

# Business buying behavior

Business



The paper " Business Buying Behavior" is an excellent example of a business assignment.

The business buying concept is different from that of the consumer buying. Therefore the business buying behavior is also different from that of the consumer buying behavior. The business buying behavior refers to organizations' or businesses' buying behavior that buys goods and services so that it can be used further in the production of other goods and services that are sold or supplied to other. The model of business buying behavior is characterized by the environment, the buying organization, and the buyer responses.

#### Buying Situations

There are three kinds of buying situations in the buying behavior of the businesses. These are:

##### Straight Rebuy:

In this situation, the buyer re-orders the products without any alterations. This kind of situation is handled by the procurement officers on the daily basis.

##### Modified Rebuy

In this situation, the buyer re-orders the products but with certain modifications in price, terms and so on. This process involves decision making participants.

##### New Task Situation

This refers to the industrial buying situation in which the product is bought for the first time.

#### Participants

The participants of the buying behavior include the following:

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Approvers

Deciders

Gatekeepers

Influencers

Initiators

Users

Major Influences

The factors influencing the business buying behavior are environmental factors such as supply conditions, regulation policies, competitive environment, culture, and customs. Organizational factors such as policies, procedures, and structure also influence the buying behavior. Other factors that influence the buying behavior are interpersonal (such as status, persuasiveness) and individual factors (such as age, attitude, income, and status).

#### EXAMPLE

Considering an example of the straight rebuy situation in business buying situations, it is seen that most companies re-purchase programmes built into an automated ordering system. It is useful for both supplier and purchaser because the routine task is carried out by the system. The system initiates electronic orders in case the inventory falls below the target level. In the case of the seller, it is easier to deliver the goods since the purchaser does not evaluate other products. On the other hand, the drawback of this system is that competitive suppliers have to persuade aggressive marketing in order to capture the attention of the purchasers to buy their products.