

buygrid framework

buy phase	new task	modified rebuy	straight rebuy
1	need recognition	○	
2	need definition	○	
3	supplier specification	○	○
4	supplier identification		○
5	proposal evaluation		○
6	order placement (contract execution)		
7	order routine selection		
8	performance review		

○ most critical phase(s) of buyclass

characteristics

author:	Robinson, Patrick, Wind, Yoram and Faris, C. W.
country:	United States
period:	1967
type:	model
role:	consultant and change agent
activity:	analyse, design, plan and implement
topic:	marketing & sales
abstr. level:	organisation
perspective:	rational
status:	under review
module:	personal selling
comments:	0

description:

In 1967, the Canadian, American and Israeli marketing researchers, Robinson, Faris and Wind, introduced the buygrid framework as a generic conceptual model for buying processes of organisations. They saw industrial buying not as single events, but as organisational decision-making processes where multiple individuals decide on a purchase. Their framework consists of a matrix of buyclasses and buyphases.

The BUYCLASSES are:

1. New Tasks

The first-time buyer seeks a wide variety of information to explore alternative purchasing solutions to his organisational problem. The greater the cost or perceived risks related to the purchase, the greater the need for information and the larger the number of participants in the buying centre.

2. Modified Rebuy

The buyer wants to replace a product the organisation uses. The decision making may involve plans to modify the product specifications, prices, terms or suppliers as when managers of the company believe that such a change will enhance quality or reduce cost. In such circumstances, the buying centre proved to require fewer participants and allow for a quicker decision process than in a new task buyclass.

3. Straight Rebuy

The buyer routinely reorders a product with no modifications. The buyer retains the supplier as long as the level of satisfaction with the delivery, quality and price is maintained. New suppliers are considered only when these conditions change. The challenge for the new supplier is to offer better conditions or draw the buyer's attention to greater benefits than in the current offering.

Based on field research, Robinson, Faris and Wind divided the buyer purchase process into eight sequential, distinct but interrelated BUYPHASES:

1. recognition of the organisational problem or need;
2. determination of the characteristics of the item and the quantity needed;
3. description of the characteristics of the item and the quantity needed;
4. search for and qualification of potential sources;
5. acquisition and analysis of proposals;
6. evaluation of the proposals and selection of suppliers;
7. selection of an order routine;
8. performance feedback and evaluation.

The most complex buying situations occur in the upper left quadrant of the buygrid matrix where the largest number of decision makers and buying influences are involved. A new task that occurs in the problem recognition phase (1) is generally the most difficult for management.

The buying process can vary from highly formalised to an approximation depending on the nature of the buying organisation, the size of the deal and the buying situation.

The relationship between the buyer and seller is initiated in phases 1 and 2. Assessing the buyer's needs and determining gaps between the current and desired situation is important. Buyers need assistance in forming realistic perceptions of both the current and the desired situation. Need gaps create the motive behind any purchase.

The relationship needs to be developed during phases 3 to 7. A sales person must be aware that a buyer not only has functional needs, but psychological, social, knowledge and situational needs as well. These components should be addressed in meetings in order to obtain commitment. The purchase can be a one-time transaction of a repetitive nature. When there are multiple deliveries, the supplier and buyer must agree on an order routine.

As buyphases are completed, the process of 'creeping commitment' occurs and reduces the likelihood of new suppliers gaining access to the buying situation.

During the performance feedback and evaluation phase, the relationship between the seller and buyer can develop into a longer term engagement. Buyer loyalty and customer satisfaction are primarily determined by the sales activities during this last phase.

assets:

 buygrid framework
ProvenModels • editor PM • version 0.2 • 44 KB

 purchase behaviour taxonomy
ProvenModels • editor PM • version 0.2 • 28 KB

 software package selection process
ProvenModels • editor PM • version 0.2 • 30 KB

pros:

- The major implication of Robinson, Faris and Wind's research is that industrial buying behaviour depends more on the buying situation than on the type of product.
- The model explains the likely interaction between buyer and seller activities given the purchase needs of an organisation. It helps sales personnel deliver the correct message at the right time. Suppliers need to fill out this matrix for their firm's specific situation. For each cell in the matrix (buy situation and buy phase), the following questions must be answered: 1. Is this combination of situation and phase relevant? 2. Which organisation members influence this purchase decision? 3. What are the used performance indicators? 4. What are the information sources?
- The buying side of the model can be used for both consumer and business related buying processes. It applies to all purchase situations.
- The model is based on the observation that buyer's expectations and behaviour change according to whether the purchase is new, a modified rebuy or a straight rebuy.
- The model can provide the basis for a formal selection process (e.g. request for information and request for proposal).
- The buygrid framework proved its worth to the scientific community as one of the few industrial marketing models.

cons:

- The organisational buying model focuses mainly on products and not on services.
- A shortcoming of the organizational buying approach is the negligence the supplier's side and the influence this party wields on the customer's organisational decision process.
- The model neglects the importance of acquisition in sales processes.

references:

- Industrial buying and creative marketing
<http://www.amazon.com/gp/product/B0006BRX3A?ie=UTF8&tag=provenmodels-20&linkCode=as2&camp=1789&creative=9325&creativeASIN=B0006BRX3A>
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