

MKET130
Lecture Notes Ch6

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Chapter 6

Business Market and Business

Buyer Behavior.

* **Business Market**: Resellers of market product & services.
 موزعون ومنتجات وخدمات

← موزعون يبيعون سلعاً أو خدمات للآخرين.

* **Business Buyer Behavior** :-

Buyer behavior product or services
 ← Final Consumer ← Final Product

← موزعون يبيعون سلعاً أو خدمات لآخرين

Business to Business → sold, rented, supplied to other.

* **Business Buyer process** :-

Consumer process

determine products & services are needed to purchase, evaluate, alternative Brand.

* **Business Market structure & Demand** :-

- ① Fewer & larger buyers
 قلة من المشترين الكبار
- ② Derived Demand
 طلب مشتق من استهلاك
- ③ Inelastic Demand
 طلب لا يتأثر بتغير السعر
- ④ Fluctuating Demand
 طلب متغير

↳ summer season ↑ Nachfrage ↑

winter season ↓ Nachfrage ↓

* Nature of Buying Unit ^{الوحدة الشرائية}
more complex.

- ① more decision participants.
- ② more professional purchasing effort.
- ③ More buyer & seller interaction.

* Decision process is complex.

Supplier Development ^{تطوير الموردين}

Network of Suppliers ^{شبكة الموردين}

Supplier Development Department ^{قسم تطوير الموردين}

Supplier Development Department ^{قسم تطوير الموردين}

* Model of Buying Behavior :-

→ Environment → (A) Marketing Stimuli

- ① product, price
- ② Place, promotion.

(B) Other stimuli : Economic, Technology, Political, culture, competitive.

→ Buying organization :-

Buying center (Interpersonal & individual influence)

→ Buyer Responses ① Product or service choice

- ② Supplier choice
- ③ order quantities
- ④ Delivery terms
- ⑤ Services term.
- ⑥ Payment.

* **Types of Buying situations :-**

- ① **Straight Rebuy** :- Buyer Routinely reorder sth ~~with~~ without any modifications. نفس الطلبه
- ② **Modified Rebuy** :- modify products price, term, or Suppliers. بغير اى التطلبه
- ③ **New Task** :- Buyer purchases a product or services for the first - time. طلبه جديد كليا

* **Systems selling** :- Buying complete solution to a problem from **single seller**.

* **Buying center** (Participant)

all of individual or units that play a role in the Business purchase decision making process.

- ① **users**
 - ② **Influences**
 - ③ **Deciders** المقرر (نم/خ)
 - ④ **Purchasers** المشترى
 - ⑤ **gate keepers** مقرر
- define
Approve or X
formal Authority
- Information
/
معلومات

* **Who Participant in the decision?**

- ① Relative influence,
- ② evaluation criteria,
- ③ Informal participant.

*** Major influences on Business Behavior**

- ① **environmental** → economy, supply condition, Technology, Regulation, Policy, Competition, culture, custom.
- ② **Organizational** :- objective, strategy, structure, system, procedure.
- ③ **Interpersonal** :- Influence, expert, Authority, Dynamics.
- ④ **Individual** :- Deciders, Age, education, Job, motives, Personality, Preferences, Buying style, Attitude.
- ⑤ **Buyers** :-

- ① **Economic** → Price, Service.
- Personal** ⇒ Emotion

*** Steps Business Buyer Behavior** & Formal

- ① Problem Recognition
- ② general need description. (user)
- ③ product specification. (2020) 3D
- ④ Supplier Search.
- ⑤ personal socialtation. (proposal)
- ⑥ Supplier Selection.
- ⑦ order routine
- ⑧ Performance Review. (Report)

* Institutional Markets :-

Schools, hospital, nursing, homes,
→ low budgets, captive patrons.

* Government Market :-

domestic Suppliers, normal award.

- Affected by environmental factors.

- Non-economic Factor.

↳ Minority firms.

↳ Depressed →

↳ Small Business.

The end of chapter 6

⑧ **Order - routine specification** :-
Chosen supplier & list of specification
& terms of the purchase.

⑨ **Performance Review** :-
involve critique of suppliers performance
to order routine specification.

* **E - procurement & Online purchasing**

- online purchasing
- company buying sites.
- Extranets.

Advantages :- ① New Suppliers, low cost
② speed order & delivery, ③ Enhances
information sharing, ④ Improve sales
⑤ Facilitates services & support.

Disadvantages :-

Erodes Relationship as buyers search
for new suppliers.

① **Problem Recognition.**

Internal Stimuli → Need for new product.

External Stimuli → Idea trade show, Advertising

② **general Need description:-**

Characteristics & quantity of needed item.

③ **Product Specification :-**

describe Technical criteria.

④ **Value Analysis :-**

cost reduction, redesigned, standardized, made with less costly method of production.

⑤ **Supplier search :**

compiling a list of suppliers to find best vendors

⑥ **Proposal solicitation :**

Process of requesting proposal from qualified suppliers.

⑦ **Suppliers selection :**

Buying center create list of desired supplier attributes & negotiates for favorable term and conditions.