INDUSTRIAL BUYER BEHAVIOR: TOWARD AN UNDERSTANDING

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This paper identifies and discusses several research streams for industrial buyer behavior and the implications for management. The first section begins with a discussion of the historical perspective of industrial marketing, vis-a-vis consumer marketing. The strengths and weaknesses of numerous models available to explain industrial buyer behavior are discussed. The final section suggests future research needs to clarify our understanding of industrial buyer behavior, and presents a model to guide that research.

INTRODUCTION

The complexity of purchase decision making in industrial markets has been a major concern of marketers for many years. Although the industrial buyer is a significant player in a modern firm, the buyer's role "has been virtually ignored in the marketing and purchasing literature" (p 5, Michaels, Dubinsky, and Rich 1995). Early in the 1930s, Frederick (1934) recognized the central question when he noted "the major objective of all industrial marketing is to contact the man who actually brings about the purchase decision, regardless of his position or title...". (McQuiston 1989, p 66). The conditions that complicated and confounded the identification process outlined by Frederick seem to be relevant and similar to the challenges of the 1990s. These conditions, in 1934, included the following:

> *Industry's operating organizations have become more complex and more highly organized; multiplicity of titles used in industry; vertical buying groups (specialized men such as textile, lumber) and horizontal buying groups (electrical engineers, master mechanics); the number of persons functioning in buying; executive influence in buying; committee buying, and stages of buyer acceptance for industrial products (p 66).*

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Frederick wrote that industrial marketing should not be confused with consumer marketing. The differences suggested by Frederick, which are summarized in Table 1, are striking and many seem to be applicable to today's marketing thought as well. Frederick describes industrial marketing as:

> *"the distribution of producers' and capital goods as distinguished from consumers' goods. It is concerned with the sale, financing, transportation, and storage, by producers and processors, of all products or services to be used, directly or indirectly, by other producers, institutions, and commercial organizations in the production and marketing of their own products or services, which may in turn be sold to industrial consumers, household consumers, or both" (p 1).*

During the 1960s, the literature focused on problems similar to those of earlier years, e.g., managing the marketing function, identifying markets, and communicating with the customer. Christian (1960) suggested "Five Keys to Successful Marketing Leadership" that hinge on communication:

1. Understanding the Fundamentals,
2. Incessant Quest for Continuing Education,
3. The Principle of the Extra 10%,
4. Enthusiasm, and
5. Ability to Communicate. (p 80)

TABLE 1
Industrial versus Consumer Marketing

	Industrial	Consumer
Nature of the product	Decided by the buyer	Decided by the maker
Buyer contact	Direct	Indirect
Purchase for	Use in business	Consumption
Definable market	More clearly defined	Not clearly defined
Potential customers	Fewer numbers	Large numbers
Demand	Derived from a finished product	Classic demand

It was during this time that customers and marketers turned to scientific methods to qualify and reduce the complexity of the environmental issues in the decision-making process (Hirsch 1960). Monte Carlo simulation techniques and linear programming were used to study alternative solutions of optimization. Hirsch (1960) notes that "scientific decision making is still in an early stage of development . . . and has the capability to assist the industrial marketer." (p 27).

Traditional thinking was being challenged in the 1960s as well. For example, reciprocity had generally been accepted as the way many large contracts were awarded. The view was that business was not conducted in the buyer's office, but among the executives over lunch. Ammer (1962) reported that one-half of the purchasing agents surveyed recognized reciprocity in the decision process as a factor, and that although executives did not like or necessarily agree with it, they could not escape it. Ammer argued that reciprocity increases purchasing costs, causes salespeople to become complacent, and downgrades a company's product. The literature cited recommends that marketers identify the buying influence person, determine the important product characteristics, and solidify a long-term relationship built on tangible measures.

A more recent observation by Blenkhorn and Banting (1991) was that "industrial marketers are more concerned about their performance relative to competitors than about their capability to satisfy their customers' needs as completely as possible" (p 185). Although that might be the case, industrial firms desire to differentiate themselves from their competitors, a task that is different from the consumer marketing firm. Webster and Wind (1996) suggested that consumer behavior research often has little relevance for the industrial marketing firm. However there are similarities, e.g., determining what customers want in a product. Specifically, " the challenge [for industrial marketers] is to determine what customers want and whether they are satisfied with the company, its products, and its service" (Evans and Laskin 1994, p. 439). This effort is frequently based on developing relationships, i.e., the process of building long-term alliances with customer (or prospective customers) wherein both parties seek a common set of goals (Evans and Laskin 1994).

Jackson, Neidell and Lunsford (1995) describe a "partnering" relationship, i.e., long-term relationship, that is based on different strategies and set of tactics for approaching the marketplace than are used in consumer marketing. Although firms do seek these long-term relationships, there is evidence that firms develop product brand loyalty, rather than supplier loyalty. The buyer who has experienced a stockout situation is especially prone to product brand loyalty rather than supplier loyalty (Dion and Banting 1995). Low (1996) concluded that firms need to analyze the reality of supposed long-term relationships. Specifically, the firm should ask itself, is the relationship still beneficial, or should we decide to get out of the relationship?

Although there are similarities, the research streams for industrial marketing and retail (consumer) marketing are generally different. The consumer behavior research has developed general theories for understanding, explaining, and predicting behavior. Industrial buyer behavior research is challenging because of the complexity of collecting data, the different individuals in the decision process, and the different methods of product evaluation (McQuiston 1989). Brown and Brucker (1990) concluded that the need for an industrial buying decision could be traced to the need to solve a problem. In his research study, McQuiston (1989) operationalized the latent

constructs in the industrial buying process as novelty, complexity, importance, participation, and influence. McQuiston concluded that as novelty and importance increase, and as the decision maker's perceived risk increases, more information is sought by the decision making unit. The implications for a marketing manager include the following: (1) determine the level of novelty and importance in the particular purchasing situation; (2) determine the amount of information required by the decision makers; and (3) determine the level of uncertainty in the purchasing situation. McQuiston concluded that, although the study was exploratory, the findings "reemphasize the importance to the salesperson of discovering and contacting the members of the decision making unit beyond the purchasing group" (p 77).

McQuiston's conclusion is similar to the Frederick quote of the 1930s and suggests a need for additional research to explain the industrial buyer behavior phenomenon. The explicit purpose of this paper is to identify the contingency factors and situations relevant to the industrial buying behavior process. We begin with a discussion of the buying center, a common practice for purchasing decisions in the industrial environment.

BUYING CENTER PROCESS

The concept of multiple influences on buying decisions was introduced by Webster and Wind's Model of Organizational Buyer Behavior. Webster and Wind (1972) defined buying centers as "all of the individuals and groups who participate in the purchase decision process" (Jennings and Plank 1995, p. 411). The buying center is generally described as having several layers of interaction and is part of an organization, wherein exists so-called "social arrangements for controlled performance goals" (Draper 1994). For example, the organization may include the gatekeeper as the first layer encountered before the actual buyers are contacted. Other layers might include the influencer's, users, and deciders, as well as the actual buyers (Monoky 1995). Wilson and Woodside (1994) developed a two-step model for determining the degree of influence within the buying center. The researchers concluded that influence should be examined in the context of decision-specific variables, such as, expertise, interest, and personal stake in the decision process.

The study of the buying center has made important contributions to understanding industrial buyer behavior (Johnston & Bonoma 1981). Buying centers are comprised of members from different departments with divergent interests and motivations, and are frequently part of the purchase decision process in organizations (Kohli 1989). These groups may be ad hoc, and may exist only for a specific purchase decision, i.e., they do not become a part of the formalized organization chart. The size of the buying center may vary depending on the purchase decision (McWilliams, Naumann, and Scott 1992). Research by Weigand (1968) recognized that buying is a complex responsibility that may be diffused throughout the firm. Weigand notes that "it is not uncommon for a buying committee (which does not always include the purchasing agent or the buyer) to approve the products of several competing manufacturers" (p 42). While reciprocity is a reason for top management to become involved, it is not the sole reason for their involvement. For example, the manager's concerns may be the result of past problems with a particular supplier or product. The industrial buying function is a complex negotiation process that is influenced by a variety of factors, and therefore requires the industrial marketer to focus on the buying function as a whole and not just on an individual who seems to have purchasing responsibility. The literature includes a number of studies wherein the multiple buying influences have been identified and measured (Kohli and Zaltman 1988; Lynn 1987; Martin, Daley, and Burdg 1988; Mattson 1988; Zaltman and Bonoma 1977).

Zaltman and Bonoma (1977) used a series of informal interviews to determine why different members of a buying center make judgments and how these judgments are integrated. They noted that power in the buying center varies with the situation. Gatekeepers, for example, can filter the information flow and consequently impede the industrial marketer's effectiveness. From their interviews, Zaltman and Bonoma concluded that "the buying center is flexible, the structure and functioning varies with the product, the decision criteria varies,

participants vary, and the circumstances creating a product need also vary." (p 58).

Purchase decisions made through a buying center tend to be long-term because there are costs associated with the unnecessary switching of suppliers (Segal 1989). The managers (both buyer and seller functions) must exert influence on the decision process if they are to be effective in their respective areas (Farrell and Schroder 1996). Therefore, the benefits of long-term relationships versus switching costs are balanced by the influence capability of the managers.

Although the buying center is an important conceptual contribution in the understanding of industrial buyer behavior, there is not a consensus on who is the most influential party in the buying center because of the numerous variables that affect the process, e.g., power, politics, and influence. Johnston and Bonoma (1981) offered a communications model of the buying center. Centralization, formalization, complexity, size, and participation are the influence factors, and the persons/organizations in the model are the vendor, the buying organization, and other individuals in each group with particular responsibilities and influence. The buying decision communication network is developed by determining who within the firm first identified the need for the product, and then proceeds to track the information flow through the firm. A partial list of their significant findings include:

- the more formalized the organization, the greater the extensivity of the buying center.
- the more novel the purchase situation, the greater the lateral involvement in the buying center.
- the more complex the situation, the more vertical levels of hierarchy involved in the decision.

Jackson, Keith, and Burdick (1984) examined the buying center to determine if the purchasing agent's perception differed with the situation. The data from 25 companies represented four different buying center members, five different product types, three different types of buying cases, and two different decision types. A MANOVA procedure identified several significant relationships. The buy class did not have a significant impact on buyers' perception of the relative influence on buying center participants. A significant relationship existed between buy class and relative importance of the marketing mix. And finally, the lack of influence by top management in the purchase decision was statistically significant.

The lack of influence by top management was contrary to other studies cited by Jackson, Keith, and Burdick (1984). As an explanation, the authors suggested that ambiguity with the term "influence", and the level of expenditure, may account for the purchasing agents' perception of top management influence. The authors further argued that personal selling efforts are more successful if the marketer first identifies the buying center as a dynamic concept, not a static process, and recognizes the relative influence of its members' is fluid and varies with the particular purchase decision.

Influence Variables

Two streams of research have developed to explain why certain individuals exert more influence than other individuals in the buying center decision process. One stream is position or department influence considered over several dimensions (e.g., product type, purchasing process stage, organization size, and organization structure) to determine the degree of influence.

The second research stream is the latent reasons for different degrees of influence, e.g., expertise, informational access and control, referent power, formal authority, reward power, and stake in the decision (Kohli 1989). Kohli refers to the changes, i.e., "manifest influence of a buying center participant" p. 51, the participant can effect in the purchasing decision, through the use of individual resources, i.e., reward power, coercive power, referent power, legitimate power, expert power, information power, and departmental power. Moderator variables to determine if the explanatory variables differed, or varied across contingencies, were size (number of individuals in the buying center), familiarity (how familiar with each other are the buying center members), viscidity (how well the members work together), influence attempts (amount

of effort to influence the decision by a buying center individual), perceived risk, and time pressure.

Kohli (1989) concluded that individuals with expert power exerted more influence when the committee was large and viscid, and when there was no time pressure to allow the individual to make strong influence attempts. Referent power, negatively related to influence in a high time pressure situation, suggests that when pressed for time, buying center members are cautious about a reliance on a referent power individual and tend not to do what such an individual supports. Reinforcement power was relevant when the committee was small, pressed for time, and not very viscid. Only during very specific circumstances did referent power, legitimate power, department power, and information power play a significant role in the decision making process.

The persuasion process between the industrial buyer and the seller, as suggested by Schmitz (1995), offers promise for a better understanding of industrial buyer behavior. This concept is more evident, and perhaps more critical, as firms seek to develop long-term relationships that are cooperative rather than adversarial. Persuasion is (partially at least) a function of the trust a salesperson is able to develop with the potential buyer, a condition that requires a long-term developmental process (Hawes 1994). This process may develop in a shorter period of time if there are perceived similarities between the buyer and seller (Dion, Easterling, and Miller 1995).

Venkatesh, Kohli, and Zaltman (1995) also identified influence strategies used by managers in buying centers. They concluded that the effectiveness of a particular strategy varies with the contextual situation. That is, a threat strategy might be a better choice than a promise strategy in certain situations, and a less desirable strategy in a different situation.

The original research on the influence of perceived risk in the purchase decision process examined the situation from a consumer's perspective. Later research examined the influence of perceived risk in the industrial buying decision process. The literature suggests that purchasing executives attempt to postpone the buying decision when the perceived risk is high. The buying executive may be encouraged to postpone the decision because he or she is rarely the user of the purchased goods or services (Hawes and Barnhouse 1987).

Technical Specifications

Technical specifications are an important performance and decision-making criteria in the buying decision process, but had been ignored in the research of industrial buyers prior to the late 1980s. Most studies reported the scores of importance ranked by the industrial buyer but did not interpret or investigate farther. Reddy, Lambert, and Cort (1988) sought to provide an understanding of technical specifications by examining industrial buyers' use of industry standards or technical specifications.

The sample of machine tool manufacturers and uninterruptible power sources did not indicate any statistically significant differences between users and nonusers of technical specifications. Price and delivery likewise did not indicate any significant differences. The adoption of the industry standards as evaluative tools tend to reduce the importance of subjective criteria. The Reddy, Lambert and Cort study indicated that marketer attributes tended to be more important when industry standards are adopted. The standards do not become an equalizer, but rather create more dependence on vendor induced non-product criteria. The authors concluded that the issue is not pro/con standards, but how to deal with the use of standards.

SEGMENTATION STRATEGIES

Successful segmentation of heterogeneous industrial markets could aid the understanding of industrial buyer behavior. Segmentation is widely used and with great success in the consumer-products industry, but has not had the same magic in the industrial-products industry (Brown, Shivashankar, and Brucker 1989; Laughlin and Taylor 1991). This lack of success may be attributed to the "understatement of the influence of buyer requirements" (Brown, Shivashankar, and Brucker 1989, p 105). The research literature frequently suggests a segmentation methodology, but not the use or application of that

strategy (Abratt 1993; Dibb and Simkin 1994; Griffith and Pol 1994). The next section discusses the application of three segmentation strategies.

Requirements Driven

Brown, Shivashankar, and Brucker (1989) argued that a requirements-driven model will aid marketers in selecting the correct strategy. A perceived value differential could provide the marketer a lead over later entrants. The paradigm, a seven-step process with buyer requirements as the focal point, is administered by a team. This team is composed of the product manager, and experienced personnel from major functional areas of the firm (e.g., marketing, engineering, manufacturing, research and development, purchasing, finance, and customer service). The team may include someone with little knowledge about the product to act as a facilitator. The process follows a pre-determined sequence (p 107):

- Defining generic buyer problems--to build an appreciation of the business.
- Generic subproblems/definitions--applications standpoint.
- Identification and matching of products to each subproblem--understand end usage without regard to industry.
- Technical parameter definition--the basic determinant of product performance and capabilities.
- Technical parameter, group SIC description--technical parameters may reflect needs of only one specific industry.
- Common buying factor definition--preferences, demands for value, quid pro quo, reliability.
- Description of technical parameters, buying factor segments--technical parameters and customer buying factors define the segment.

The key to step 1 (and step 2 as well) is that the definitions should be as generic as possible to permit and encourage systems thinking. In steps 3 and 4, requirements are the foundation of market segmentation. These requirements are identifiable through the understanding of the customer's buying/problem-solving process. The technical parameters (Step 4) are the initial, primary mechanism for screening suppliers. After the team defines the technical parameters, the team proceeds to identify several firms that currently meet the requirements and eliminate the firms that do not meet the criteria. This stage suggests a fine-tuning is required because "...the seller has to identify the needed technical parameters, understand them thoroughly, and translate them into needed products or services" (p 109). This model focuses the firm's attention on critical issues defined by the buyer, not by the manufacturer.

Value-Added

Sinclair and Stalling (1990) argued that the need for segmentation is driven by manufacturers who seek value-added products, and offer products differentiated from commodity products. A firm that employs a segmentation strategy that relies on a quality differentiation necessitates that the marketer consider the perceived level of quality, and the actual level of quality (Babakus, Pedrick, and Richardson 1995; Qualls and Rosa 1995). Success in new markets is determined by the marketer's ability to create a package of goods/services that is tailored to the customer, a skill that is frequently missing in industries that need it the most.

Market Concentration-Product Customization

Laughlin and Taylor (1991) proposed a model to guide managers in the segmentation process. Two dimensions form a (2 x 2) matrix, Figure 1, that identifies the refinement or mixing that must be made in the marketer's approach to the purchasing agent: (1) customer concentration--the number of customers and how the market is allocated among them; and (2) product customization--the degree to which the product must be customized or tailored to the needs of the end user. The model begins with identifying macro segments of markets through SIC codes. The second stage, micro segmentation, is based on characteristics of the organizational decision-making unit.

In those markets that are high in customer concentration and high in product customization, a "teamwork" strategy is suggested. The buyer and supplier work together to design a customized product through a close relationship that is built on significant communication. If the product is generic, a "hawking" strategy is used. The buyer specifications are explicit, and low prices are emphasized. The salesperson attempts to build a relationship with the buyer in the hope of, or the expectation of, promoting brand loyalty. An "adapting" strategy is recommended where low customer concentration and high product customization are the norms. The marketer must stress to the buyer the flexibility of the distribution and the product. For those products that are similar, a "hyping" strategy is recommended to differentiate the product from a competing product. Generally these products are relatively generic and must be differentiated through advertising. The producer seeks to create and/or maintain a brand-name recognition with the buyer, while maintaining a competitive price.

NEGOTIATION PROCESS

There has been considerable research on the negotiation process between the buyer and the seller (cf., Dion and Banting 1988). As in other areas of industrial buyer behavior research, several facets of the process have not been adequately explained. Some of these concerns are discussed in this section.

Effective Communication

Alexander, Schul, and Babakus (1991) examined the negotiation process and concluded that negotiations are an integrative process where the parties respond in a reciprocal manner. For example, buyers rely on information requests, while sellers reciprocate with requested, and/or, unsolicited information. The negotiation process also includes nonreciprocal patterns, and/or inherent power dependencies, that are described as attack-defend mechanisms, a function of the buy-sell scenario. In an earlier study, Oumlil and Williams (1989) argued that purchasing agents in industrial firms must adopt a refined marketing concept to be successful in the competitive environment. The buyer's task is increasingly important with success partly dependent on his/her understanding of marketing. The buyer needs to understand the exchange process and play a more active role in the negotiation process, a role Blenkhorn and Banting (1991) described as reverse marketing.

Gender Differences

Cook and Corey (1991) examined the effect of gender on the ratings provided by purchasing agents of 23 attributes of salespeople. The sample (n=121) procedure revealed a statistically significant difference in gender. Higher mean ratings for women were noted for understanding buyer needs and for willingness to provide supportive services. These results suggest that industrial buyers perceive the saleswoman as better able to respond to the customer's needs.

Salesmen had higher mean scores (although not statistically significant) for product knowledge and technical assistance, but these attributes were rated lower in perceived importance by the purchasing agents. Cook and Corey suggested that product knowledge and technical assistance become less important to the industrial buyer as the organization adopts a marketing concept. Likewise, a gender blind bonding relationship built on long-term contracts reduces the importance of product knowledge and technical assistance. They concluded that negative stereotyping of females was not overtly revealed in the study.

CONFLICT RESOLUTION

Organizational buyers are described as boundary spanners who must deal with conflicts that may originate from supplier representatives, or they may originate within the firm. Conflict needs to be identified before it becomes dysfunctional. A better understanding of how buyers deal with conflict will benefit marketers in the negotiation process.

Styles

Conflict, which is estimated to consume 20% of a boundary spanner's time (Thomas and Schmidt 1986), is a consequence of the different perspectives

and the situational characteristics. Day, Michaels, and Perdue (1988) described these characteristics as:

- Competing--"Let's do it my way!"
- Accommodating--"I see your point of view."
- Collaborating--"Maybe we can work this one out."
- Avoiding--"Better let the situation cool down before we act."
- Compromising--"Let's split the difference." (p. 155)

Day, Michaels, and Perdue (1988) used the five conflict-handling styles developed by Thomas (1976) as a guide to conflict resolution techniques. The results indicated that demographics were a factor in the style selected. Although both men and women favored compromising and collaborating styles, significant differences were reported for competing styles (men > women), and for avoiding styles (women > men). Buyers with less education tended to favor the avoiding style, and respondents with considerable purchasing experience (11-16 years), had the highest mean scores for competing styles.

Middle Ground

Calantone and Gassenheimer (1991) studied the problems encountered between manufacturers and distributors, and how they overcome those problems. Their work, an attempt to find a middle ground, suggested a continuum with a power-laden (coercive, control) philosophy on one anchor, and a "good-ole-boy" network, or "let's all be friends," on the other anchor. The research examined the problems facing buyer and seller:

- Manufacturer's performance.
- Distributor's desire for autonomy in making its own decisions.
- Manufacturer's desire to influence the distributor's decisions.
- Manufacturer's use of power (pressure) to influence decisions.
- Control relinquished to the manufacturer by the distributor.
- Distributor satisfaction with the working relationship.

Results of the study confirmed the propositions. For instance, the principal supplier has a higher desire to influence a distributor and to exert control through strategies such as territory restrictions and control of new products. The distributor's satisfaction was based on factors such as home office responsiveness, growth opportunities, and interest and concern for the distributor's service and delivery requirements, as well as profits. Success in the six areas reduces conflict, or keeps it at acceptable levels, and offers specific differential advantages to the distributor.

Customer Expectations

Customers typically enter a purchasing arrangement with certain expectations. How well the marketer meets those expectations impacts the amount of conflict that results from the transaction. Cronin and Morris (1989) concluded that if a firm fails to confirm the customer's expectations it experiences an increase in channel conflict (both frequency and intensity).

POSTPURCHASE SATISFACTION

Previously we noted that persons who make the buying decisions in an industrial setting tend to develop certain expectations about the performance of the seller, or prospective seller. The impact of these expectations on future purchases is critical for marketers of industrial products because the likelihood of repeat business is reduced if the seller fails to meet the expectations of the buyer. The buyer's postpurchase satisfaction is reduced and future sales are at risk. Sellers should realize that their responsibilities do not end when the sale is made, and that keeping buyers satisfied after the purchase should be part of the marketing strategy (Withey 1988). Cognitive dissonance is generally a part of consumer buying models. However research dealing with postpurchase satisfaction appears to be lacking in the industrial buyer behavior literature.

Withey (1988) used a sample of firms involved with installation purchases. An industrial installation purchase is described as a large piece of expensive, specialized equipment that is considered crucial to business operation, and is an infrequently made

capital asset purchase. In this sample the asset was outdoor electronic advertising message boards. Focus group participants suggested six factors to consider:

1. Impact of the purchase on other expenses in the firm's total operations.
2. Ability of the new installation to allow the buying organization to attract new customers.
3. Training programs relating to the application and use of the new equipment.
4. Consultive services provided by the vendor.
5. Functional performance.
6. Maintenance and repair service.

Withey concluded that the most significant contribution of the study was identifying the importance that attracting new customers for the buyer's products (item 2 above) has on determining postpurchase satisfaction. Sellers must assume an active part in marketing research to identify new markets for their customers and not relegate the search for, and the attraction of customers solely to the buyer of the seller's product. Additionally, the seller should not contract or consign the post-purchase maintenance and repair service to another provider, but in fact provide that function.

Cronin and Morris (1989) researched buyer expectations with a sample of distributors. The authors concluded that the industrial marketer's ability to confirm the purchaser's expectations does have a impact on future business. Specifically, positively confirmed expectations result in an increase in repurchase intentions. These results suggest that marketers should not build customer expectations above a level they can reasonably expect to reach. The marketer should acquire knowledge of the expectations and use that knowledge to direct and adjust target market strategies. Likewise the marketer should be knowledgeable of the customer's expectations and be prepared to make adjustments to satisfy those expectations.

SUMMARY

There are not any simple answers to the complex questions of understanding, predicting, and explaining industrial buyer behavior. From the literature available, we conclude that there are several variables and situations to consider. The buying center concept, although generally an accepted principle in industrial markets, is not described or defined by a universally applicable model. Communication styles, situational variables, influence variables, and technical specifications can impact the buying center, either individually, and/or, as an interaction with other variables.

The industrial marketer's segmentation strategy may vary, and consequently alter the view and approach to explaining industrial buyer behavior. The different segmentation strategies outlined in this paper include requirements-driven, value-added, and market concentration-product customization. Various styles employed in the negotiation process and the associated nuances are also suggested as factors to consider. Diverse areas of concern, for example, adoption of the marketing concept and gender blind relationships, may have a general effect on negotiations.

The manner and method of conflict resolution, particularly with confirming/disconfirming customer expectations, must be considered before a complete (or improved) understanding of industrial buyer behavior is achieved. And finally, the postpurchase satisfaction aspect of industrial buyer behavior must be a component in the model.

A review of literature suggests additional research is in order. A model that includes the constructs outlined in this paper would be an appropriate and worthwhile development toward understanding industrial buyer behavior. The model of relevant constructs is depicted in Figure 2.

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FIGURE 1
Industrial Market Macrosegments

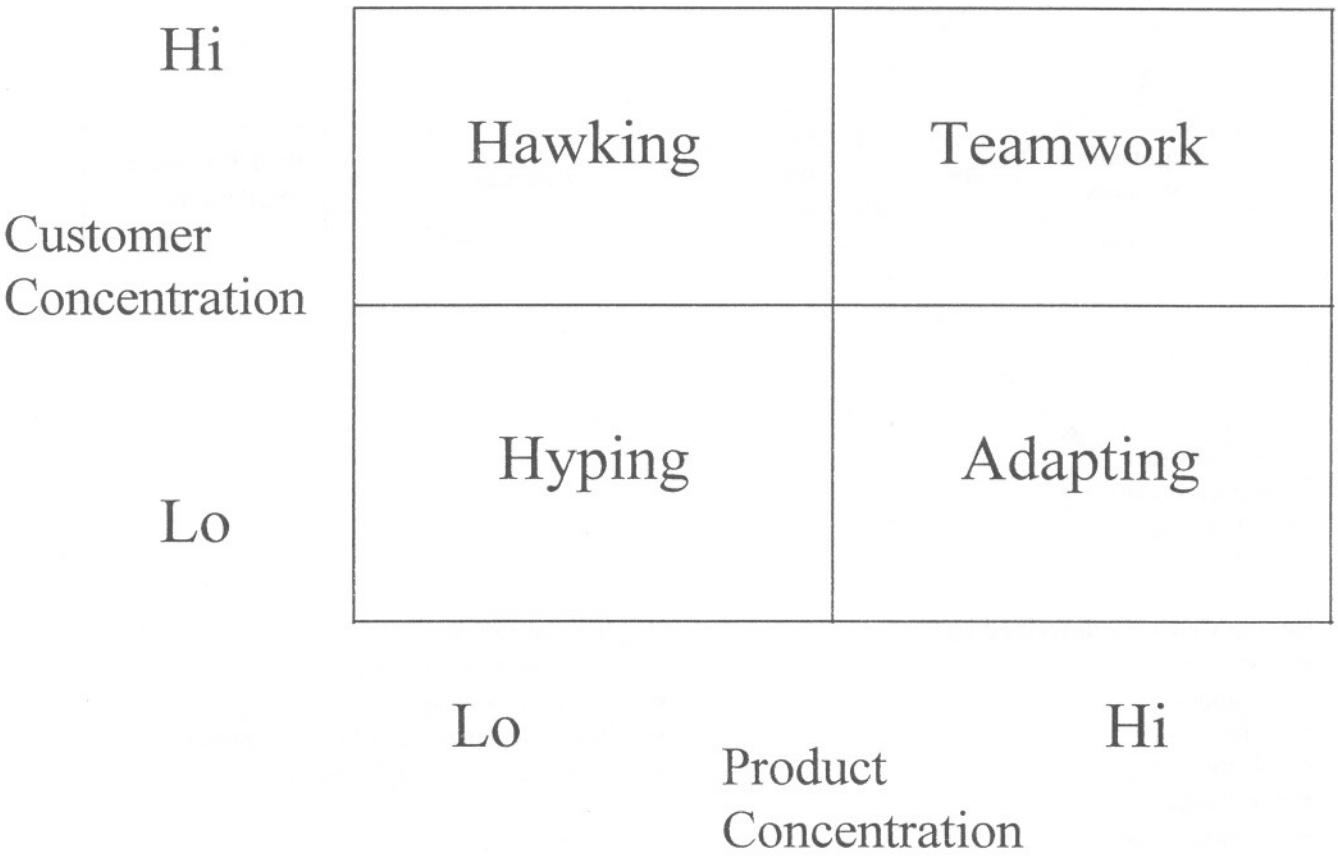
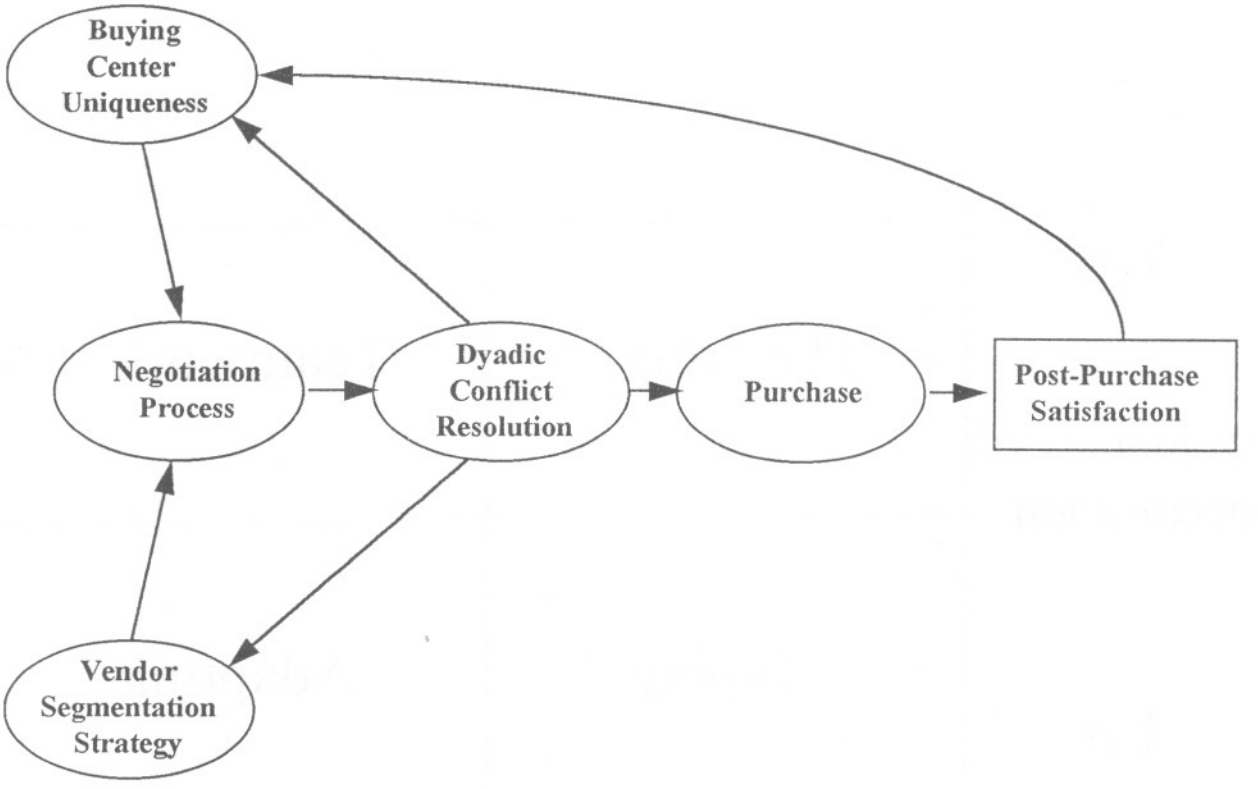


FIGURE 2
Proposed Model for Industrial Buying Behavior



Buying Center is described by:
- Novelty
- Complexity
- Importance
- Participation
- Influence
- Centralization
- Formalization
- Size
- Communication Style
- Technical Specifications
- Situational Factors

Dyadic Conflict Resolution:
- Competing
- Accommodating
- Collaborating
- Avoiding
- Compromising
- Customer Expectations
- Demographics

Negotiation Process:
- Information Requests
- Information Responses
- Buyer Dependencies (Attack-Defend)
- Marketing Concept Adoption
- Gender

Vendor Segmentation Strategy:
- Requirements-Driven
- Value-Added
- Market Concentration
- Product Customization

Power Laden ←- → *Good-Old Boy*