

4.8: Key Terms

authority | the right to give orders, supervise the work of others, and make certain decisions

B2B buying process | encompasses 8 stages: problem recognition, need description, product specification, supplier search, proposal selection, supplier selection, order-routine specification, performance review

bill of materials | a comprehensive inventory of the raw materials, assemblies, subassemblies, parts, and components

brokers | individuals or businesses that bring buyers and sellers together, usually for a commission

business objectives and goals | achievable outcomes that provide a framework for achieving success

business-to-business (B2B) | a transaction or business conducted between one business and another

buy classes | buying situations that are distinguished on four characteristics: newness to decision makers, number of alternatives to be considered, uncertainty inherent in the buying situation, and the amount of information needed for making a buying decision

buyers | the people in the buying center who handle the paperwork of the actual purchase

buying center | groups of people within organizations who make purchasing decisions

competition | the rivalry between companies selling similar products and services with the goal of achieving revenue, profit and market share growth

deciders | the people in the buying center who ultimately determine any part of the entire buying decision

derived demand | market demand for a good or service that results from a demand for a related good or service

direct demand | the demand for a commodity for direct consumption purposes

economic factors | factors that affect the economy, such as interest rates, tax rates, laws, policies, wages, and government actions

expertise | expert skill or knowledge in a particular field

Foreign Corrupt Practices Act (FCPA) | a US statute that prohibits firms and individuals from paying bribes to foreign officials

gatekeepers | individuals in the buying center who control information and/or access to decision makers and influencers

government markets | purchases made by the governing bodies of nations, states, or communities

influence | the capacity to have an effect on the character, development, or behavior of someone or something

influencers | individuals whose views influence other members of the buying center in making the final decision

initiator | the person in the buying center who first suggests or thinks of the idea of buying the product or service

institutions | organizations, establishments, foundations, societies, or the like devoted to the promotion of a particular cause or program, especially one of a public, educational, or charitable character

modified rebuy | a buying situation in which an individual or organization buys goods that have been purchased previously but changes either the supplier or some element of the previous order

new-task buy | a complex B2B buying situation in which the organization buys a product or service for the first time

personality | the combination of characteristics or qualities that form an individual's distinctive character

political and legal factors | factors such as the political system, the political situation, and government policies that influence B2B buying decisions

producers | those individuals or businesses who buy raw goods to use in the creation of goods or services

product specifications | a document carrying essential information to keep teams on track when designing and developing a product

resellers | companies or individuals (merchants) that purchase goods or services with the intention of selling, leasing, or renting rather than consuming or using them

retailers | businesses that sell goods to consumers in relatively small quantities for personal consumption

social environment | the values, attitudes, beliefs, wants, and desires of the consuming public

straight rebuys | purchases in which the business customer buys the same goods from the same supplier in the same quantity at the same terms and requires minimal decision making

systems selling | selling a complete solution to a problem or need rather than one or more of the component parts

technology | applications of science, data, engineering, and information for business purposes

users | the people who consume or use the product or service

wholesalers | businesses that typically purchase larger quantities from producers and then resell them to retailers

workforce skills | also called employability skills, the basic skills a person must have to succeed in any workplace

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