

# The purchase decision process

*Do know all of the individuals involved in the decision regarding whether or not your coatings will make it to a customer's production line?*

**W**ho does the buying of the trillions of dollars' worth of goods and services needed by business organizations? Purchasing agents (PA) are certainly influential in direct straight re-purchase and modified re-purchase situations, whereas other department personnel are more influential in new-purchase situations. Technical personnel usually have a major influence in selecting product components (raw materials), and PAs dominate in selecting suppliers.

Webster & Wind call the decision-making unit of a buying organization the buying center. The buying center is composed of "all those individuals and groups who participate in the purchasing decision-making process, who share some common goals and the risks arising from the decisions."<sup>1</sup>

## PURCHASE DECISION PROCESS

The buying center includes all members of the organization who play any of seven roles in the purchase decision process.

1. *Initiators*: Those who request that something be purchased.

2. *Users*: Those who will use the product/service

3. *Influencers*: People who influence the buying decision. Technical personnel are particularly important influencers.

4. *Deciders*: People who decide on product/service requirements ~ suppliers

5. *Approvers*: People who authorize the proposed actions of deciders or buyers

6. *Buyers*: People who have formal authority to select the suppliers and arrange terms.

7. *Gatekeepers*: People who have the power to prevent sellers or information from reaching members of the buying center.

Of all the seven roles played in the purchasing game, the gatekeeper is the most critical and many times, the most difficult with whom to deal. Examples of these types include PAs, receptionists, secretaries and phone operators.

## WEBSTER & WIND'S BUYING CENTER

*The buying center includes all members of the organization who play any of seven roles in the purchase decision process. They are:*

**Initiators**

**Users**

**Influencers**

**Deciders**

**Approvers**

**Buyers**

**Gatekeepers**

The number of persons involved in buying decisions ranges from three (for services and items used frequently) to five (for high-ticket items such as high-volume quantities of coatings/paints to construction work and machinery). To be a successful marketer to industry and to target their efforts properly, business marketers must figure out:

- Who are the major decision participants?
- What decisions do they (each) influence?
- What is their level of influence?
- What evaluation criteria do they use?

## AN EXAMPLE

Here's an example: a coatings company sells its coatings to a lawn mower manufacturer. The manufacturer personnel who participate in this buying decision include the VP of purchasing, the plant manager, the coatings manager and the paint shop supervisor. The VP of purchasing analyzes the "best buy" alternatives from among several paint companies meeting specifications set by the manufacturer. Once "best buy" decision is made, the plant manager, coatings manager and paint shop supervisor would "trial run" these coating alternatives to determine the "best fit" for their plant.

The missing link in this formal decision-

making format are those gatekeepers who make or break the coating suppliers—the direct labor group that has to make the paint work on the line. The key function here are the paint sprayers themselves. Without their support the coating supplier cannot sustain the business.

When a buying center includes many participants, the business marketer will not have the resources (time) to reach all of them. Astute small-cap sellers concentrate on reaching the key buying influencers. Smart large-cap sellers will multilevel in-depth sell to reach as many participants as possible. In the latter case, their sellers virtually “live” with their high-volume customers through a very formal weighted “call-load” program. Companies of all sizes will have to rely heavily on their communications program to reach hidden buying influences and keep their customers informed.

Business marketers must periodically review their assumptions about buying center participants and their respective influence power. There are many examples of those marketers who have “lost touch” with their best customers buying center change dynamics, and lost the business, as a result.

Remember, even the largest of the coatings, adhesives and sealant suppliers cannot possibly keep tabs of all the opportunities out there. Determining your resource “full capacity” quotient is the basis for continuing success. **CW**

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**Reference 1.** Webster & Wind, *Organizational Buying Behavior*, p. 6.