

B2b marketing



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Business-to-Business (B2B) Marketing How does business market management differ from consumer packaged-goods marketing? Business-to-Business (B2B) marketing takes place between businesses in contrast with consumer marketing which businesses conduct to attract individual consumers. Thus, in B2B marketing, both parties are profit motivated whereas consumer packaged-goods are designed to be consumed for personal use. Strictly, the other business may also ‘consume’ the good in a sense but the goods are usually used in a process, which may eventually lead to further marketing later on. For example, a manufacturer could obtain parts from another businesses, and then sell the completed products later on to consumers. Thus, B2B marketing precedes what might later lead to a consumer packaged-goods marketing.

These then constitutes the most fundamental differences between the two types of marketing. However, as far as the business conducting the marketing is concerned, the purpose of both is similar in that both are usually designed to support the company’s sales strategy. More such differences can be highlighted when we consider the nature of the markets, the buying processes, relationships between the buyer and seller, the marketing environment, and the overall marketing strategy. Although much of the theories principles of marketing are similar, the two contexts differ in which the theories and principles are applied.

In B2B, the important characteristics to be acquainted with are business buying behaviour rather than consumer buying behaviour. Moreover, the need in B2B is to deliver a ‘value proposition’ considering the goals of the other business. Consumers or households usually only have simple such ‘goals’, but for a business, purchasing takes on a more structured and

strategic objective. Therefore, extra components must be considered in B2B such as how businesses evaluate 'value propositions' and suppliers, employ business purchasing decision processes, assess environmental variables, and so on. Some consumers for packaged goods may exhibit a degree of similar technicality but on the whole consumer behaviour is very much different from analytical business behaviour. Besides, depending on the packaged good, consumers are unlikely to be buying the same product repeatedly or in bulk.

In addition, there is a greater possibility that in B2B marketing, the two businesses could be collaborating or even have a strategic alliance. This also makes the negotiation process more personal. The other business might have specific technical or design needs, which it would seek to acquire through a close relationship with its supplier. This could make it necessary for the brands of both businesses to be aligned closely as well. Consumer packaged goods on the other hand are generally designed for fulfilling the needs of several consumers or large demographic groups simultaneously without having adapted characteristics. Consequently, it would also be less likely for consumers to have to pay premiums for the packaged goods.

The table below summarises important distinguishing characteristics between B2B and consumer goods marketing.

Typical Differences

Consumer packaged goods marketing (B2C)

Business-to-Business Marketing (B2B)

Parties involved

BUSINESS TO INDIVIDUAL CONSUMER OR HOUSEHOLD

BUSINESS TO ANOTHER BUSINESS

Target group

Large demographic groups

Specific market segment or businesses

Nature of parties

Only business is profit motivated

Both are likely to be profit motivated

Dictated by

Consumer buying behaviour

Business buying behaviour

Relationship

Less likely to be collaborative

More likely to be collaborative

Buying characteristics

Less analytical

More analytical

Negotiation process

Generally impersonal

More personal

Branding

Only the business products are branded

Alignment of both brands may be necessary

Pricing

Product is less likely to have a price premium

Product more likely to have a price premium