

4.3: Buying Centers

Learning Objectives

1. Explain what a buying center is.
2. Explain who the members of buying centers are and describe their roles.
3. Describe the duties of professional buyers.
4. Describe the personal and interpersonal dynamics that affect the decisions buying centers make.

The professors who form a committee at your school to choose textbooks are acting like a buying center. Buying centers are groups of people within organizations who make purchasing decisions. Large organizations often have permanent departments that consist of the people who, in a sense, shop for a living. They are professional buyers, in other words. Their titles vary. In some companies, they are simply referred to as *buyers*. In other companies, they are referred to as *purchasing agents*, *purchasing managers*, or *procurement officers*. Retailers often refer to their buyers as *merchandisers*. Most of the people who do these jobs have bachelor's of science degrees. Some undergo additional industry training to obtain an advanced purchasing certification designation¹.

Buyers can have a large impact on the expenses, sales, and profits of a company. Pier 1's purchasing agents literally comb the entire world looking for products the company's customers want most. What happens if the products the purchasing agents pick don't sell? Pier 1's sales fall, and people get fired. This doesn't happen in B2C markets. If you pick out the wrong comforter for your bed, you don't get fired. Your bedroom just looks crummy.

Consequently, professional buyers are shrewd. They have to be because their jobs depend on it. Their jobs depend on their choosing the best products at the best prices from the best vendors. Professional buyers are also well informed and less likely to buy a product on a whim than consumers. The following sidebar outlines the tasks professional buyers generally perform.

The Duties of Professional Buyers

- Considering the availability of products, the reliability of the products' vendors, and the technical support they can provide
- Studying a company's sales records and inventory levels
- Identifying suppliers and obtaining bids from them
- Negotiating prices, delivery dates, and payment terms for goods and services
- Keeping abreast of changes in the supply and demand for goods and services their firms need
- Staying informed of the latest trends so as to anticipate consumer buying patterns
- Determining the media (TV, the Internet, newspapers, and so forth) in which advertisements will be placed
- Tracking advertisements in newspapers and other media to check competitors' sales activities

Increasingly, purchasing managers have become responsible for buying not only products but also functions their firms want to outsource. The functions aren't limited to manufacturing. They also include product innovation and design services, customer service and order fulfillment services, and information technology and networking services to name a few. Purchasing agents responsible for finding offshore providers of goods and services often take trips abroad to inspect the facilities of the providers and get a better sense of their capabilities.

Other Players

Purchasing agents don't make all the buying decisions in their companies, though. As we explained, other people in the organization often have a say, as well they should. Purchasing agents frequently need their feedback and help to buy the best products and choose the best vendors. The people who provide their firms' buyers with input generally fall into one or more of the following groups:

Initiators

Initiators are the people within the organization who first see the need for the product. But they don't stop there; whether they have the ability to make the final decision of what to buy or not, they get the ball rolling. Sometimes they initiate the purchase by simply notifying purchasing agents of what is needed; other times they have to lobby executives to consider making a change.

Users

Users are the people and groups within the organization that actually use the product. Frequently, one or more users serve as an initiator in an effort to improve what they produce or how they produce it, and they certainly have the responsibility for implementing what is purchased. Users often have certain specifications in mind for products and how they want them to perform. An example of a user might be a professor at your school who wants to adopt an electronic book and integrate it into his or her online course.

Influencers

Influencers are people who may or may not use the product but have experience or expertise that can help improve the buying decision. For example, an engineer may prefer a certain vendor's product platform and try to persuade others that it is the best choice.

Gatekeepers

If you want to sell a product to a large company like Walmart, you can't just walk in the door of its corporate headquarters and demand to see a purchasing agent. You will first have to get past of a number of gatekeepers, or people who will decide if and when you get access to members of the buying center. These are people such as buying assistants, personal assistants, and other individuals who have some say about which sellers are able to get a foot in the door.



Figure 4.5: Warning: Do not be rude to or otherwise anger the faculty secretary. This is good advice for salespeople and students as well as faculty members.

Patrice_Audet – Secretary Office Sales Telephony – CC0 public domain.

Gatekeepers often need to be courted as hard as prospective buyers do. They generally have a lot of information about what's going on behind the scenes and a certain amount of informal power. If they like you, you're in a good position as a seller. If they don't, your job is going to be *much* harder. In the case of textbook sales, the gatekeepers are often faculty secretaries. They know in advance which instructors will be teaching which courses and the types of books they will need. It is not uncommon for faculty secretaries to screen the calls of textbook sales representatives.

Deciders

The decider is the person who makes the final purchasing decision. The decider might or might not be the purchasing manager. Purchasing managers are generally solely responsible for deciding upon routine purchases and small purchases. However, the decision to purchase a large, expensive product that will have a major impact on a company is likely to be made by or with the help of other people in the organization, perhaps even the CEO. The decision may be made by a single decider, or there may be a few who reach consensus. Further, deciders take into account the input of all of the other participants: the users, influencers, and so forth. Sellers, of course, pay special attention to what deciders want. “Who makes the buying decision?” is a key question B2B sales and marketing personnel are trained to quickly ask potential customers.

The Interpersonal and Personal Dynamics of B2B Marketing

We made it a point earlier in our discussion to explain how rational and calculating business buyers are. So would it surprise you to learn that sometimes the dynamics that surround B2B marketing don’t lead to the best purchasing decisions? Interpersonal factors among the people making the buying decision often have an impact on the products chosen, good or bad. (You can think of this phenomenon as “office politics.”) For example, one person in a buying unit might wield a lot of power and greatly influence the purchasing decision. However, other people in the unit might resent the power he or she wields and insist on a different offering, even if doesn’t best meet the organization’s needs. Savvy B2B marketers are aware of these dynamics and try their best to influence the outcome.

Personal factors play a part. B2B buyers are overwhelmed with choices, features, benefits, information, data, and metrics. They often have to interview dozens of potential vendors and ask them hundreds of questions. No matter how disciplined they are in their buying procedures, they will often find a way to simplify their decision making either consciously or subconsciously (Miller, 2007). For example, a buyer deciding upon multiple vendors running neck and neck might decide to simply choose the vendor whose sales representative he likes the most.

Factors such as these can be difficult for a company to control. However, branding—how successful a company is at marketing its brands—is a factor under a company’s control, says Kevin Randall of Movéo Integrated Branding, an Illinois-based marketing-consulting firm. Sellers can use their brands to their advantage to help business buyers come to the conclusion that their products are the best choice. IBM, for example, has long had a strong brand name when it comes to business products. The company’s reputation was so solid that for years the catchphrase “Nobody ever got fired for buying IBM” was often repeated among purchasing agents—and by IBM salespeople of course! (Miller, 2007)

In short, B2B marketing is very strategic. Selling firms try to gather as much information about their customers as they can and use that information to their advantage. As an analogy, imagine if you were interested in asking out someone you had seen on campus. Sure, you could simply try to show up at a party or somewhere on campus in the hopes of meeting the person. But if you were thinking strategically, you might try to find out everything you could about the person, what he or she likes to do and so forth, and then try to arrange a meeting. That way when you did meet the person, you would be better able to strike up a conversation and develop a relationship with him or her. B2B selling is similarly strategic. Little is left to chance.

Key Takeaway

Buying centers are groups of people within organizations who make purchasing decisions. The buying centers of large organizations employ professional buyers who, in a sense, shop for a living. They don’t make all the buying decisions in their companies, though. The other people who provide input are users, or the people and groups within the organization that actually use the product; influencers, or people who may or may not use the product but have experience or expertise that can help improve the buying decision; gatekeepers, or people who will decide if and when a seller gets access to members of the buying center; and deciders, or the people who make the final purchasing decision. Interpersonal dynamics between the people in a buying center will affect the choices the center makes. Personal factors, such as how likeable a seller is, play a part because buyers are often overwhelmed with information and will find ways to simplify their decision making.

Review Questions

1. Which people do you think have the most influence on the decisions a buying center makes? Why?
2. Describe the duties of professional buyers. What aspects of their jobs seem attractive? Which aspects seem unattractive to you?
3. How do personal and interpersonal dynamics affect the decisions buying centers make?

¹U.S. Bureau of Labor Statistics, “Purchasing Managers, Buyers, and Purchasing Agents,” *Occupational Outlook Handbook*, 2010–11 ed., December 17, 2009, www.bls.gov/oco/ocos023.htm (accessed January 8, 2010).

References

Miller, J., “Why B2B Branding Matters in B2B Marketing,” *Marketo.com*, March 18, 2007, http://blog.marketo.com/blog/2007/03/b2b_branding_wh.html (accessed December 13, 2009).

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