

1.8 INDUSTRIAL BUYING BEHAVIOR

Those who supply goods and services to consumer markets are themselves in need of goods and services to their business. These organizations—producers, resellers, and government—make up vast marketing organizations that buy a large variety of products, including equipment, raw material, and labor and other services. Some organizations sell exclusively to other organizations and never come into contact with consumer buyers.

Despite the importance of organizational markets, far less research has been conducted on factors that influence their behavior than on factors that influence consumers. However, we can identify characteristics that distinguish organizational buying from consumer buying and typical steps in the organizational buying process.

1.8.1 CHARACTERISTICS OF ORGANIZATIONAL BUYING

Many elements of the socio cultural environment influence organizational as well as consumer buying, but some additional forces are salient only in the organizational setting. In particular, each organization has its own business philosophy that guides its action in resolving conflicts, handling uncertainty and risk, searching for solutions, and adapting to change. Five characteristics mark the organizational buying process.