

MARKETING 317 - W15

Business Marketing Class Notes

BUSINESS MARKETING DEFINED

- **Business markets**

- All organizations that purchase goods and services to use in the creation of their own goods and services.
- B2B Segmentation
 - **No Resellers**

- **Business marketing**

- The process of matching and combining the capabilities of the supplier with the desired outcomes of the customer
- To create value for the “customer’s customer.”

BUSINESS MARKETING

- **Non-consumer**
- **Fewer customers**
- **Relationship focus**
- **Demand differences**



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BUSINESSES IN A B2B MARKET

- **Producers:** for production of other goods and services
- **Resellers:** for reselling, renting, or leasing
 - **Not to be used in case analysis B2B segments**
- **Governments:**
 - Largest single business or organization market in Canada
- **Not-for-profit institutions:** Hospitals, churches, colleges, etc.

B2B BUYING CENTRE

Role	Potential Player	Responsibility
Initiator	Production employees, sales manager	Recognizes need to met, communicate the need
User	Almost anyone	The ultimate user of the product/service
Gatekeeper	Buyer, secretary	Controls information flow
Influencer	Engineers, technical specialists	Gives advice, shares expertise
Decider	Purchasing agent, managers, CEO	Makes the final purchase decision
Buyer	Purchasing agent	Executes the purchase decision

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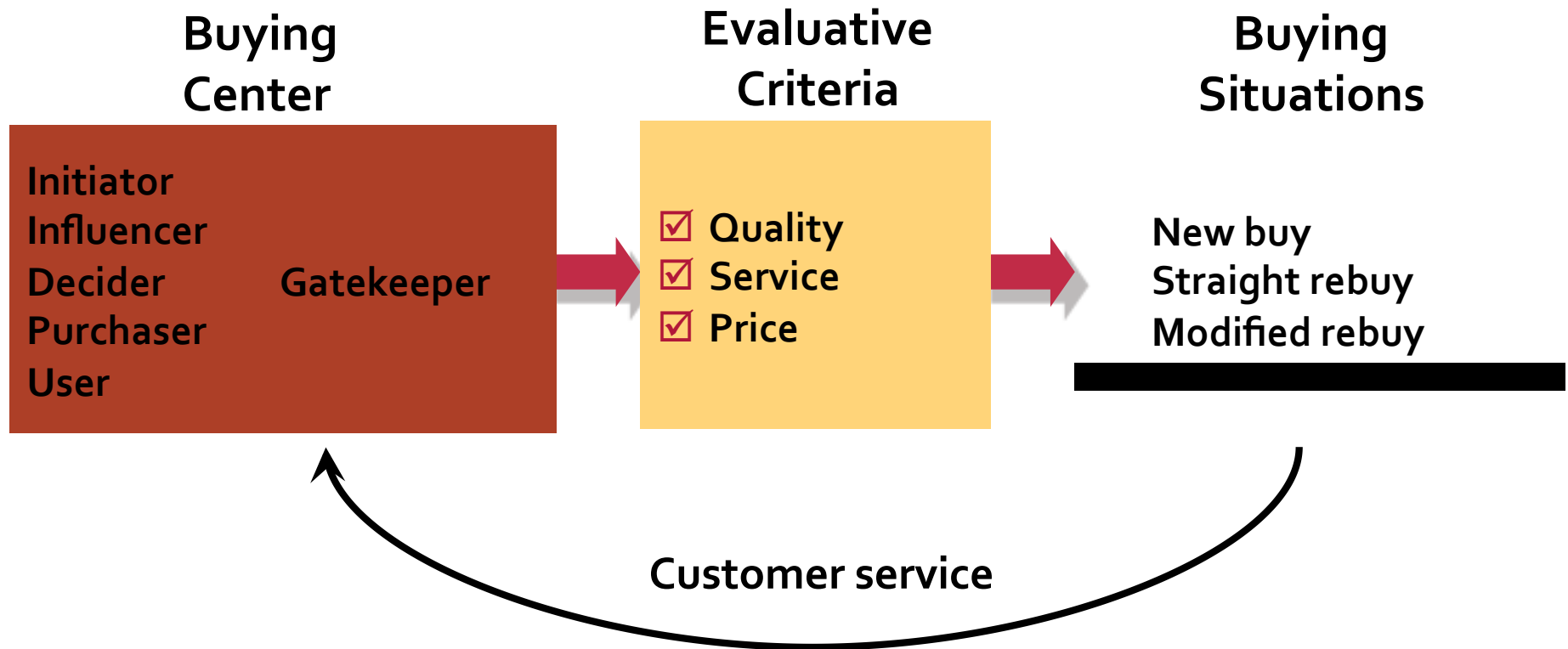
FOUR STEPS TO SUCCESS IN B2B

- 1. Identify customers; know them in as much detail as possible.**
- 2. Differentiate customers by their needs and value to the company.**
- 3. Interact with customers; find ways to improve the interaction.**
- 4. Customize some aspect of the products you offer each customer.**

BUYING SITUATIONS

- **Straight Rebuy**
 - Recurring purchase, customer re-orders a product that satisfies a need
 - Marketers strive for this relationship
- **Modified Rebuy**
 - Purchaser looking to re-evaluate situation
 - Often will look externally for solutions
 - Often due to an issue with current supplier
- **New Task Buy**
 - First time/unique purchase that requires effort
 - Must consider many alternatives and vendors

BUSINESS BUYING BEHAVIOUR



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B2B SEGMENTS

- **Title**
- **Geographic**
 - Location of businesses
- **Demographics**
 - Organizational characteristics
 - Industry, size of firm, number of employees, products, etc.
- **Psychographics**
 - Industrial beliefs, values, orientation of the firm
 - What is the motivation to buy?
- **Behavioural**
 - Benefits derived from the product
 - Related to the motivation
 - Usage
 - What they are using it for?
 - New Task Buy, Modified Rebuy, Straight Rebuy

No Resellers !!!