

## APPLICATION OF MARKETING MIX STRATEGIES IN B2B & B2C AREA FOR BUSINESS SUCCESSION

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### **Abstract**

Companies that are doing affairs in business-to –business fields has to adapt marketing mix variables in order to succeed. Trying to build a long term relationship with the client, companies acting in this area are using specific characteristics for the 4 ‘p’.

- Product is more a solution defines as a precise response to the client need.
- Price becomes an important variable when brands are technologically equal.
- Promotion differs from a client to another & has the best results when the characteristics of the client are well known.
- Placement in B2B & B2C area, distribution is mostly done direct or through mediator. In B2B area , adopting the marketing mix to the characteristics of the field has the decisive role to create long term partnership with companies clients & in fact, creating the favorable field for suitable development.

**Keywords** – personalized selling process, one-to-one approach, B2B marketing mix.

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## Introduction-

In business-to-business arena, companies are trying to establish long term relationship with their clients although they have less variables "to juggle with" than companies in business-to-consumer( B2C ) field. In B2B, companies are clinging with their partners through a unique marketing mix, based on one-to-one selling.

The 4 classical "P" from marketing mix are having specific characteristics first of all because the client is different; it's no more about a person with all kinds of needs and wishes. It's about a company which buys another company product; the client is represented by a buying decision centre whose decisions has to respond company established level of profit and other economical indicators.

### A. Product

In B2B arena, the offer isn't made from products in the common sense of this concept; products in business-to-business area are products that help giving birth to another products. It's all about technology and almost in any case is about a product accompanied by a service or a multitude of services.

Products tend to be more customized and less standardized. Some industrial products are completely made to order; other are partly standardized with options available depending on the customer's specification.

The product sought is generally well defined by the customer who knows what is wanted specifications are clearly defined and the supplier has little room for manoeuvrings. Industrial products enter into the manufacturing process of the industrial customer and thus have a strategic, if not vital, importance<sup>1</sup>. Industrial products often have a very large number of different uses, unlike consumer goods which are almost inevitably for a specific use.

On another hand, rather than products, the B2B buyers want to receive accurate information that will help them in their own business. They like information on new goods and services, and tips on potential price changes, supply shortages and other changes in market conditions.

Product is more the solution offered by the selling force. If there are more products that "fight" in order to get in buyer arms, the buyer will choose the product which is better sold and whose services are more qualitative and quantitative.

Looking to business-to-business product and comparing with consumer product, there are some significant differences (see table 1):

**Table 1.** Product in B2B and product in B2C

Item	Products on business-to consumer market	Products on business-to-business market
The importance of product strategies in comparison with other marketing mix elements	The product is very important, but in many cases price and promotion have more impact on the	The product is the most important element in almost all cases because the technology it's what makes the company stays on the market. The industrial demand is derived demand, expressed
The demand	consumer. Direct	by an organization which uses the products purchased in its own manufacturing process in order to meet the demand of other organization
The buyer/consumer	In most cases, it is the same buyer/consumer	or the demand of the end-user.
Product life cycle	Shorter than in business area As a rule, not	It is different. Every time, business-to-business seller has to deal with another buyer, who has
New products - percentage of success	more than 20%	his own way in taking the decision Longer than in consumer area Between 40% and 60%
Products characteristics	The consumer has a larger palette of characteristics in order	The consumer has some established characteristics that must be taken into account
Services	to choose those who respond to his needs.	when buying. Things are not happening in the way the buyer feels in a certain moment, but in

On business-to-business market, companies that sell and companies that buy, are all around the product; and the products leaves his traditional field and has a new formula: Product = technology + specificities (seller mark) + services

**B. Price**

Price is a "sensitive" variable in business-to-consumer field and it keeps a grade of sensibility in B2B arena, too. The difference in B2B zone is that price does not refer only to the amount paid for a certain product, but he gathers other important elements too. For example, in this variable, there can be included:

the price that must be paid in order to take the possession of the product; the price is fixed by the seller taking into account his own costs, his established profit, his potential risks involved by the acquisition, and so on.

The discount that sometimes make the product more attractive for the buyer. When the competition is very close in technology or is similar, a discount (mostly in cash) can assure winning the selling process.

The guarantees are part of the price, too; taking into account that in business-to-business area are being sold mostly products of important values, offering a complex guarantee makes the product more wanted by the potential buyer.

The services, including here transportation, installation and consultancy means a great advantage for the buyer; these kinds of benefits are part of the final price for the potential client.

Prices tend to be quoted for individual orders and therefore less uniform. Customised products need separate prices and an organisation's purchasing power for more standardised products influences pricing levels".

Looking to business-to-business price and comparing with consumer price, there are some significant differences (see table 2):

**Table 2.** Price in B2B and price in B2C

Item	Price on business-to-Consumer market	Price on business-to- business market
The importance of price strategies price	Very important; sometimes price is the variable that decides buying a product instead of another product.	It depends very much on the nature of the products; sometimes price is decisively, but in other cases, price is just a variable with no impact on the business result. In most cases, the demand has no elasticity; there is no direct connection between the level of the demand and price.
Demand elasticity	Depending on the nature of the product, the elasticity can be high or low.	
Price negotiation	With some little exceptions, the price cannot be negotiate; the price is fixed and the product is being sell at the	Price negotiation is part of negotiation process; the contract will contain a special part where fixed and the product is the price is mentioned and, in addition, the conditions of
Starting Price		

Although business-to-business area is considered a more "rigid" zone, regarding the price, there is flexibility. When technical characteristics of two or more competitive products are similar, companies are trying to achieve their objectives through using in their favour the price (the buyer wants to obtain a less expensive product and in the same time, the seller wants to end the selling process with more money in his pocket)

### C. Promotion

In our society, communication is a "must"; people cannot survive without communicating one with each other. In marketing's field, communication is a "must" too. A company cannot achieve its objectives regarding profits and sales volumes without "selling" its image and "telling stories" about its products and services; without achieving these objectives, its' existence on the market is a non-sense.

On B2B market, "communication represents an ensemble of specific methods and techniques, through which a company tries to influence effective and potential clients' behaviour, in order to obtain great profits for a long period of time"<sup>3</sup>.

In this field communications' activities have unique nuances:

#### a) Advertising and publicity

Taking into account that in B2B field the company doesn't sell anymore to a large segment of public, advertising activity separates completely or almost completely from what advertising means in B2C area. Mediums as TV, radio, newspapers and so on are useless and rarely used. The advertising is targeted, the public being aim especially through specialty publications and direct publicity.

In B2B arena, the actors are much more specialised; mostly, it's about business people whose focus is on their industry, on the news that appears in their products and services area. Because of this, the company that advertise prefers to do it in publications that interests their targeted market.

Many are using personalised actions, too. These personalised actions, included in direct publicity zone, are creating un interactive marketing system meant to return an measurable answer or a transaction in a certain place. Between the company and its clients, there is nobody; the message is send through direct mail - catalogues, business letters, brochures and so on and direct e-mail, without media help. But direct mail is ineffective if used in a vacuum. It must be integrated with mediums such as direct response, telemarketing and web experiences.

Choosing the methods of advertising is one issue that B2B Company has to deal, but not the only one. There is another big dilemma too: the "tone of voice" of B2B advertising.

Many companies deliver to business customers, technical advertising in which technology is the major benefit put in front: no trace of emotional aspects; it's all about selling a good technology at a good price.

Summarising the above, when talking about B2B advertising, there can be imagine a rope which is drag by some companies in emotional field and by other companies in rational zone; and, in the same time, it is drag either through traditional methods or virtual ones or both.

#### b) **Personal Selling**

Personal Selling represents the "spine" of B2B marketing. Some of the experts from the field consider that in B2B the crucial role in materializing or not the business occasions it belongs to selling force.

Indeed, the other elements of communicational mix help in delivering company's image, in talking about its products and services, but all it is happening at a superficial level and return a imitate replay. Starting with advertising and finishing even with websites and the best sales promotions, all communicational tools need help from selling force in order to produce a change in company's profits.

What it's specific in personal selling is that there is very little segmentation and the approach differs, in most cases, from company to company and not from a segment to another; the strategy used is one-to-one selling

#### c) **Sales promotion**

Sales promotion has less nuances in business-to-business field.

In case of "easy to sell" products , the first place in sales promotion field, is taken by price reductions; offering coupons in order to be reimbursed is another technique used both in B2B and B2C fields.

In case of complex products whose selling process is longer and harder, the sales techniques described above aren't so attractive for B2B actors involved. Depending on the field in which the company acts, the most used sales promotions are:

- Gifts and promotional packages offered to sales force,
- Various schemes are offered by the manufacturer as well as from suppliers.

programmes based on accumulation of a number of points it's a technique mostly used in B2C area, but with good results in B2B arena too.

Included by some experts in sales promotion category, expositions and tradeshows are very used communications' tactics, too; they contribute in meeting face-to-face with B2B customers and helps building a relationship.

**D. Distribution**

Placing products into business-to-business markets is more likely to involve a shorter chain of intermediaries or no intermediaries at all. A producer needs to keep direct control of marketing channels if customised products are personally sold and individually priced.

Looking to business-to-business distribution and comparing with consumer distribution, there are some significant differences (see table 3):

**Table 3.** Distribution in B2B and distribution in B2C

Item	Distribution on business-to-Consumer market	Distribution on business-to-business
The importance of distribution strategies	High because of some distributors prestige	Very high because the implications on price
the control of Distribution process	It belongs to the producers and to some powerful retailers	Almost in all cases belongs to the producer
Channel length	Long channels	Short channels
Direct distribution percentage	Under 20% from all the products amount	Over 75% from products amount
Intermediaries	Very many specialised intermediaries	All the intermediaries specialised

There are often significant benefits of a close working relationship between a supplier and a customer firm. A short channel of distribution has the advantage of transforming the relationship between a supplier and a customer in a very profitable partnership.

In business marketing the interaction between buyers, sellers and other stakeholders is of major significance. Taking into account the classical elements of marketing mix, the most important in B2B field are 2 variables: product and promotion; there is a simplest explication:

the product is complex and must be communicate in a clear manner to a specific client. So the only approach can be one-to-one.

### Conclusion –

Product , Price , Place and Promotion constitute the 4P'S of marketing mix. The strategic decisions taken by marketers on these elements of the marketing mix ,decide the commercial fate of the product brands involved , right price through pricing research and by adopting the test market technique , develop a strong bond of channel of distribution between manufacturer to the customer and applying effective promotional strategies , marketing mix could become more effective

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