

Chapter 12: Answers to Questions for Review and Discussion

1. Compare the role of a seller in consumer markets with a seller in business-to-business markets.

The seller in consumer markets, unlike the business-to-business seller, may tend to focus more heavily on consumers' emotional needs/wants or those of the consumer's family; in business-to-business, the successful seller focuses on providing solutions for a more complex set of buyer needs or problems, in which the needs of individuals and the needs of the organization are intertwined. In consumer selling situations, the relationship between seller and customer is minimal and short duration. Seller-buyer relationships are more the norm in business-to-business selling. These relationships tend to be closer, more complex and last much longer than most seller-consumer relationships.

2. How is the repeated, ongoing relationship in business-to-business selling an advantage for both the seller and the buyer?

The repeated, on-going relationship in business-to-business selling is an advantage for both buyer and seller by establishing consistency of results to expectations, an inherent desire of the seller to do what is correct because of the larger financial considerations involved. The ongoing nature of the relationship is necessary to fully recognize the scope of needs to be satisfied – job function, organizational, and personal – of both the seller and the customer.

4. As a product moves through the Product Life Cycle, how does the nature and complexity of customer support change?

The nature and complexity of customer support change through the product life cycle because buyer needs and marketing focus are altered. At introduction and in the growth stage, buyer needs are focused on a new buy situation; this changes over time as these needs are filled by straight rebuys and/or modified rebuys during maturity, then reduced needs and greatest cost efficiencies at the end of maturity and into decline. Early in the product life cycle, service aspects of relationships will focus on customer education, product design and integration of the offering into customer's value chain. Later in the product life cycle, the service aspects will tend toward customer's cost management and integration of supply chain – not just the product – into the customer's value chain.

5. Discuss how the changes examined in Question 4 are related to technology adoption.

Referring to the Technology Adoption Life Cycle and various adopter groups, customer needs change based on the attitude toward new ideas and innovation, the degree of education necessary to correctly and productively use the new technology, the level of acceptable risk, the willingness to pay for "new" products, and so on. In business-to-business markets, the customer adoption of new and often unproven offerings will be based on the customer's intended market and its willingness to accept innovation. Higher volume markets are pragmatists, willing to accept

only a proven, complete product. Earlier adopters will require an education as to the best use of the product and are often interested in the product for its "newness."

9. Suppose you are the marketing manager for a small company marketing a new product that requires extensive collaboration with the customer before the customer will adopt it. What are the advantages and disadvantages of selling your product through manufacturer's representatives?

In a situation where extensive collaboration with the customer is required prior to adaptation, the advantages and disadvantages of selling through manufacturer representatives are as follow:

disadvantages:

- *contact to the buyer through a second party*
- *selling firm may have stronger expectations than rep firm*
- *non-exclusive focus of seller to buyer*
- *potential product knowledge problem with seller to buyer*

advantages:

- *keeps operating costs lower on a new item introduction*
- *prior on-going relationship of seller firm to buying organization*
- *Conceivably broader exposure faster in the marketplace*
- *longer-term opportunities for sale of complementary products*

10. What are the three areas of mutual needs of buyers and sellers?

- *The needs of the job function*
- *The needs of the organization*
- *The individual needs of the buyer and seller*

12. What risks must be considered when changing representation from manufacturers' representatives to a direct sales force?

The risks involved in changing sales policies from manufacturers' representatives to direct selling include an adjustment in relationships between seller and buyer, a shift from variable to fixed costs as well as greater costs for the selling organization, a possible loss of skill in understanding the buying organization's needs.