

MARKETING MANAGEMENT

12th edition

7

Analyzing Business Markets



Organizational Buying

Decision-making process by which formal organizations establish the need for purchased products and services, and identify, evaluate, and choose among alternative brands and suppliers.

Characteristics of Business Markets

- Fewer, larger buyers
- Close supplier-customer relationships
- Professional purchasing
- Many buying influences
- Multiple sales calls
- Derived demand
- Inelastic demand
- Fluctuating demand
- Geographically concentrated buyers
- Direct purchasing

Buying Situation

Straight rebuy

Modified rebuy

New task



The Buying Center



Initiators

Users

Influencers

Deciders

Approvers

Buyers

Gatekeepers

Table 7.1 Buy-grid Framework

		Buyclasses		
		New Task	Modified Rebuy	Straight Rebuy
BUYPHASES	1. Problem recognition	Yes	Maybe	No
	2. General need description	Yes	Maybe	No
	3. Product specification	Yes	Yes	Yes
	4. Supplier search	Yes	Maybe	No
	5. Proposal solicitation	Yes	Maybe	No
	6. Supplier selection	Yes	Maybe	No
	7. Order-routine specification	Yes	Maybe	No
	8. Performance review	Yes	Yes	Yes