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Industrial marketing (B2B)

Origin and history:

Historically, the marketing discipline made a distinction between industrial marketing and consumer goods marketing. During the 1980s, businesses shifted from industrial marketing to business marketing. Within a decade, the term business marketing had largely displaced industrial marketing. By the late 1990s, the term, B2B marketing, came into widespread use.

Definition of industrial marketing:

Industrial marketing or (business-to-business marketing) is the marketing of goods and services by one business to another, Industrial goods are those an industry of uses to produce an end product from one or more raw materials. The term, industrial marketing has largely been replaced by the term B2B marketing (i.e. business to business marketing).

Industrial marketing or business-to-business marketing in its simplest form is the marketing of goods and services from one business to another. Think advertising between buyers, suppliers, B2B marketing differs in many ways from business-to-consumer (B2C) marketing, which focuses largely on selling goods directly to consumers.

A key difference that makes industrial marketing unique is the average length of sales cycles. Typically, industrial marketing and sales involve large orders and the relationships between buyers and suppliers are more long-term, so the sales process can take many months or even years. However, having a digital presence can surely boost your marketing efforts, and more quickly end up on your prospects shortlists.

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Consider industrial marketing defined as:

- * a profit-seeking or budget-constrained organization(business, institution, or government) that wants help in achieving its goals through the sales of goods and services.
- * the marketing of goods and services to industrial and institutional customers.
- * the contest to get people's attention.

In reviewing these definitions, what becomes evident is that they all fall short. Modern industrial is more than just marketing goods and services to customers or the effort to get someone to buy products and services.

Industrial marketing is knowing customers and their problems. Innovating to those problems, and communicating those innovations in a way that creates real and perceived value for a carefully defined target market. Profit is a reward for manufacturing a satisfied customer, Because of this, marketing must be more than just a separate business function, or “ things we do to get to the sale.”

Who Uses Industrial Marketing?

Many companies create and market products that have little to no application on the level of the individual customer, so their only clients will be other businesses. A company that makes large-scale manufacturing machinery, for example, is either unlikely or unable to sell that machinery to private individuals because those customers are unlikely to be able to afford it or won't need equipment of such size. The machinery would have to be sold to another business that has both the resources and need to produce large quantities of their own product, Such as a mass-

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market toy factory that needs to create one million units of the same toy each Year.

Many consumer product companies develop special marketing divisions specifically for B2B clients. Furniture manufacturers often do this, opening up their tables, chairs, and couches to businesses that may want them for their corporate offices.

This typically happens when the manufacturer's business grows to a large enough scale to accommodate larger orders. Service providers also occasionally expand to industrial clients to take advantage of more lucrative contracts. A legal practice specializing in contract law, for instance, could expand its scope from representing only individuals to helping businesses develop their own contracts.

The Industrial Marketing Process:

The first step in developing an industrial marketing plan is the same as developing any kind of marketing plan:

identify the customer.

The producer must understand what kinds of businesses would benefit from the product, This creates a foundation and focus for the rest of the marketing plan.

Next. the producer needs to tailor their introduction to prospective clients.

Though old-fashioned.

face-to-face networking is alive and well in the business-to-business world, it is increasingly important to have a strong online presence,

Potential clients will always research a company before negotiating a sale of its product.

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A website with detailed but not overly specific content about the company and its products serves as a great introduction.

Strategies For Industrial B2B Marketing

Marketing and sales for industrial B2B companies have changed significantly during the past few years. The market has become more saturated while technological advance means you're not only competing with manufacturers in your vicinity but also from all over the world.

Not to mention, the new generation of B2B buyers are "digital natives" — meaning they grew up fully online. B2B manufacturers need to beef up their online presence if they want to be relevant to this increasingly important segment.

Gone are the days when industrial B2B marketing means simply attending trade shows and handing out brochures, or taking out a few print ads in trade publications.

The Internet has turned industrial B2B marketing into a 24/7/365 endeavor. If you aren't showing up where your customers are, your competitors will.

Establishing a solid online presence is more than posting a few things on social media once in a while. You need a strategic approach to market your business, and here's what you need to do:

1. Establish a Unique Positioning

First and foremost, you need a clear picture of the ideal customers you want to target. This information will help you determine the strategy, tactics, messaging, and promotional channels for your marketing efforts.

Start by creating a series of buyer persona to get insights into your customers' goals, pain points, thought processes, and motivations.

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Understand where they obtain their information, how they conduct their research. and what kind of content appeals to them.

Then, map their needs and challenges to your products and how your company can deliver added value, so you can craft messaging that communicates your relevance to set you apart from your competitors.

Since the B2B purchasing process often involves multiple stakeholders, you have to go through this process for each persona to make sure you're delivering the right message at the right time and in the right place for each decision-maker or influencer in the organization.

Having these buyer personas allows you to leverage the specificity made possible by online advertising (e.g. PPC or Facebook ads) so you can better target your marketing budget and increase the ROI of the strategies listed in the rest of this article.

2. Use Video In Your Marketing

Manufacturers have found YouTube to be a very effective social media platform for marketing and promotion.

As videos are gaining more prominence as a content format and many social media platforms are supporting (and even prioritizing) video content, it's no longer a medium you can afford to ignore.

Leverage video's strength to communicate with your audience by delivering a unique experience, helping them solve a problem, creating personal and emotional connections, and sharing timely insights.

3. Increase Your Digital Paid Advertising Budget

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In a study, search engine marketing ranked highest among paid marketing options in terms of efficacy at 52% while promoted social media posts come in second at 39%.

The trend of using paid advertising — whether it's Pay-Per-Click (PPC) ads on search engines, social media ads or promoted social media posts — will keep climbing.

Most industrial B2B marketers target a very specific audience and paid digital advertising allows you to reach your specific market segment based on a variety of criteria so you can optimize the ROI of your marketing dollars.

4. Use Content Marketing To Support Customer Journey

94% of B2B buyers say they conduct some form of online research before purchasing a business product while 80% of business decision-makers prefer to get company information from a series of articles rather than an advertisement.

Content marketing is an essential strategy to help you get in front of your target audience early on in their research and purchasing process while building trust and communicating your relevance.

Content marketing helps you increase brand awareness and drive new prospects to your website can also take your prospects from the awareness stage all the way to the purchasing stage in their customer journey.

A well-designed content strategy allows you to capture leads, nurture relationships, build trust, help prospects align all decision-makers in their organizations, and eventually lead to sales.

5. Build a Robust eCommerce Website Platform

All the advertising and content marketing efforts are for naught if your audience clicks through to your website but unable to continue with the research or purchasing process.

A Forrester research has found that 59% of B2B buyers prefer not to interact with a sales rep and 74% find buying from a website more convenient.

It's imperative that your online presence is supported by a full-featured eCommerce website so you can turn traffic into sales, and sales into recurring orders, by offering a seamless user experience.

The age of digital marketing has posed some challenges and also opened up many opportunities for industrial B2B marketers.

Features and importance of industrial marketing

Therefore, industrial marketers face many distinctive marketing situations not normally encountered in the consumer market. Further, the industrial market has been the back bone of the high standard of living enjoyed by consumers in past or since the industrial revolution at global level. It is dynamic growth and development. As and when the principles, knowledge, and practice of marketing cut across all industries, to market than it becomes compulsory for the policy makers to study the industrial marketing differently and to understand the industrial marketing problems.

Industrial marketing is the marketing of goods and services from one business to another.

industrial marketing is also known as ' B2B (business to business) marketing.

Why study industrial marketing ?

Unquestionably, employment opportunities for college graduates are quite broad. So why study industrial marketing ? The heart of that question lies in the observation that, while many industrial executive saw increased marketing competency as the key priority for the 1980s , they recognize that the “ Historical weakness in their firms” has been the lack of marketing orientation. Which has resulted in

- * A failure to provide proper guidance and stimulation for research and development of new products.
- * A failure to exploit and develop markets for new products.
- * An inability to define new methods for promoting products to customers in the face of major increases in the cost of media advertising and personal selling.

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- * A failure to innovate in distribution and other areas to keep up with changing requirements of industrial customers doing business on a multinational basis.
- * An inability to refine and modify product positioning.
- * A tendency for product managers and higher levels of management to approach problems in the same old way.

the marketing competency needed to correct such situations will only come through painful experience in the marketplace. However, to overcome our industrial marketing weaknesses, the foundation for achieving that competency must be laid here, in the academic setting.

The skills needed for success in industrial marketing have been defined by industrial practitioners. Since they are the ones who dictate hiring practices, you should find table 1–1 shows, marketing research, planning, and forecasting are viewed as the most important areas to study.

FEATURES OF INDUSTRIAL MARKETING

*** FEWER; BUT LARGER MARKET:**

Business buyers will be very less as compared to consumer buyers; but they purchase in bulk or more quantities.

*** CLOSE RELATIONS:**

relation between seller and buyer have to be kept very close and professional. Because once the relations are build; can't be changed easily as it reflects huge profit.

*** COMPLEX BUYING PROCESS:**

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very complex procedure is adopted by business buyers; because before purchasing, the approval is required from different officials and authorities.

*** CONTINUOUS SALES CALLS:**

To finalize the deal, it requires constant follow– ups and continuous sales calls.

*** EXPERTISE SELLING SKILLS:**

sharp selling skill is required to sell the product to industrial buyers. As they are purchasing in bulk, they will not be easily convinced. Deep product knowledge is required.

*** INFLUENCES:**

To finalize the product, different authorities and Officials will interfere and influence the decision to purchase the product.

*** GEOGRAPHICALLY CONCENTRATED BUYER:**

More than half of the nation's industrial buyers are concentrated in seven states: new York, California, Pennsylvania, Illinois, Ohio, new jersey, and Michigan. Industries, such as petroleum, rubber, and steel, show even greater geographic concentration. Most agricultural output comes from a relatively small member of states. This geographical concentration of producers helps to reduce the costs of selling.

to them . Industrial markets will want to watch any tendencies toward or away from further geographies concentration.

*** DERIVED DEMAND**

the demand for industrial goods is ultimately derived from the demand for consumer goods. Thus animal hides are purchased because

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consumers buy shoes, purses, and other leather goods. If the demand for these consumer goods slackens, so will the demand for all the industrial. Goods entering into their production.

*** INELASTIC DEMAND**

the total demand for many industrial goods and services is not much affected by price changes.

Shoe manufacturers are not going to buy much more leather if the price of leather falls. Nor are they going to buy much less leather if the price of leather rises unless they can find satisfactory leather substitutes. Demand is especially inelastic in the short run because producers cannot make many changes in their production methods.

FLUCTUATING DEMAND

the demand for industrial goods and services tends to be more volatile than the demand for consumer goods and services. This is especially true of the demand for new plants and equipment.

*** PROFESSIONAL PURCHASING**

Industrial goods are purchased by professionally trained purchasing agents, who spend their work lives learning how to buy better. Many belong to the national association of purchasing agents, which seeks to improve the effectiveness and status of professional buyers.

IMPORTANCE OF INDUSTRIAL MARKETING

*** MAJOR SHARE OF REVENUE:**

Major share of revenue is generated by selling the product to business buyers as they purchase in bulk therefore it is important to take care of business deals.

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*** LESS EXPENDITURE:**

as the business buyer are very few, no much expenditure is required to reach and to contact them.

*** LESS PROMOTIONAL EFFORTS:**

Free gifts, demonstration etc is not required; because the product is not to be shown to mass audience.

*** PERMANENT CUSTOMERS:**

Once the relations are built, business buyers will purchase the products for longer period of time. Therefore the future is secured if existing buyers are satisfied properly.

Business marketing vs. consumer marketing

Although on the surface the differences between business and consumer marketing may seem obvious, there are more subtle distinctions between the two with substantial ramifications, Dwyer and Tanner (2006) note that business marketing generally entails shorter and more direct channels of distribution.

While consumer marketing is aimed at large demographic groups through mass media and retailers, the negotiation process between the buyer and seller is more personal in business marketing. According to Hutt and Speh (2001), most business marketers commit only a small part of their promotional budgets to advertising, and that is usually through direct mail efforts and trade journals, While that advertising is limited, it often helps the business marketer set up successful sales calls.

Who is the business marketing customer ?

While “other businesses” might seem like the simple answer, Dwyer and Tanner (2006) say business customers fall into four broad categories:

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companies that consume products or services, government agencies, institutions and resellers.

The first category includes original equipment manufacturers, such as automakers, who buy gauges to put in their cars, and users, which are companies that purchase products for their own consumption. The second category.

government agencies, is the biggest. In fact, the U.S. government is the biggest single purchaser of products and services in the country, spending more than \$300 billion annually, But this category also includes state and local governments. The third category, institutions, includes schools, hospitals and nursing homes, churches and charities. Finally, resellers consist of wholesalers, brokers and industrial distributors.

1.4 CHARACTERISTICS: INDUSTRIAL AND CONSUMER MARKETING

The basics of marketing management: deciding the target markets; finding out the needs and wants of the target markets, developing products and services to meet the requirements of those markets, and evolving marketing programmes or strategies to reach and satisfy target customers in a better and faster way than competitors apply to both consumer and industrial marketing .

The industrial markets are geographically concentrated; the customers are relatively fewer; the distribution channels are short; the buyers (or customers) are well informed; the buying organisations are highly organised and use sophisticated purchasing techniques; the purchasing decisions are based on observable stages in industrial marketing.

Sometimes, it is difficult to separate industrial marketing strategy from the

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corporate (company) strategy. But in case of consumer marketing, many times the changes in marketing strategy are carried out within the marketing department. through changes in advertising, sales promotion, and packaging strategies, However, the changes in industrial marketing strategy generally have company-wide implications.

The differences between industrial and consumer marketing are as shown in Table .

Table: Differences between Industrial and Consumer Marketing

Sr. No.	Bases	Industrial markets	Consumer Markets
1.	Market characteristics	Geographically concentrated. Relatively fewer buyers	Geographically dispersed. Mass market
2.	Product characteristics	Technical complexity, Customised	Standardised
3.	Service characteristics	Service, timely delivery and availability very important	Service, delivery, and availability somewhat important
4.	Buyer behavior	Involvement of various functional areas in both buyer and supplier firms, Purchase decisions are mainly made on rational/performance basis, Technical expertise, Stable	Involvement of family members Purchase decision are mostly made on physiological/social/psychological needs, Less technical

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		interpersonal relationship between buyers and sellers	expertise Non-personal relationship
5.	Deeision marking	Observble stages, Distinet	Unobservable, Mental stages
6.	Channel Characterities	Shorter, More direct, Fewer intermediaries/middlemen	Indirect, Multiple layers of intermediaries
7.	Promotional Characterities	Emphasis on personal selling	Emphasis on advertising
8.	Price Characterities	Competitive bidding and negotiated prices for standal products	List prices or maximum retail price (MRP)