

Consumer Behaviour
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Lecture – 38
Organisational Buying Behaviour - I

Welcome and in this session, we are going to discuss about organisational buying behaviour. Till now, I was discussing about all the theories of individual customers buying decision or family buying decision which means I am talking about the household sector. Now for the first time, I am referring to the business sector or B2B purchase behaviour and this will again be divided into 2 modules.

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Learning Objectives

After completing this module, you will be able to understand :

- The characteristics and importance of B2B market
- The components of the business market
- The types of industrial purchase
- The multiple buying influences and conflicts in buying decision in industrial buying

So after completing the first module of this particular topic, we will be able to understand the characteristics and importance of the B2B market, the components of business market, the types of industrial purchase, the multiple buying influences and conflicts in the buying decisions in industrial buying.

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Organizational Buying defined..

Organizational buying may be defined as the decision-making process by which organizations establish the need for purchased products and services and identify, evaluate, and choose amongst the alternative brands and suppliers.

Now we first define what organisational buying is? Organisational buying is the decision process by which the organisations establish the need for purchase, products, and services.

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Types of Business Markets

- Agricultural Market
- Reseller market
- Government market
- Services market
- 'Non-business' business market
- International market

And identify, evaluate, and choose amongst the alternative brands and suppliers. Industrial purchase is mostly related to either the purchase of spare parts, raw material, or even finished goods. For example, minicomputer assemblers may buy chips from Intel or many laptop makers may buy chips from Intel. So this is also B2B buying, where their buying spare parts sometimes it may be a full purchase also.

Say BSNL is buying 30 Toyota Innova for their own; Toyota Qualis for their own consumption, own consumption money the consumption of the officers of BSNL. So this is the finished product which is bought again but it is again a B2B sector. So these are different

kind of purchase situations and now I am talking about types of business markets and we can see here, broadly there are 6 types of business markets.

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Types of Business Markets	
Types of industrial market	Characteristics
Agriculture market	Agricultural market envisages the services involved in the movement of the final agricultural produce from the farm gate to the consumer. Several interrelated actions characterize this market, viz., production planning, sowing, reaping and harvesting, grading, packing, transportation, warehousing, food processing, distribution, advertising, and finally selling.
Reseller market	Buyers may procure products to resale them to others. The reseller market consists of wholesalers, retailers, and distributors. Resellers may confine their business to a single product/brand or work as a multi-brand/product dealer or distributor.
Government market	Consumer group comprises central and state government, and other local government units such as municipality, PWD, State Electricity Board, and many more. It must be noted that the government market in aggregate accounts for the maximum amount of purchases by any consumer group in India. All the government concerns together engage in B2B operations worth crores of rupees. They purchase bulk amount of goods and services across the year. Primarily, the government purchases a wide range of products such as food, military equipment, office supplies, buildings, clothing, vehicles, and many other types of equipments.
Services market	Services marketing, in general, refers to both business-to-consumer (B2C) and business-to-business (B2B) services. Services industries include telecommunications services, financial services, hotels, hospitals, aviation, car rental services, personal care services, consultancies, and many more professional services.
'Non-business' business market	Not-for-profit oriented organizations ideally target to provide some goods and services for public well-being.
International market	International marketing (IM) or global marketing refers to the marketing process performed by companies beyond their home country and across countries. This strategy uses an expansion of the system used in the home country of a firm. It refers to the firm-level marketing practices to operate worldwide as well as segmentation and targeting, entry mode selection and determination of right positioning strategy, marketing mix, and of course several strategic decisions to participate in international markets.

Agricultural market, Reseller market, Government market, Service market, Non-business, business market and international market. I will explain. First is the agricultural market, agricultural market can be suggested the services involved in the movement of the final agricultural produce from the farm get to the consumer and several interrelated actions characterised here.

That is the production planning, sowing, reaping, harvesting, grading, packing, transportation, warehousing, food processing, distribution, advertising and finally selling. In B2B sector, lot of innovation can be done particularly in (()) (03:07) sector which ITC e-Choupal has shown. ITC e Choupal has came up with the concept of evolution of intermediary in the sector.

And use of B2B, that is in the; this b to b situation where they have opened a e-hub, where a (()) (3:30) six and he provides, he is actually a literate person and not only literate, he is can read English write and he can search internet and all these, he is also given a training by ITC, he sits in a e-hub in which he talks with the different kind of farmers and he tries to give them information about high yielding variety of seeds, weather report and all those thing.

And by this, he maintains the liaison with the farmers. The farmers who registers for ITC e-Choupal has to sell their produce instead of to any middle man to directly to ITC, e-hub (())

(4:08) will buy it on behalf of ITC and (()) (4:12), he will pay, he gets a commission. Now, he will buy at that time when the product is having the highest bid in the domestic market. So this is the way the farmers.

Because it is purchase at the highest bid the farmer will get more price for his produce. Because otherwise as we know, in Indian Agrarian sector the farmer the product is got from the farmers at a very peanut price, whereas we as the customer are buying it almost in a very high price. So this way ITC is actually benefitting both the farmers and the customers as well as the company is also an in profit.

Because farmers they are buying it from the farmers at the highest beat and they are selling to the customer, they are processing it, packaging it and selling it to the customers in a very; at a very reasonable price. So this kind of innovation could be done. Then, there are some kind of reseller market; buyers may produce product to resell them to others, reseller market consists of wholesalers, retailers, distributors.

Resellers may can find the business to a single brand product or work as a multi brand product dealer or the distributor. Government market now consumer group comprises, these particular consumer group Government market comprises of central and state government. Other local government units such as municipality, PWD, state electricity board and many more.

It must be noted that the government market is aggregate, in aggregate accounts for the maximum amount of purchases by any consumer group in India. All the government concerns together engage in the B2B operations worth crores or rupees. They purchase bulk amount of goods and services across the year. Primarily government purchases wide range of products like military equipment, office supplies, buildings, clothing, vehicles and many other type of equipments.

So business market, so services marketing in general refers to both B2C and B2B so service, why I am talking about the B2B includes telecommunication services, financial services, hotels, hospitals, aviation, car, personal care, consultancy and many more. This is not when they are providing service to the customer.

It is when they are procuring products or providing service to the customer, like hospitals buying medicines from say Frank ross or any other seller. Hotels buying food and a house keeping stalls comes from the other manufacturer so like this. Non business, business market this is an NGO market are not for profit oriented business, when they are purchasing anything.

And another one is the international market or the global marketing and this refers to the marketing process performed by companies beyond their home county and across countries. These strategy uses an expansion of the system used in the home country of the firm. It refers to the firm level marketing practices to operate worldwide as well as segmentation and targeting entry mode selection.

Whether you should go for a joint venture or you should go directly for procuring any amalgamation with any company or you will buy any company in the abroad nation so whether you will launch a manufacturing unit there or you will open up only the packaging unit there or you know just tie up with some distributing agency. So these are the decisions which you have to take, training or operating in the international market.

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Characteristics of Industrial Market


- Industrial buying is related to the products that are meant for further production, operations, or resale. These purchases are generally like purchase of equipment, raw materials, and semi finished goods.
- There are relatively small numbers of buyers and sellers present in this market; hence, a long-term relationship between suppliers and buyers is very crucial.
- The demand for products by the industrial buyer is often derived from that of the final product.
- Many a times the organizations depute some professional purchasing agents to complete a purchase on their behalf. They are called the buying specialists.

I will talk about some special characteristics of the industrial market. Now industrial buying is related to the products that are meant for further production operations or resale and these purchases are generally purchases of equipments, raw materials and finished goods as I said. They are relatively small buyers and small sellers. For example, I am selling textile machinery so I can just sell textile machineries to the textile manufacturers only.


I can sell raw jute to the jute product manufacturers only, so therefore there are very small number of buyers and sellers and their geographically usually, particularly when I am talking about the radial sector, where geographically concentrated and else the long term relationship with suppliers and buyers is crucial, because it is by losing one single customer the marketer is going to lose the crores of his business.

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Characteristics of Industrial Market



- B2B sale often calls for selling several entities within the buying centre.
- As the industrial market is often regulated by specialists, it is more likely that buyers would mention exact specifications of the product.
- Many agricultural firms often prefer to lease public warehouse space to combat with the fluctuating market demands.
- For any bigger and mass-scale purchase, organizations engage in competitive bidding (alternatively, the price discovery mechanism practiced by Coal India, BSNL, etc.) and negotiation mentioning the product specifications, delivery, price, payment mode, transportation mode, etc.



The demand for product of industrial buyer is often derived than that of the final product. What was derived? Derived means the demand for textile machinery or raw cotton would depend on the demand of textile garments in the country. Many times the organisations depute some professional purchasing agents to complete a purchase on their behalf. They are called buying specialist. Often financial organisations, the employee workers.

Like this B2B sells often calls for selling several entities within the buying centre which means whenever you are going to sell a product to a business house, you are not only selling to the business house actually have to motivate the layers of people, the purchase manger, the finance manager, the engineer of the organisation who will actually give the specify the technical or judge the technical attributes of the product.

So you have to actually talk to several entities and satisfy them before they take a purchase decision. As an industrial market is often regulated by specialist, it is more likely that buyers would mention exact specification of the product and many agricultural firms often prefer to

lease public ware house space to combat with the fluctuating market demands. For any bigger and mass scale purchase, the organisations engaged in competitive bidding.

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Comparing B2B and Consumer Marketing

	<i>Business-to-business marketing</i>	<i>Consumer marketing</i>
Product	Relatively technological in nature, associated services are very important	Depending on the need of the customer, the product may be standardized or customized. Customers are more interested in the functional attributes of the product rather than simply in the technical ones
Promotion	Emphasis on personal selling as it is easier to explain typical product specification in one-to-one and case-to-case basis	Emphasis on advertising as it is required to communicate in mass scale
Distribution	Relatively shorter, often the direct channels to market	Product passes en route through a number of intermediary links to consumer
Customer relations	Comparatively long term and multifaceted	Comparatively irregular contact; may be special offer or festive bonanzas
Decision-making process	Diverse group of organizational members with diverse goals takes decision	Individual or household unit takes decision
Price	Competitive bidding by calling for tenders for unique items; list prices prevalent only for some standard items	List prices (in most of the cases the maximum retail price or MRP is mentioned)

Or price discovery mechanism like Coal India, spectrum trading then BSNL and negotiation mentioning the product specification delivery, price, mode of payment, transportation, etc or there is some basic difference between the B2B market and B2C market. So in B2B market and this is mainly because on these aspects that is the 6 different aspects. First is regarding the product, in B2B is relatively technical machineries or spare parts associated with services.

Associated services are very important and in consumer marketing it is depending on the need of the customer, the product may be standardised or customised. Customers are more interested in the functional attributes of the product rather than simply in the technical ones. I am talking about promotion so there, they emphasis on personal selling as it is easier to explain typical products specification in one to one or case to case basis.

And you have to motivate different level of people who are already technically very some. Consumer marketing emphasis more on advertising because it is required to communicate in mass scale. Distribution; this is relatively shorter often direct channels. In consumer marketing, the product passes a route through a number of intermediary links to consumer. Consumer relations; comparatively long term and multifaceted.

And here we see comparatively irregular contact may be special offer or festive bonanzas. The decision making process this is the many times it is join decision and not only joint

decision, this is the joint decision by people coming from different origin, different background and having diverse interest. Whereas here consumer marketing individual or house hold takes a decision.

Here at; there is an emotional tie within the household, here it is actually fully rational decision, no emotional tie as such. So the chance of conflict is much higher than the consumer marketing and the resolve of conflict is much difficult in B2B marketing rather than in consumer marketing. Price; competitive bidding by calling tenders for unique items, list items prevalent only for some standard items when we are talking about B2B.

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B2C is actually MRPs, the least prices. What are the different purchase situations in industrial market? 3 mainly, Straight rebuy; Straight rebuy means say company A is buying papers and other stationary items from company B. now they know what are the kind of stationary and papers they will buy and whenever the stock is depleted they just place an order to buy it. So they need not to judge the specification of the product to anything.

Because it is almost like a routine responsible behaviour in the consumer decision making. Then is the Modified rebuy, when I know the, when the company A knows company B as the vendor but in terms of paper they want the special kind of bonded paper or they want some kind of watermark on the paper, so they specify their equivalence and accordingly the company B will provide the product to them.

So this is the kind of modification of the Straight rebuy, but problem arise when they are going for new task, new task means when the company is going to buy a totally different kind of machine, so that case or a totally new product, this is the new company is opening up, new factory is coming up so this kind of situations so here what happens, it actually has to pass through all the stages of industrial buying decision making once again.

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Types of Industrial Demand	
Type of demand	Definition
Derived demand	The demand for the equipment and inputs for production of a certain industrial product depends on the demand of the finished goods in the consumer market. So the derived demand refers to the correlation between demand for a company's output and its procurement of inputs such as raw materials, machinery, and other components. Demand for raw jute by the jute mills will depend on the demand for the jute-made articles in the market.
Volatile demand	Derived demand results in ups and downs in business market demand. This is referred to as volatile demand. Especially, the demand for capital resources is sometimes even more volatile than that for consumer demand. For example, the sales volume for a gasoline retailer escalates at an annual rate of 6% and then nosedives with a 4% annual increase. This deceleration may appear to the firm as the real slump and it may keep some of its current gasoline pumps (capital expense) inactive and reinstate them only when market conditions get better.
Joint demand	There are certain complementary products such as printer and cartridge. In this case, the demand for a product depends on the demand for the other which is used in combination with it.

And you know this is the; it almost like an complex buying decision in the individual purchase decision state and we also talk about the types of industrial demand mainly there are a few, 5 mainly; is the derived demand as I have already mentioned that the demand for the industrial product is actually derived from the demand in the consumer; demand for the finished product in the consumer market.

As I will; raw cotton or the textile machineries would be demanded best on the demand of the textile, I mean cotton clothes. Volatile demand; derived demand results in ups and downs in the business market, so this is referred as Volatile demand especially the demand for capital resources is sometime even more volatile than the consumer demand. For example, sales volume for a gasoline retailer escalates at an annual rate of about 6 percent.

And then nosedives with an 4 percent annual increase. These decelerations may appeared to the firm as the real slump and it may keep some of its current gasoline pumps which was capital expense inactive and reinstate them only when the market condition gets better. There is something which is known as joint demand. There are certain complementary products like printer and cartridge, some machine and machine oil so, car and brake oil.

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Types of Industrial Demand

Type of demand	Definition
Elastic and inelastic demand	This refers to the sensitivity of demand to a price change, normally following the law of demand. However, in most of the cases, the demand for industrial products are inelastic as the demand here depends more on the demand for finished goods rather than the price of the inputs.
Inventory adjustments	Adjustments in the quantity of inventory that effect business demand are referred to as inventory adjustments. Suppose a textile manufacturer takes a 70-day supply of new materials as the optimal inventory level. In this situation, if suddenly economic conditions or other factors tempt these firms to augment their inventories up to a 100-day supply, then this alteration will result in sharp increase of new orders for the raw-material suppliers. However, in case of just-in-time (JIT) system, the question of inventory does not arise. Normally, in these cases, electronic data interchange services (direct computer-to-computer transactions into vendors' databases and ordering systems) enable organizations to buy different equipments to complete the transaction. JIT II is the most recent inventory trend that heartens suppliers to position representatives at the buyer's place to perform as branch of an integrated and on-site customer-supplier group. In this case, the suppliers design and place orders based on the discussions with the buyer. This reorganization of the inventory management procedure provides a better control of the flow of goods or allows for greater efficiency by cost optimization in the entire supply chain.

So all these kind of products is the joint demands so the demand for one product depends on the other. Industrial demand it is sensitive to the demand to a price change, if it is demand usually it has to ideally any product is we assume that it is elastic to demand but in most of the cases, where industrial product, the demand is very inelastic. So which means that this is probably because of the derived demand only.

Because if the cotton textile product is demanded even if the price of raw cotton rose up or the cotton textile machinery grows up, the cotton textile mills will continue to purchase those things because the final demand for the textile garment is high so it is inelastic, it is one side inelastic to the price of raw cotton or the cotton machineries. It will only fluctuate to became elastic, if there is some elasticity noticed in the cotton textile garments.

If that changes, that fluctuates, then this will also, this side will also fluctuate. Then another important part is the inventory adjustment. The adjustment in the quantity of inventory that affect business demand are referred to as inventory adjustment. Suppose a textile manufacturer takes a 70-day supply of new materials as the optimal inventory level. In this situation, if suddenly economic conditions or other factors tempt these firms to augment their inventories up to a 100-day supply.

Then alteration will result in a short increase of new orders for the raw material suppliers. However, in case of just in time system, the question of inventory does not arise. Normally, in these cases, the electronic data, interchange services or EDI, enables the organisation to buy

different equipment to complete the transaction. Now off let Japan is using for some companies JIT 2.

And is the most recent inventory trend that heartens suppliers to position representatives at the buyers place to perform a branch of an integrated and on site customer supplier group. In this case, the suppliers to sign and place orders based on the discussion with the buyer. These the organisation of the inventory management procedures provides a better control of the flow of goods or allows for better efficiency of by cost optimisation in the entire supply chain.

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Factors Influencing Organizational Buying



- **Environmental factors:** These factors comprise financial, social, political, technological, legal, infrastructural, demographic, and cultural factors.
- **Organizational factors:** Organizational buying behaviour differs from organization to organization as the organizations themselves may be at variance with each other in terms of objectives, procedures, organizational structure, systems, and technology.

Now in short, I will just discuss about the factors that influence the organisational buying. These are the factors which influence the organisational buying, A is an environmental factor, these factor comprise of the financial, social, political, technical, legal, infrastructural, demographic and the cultural factors. For example, the technical status of the country, I mean the technical status of the engineers the way, their learning status.

The technical; know how all these actually matters during the procurement. If in general the engineering education is not up to the mark for a country X, then high tech, you know using high tech machinery and all these will require immense training. So some times the companies may not be in a position to you know to implement this kind of system. Countries cultural ambient sometimes may not allow the organisational sellers to perform GIT2 kind of inventory.

Because that kind of professionalism, that kind of route infrastructure may not be there in the country. So these are some of the factors which may enhance environmental factors. There could be some factors within the organisation also, it is like their objectives, the procedures, the organisational structure, the toe structure, fat structure. If it is a government organisation, of course the procedure would be little less pd.

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Factors Influencing Organizational Buying

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In India, some of the contemporary studies portray that there exist some critical parameters influencing the business buying structures and systems. Some of these are as follows:

- Innovativeness involved in the particular purchase
- Surfacing of 'buyer' as the vital constituent of the 'buying centre'.
- Centralization and decentralization of input procurement process
- Automation of the buying process (e.g., electronic data interchange system)
- Involvement of purchase specialists
- Capacity of the firm to avert detrimental dealings between buyers and sellers
- Appreciation at the top level

Because lot of the files should has to pass through different hierarchy and that may take little more time for an order to get passed. So and sometimes it may be very faster decision when the control is much more decentralised. Then in India, the contemporary studies portray that there exist some critical parameters influencing the business mind structures and systems. What are those?

The innovativeness related to the particular purchase, how innovative you ask? Secondly surfacing a buyer as the vital constituent of the buying centre. Third, centralisation and decentralisation of input procurement process. This is right now I have already mentioned. Automation of the buying process, whether I have EDI system or not. If I do not have my engineers and not so capable of using EDI system then of course I cannot I have a system like Walmart in US.

Or I cannot have any system like amazon dot com or EBay, the way they use the EDI system and you know ship the product very fast to the customers. I may not be able to be actually resorting to that kind of system unless my engineers and my system is adaptable to that. Involvement of purchase specialist; how far the finance manager would be involve? How far

the marketing manager would be involved? How far the engineer would be involved in this purchase?

And it actually determines the nature of purchase also, either finance manager is very very influential, then the purchase decision would be very price sensitive. If the engineer or the quality control officer is more in kind of the production manager is more influential then the decision would be more towards the quality oriented; in general, I am saying that can be exceptions.

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- **Interpersonal factors:** Organizational buying involves multiple individuals in the purchase process. So the process turns out to be even more complicated due to different goals, status, authority, control, and persuasiveness of the each constituent partaking in the buying process. Many a times, these multiple goals lead to a **conflict scenario** in the buying situation.

Capacity of the firms to avert detrimental dealings between buyers and sellers and appreciation at the top level or first the top level appreciates the buying process. Then there are certain interpersonal factors. Organisational buying involves multiple individuals in the purchase process, so the process turns out to be even more complicated due to different goals status, authority, control, persuasiveness of each constituents.

The finance manager is trying to control the cost, the production manager is wanting the best quality, so you want to, I mean that will result in increase the; increase in cost. Marketing manager wants the increase in cost of sales by you know promoting, he does not want increase in cost of sales, but if you say that he wants more promotion or he wants to give more margin to the distributors.

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Factors Influencing Organizational Buying

- **Individual factors:**

- An industrial marketer should be aware that may it be the suppliers, finance department or purchase department; the purchase decision would actually be executed by a group of human beings.
- No doubt, as these individuals forming the group comes from diverse socio-economic statures; they have a unique personality, a certain set of learned predispositions, a particular organizational task to execute, and perceptions of the finest route to fulfill both personal and organizational objectives.
- Possibly, an analytical insight on the 'perceived risk and its management' of the individual stakeholders of the organizations may provide the industrial marketer an opportunity to smoothen the organizational decision-making process.

So in that case the cost of sales will go up where the finance manager might oppose, because he has to optimise the cost. So then because of this multiple goals there can be a conflict scenario in buying situation. Some other individual factors are also there. Like an industrial marketer should be aware that it may be the suppliers, finance department or the purchase department.

The purchase decision would be actually executed by a group of human beings so as this individuals forming the group they are coming from diverse social economic statures and having unique personality, a certain set of learned predisposition, particular organisational task to execute and perception at the finest route to fulfil both personal and organisational objective is very important.

The finance manager, for example, may know of company A that you know, if I increase the cost of bit, I may end up in a very good purchase of a machinery but I mean virtue of my promotion, so I want to just optimise the cost, so my personal goal in this case is super seating the organisational goal. So this kind of situation can also occur. Because these are actually tell by human beings and a group of human beings.

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Factors Influencing Organizational Buying

- Principally, there are four factors those shapes the individual's purchase risk. They are the characteristics of the purchase problem, characteristics of the buyers, organizational environment and the management of perceived risk.
- The characteristics of the purchase problem encompasses the size (rupee value) of the expenditure, the degree of novelty contained in the type of buying task, degree of product essentiality, factors provoking purchase etc.
- On the other hand, the characteristics of the buyers comprises of product –specific self-confidence level, experience, purchase history and degree of technical and professional affiliations of the buyer. The standing of the individual in the organization, the extent of decentralization of organizational decision-making constructs the organizational parameters which form individual's perceived risk.

Possibly an analytical insight on the perceived risk and its management of the individual stakeholders of the organisation may provide the industrial marketer and opportunity to smoothen the organisation decision making process. So principally there are 4 factors; those shapes the individual purchase risk and these are the characteristics of the purchase problem, characteristics of the buyer itself the organisational environment and the management of perceived risk.

The characteristics of the purchase problem encompasses the size of the expenditure. If it is high volume purchase, the degree of novelty of the buy, is a new purchase or not, the degree of the essentiality of the product, it is immediately required or I can buy it little later or any other factors. So, these are the some of the factors which are called as the characteristics of the purchase problem which will influence the buying decision.

On the other hand, the characteristics because here the perceive risk could be much higher, so therefore the involvement of all the entities like purchase, finance, then the production will be very high. So on the other hand the characteristics of the buyer comprises of products specific self confidence level, experience, purchase history, the degree of technical and professional appreciation of the buyer.

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Factors Influencing Organizational Buying

- At this point, the organizational marketer needs to understand that fundamentally in any organization an individual apprehends of two types of perceived risk.
- One is performance risk, where he thinks that the product might be unsuccessful in terms of performance benchmarks.
- The other one is psychological risk which refers to the individual's anxiety of being held accountable for the decision taken in the group.
- Both these apprehensions are, however, linked with the fear of choosing a wrong product or vendor ultimately.
- An industrial marketer must make an effort to appreciate and foresee the possible domains of perceived risk and developing effective selling strategies accordingly.

The standing of the individual in the organisation how powerful he is? and the extent of decentralisation how much power and control he has on the purchase decision? So at this point, the organisational marketer needs to understand that fundamentally in any organisation an individual apprehends 2 kinds of perceived risk. One is the performance risk, where you think that the product might be unsuccessful in terms of performance benchmark.

The other is the psychological risk, which refers to the individual's anxiety of being help accountable for such purchase failure or product failure. Both these apprehensions are, however linked to the fear of choosing the wrong product or vendor ultimately and industrial marketer must make an effort to appreciate and foresee the possible domains of perceived risk and developed effectives selling strategies accordingly.

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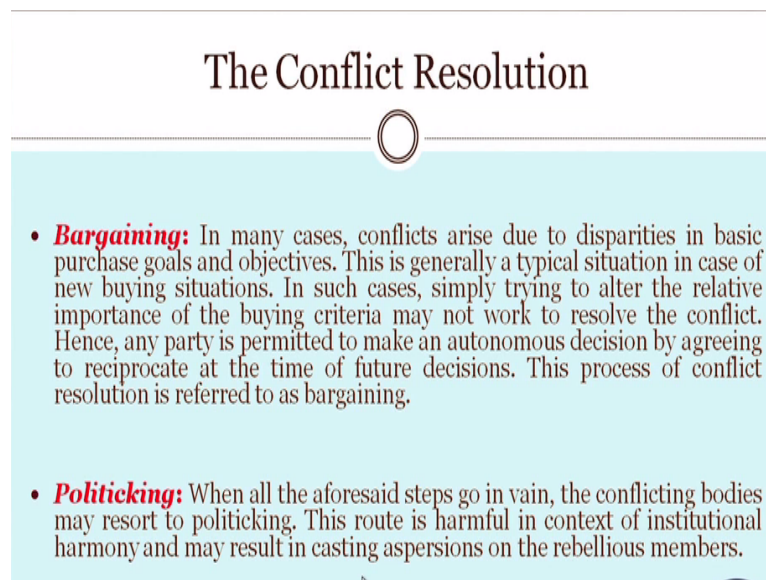
The Conflict Resolution

Sheth (1973) has identified the following four major routes by which the organizations may resolve conflict situations.

- **Problem solving approach:** This approach refers to the acquisition and dissemination of more information over extended time period.
- **Persuasion:** Attempt is made to persuade the opinions of rebellious members by influencing them to decrease the importance of the criteria they are using to select the alternative in order to satisfy their as well as organizational goals associated with the particular purchase.

And Sheth, Jagdish Sheth in 1973 has identified that in case of conflict situation, the members usually go for the same 4 conflict solution techniques as I have mentioned in the family decision making model also. The first one is the problem solving, this is the approach of acquisition and information and dissemination of more information so that they can revise the decision.

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The Conflict Resolution

- **Bargaining:** In many cases, conflicts arise due to disparities in basic purchase goals and objectives. This is generally a typical situation in case of new buying situations. In such cases, simply trying to alter the relative importance of the buying criteria may not work to resolve the conflict. Hence, any party is permitted to make an autonomous decision by agreeing to reciprocate at the time of future decisions. This process of conflict resolution is referred to as bargaining.
- **Politicking:** When all the aforesaid steps go in vain, the conflicting bodies may resort to politicking. This route is harmful in context of institutional harmony and may result in casting aspersions on the rebellious members.

Then is persuasion, which means one member is, or some members are influencing the rebellious member in order to satisfy everybody objective as well as the organisational objective. Third is the bargaining, that is between 2 parties to resolve the conflict that this time you listen to me and in next time we will listen to your group. So this kind of thing and finally is the politicking.

Which means, that if all the aforesaid steps gone in vain, the conflicting bodies may resort into politicking. This route is actually harmful from the institutional contacts because it can you know harm the harmony of the organisation and create a groupism in the organisation everybody will try to be very close to the top management and they may resort to different kind of wrong process for that.

So this is in short the first module of organisational buying behaviour and in the next module we will discuss about the models of organisational buying process. Thank you.