

# Principles of Marketing

BUS-2230-VO01

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# Vermont Town Meeting Day

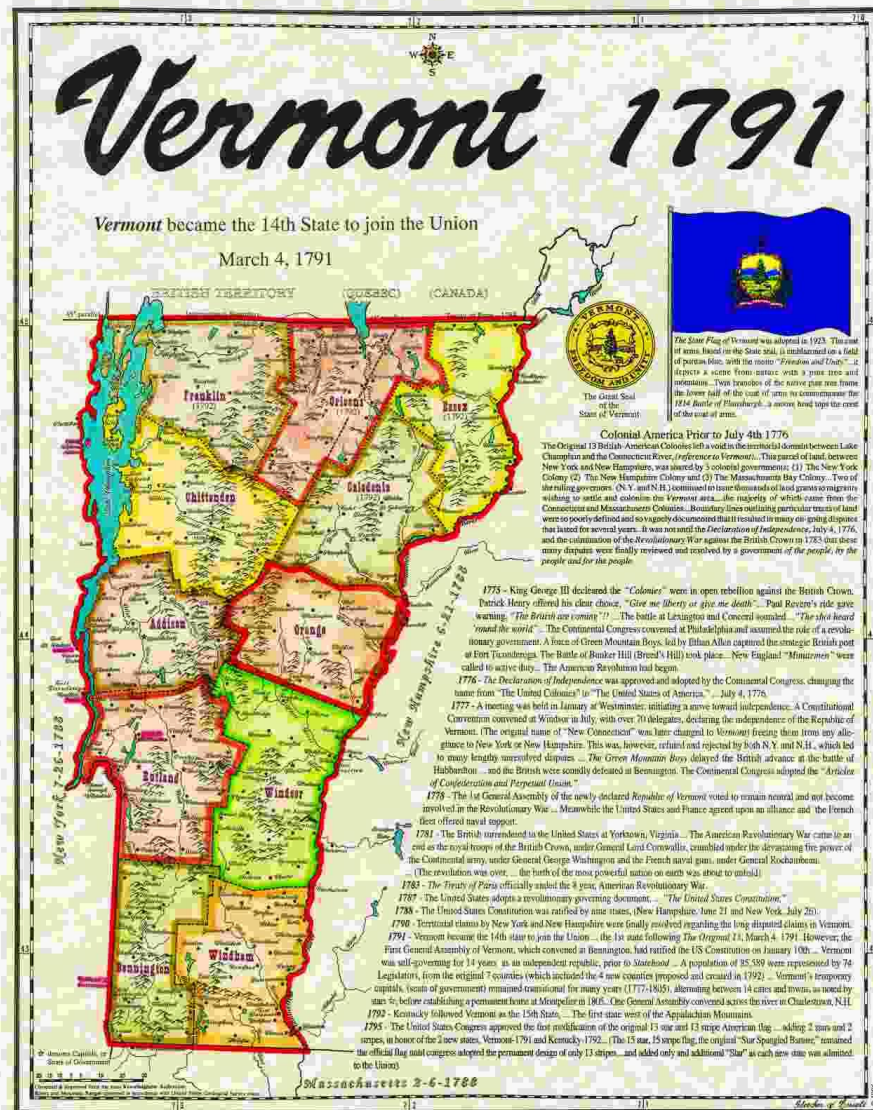


# Vermont Town Meeting Day

- Vermont town meeting is a tradition dating back to before there was a Vermont.
- The first town meeting was held in Bennington in 1762, 15 years before Vermont was created.
- In the late 1700s, as today, town citizens in Vermont held meetings so that they could address the problems and issues they faced collectively



# March Fourth, Vermont!



# **BUSINESS MARKETS AND BUSINESS BUYING BEHAVIOR**

# Business Markets Overview

- Business markets are enormous!
- Consumer markets require far fewer items and dollars than business markets
- Business markets are characterized by having far fewer but far larger buyers than consumer markets
- Business market demand is “derived demand” it ultimately comes from consumer demand.

# Types of Buying Situations

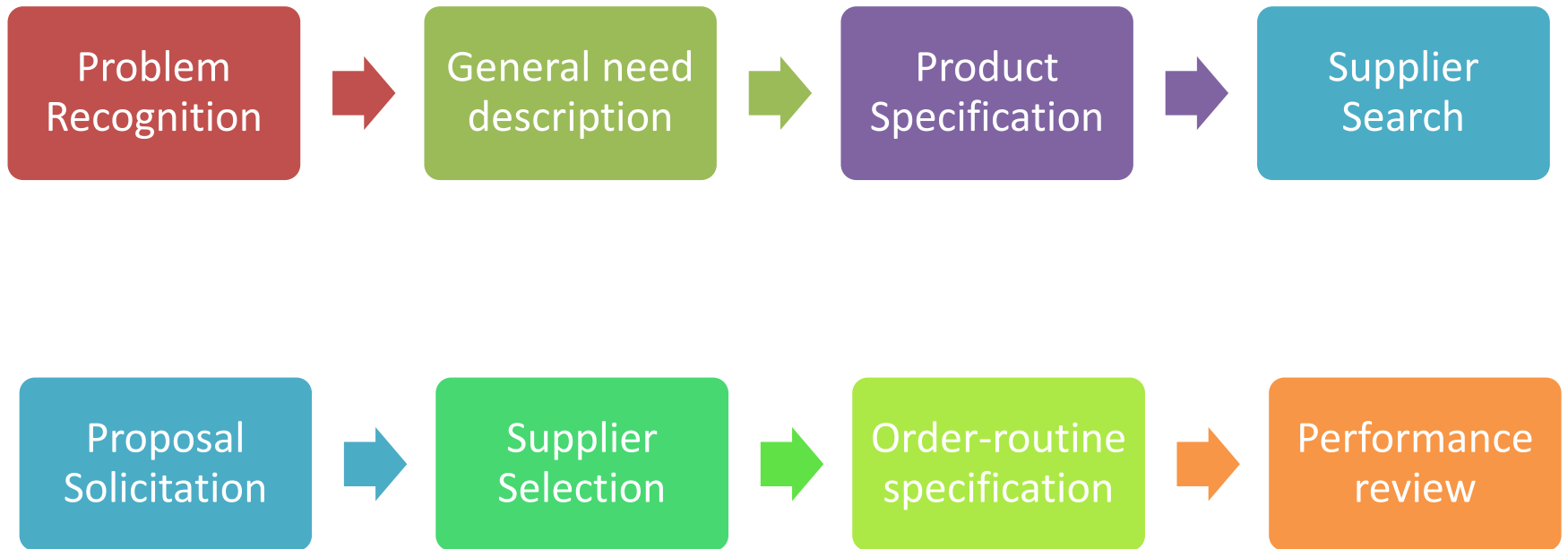
- Straight Rebuy – a business buying something again, without any modifications
- Modified Rebuy – a business buying something again with modifications to product specs, pricing, terms or suppliers
- New Task – a business buying something for the first time

# Participants in the Business Buying Process

- Users: members of the organization who will use the product or service
- Influencers: help define specifications and provide information for evaluating alternatives
- Buyers: have the authority to select the supplier and arrange terms
- Deciders: have formal and informal authority to approve the final suppliers
- Gatekeepers: control the flow of information to others.



# The Business Buying Process



# E-Procurement: Buying on the Internet

- Business to business buying rarely happened online up until about 10 – 15 years ago
- Buying online decreases businesses time to market, while increasing significantly the options available to them
- Business buy online in numerous ways, including through auctions, trading exchanges, buying websites and extranet links

# Institutional and Government Markets

## Institutional Markets

- Consist of schools, hospitals, nursing homes, prisons and other institutions that provide goods and services to people in their care.

## Government Markets

- Offer large opportunities for many companies, both big and small. In most countries, government organizations are major buyers for goods and services.

# Next week

- Read Chapter 7
- Answer Critical Thinking questions on Moodle

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