

# **Victoria University of Bangladesh**

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**Course Title: PRINCIPLES OF  
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Ans: to: the: Q: NO: (1) a

The differences between consumer buying behavior and organizational buying behavior can be listed as follows:

Bases	Consumer Buying Behavior	Organizational Buying Behavior
Purpose of Buying	The individual consumers buy goods and services for ultimate use or satisfy their needs. The buying purpose of such consumers is not to earn profit by reselling the goods and services.	The organizations buy goods and services for their business needs. The buying purpose of them is to earn profit by using and reselling the goods and services.
Quantity	Although consumers buy various kinds of goods, the quantity of goods remains small. They buy only the necessary quantity of goods, which they need for regular use.	Organizational buying is done in large quantities. There are several reasons why organizations must buy the goods



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they need in bulk. In the first place, they use large quantities of each item and must maintain of each item and must maintain inventories at a level high enough that they will not run out of stock.

Market Knowledge

Most of the consumers may not have adequate knowledge and information about market situation, available goods and services etc. The educated customers may be aware and have knowledge about market and goods.

③ Organizational purchase criteria are specifically defined. Organizational buyers usually have fewer brands to choose from than do individuals and their purchases must be evaluated on the basis



of criteria that are specific to the overall needs of the organizational buyers have full knowledge of market and suppliers.

Types of Goods

Consumers buy many goods to use to satisfy personal or family needs

Organizational buyers buy limited goods to use to conduct business.

Buying Process

The consumer buying process is very simple. No needs to fulfill any formality. There is also no need to maintain extensive contact with sellers.

Buyers and sellers in the organizational market must maintain extensive contact.



Ans. to the Q. no: (1) (b)

The types of consumer buying behavior depend on buyer involvement and the degree of differences among brands.

Types of Buying Decision Behavior

Significant differences between brands

High involvement

Complex buying behavior

Low involvement

Variety seeking buying behavior

Few differences between brands

Dissonance reducing buying behaviour

Habitual buying behaviour



## ① Complex Buying Behavior:

Consumers demonstrate complex buying behavior when their involvement in the purchase is high and when they perceive significant differences among brands. Consumer purchase involvement is high when the product is costly, risky, purchased infrequently and highly self-expressive.

## ② Dissonance - Reducing Buying Behavior:

Dissonance - Reducing buying behavior happens when consumers are highly involved with an expensive, infrequent, or risky purchase but perceive little difference among brands.

For example, consumers buying split type air conditioner may face a high involvement decision because air conditioner is costly and self-expressive.



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### ③ Habitual Buying Behavior:

Habitual buying behavior happens when consumer involvement is low and the perceived brand difference is low.

For example take flour consumers have insignificant involvement in this product category. They go to a store and ask for a brand. If they keep asking for the same brand it is out of habit rather than strong brand loyalty. Consumers have low involvement with low cost frequently purchased products.

### ④ Variety- Seeking Buying Behavior:

Consumers undertake variety seeking buying behavior in situations characterized by low consumer involvement but significant perceived brand differences. In such cases consumers often do a lot of brand switching.



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Ans: to: the: Q: No: (2)

The business buying decision process involves five distinct stages. At each stage, different decision makers may be involved, depending on the cost and strategic importance of the purchase. To navigate the buying decision process successfully you need to provide the right type of information and ensure that your sales representatives are contacting the right decision makers. You can also strengthen your position by offering customers advice and guidance at each stage - a process known as consultative selling.

Tip :

The five stages of the business buying decision process are awareness, specification, requests for proposals, evaluation and, finally, placing the order.



## Awareness and Recognition:

The process begins when a company identifies a need for a purchase.

It may want to replace an existing item, replenish stocks or buy a new product that is just available on the market. You can also stimulate a need that the company may not be aware of by advising them of issues and challenges that other companies in their industry face.

## Specification and Research: when

the buying team has agreed requirements, it prepares a detailed specification that sets out quantities, performances and technical requirements for a product. Your sales team can support this stage by advising



The buying team on best practices on collaborating with the buying team to develop the specification. Buying teams then use the specification to search for potential suppliers.

The Internet to find products or companies that provide a match to their specification so it is important that your website features keywords that match your customers product or service needs.

Request for proposals:

When the buying team has identified potential suppliers, it asks for detailed Proposals from the suppliers. The team may issue a formal document known as a request for proposal



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or it may outline requirements and invite potential suppliers to make a presentation or submit a quotation.

### Evaluation of Proposals:

The buying team evaluates suppliers' proposals against criteria such as price performance and value for money. As well as evaluating the product they assess the supplier on factors such as corporate reputation, financial stability, technical reputation and reliability. You can influence decisions at this stage by providing company information, case studies and independent reports that review your company and products.



## Order and Review Process:

Before the buying team places an order with the chosen supplier they negotiate price discount finance arrangements and payment terms as well as confirming delivery dates and other contractual matters. When the order is complete and delivered the buying team may add a further stage by reviewing the performance of the product and the supplier. This stage may include imposition of penalty charges if the product fails to meet the agreed specification.



Ans. to the Q: No: (3) (a)

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A marketing segmentation strategy further divides your target market into subgroups that are easier to manage.

Knowing your target market is the first step in selling your products and services

A marketing segmentation strategy further divides your target market into subgroups that are easier to manage.

Customized customer experiences lead to higher customer loyalty and better focused marketing campaigns.

A market segmentation strategy organizes your customer on business base also along demographic, geographic behavioral or psychographic lines



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Or a combination of them.

Ans. to the Q. No: (3) (b)

Buzz marketing is a viral marketing technique focused on maximizing the word-of-mouth potential of a campaign or product. These strategies can spur conversations among consumers family and friends or larger-scale discussions on social media platforms. By getting consumers talking about their products and services, companies that employ buzz marketing hope to grow awareness through more online traffic and increase sales and profits.



Examples of buzz marketing include the following:

① ALS Ice Bucket Challenge:

This social media based movement involved an individual pouring a container of ice water over their head. The point of the challenge was to promote awareness of amyotrophic lateral sclerosis (ALS), also known as Lou Gehrig's disease.

② Dell on campus:

Dell ran a college campus campaign in 2016 to increase brand awareness. It sent brand ambassadors to engage with students and hold more meaningful conversations, with them about Dell products. Doing this made for more memorable interactions with the company.



③ Super Bowl commercials: ①⑨

The Super Bowl is watched by more than 90 million people and the commercials often generate buzz. Men's deodorant and shower product company Old Spice rebranded its advertising strategy in 2010 to incorporate humorous and outrageous meme friendly commercials.