

STRATEGIC SALES MANAGEMENT

Session 3:B2B Decision Making Process and Difference in B2B and B2C Selling

DR. SOURABH ARORA and DR. KALPAK KULKARNI

MANAGEMENT STUDIES, IIT ROORKEE

B2B Decision Making Process

Problem Recognition: This happens when any kind of problem is recognized in the organization, which can be stimulated by both internal (company decides to develop a new product or the machinery has broken down or realization of production under capacity etc.) and external stimuli (new ideas at trade show or call from a sales-person).

The role of the salespersons at this stage is to highlight the problems that might stimulate the sale. The job is to move the prospect or consumer from the stage of internal/passive to internal/active.

Even in internal/active situations, the role of the salesperson is to pin down differential cost advantage for the prospect and the customers.

Need Description and Product Specification: This stage is about defining needed items characteristics and quantity precisely by the decision making unit of the buying organization.

Supplier Search: Identifying most appropriate suppliers through trade directories, online search, referrals, trade advertisements and trade shows etc.

Proposal Solicitation: At this stage, qualified suppliers are invited to submit proposals.

Proposal Evaluation: The proposals received are evaluated on the basis of the criteria specified by the decision making unit. Different expectations of the members of the buying organization makes proposal evaluation critical. Shortlisted suppliers are invited for presentations. A salesman plays an very important role at this phase by designing presentations in line with the needs and pain points of the buyer as well as by handling their objections.

Supplier Selection and Order: The supplier found most suitable is selected, and terms and conditions are negotiated upon. A salesperson's focus must be on creating a win-win situation.

Performance Feedback and Evaluation: Purchasing department must seek both the formal and informal feedback on the seller. Here also, it becomes important for the salesman to not just vanish after the sale is closed and must regularly keep in touch with the seller to build satisfaction and stimulate delight factor.

Concept of The Buy Class in B2B Decision Making

Straight re-buy: Orders are placed to the same seller

Modified Re-buy: Terms are negotiated upon with existing seller and a few new competitors could also be invited, requires alteration of existing supply procedures

New Task: Realization of a new need out of either internal or external stimuli. Whole process of B2B purchase process is followed. Time consuming process.

Evolution of a Salesperson's Role

Consumer	B2B
Ultimate market of millions of people, Salesman could be dealing with intermediaries	Fewer organizational buyers, 80% of the output could be sold to a few organizations
Consumers and manufacturers rarely meet	Close long-term relationships
Can be both rational and emotional	More Rational
Hardly exists in consumer markets	Reciprocal buying
	More Complex

Source:

References:

- Selling and Sales Management, Jobber and Lancaster, Pearson
- Consumer Behaviour, Schiffman, Wisenblit and Kumar, Pearson
- Sales and Distribution Management: Decisions, Strategies and Cases, Still, Cundiff, Govoni and Puri, Pearson
- Sales and Distribution Management: Text and Cases, Havaladar and Cavale, Mc Graw Hill
- Sales and Distribution Management: An Integrative Approach, Venugopal P, Sage.

*References for online and other resources have been provided as footnotes in the respective slides.

Thank You