
Faculty of Management
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Project title

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Final Project - 2

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1. Chapter 1: Introduction

1.1. Research Background

Trading companies are a core part of how goods move from producers to end users. In the Kingdom of Saudi Arabia (KSA), they link local manufacturers, international suppliers, and institutional buyers such as contractors, retailers, and government projects. Their work involves sourcing, negotiating, warehousing, and distributing a wide variety of items—from tools and fasteners to safety equipment and electrical materials. Because they operate at the interface between supply and demand, their success depends on how well they understand market signals and customer preferences.

In recent years, the Saudi economy has been transforming under Vision 2030. Policy changes have encouraged private-sector growth, foreign investment, and digitalization across industries. As a result, trading activities have become faster and more data-driven. Customers expect better availability, transparent pricing, and responsive service. At the same time, firms face greater competition, rising quality expectations, and pressure to professionalize sales and marketing. These shifts make it essential for trading companies to understand what customers value most and how those values translate into actual purchasing behavior.

This research focuses on “market and sales preferences” in Saudi trading companies. By market preferences, we refer to the characteristics of offerings and buying conditions that customers find attractive—such as product quality and brand reputation, delivery reliability, warranty and after-sales support, and fair, stable pricing. By sales preferences, we refer to the ways customers prefer to interact with suppliers—such as channel choice (field sales vs. online ordering), responsiveness of the sales team, technical support during selection, and ease of quotation and invoicing. Clarifying these preferences is valuable because trading companies often work with similar catalogs and suppliers; the way they sell, support, and deliver can become the real differentiator.

Although many managers recognize the importance of being customer-centric, practical challenges remain. Sales decisions are sometimes based on habit rather than evidence, and data about customers can be scattered across spreadsheets, emails, and informal notes. As product assortments expand, it becomes harder to know which brands and pack sizes should be prioritized, where to price competitively, and which service promises matter most to specific customer segments (e.g., contractors vs. factories). Without a clear view of preferences, companies risk stocking the wrong items, quoting too slowly, or missing opportunities to upsell complementary goods.

There is also a technology angle. E-commerce, mobile communication, and digital payments are reshaping expectations in B2B trade. Many buyers now want accurate stock visibility, instant

quotations, and simple re-ordering. Social media and messaging apps have become informal channels for product discovery and support. For trading companies, the question is not whether to adopt digital tools, but which ones actually improve conversion and loyalty for their particular customers. Understanding preferences helps leaders choose where to invest—in CRM systems, online catalogs, inside-sales teams, delivery tracking, or technical training.

Given this context, the introduction proceeds through five stages. First, it defines the broader territory: trading companies in KSA and their role in the economy. Second, it narrows the focus to market and sales preferences as strategic levers. Third, it explains the problem—limited, structured insight about what customers in this sector truly value and how those preferences influence performance. Fourth, it states the purpose of the research—to identify, analyze, and prioritize preferences that drive better sales outcomes. Finally, it outlines the contribution—clear questions, measurable objectives, testable hypotheses, and a simple conceptual model that managers can use to guide improvements in sales practice and service design.

In summary, this chapter establishes why preferences matter now: competition is growing, offerings are similar, and buyers are more informed. Saudi trading companies that can translate preference insights into day-to-day decisions—what to stock, how to price, how to sell, and how to support—are more likely to win repeat business, improve margins, and build stronger brands.

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1.2. Research Problem

Many Saudi trading companies operate with partial or anecdotal knowledge of their customers' priorities. This creates gaps between what buyers value and what suppliers deliver, which can lead to slow quotations, unavailable items, weak differentiation between brands, and inconsistent service quality.

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1.2.1. Theoretical Gaps

Academic work on customer preferences in Middle-Eastern trading firms is relatively limited compared with studies in retail or manufacturing. Existing studies often generalize across sectors without accounting for the distinct role of intermediaries, multi-brand portfolios, and B2B decision processes typical of trading companies.

1.2.2. Practical Gaps

In practice, firms may lack integrated customer data, formal segmentation, and regular feedback loops. Sales teams often rely on experience rather than systematic evidence, making it difficult to prioritize service attributes (e.g., delivery reliability vs. price flexibility) and to standardize best practices across branches.

Main Research Question: What market and sales preferences most strongly influence customer choice and sales performance in Saudi trading companies?

1.3. Research Significance

In this section, the student should clarify the importance of the study at the theoretical level, and the empirical level

1.3.1. At the theoretical level

This study is valuable at both theoretical and practical levels. It links preference theory with the day-to-day realities of B2B trading in Saudi Arabia and offers an applied framework managers can act on.

At the theoretical level, the research contributes context-specific evidence from KSA on how product, price, service, and relationship factors interact in a trading-company setting. It refines understanding of preference formation in B2B markets and supports comparative work across regions.

1.3.2. At the practical level

At the practical level, the research provides a prioritized view of what buyers want from trading companies and how those preferences relate to conversion, repeat purchases, and loyalty. Managers

can use the findings to guide assortment planning, pricing policy, quotation processes, salesforce development, and investment in digital channels.

1.4. Research Questions

- 1) Which product-related attributes (e.g., quality, brand, availability) most influence supplier selection?
- 2) Which service attributes (e.g., quotation speed, delivery reliability, after-sales support) matter most to different customer segments?
- 3) How do price perceptions (e.g., fairness, transparency, discount policy) affect repeat purchasing?
- 4) To what extent do digital touchpoints (e.g., online catalogs, messaging, e-payments) shape sales outcomes?
- 5) How do these preferences collectively predict sales performance indicators (conversion rate, order value, repeat rate)?

1.5. Research Objectives

- 1) Identify and define the key market and sales preference drivers in Saudi trading companies.
- 2) Measure the relative importance of product, price, service, relationship, and digital factors.
- 3) Examine links between preferences and sales performance metrics.
- 4) Provide practical recommendations for sales strategy, customer experience, and digital enablement.

1.6. Research Hypotheses

H1: Perceived product availability and delivery reliability are positively associated with sales performance.

H2: Faster quotation and responsive communication increase customer conversion and repeat

purchasing.

H3: Perceived price fairness and transparent discount policies are positively associated with customer loyalty.

H4: Effective use of digital touchpoints (e.g., online catalogs, messaging) mediates the relationship between preferences and sales performance.

1.7. Research Model

Conceptual Model (description): Market & sales preferences (independent variables) include product (quality, availability, brand), price (fairness, transparency), service (quotation speed, delivery reliability, after-sales), relationship (trust, technical support), and digital touchpoints (online catalog, messaging, payments). These factors influence sales performance (conversion, average order value, repeat rate) and customer loyalty (intention to repurchase, positive word-of-mouth). The analysis will test direct effects and, where applicable, mediating effects of digital touchpoints.

Scope of The Study

The study focuses on trading companies operating in Saudi Arabia that supply tools, fasteners, safety items, and electrical materials to B2B customers. Respondents are expected to include purchasing officers, site engineers, and procurement staff. The scope excludes pure retailers and manufacturers selling only direct to consumers.

1.8. The Project Structure

This project is organized into five chapters. Chapter 1 introduces the background, problem, significance, questions, objectives, hypotheses, model, scope, and structure. Chapter 2 reviews the literature on customer preferences and sales performance in B2B contexts. Chapter 3 explains the methodology, including operational definitions, design, sampling, data collection, and analysis procedures. Chapter 4 presents statistical results and discusses findings. Chapter 5 outlines limitations, recommendations, and the conclusion.

