Business-to-consumer and business-to-business relationships

Life, Relationships

The business-to-consumer type of relationship is considered as “ economic transactions conducted between individual consumers and organizations” (van Slyke, Belanger, & Comunale, 2004). There are several differences between this type of marketplace, the business-to-consumer (B2C), and its other counterpart, the business-to-business (B2B) marketplace. It has its corresponding impact to Cavalier Products that needs to be considered before venturing into this type of business relationship. As mentioned earlier, there are differences between the B2B and B2C type of relationship along several lines.

First, the clients of the two are different where in the B2B, it is businesses or organizations and in B2C markets, the clients are individual consumers (Wright, 2006). Approach towards these two types of clients is different where in the former, buying behavior is considered to be more rational and in the latter, it is influenced by biases and personal preferences (Wright, 2006). The approach in terms of marketing and the selling strategy would be different when dealing with these two types of clients.

Second, the volume of sales is entirely different for that of the B2B and B2C business types. It is known that the sales, and consequently the profit derived, is far greater in the transactions that arise from the B2B as compared to the B2C because of the differences in the demand (Moore, Petty, Palich, & Longnecker, 2008). The demand for the B2B is far greater because of the larger needs of the organizations as compared to individual customers who would not consume as much as what businesses consumer.

This is especially true for the office equipment and materials where there is a greater amount needed for such in an office than for an individual consumer. It also takes a longer time for the individual consumers to consume a specific quantity compared to the businesses who would consume more at a faster rate. However, it remains that both of these lead to profits for the company but with corresponding business risks. It is best to conduct an initial study regarding the profitability of a B2C business endeavor through simulation and projection.

There are several means through which this could be done without incurring significant losses. From a personal standpoint, there is a feasibility of such but the problem lies mainly with the delivery of goods especially for distant areas which require long transportation and careful handling for the equipment. This is especially true for purchases made for small quantities only and would require a large cost for handling and shipping.

This requires additional distribution centers in the region where the company intends to launch its B2C business. There should be safety nets installed in order to prevent losses and failures when it comes to the inability of the company to meet the demands of the customer as expected because this would also affect the image it has in its B2B relationships. There should also be a thorough understanding of the company’s capabilities in meeting the volume of demand from both the B2B and B2C clients.

When there are sufficient clients, it is deemed better to sell to businesses because of the continuous demand for the products and the volume required by these organizations. It is significantly large for the company and would save on shipping and handling. A B2B relationship would also be easier to handle because the clients are lesser, compared to a B2C market, and would make marketing easier to formulate and implement. Thus, it has been shown that there are differences and similarities in B2B and B2C markets, which primarily lie on the volume and nature of clients.

These are important considerations when venturing into any of the two markets in order to maintain the reputation of the company. References Moore, C. , Petty, J. W. , Palich, L. , & Longnecker, J. (2008). Managing small business: An entrepreneurial emphasis (14th Ed.). Mason, OH: South-Western Cengage Learning. van Slyke, C. , Belanger, F. , & Comunale, C. (2004). Factors influencing the adoption of web-based hopping: The impact of trust. ACM SIGMIS Database, 35(2), 32-49. Wright, R. 92006). Consumer behavior. London, UK: Thomson Learning.