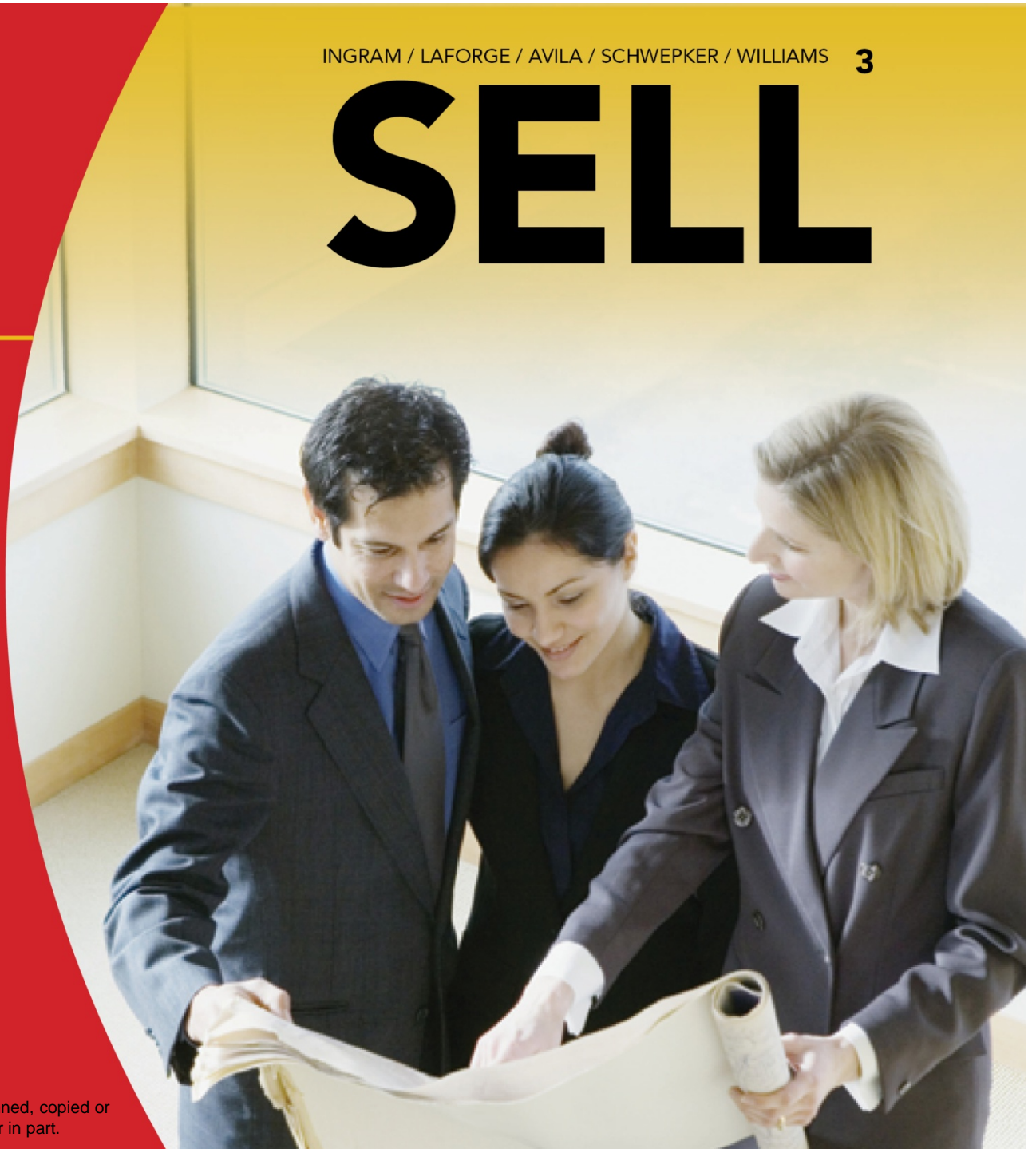


SELL

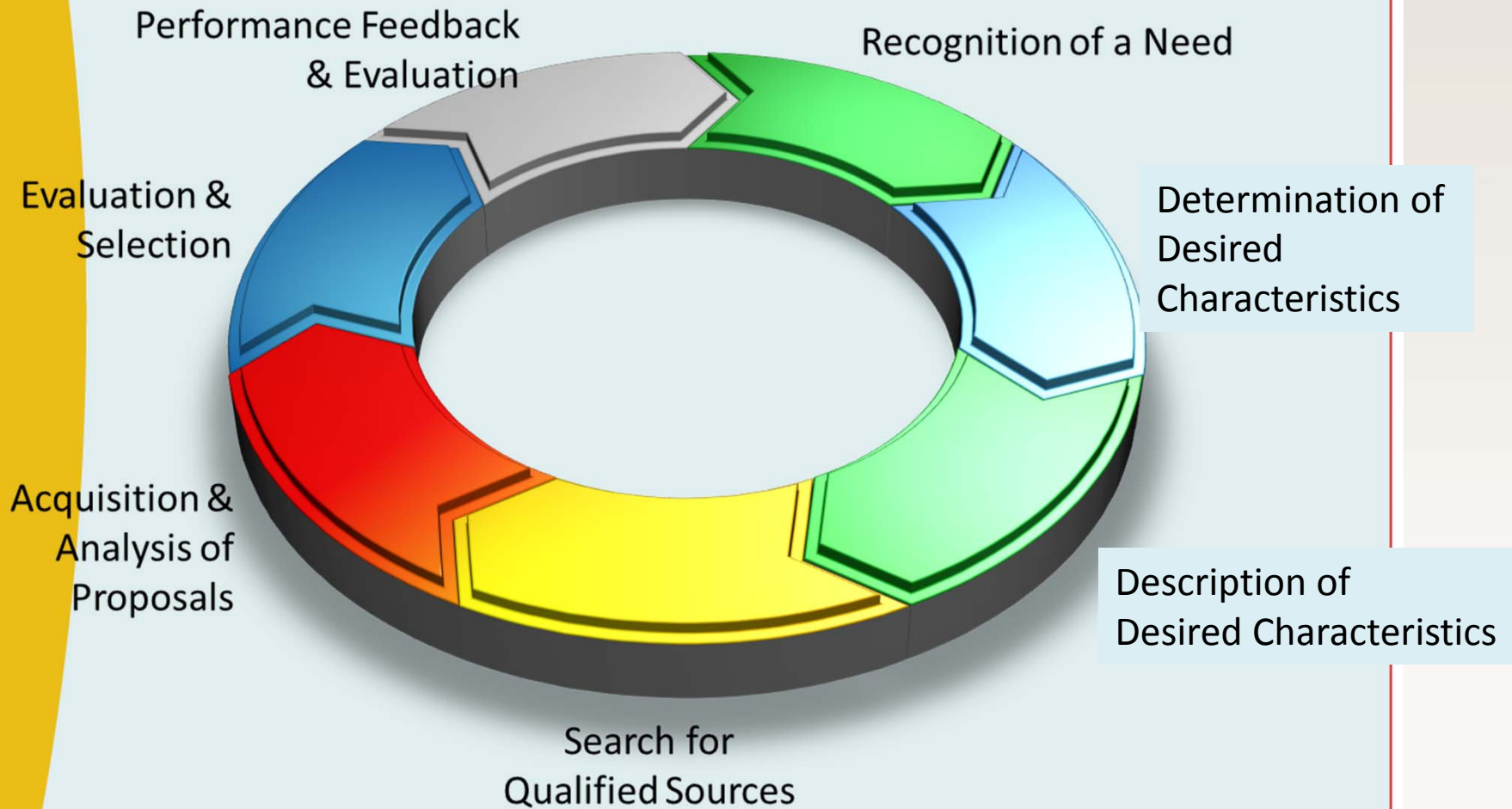
3

Understanding Buyers



Buying Decision Process

3



Group Activity

3

In many ways, recruiting process is very similar to the buying process. From the recruiters' perspectives,

- 1) identify the type of job your team would like to obtain after graduation.
- 2) describe each of the phases of the buying process (outlined in the chapter) in the context of recruiting for the desired position. (e.g., how the position became available, qualifications of candidates, etc).

Categories of Buyers

3



Consumer Markets



Business Markets

Firms



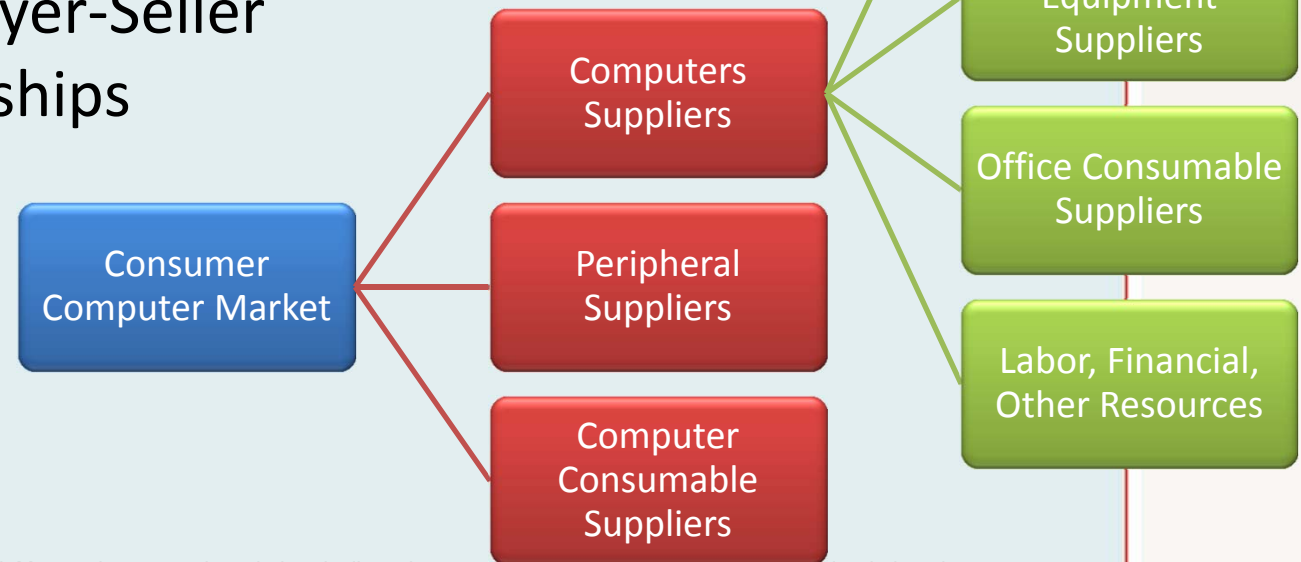
Institutions



Governments

Distinguishing Characteristics of Business Markets

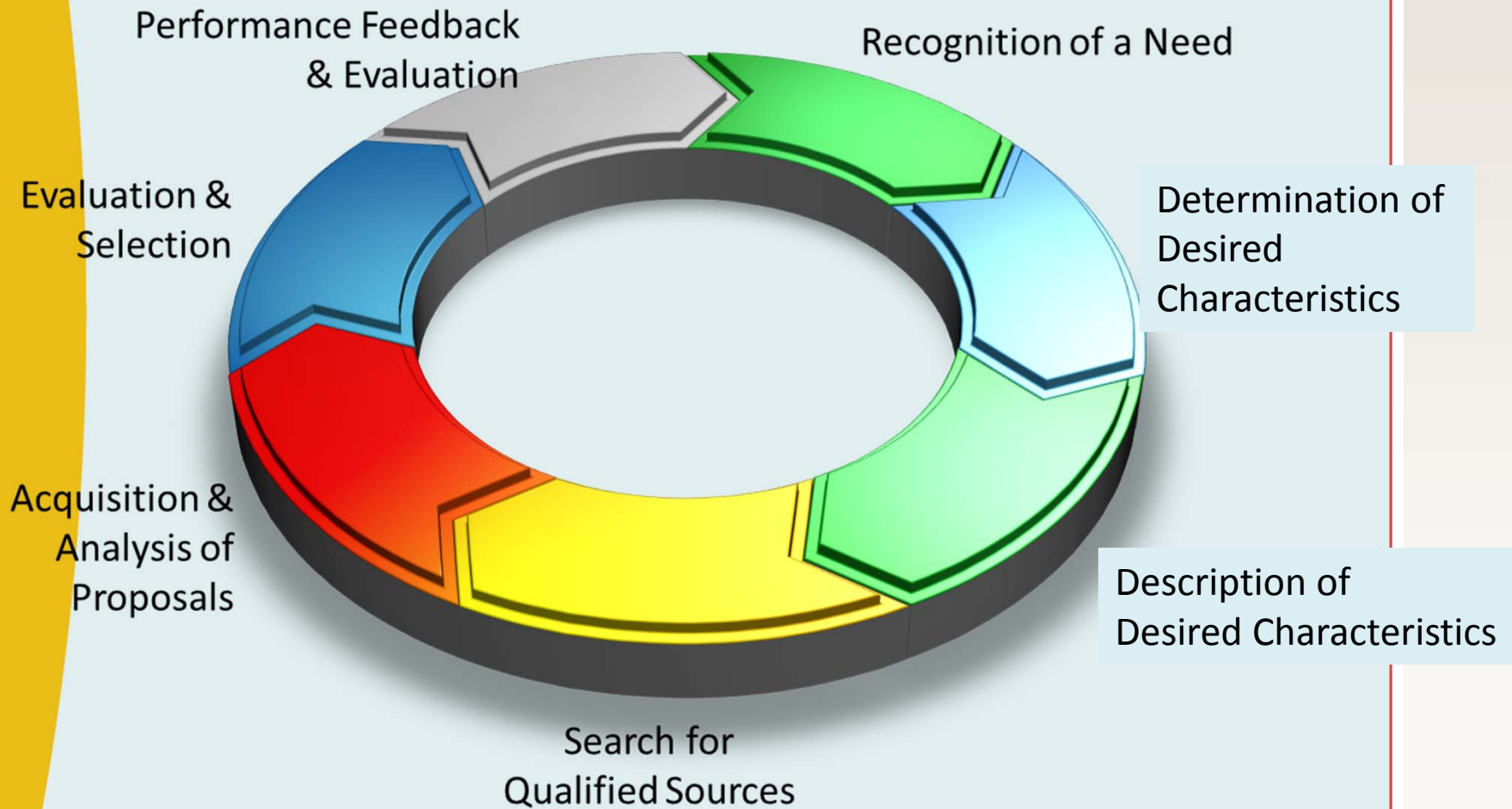
- Concentrated Demand
- Derived Demand
- Higher Levels of Demand Fluctuation
- Purchasing Professionals
- Multiple Buying Influences
- Close Buyer-Seller Relationships



3

Buying Decision Process

3

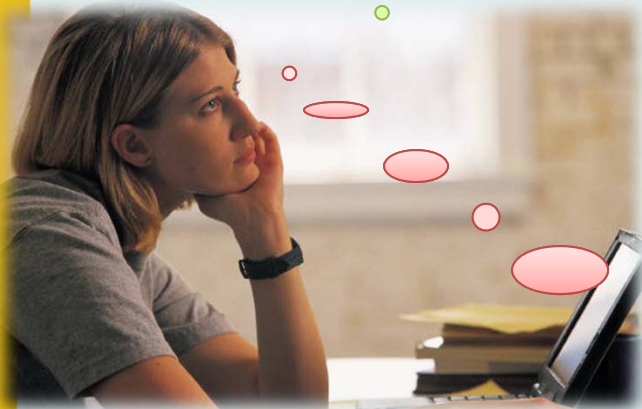


Needs Gap – An Example from the Life of a College Senior

3

Desired State

I have a job.



Actual State

*Needs
Gap*

I do not have
a job.

The Needs Gap

3

Desired State

Produce 1,250 Units Per Day



Actual State

Produce 1,000 Units Per Day

Types of Buyer Needs

3

Situational Needs *I need a new cell phone now because mine is broken and I am heading out-of-town.*

Functional Needs *I need a cell phone with a keyboard.*

Social Needs *I need a state-of-the-art cell phone so I will be recognized as a technology-savvy person.*

Psychological Needs *I need a cell phone with an extended warranty.*

Knowledge Needs *I need comprehensive training on how to use a new cell phone.*



Buyer Needs and Benefit-Based Solutions

3

EXHIBIT 3.2

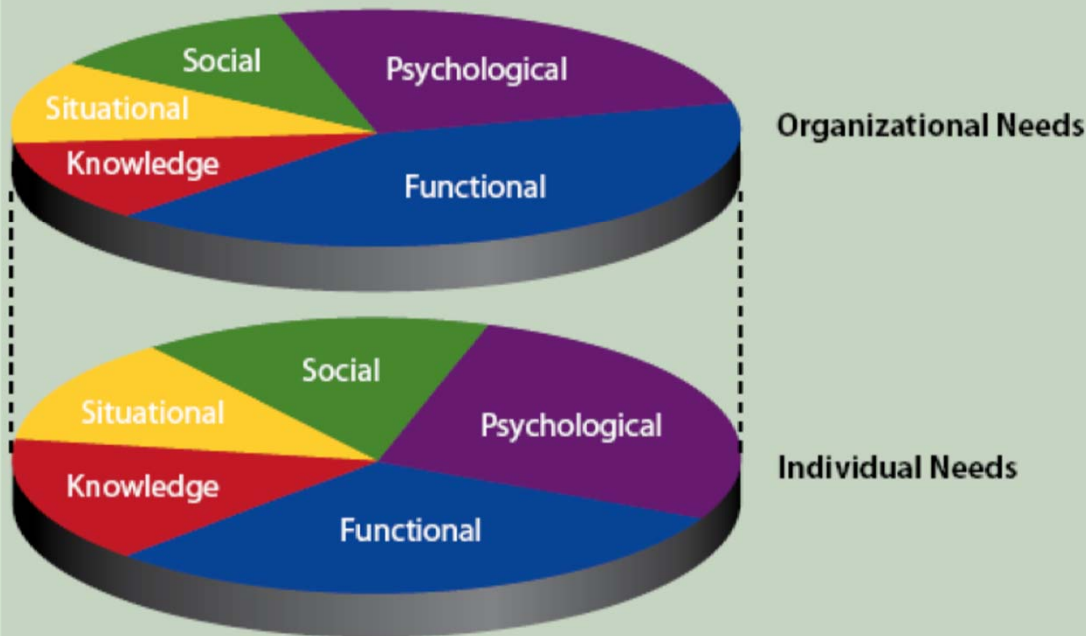
Example Worksheet for Organizing Buyer Needs and Benefit-Based Solutions

Primary Buyer:	Bart Waits
Buying Organization:	SouthWest Metal Stampings
Primary Industry:	Stamped Metal Parts and Subcomponents
Basic Type of Need	Buyer's Specific Needs
Buyer's Situational Needs	<ul style="list-style-type: none">• Requires an 18 percent increase in production to meet increased sales• On-hand inventory will not meet production/delivery schedule• Tight cash flow pending initial deliveries and receipt of payment
Buyer's Functional Needs	<ul style="list-style-type: none">• Equipment to provide effective and efficient increase in production• Expedited delivery and installation in six weeks or less• Equipment financing extending payments beyond initial receipts
Buyer's Social Needs	<ul style="list-style-type: none">• Expansion in production transforms them into Top 10 in Industry• Belonging to user group of companies using this equipment• Feeling that they are an important customer of the supplier
Buyer's Psychological Needs	<ul style="list-style-type: none">• Confidence that selected equipment will meet needs and do the job• Assurance that seller can complete installation in six weeks• Saving face—to believe borrowing for equipment is common
Buyer's Knowledge Needs	<ul style="list-style-type: none">• Evidence that this is the right choice• Understanding new technology used by the selected equipment• Training program for production employees and maintenance staff

Organizational vs. Individual Needs

3

FIGURE 3.3
Complex Mix of Business Buyer Needs



Request for Proposal

3

A clipboard with a silver clip at the top, holding a white sheet of paper with black text. The clipboard has a brown wooden frame.

RFP:

A form developed by firms and distributed to qualified potential suppliers that help suppliers develop and submit solution proposals.

Procedures for Evaluating Suppliers and Products

3

Descriptive Rating

EXHIBIT 3.3

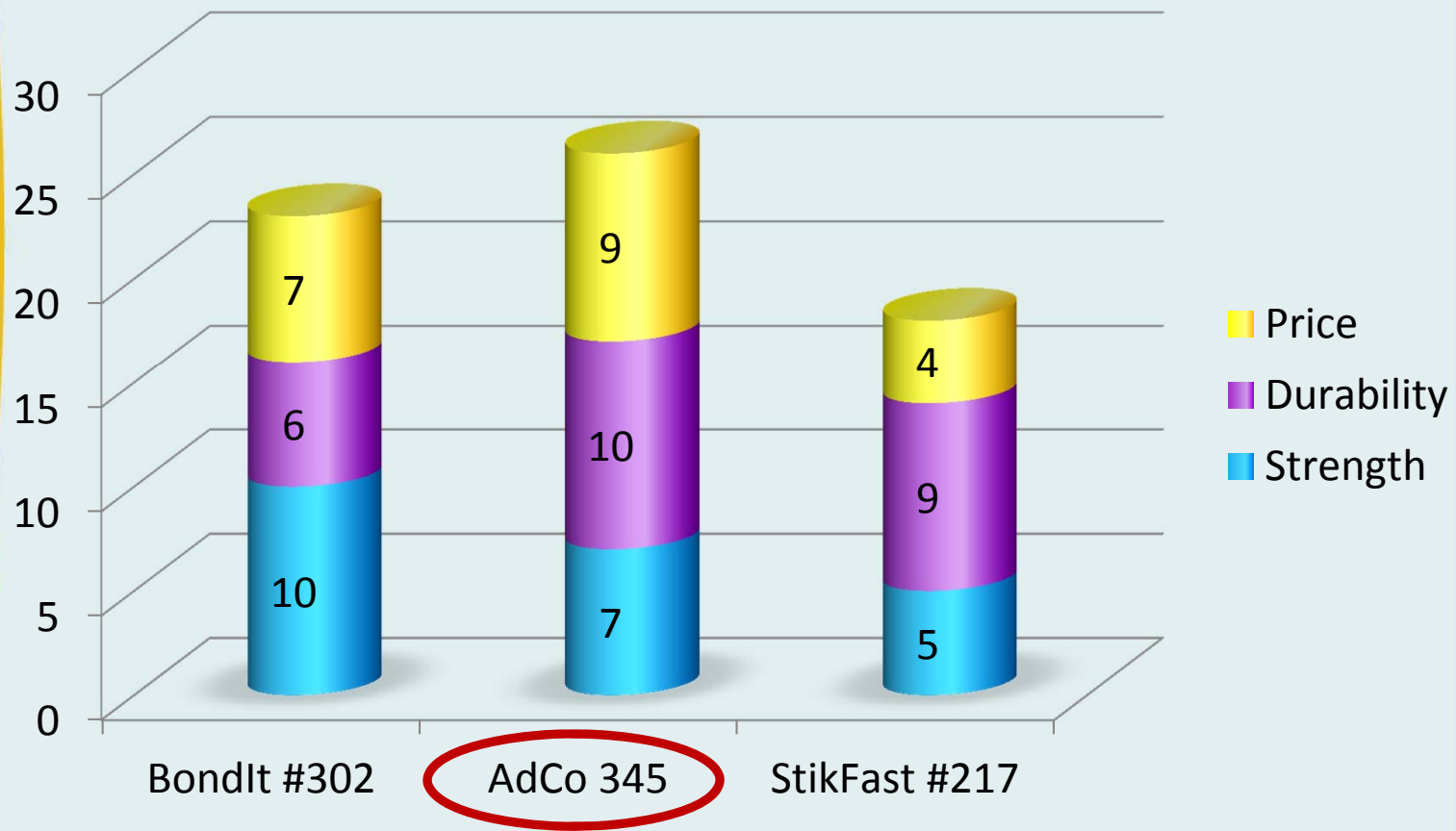
Important Product Information

Characteristics	BondIt #302	AdCo #45	StikFast #217
Ease of application	Excellent	Good	Very good
Bonding time	8 minutes	10 minutes	12 minutes
Durability	10 years	12 years	15 years
Reliability	Very good	Excellent	Good
Nontoxic	Very good	Excellent	Very good
Quoted price	\$28 per gal.	\$22 per gal.	\$26 per gal.
Shelf-life in storage	6 months	4 months	4 months
Service factors	Good	Very good	Excellent

Procedures for Evaluating Suppliers and Products

3

Performance Score Rating



Procedures for Evaluating Suppliers and Products

3

Multi-Attribute Model

EXHIBIT 3.5

Descriptive Rating

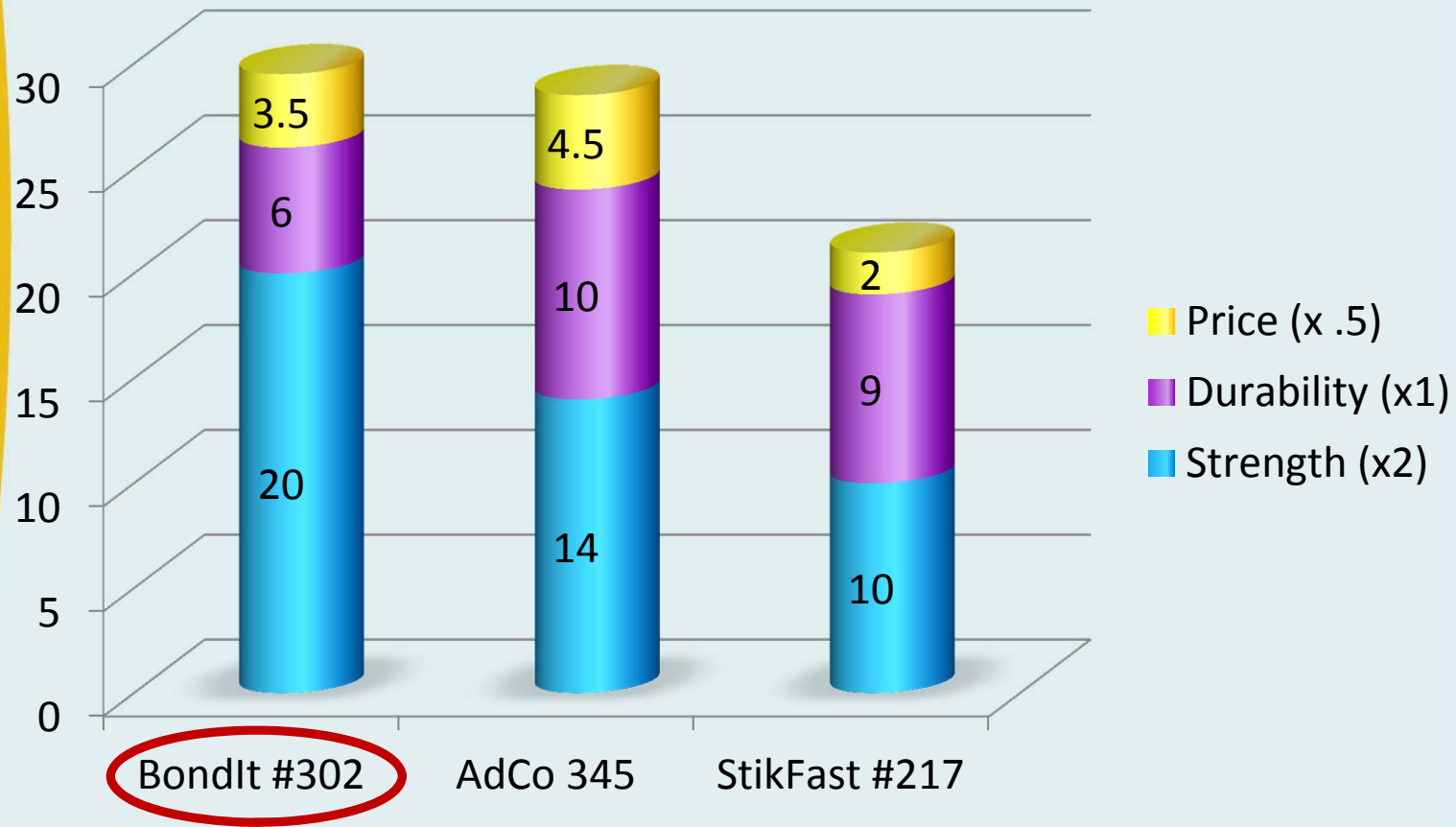
Weighted Averages for Performance (P) Times Importance (I) and Overall Evaluation Scores

Characteristics	BondIt #302			AdCo #45			StikFast #217		
	P	I	P × I	P	I	P × I	P	I	P × I
Ease of application	10	8	80	5	8	40	8	8	72
Bonding time	8	6	48	6	6	36	4	6	24
Durability	6	9	54	8	9	72	9	9	81
Reliability	8	7	56	10	7	70	5	7	35
Nontoxic	8	6	48	10	6	60	8	6	48
Quoted price	5	10	50	9	10	90	7	10	70
Shelf-life in storage	9	6	54	6	6	36	6	6	36
Service factors	5	8	40	8	8	64	10	8	80
Overall evaluation score			430			468			446

Procedures for Evaluating Suppliers and Products

3

Multi-Attribute Model



Weighting of the performance characteristics changed the outcome.

Employing Buyer Evaluation Procedures to Enhance Selling Strategies 3

- Modify the Product Offering Being Proposed
- Alter the Buyer's Beliefs about the Proposed Offering
- Alter the Buyer's Beliefs about the Competitor's Offering
- Alter the Importance Weights
- Call Attention to Neglected Attributes

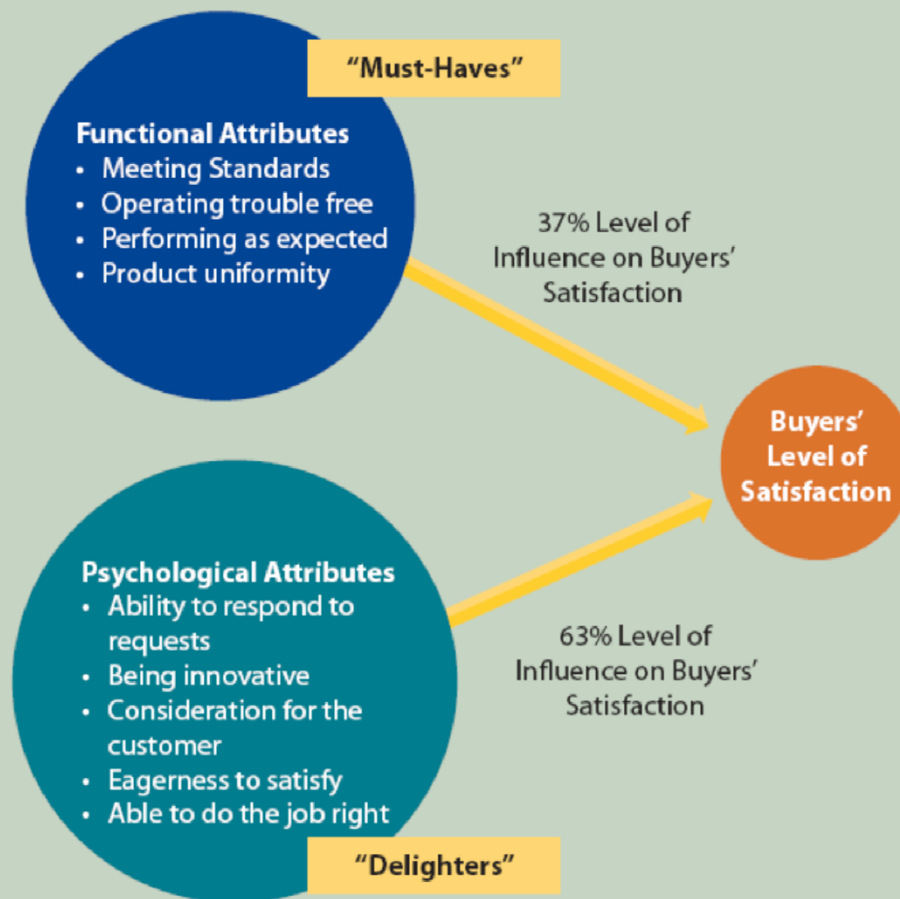


Postpurchase Evaluation and the Formation of Satisfaction

3

FIGURE 3.4

The Two-Factor Model of Buyer Evaluation



Buying Decision Types

3

FIGURE 3.5

Continuum of Types of Buying Decisions

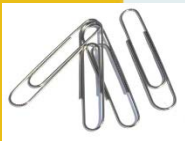
Straight
Rebuy

Modified
Rebuy

New
Task

Habitual and
Routine
Decision Making

Extensive
Consideration and
Decision Making

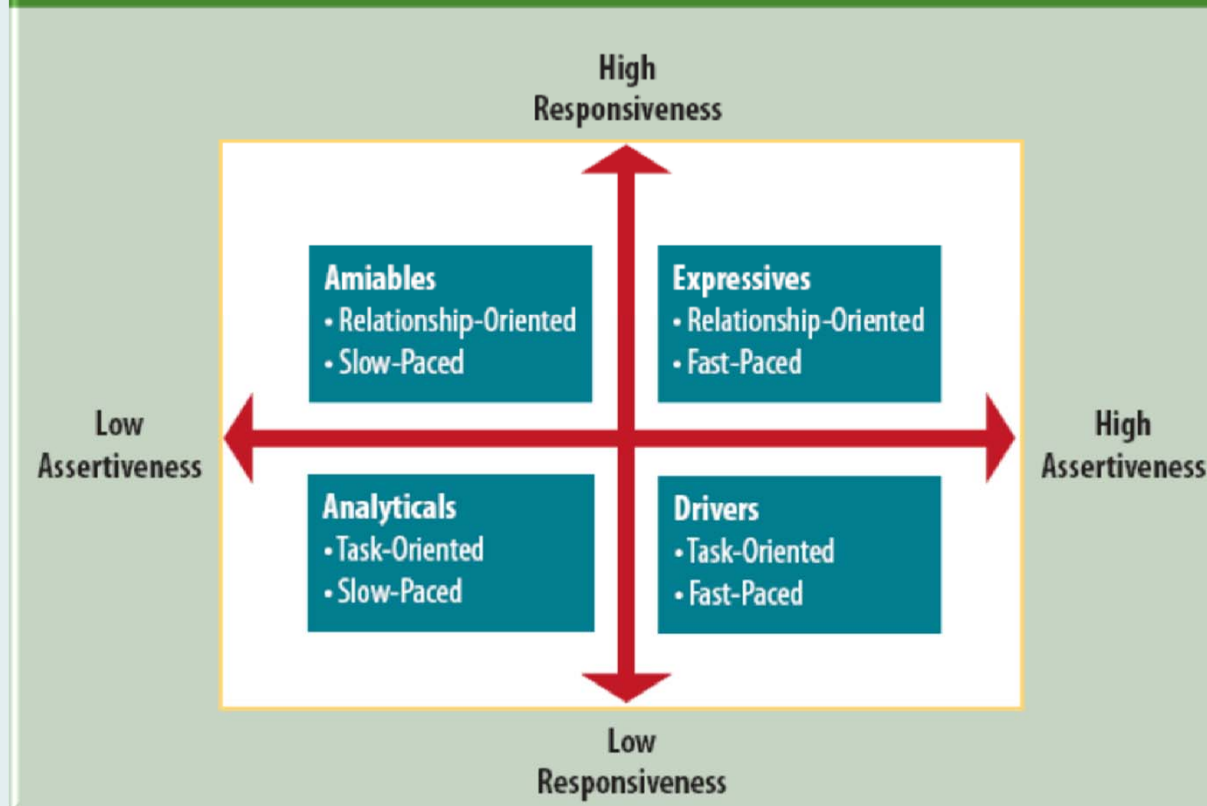


Communication Styles Matrix

3

FIGURE 3.7

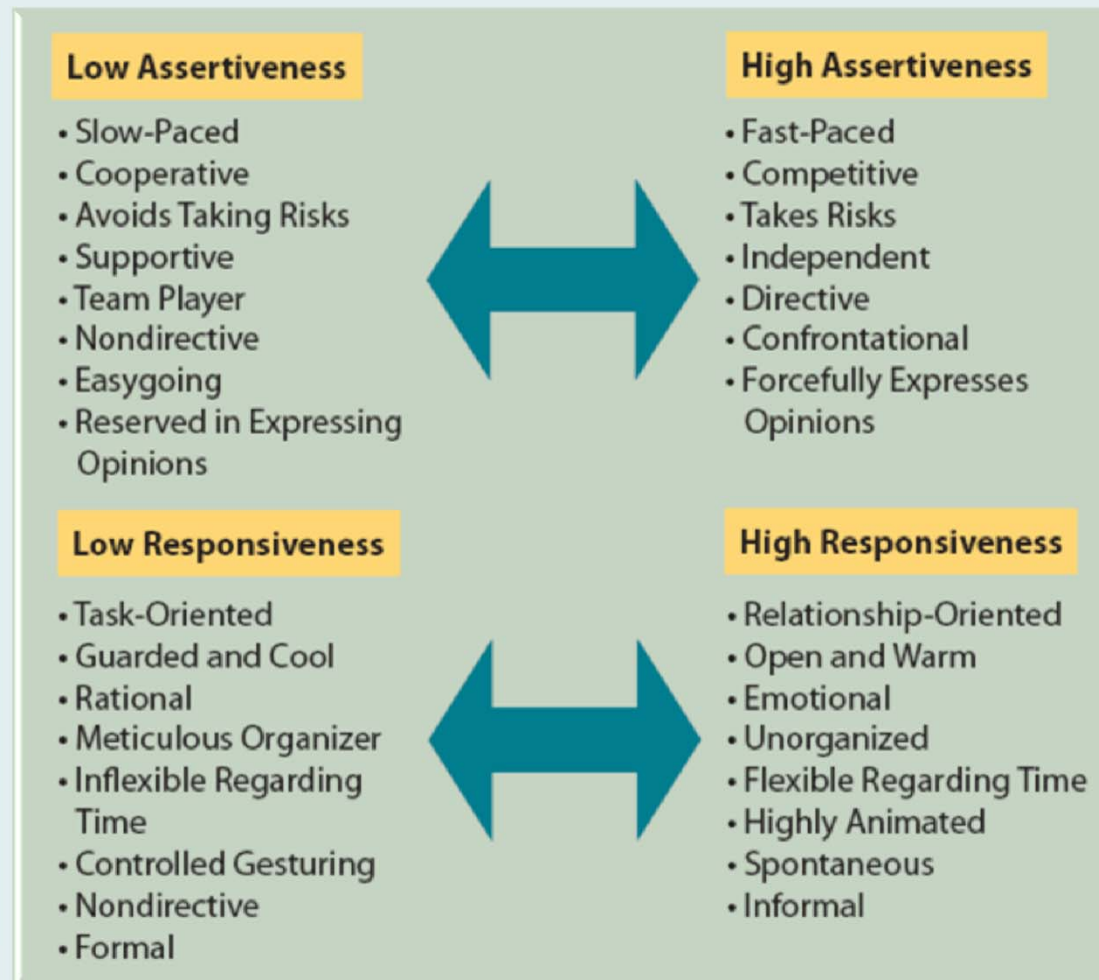
Communication Styles Matrix



Understanding Communication Styles

3

FIGURE 3.6
Comparison of the Principal
Characteristics of Assertiveness
and Responsiveness



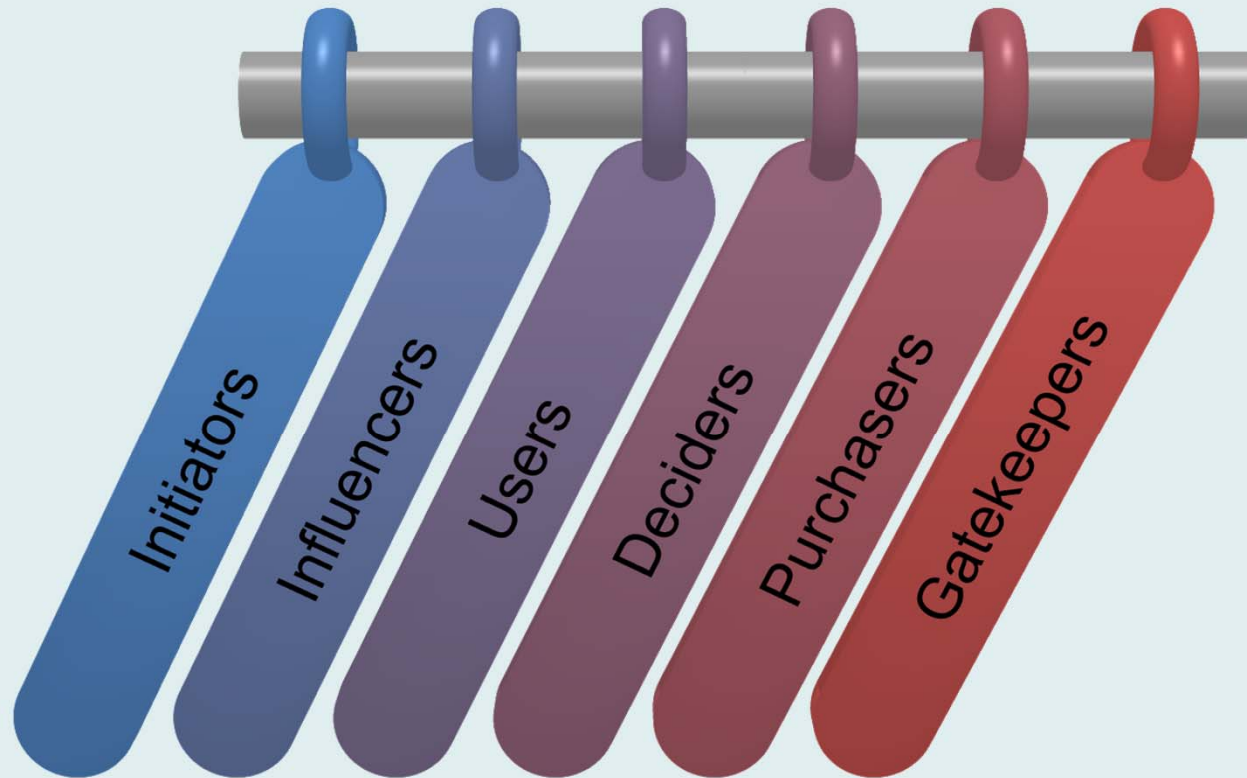
Communication Style Flexing

3

The process by which the salesperson adjusts his/her communication style to fit that of the customers in order to facilitate effective communication.



Buying Teams



Employees from one or more departments fill the roles in the buying center and work together to affect the outcome of the purchase decision.

Current Developments in Purchasing

3

Target Pricing

Increased Outsourcing

Supply Chain Management

Increasing Use of Information Technology

Increased Importance of Knowledge and Creativity

Buyers' Access to and Demand for Relevant Information

Relationship Emphasis on Cooperation and Collaboration

