

# PRINCIPLES OF MARKETING

**Eighth Edition**

**Philip Kotler and Gary Armstrong**

## **Chapter 6**

**Business Markets  
and**

**Business Buyer Behavior**

# ***What is a Business Market?***

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- **The Business Market** - all the organizations that buy goods and services to use in the production of other products and services that are sold, rented, or supplied to others.
- Business markets involve many more dollars and items do consumer markets.

# ***Characteristics of Business Markets***

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## **Market Structure and Demand**

- Fewer, larger buyers
- Geographically concentrated
- Demand derived from consumers
- Inelastic demand
- Fluctuating demand

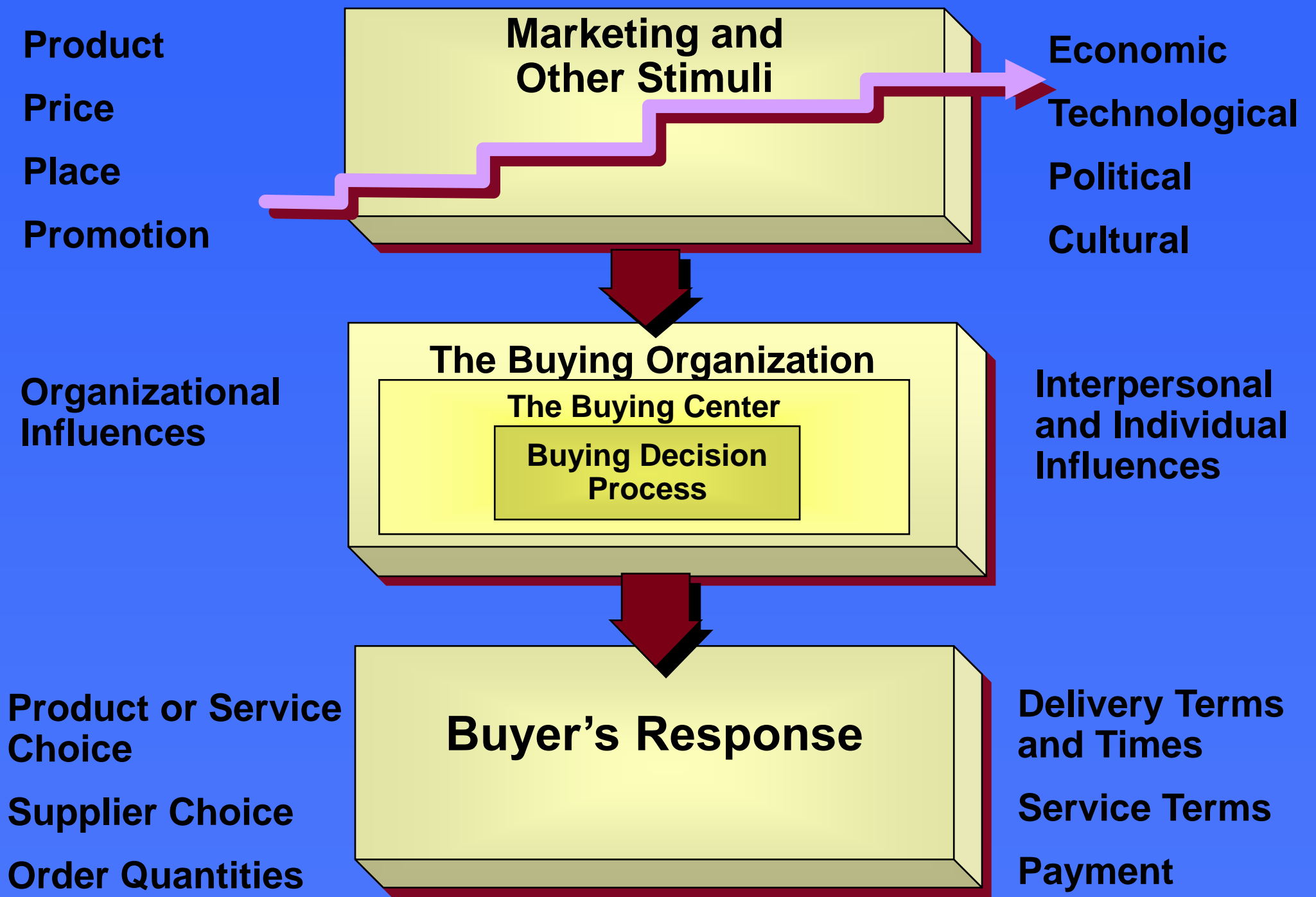
## **Nature of the Buying Unit**

- More buyers
- More professional purchasing effort

## **Types of Decisions & the Decision Process**

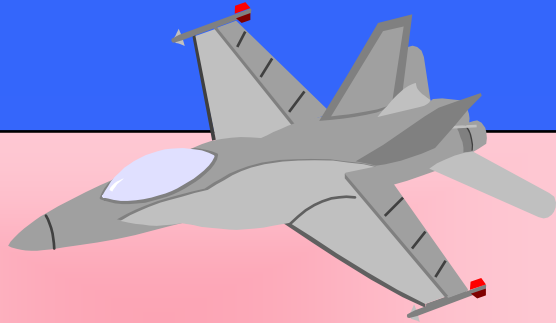
- More complex decisions
- Process is more formalized
- Buyer and seller are more dependent on each other
- Build close long-term relationships with customers

# Model of Business Buyer Behavior

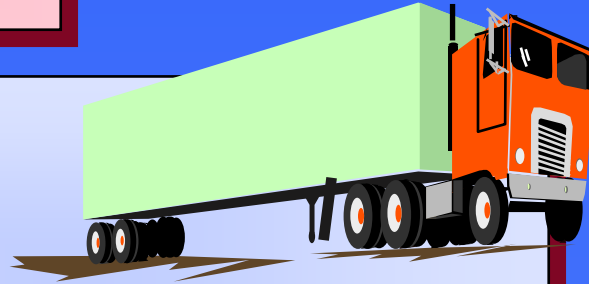


# ***Business Buying Situations***

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**New Task Buying**



**Modified Rebuy**

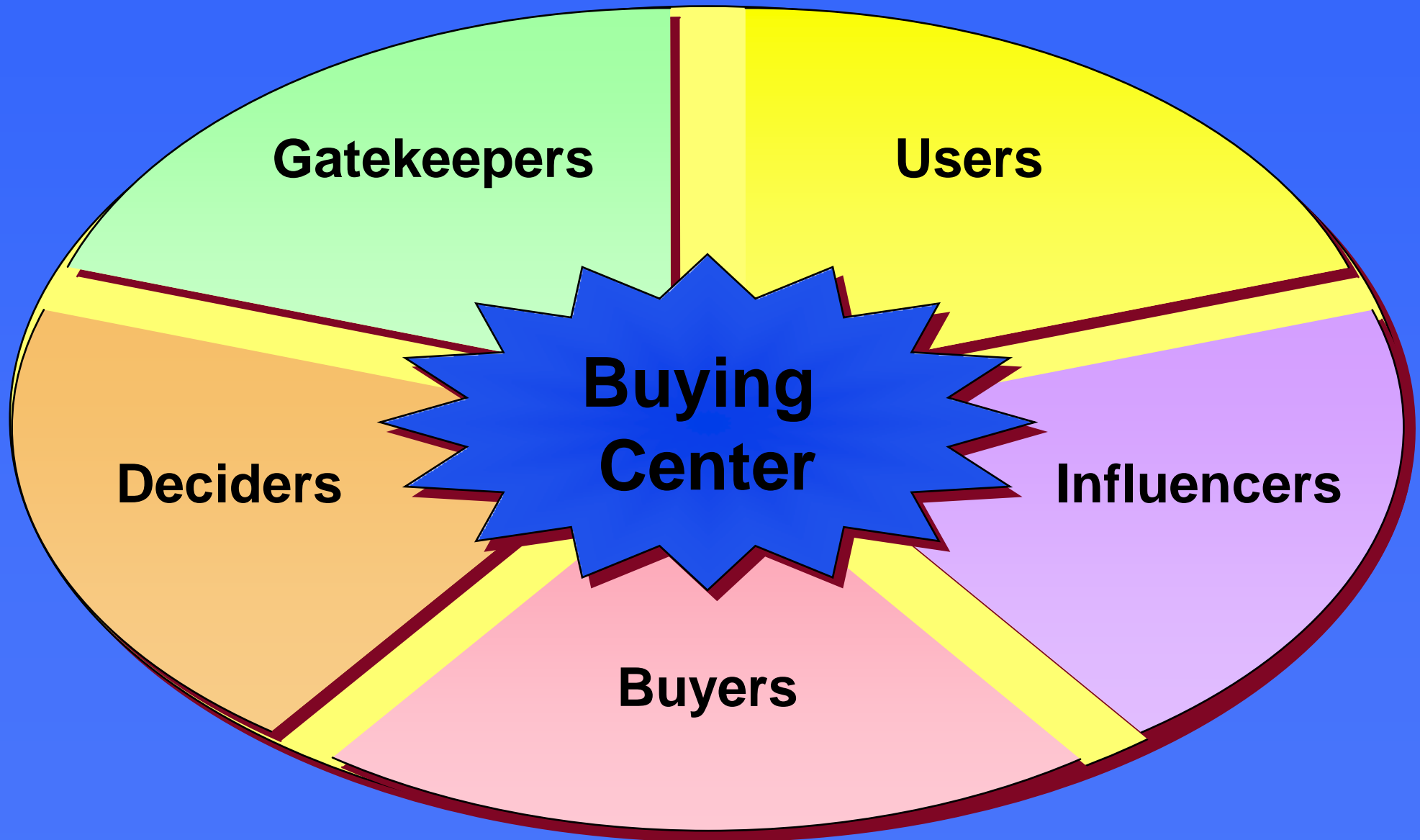


**Straight Rebuy**

**Involved Decision Making**

# ***Participants in the Business Buying Process: The Buying Center***

6-6



# Major Influences on Business Buying

6-7



## Environmental

*Economic, Technological, Political, Competitive & Cultural*



## Organizational

*Objectives, Policies, Procedures, Structure, & Systems*



## Interpersonal

*Authority, Status, Empathy & Persuasiveness*



## Individual

*Age, Education, Job Position, Personality & Risk Attitudes*



**Buyers**

# ***Stages in the Business Buying Process***

6-8

