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Major Sales: Who Really Does the Buying?

by Thomas V. Bonoma

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Summary. Reprint: R0607P When is a buyer not really a buyer? How can the best product at the lowest price turn off buyers? Are there anonymous leaders who make the actual buying decisions? As these questions suggest, the reality of buying and selling is often not... **more**

You don't understand: Willy was a salesman....He don't put a bolt to a nut. He don't tell you the law or give you medicine. He's a man way out there in the blue, riding on a smile and a shoeshine. And when they start not smiling back—that's an earthquake.

—Arthur Miller, *Death of a Salesman*

~~Many companies' selling efforts are models of marketing efficiency. Account plans are carefully drawn, key accounts receive special management attention, and substantial resources are devoted to the sales process, from prospect identification to postsale service. Even such well-planned and well-executed selling strategies often fail, though, because management has an incomplete understanding of buying psychology—the human side of selling. Consider the following two examples:~~

- ~~A fast-growing maker and seller of sophisticated graphics computers had trouble selling to potentially major customers. Contrary to the industry practice of quoting high list prices and giving large discounts to users who bought in quantity, this company priced 10% to 15% lower than competitors and gave~~

~~are and what they want. On the other hand, many individuals, some of whom may be unknown to the seller, are involved in most major purchases. Even if all the parties are identified, the outcome of their interaction may be unpredictable from knowledge of them as individuals. Effective selling requires usefully combining the individual and group dynamics of buying to predict what the buying "decision-making unit" will do. For this combination to be practical, the selling company must answer four key questions.~~

Question 1: Who's in the Buying Center?

The set of roles, or social tasks, buyers can assume is the same regardless of the product or participants in the purchase decision. This set of roles can be thought of as a fixed set of behavioral pigeonholes into which different managers from different functions can be placed to aid understanding. Together, the buying managers who take on these roles can be thought of as a "buying center."[1]

The exhibit "Members of the Buying Center and Their Roles" shows six buying roles encountered in every selling situation. I have illustrated these roles using the purchase or upgrading of a telecommunications system as an example. Let's consider each triangle, representing a buying role, in turn.

Members of the Buying Center and Their Roles

Initiator

Division general manager proposes to replace the company's telecommunications system

Decider

Vice president of administration selects, with influence from others, the vendor the company will deal with and the system it will buy

Influencers

Corporate telecommunications department and the vice president of data processing have important say about which system and vendor the company will deal with

Purchaser

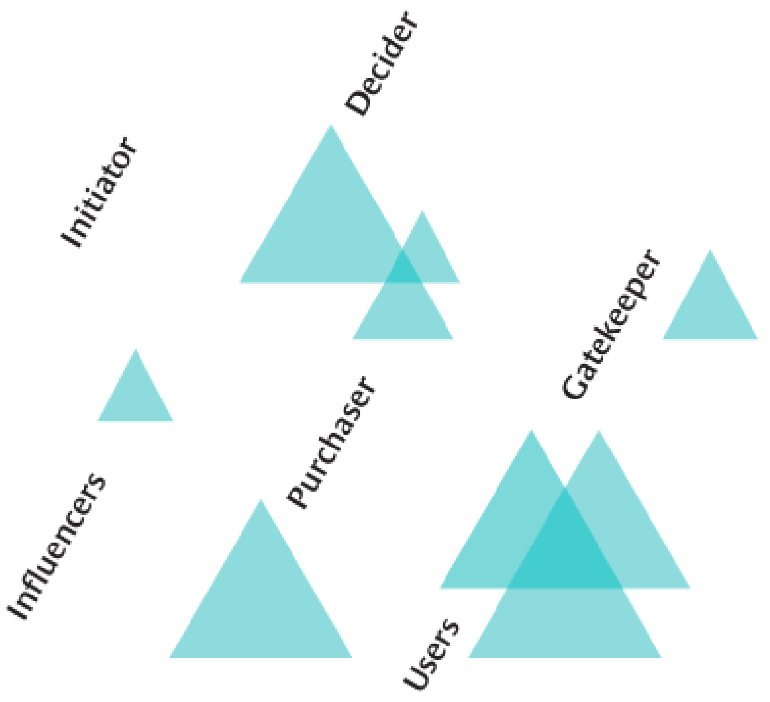
Corporate purchasing department completes the purchase to specifications by negotiating or bidding

Gatekeeper

Corporate purchasing and corporate telecommunications departments analyze the company's needs and recommend likely matches with potential vendors

Users

All division employees who use the telecommunications equipment



The *initiator* of the purchase process, whether for a jet, paper towels, or communication services, recognizes that some company problem can be solved or avoided by acquiring a product or service. A company's turboprop aircraft may provide neither the speed nor the range to get top management quickly to and from scattered operations. The prospective buyer of communications equipment may want to take advantage of technological improvements or to reduce costs through owning instead of leasing.

One or more *gatekeepers* are involved in the purchase process. These individuals, who may have the title of buyer or purchasing manager, usually act as problem or product experts. They are paid to keep up on the range of vendor offerings. In the jet example, the chief pilot will ordinarily fill this role. In the telecommunications example given in the exhibit, corporate purchasing, the corporate telecommunications staff, or, increasingly, data-processing experts may be consulted. By controlling (literally keeping the gate open or shut for) information and, sometimes, vendor access to corporate decision makers, the gatekeepers largely determine which vendors get the chance to sell. For some purchases the gatekeeping process is formalized through the use of an approved-vendors list, which constitutes a written statement of who can (and who, by absence, cannot) sell to the company.

Influencers are those who have a say in whether a purchase is made and about what is bought. The range of influencers becomes increasingly broad as major purchases are contemplated, because so many corporate resources are involved and so many people affected. In important decisions, board committees, stockholders of a public company, and even "lowly" mechanics can become influencers. One mining-machinery company encountered difficulty selling a new type of machine to its underground-mining customers. It turned out that mine maintenance personnel, who influenced the buying decision, resisted the purchase because they would have to learn to fix the new machine and maintain another stock of spare parts.

The *deciders* are those who say yes or no to the contemplated purchase. Often with major purchases, many of a company's senior managers act together to carry out the decider role. Ordinarily, however, one of these will become champion or advocate of the contemplated purchase and move it to completion. Without such a champion, many purchases would never be made. It is important to point out that deciders often do not sign off on purchases, nor do they make them. That is left to others. Though signers often represent themselves as deciders, such representation can be deceptive. It is possible for a vendor with a poor feel for the buying center never to become aware of the real movers in the buying company.

The purchase of executive computer workstations clearly illustrates both the importance of the champion and the behind-the-scenes role of the decider. A high-level executive who has become interested in using computers at his or her job after reading a magazine article or after tinkering with a home computer might decide to try out microcomputers or time-sharing terminals. The executive might then ask the company's data-processing group—which is likely to be quite resistant and averse to executive meddling—to evaluate available microcomputer equipment. When trial purchases are made, the high-level executive will quietly help steer the system through the proper channels leading to acceptance and further purchases. The vendor, dealing directly with the data-processing people, may never be aware that this decider exists.

The *purchaser* and the *user* are those concerned, respectively, with obtaining and consuming the product or service. The corporate purchasing department usually fills the purchaser role. Who fills the user role depends on the product or service.

Remember that I am discussing social roles, not individuals or groups of individuals. As such, the number of managers filling the buying roles varies from one to 35. In very trivial situations, such as a manager's purchase of a pocket calculator on a business trip, one person will fill all six roles. The triangles in the exhibit would overlap: the manager initiates (perceives a need), "gatekeeps" (what brand did I forget at home?), influences himself or herself (this is more than I need, but it's only $39.95), decides, buys, and uses the equipment.

In more important buying situations, the number of managers assuming roles increases. In a study of 62 capital equipment and service acquisitions in 31 companies, Wesley J. Johnston and I quantified the buying center.[2] In the typical capital equipment purchase, an average of four departments (engineering and purchasing were always included), three levels of management hierarchy (for example, manager, regional manager, vice president), and seven different persons filled the six buying roles. For services, the corresponding numbers were four departments, two levels of management, and five managers. As might be expected, the more complex and involved the buying decision, the larger the decision unit and the more careful its decisions. For example, when packing supplies were ordered, little vendor searching or postsale evaluation was involved. When a new boiler was bought, careful vendor comparisons and postsale audits were undertaken.

~~Question 2: Who Are the Powerful Buyers?~~