# B2B Marketing

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<thead>
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## Sessions & Reference

<table>
<thead>
<tr>
<th><strong>No of Sessions</strong></th>
<th>15 (two hour each)</th>
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<tbody>
<tr>
<td><strong>Text Book</strong></td>
<td>Business Marketing Management, Michael D. Hutt, Cengage Learning, India.</td>
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<tr>
<td><strong>Cases</strong></td>
<td>Schindler Elevators</td>
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<td>JWS Computers Pricing Strategy</td>
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# Evaluation

<table>
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<tr>
<th>Assignment</th>
<th>Mid Sem</th>
<th>End Term</th>
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<tbody>
<tr>
<td>• 20% (Project)</td>
<td>• 30%</td>
<td>• 40%</td>
</tr>
<tr>
<td>• 10% (case)</td>
<td>• Objective + Subjective</td>
<td>• Closed Book-Case based</td>
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Chapter Topics:

By the end of this chapter you will understand:

1. The dynamic nature of the business marketing environment and the basic similarities and differences between consumer-goods and business marketing
2. The underlying factors that influence the demand for products and services bought by business and organizational customers
3. The nature of buyer–seller relationships in a product’s supply chain
4. The types of customers in B2B markets
5. The basic characteristics of industrial products and services
Business Marketing

- “Business Marketing” or “Industrial Marketing” are used interchangeably.

- Because of interest in high-tech markets and the size of industrial markets, increased attention is being paid to business marketing management.
Business Markets

- Are markets for products and services from local to international

Bought by:
- Businesses
- Government bodies
- Institutions

For:
- Incorporation
- Consumption
- Use
- Resale
What Are Business Products?

- Used to manufacture other products
- Become part of another product
- Aid in the normal operations of an organization
- Are acquired for resale without change in form
- A product purchased for personal use is considered a consumer good

Key is the product’s intended use
Business to Business (B2B) Marketing is Huge

1. Business marketers serve the largest markets of all.

2. Dollar volume of the business market greatly exceeds the consumer market.

3. A single customer can account for enormous levels of purchasing activity. (For example, GM’s 1,350 business buyers each purchase more than $50 million annually.)
The Consumer Market (B2C) and the Business Market (B2B) at Dell, Inc.

**Customers:**
- B2C: Individuals & Households
- B2B: Businesses
  - Global
  - Large corporations
  - Small & Medium sized businesses
  - Institutions
    - Healthcare
    - Education
  - Government
    - Federal
    - State
    - Local

**Selected Products:**
- B2C: PCs, Printers, Consumer Electronics, Simple Service Agreements
- B2B: PCs, Enterprise Storage, Servers, Complex Service Offerings
Categories of Business Market Customers

- Producers
  - OEMs
  - Commercial
- Resellers
  - Wholesalers
  - Retailers
- Governments
  - Municipality
  - State
- Institutions
  - Unions
  - Foundations
  - Civic clubs
  - Nonprofits
  - Churches
  - Other
Business Marketers vs. Consumer-Goods Marketers

- Similarly:
  - Both marketers benefit by employing a *market orientation*, i.e.:
    - They need to understand and satisfy customer needs
    - They are both market driven
MARKET-DRIVEN FIRMS DEMONSTRATE...

1. A set of values and beliefs that places customers’ interests first
2. An ability to generate, disseminate, and productively use superior information about customers and competitors
3. The coordinated use of interfunctional resources (e.g., research and development, manufacturing)
Market-Driven Firms

Have distinctive capabilities:

*Market sensing capability:* A company’s ability to sense change and to anticipate customer responses

*Customer linking:* The ability to develop and manage close customer relationships
Market-Driven Companies

View their customer as an asset, thus:

1. Marketing expenditures, once considered expenses, are now considered investments.

2. Therefore, marketers need to measure performance such as ROI on their investments.
Meeting Performance Standards means to:

Develop and nurture customer relationship management (CRM) capabilities by:

a. Identifying,
b. Initiating,
c. Developing,
d. and Maintaining profitable customer relationships.
PROFESSIONAL MARKETING MANAGERS

- Employ Customer Relations Management (CRM) tools for:
  
  - Identifying and categorizing customer segments
  - Determining customer’s present and potential needs
  - Visiting customers to learn about applications of products
  - Developing and executing individual components of marketing to include:
    - Sales, advertising, promotions, service programs, etc.