Chapter 6

BUSINESS TO BUSINESS MARKETING
Business to business marketing or B2B marketing usually refers to having clients that are also businesses. The fundamental methods being used by business to business marketing are usually like those utilized to be able to ambit the target market. Although this time around instead of having individual consumers, the target here is businesses.

Business to business marketing would allow you to use various strategies or tools that would allow you to stick with the marketing necessities of a certain business. Business to business marketing can utilize a traditional system in marketing like print media and other forms of media, promotions as well as having the ability to create up potential business and customer relationship.

In business to business marketing the focus is on the business side of the clients. What you are looking into is a bigger group of potential buyers here and more probably attached to a different type of business. {The question is, when you try producing a business to business marketing plan with this type of business what would it be? In this case you would be using a business to business marketing plan instead of an individual marketing plan.} Well, the first thing which you may have to look into is if the company is subject to catering to another business before marketing their services. What is necessary for you to do before administering a business to business marketing program you should be aware of the capability of this business to cater to a larger scope of targets which are in the business group?

Let's say that you would like to be able to get more clients through using a business to business marketing campaign you should be able to get the right leads to do so. Online you would be able to come across probably several websites that may lead you to providers of direct mail.
In business to business marketing, direct mail lists or lead are needed for you to be able to establish your potential market in this business. You can look for providers that may provide you direct mail listings which you can use just take not there may be a cost for doing so.

Business organizations do not only sell but they are also involved in mass buying activities. They buy the raw material from other organizations for the production and manufacturing purposes. The raw material and the components, purchased in business to business markets are used in the preparing the ready to use products which are sold, rented or supplied to others. The important areas of business to business market are mentioned below-

- Agriculture
- Forestry
- Fishery
- Mining
- Construction
- Public Utilities
- Insurance
- Services.

The business markets are big in size, complex in dealings and transactions, more relationship oriented and most of the transactions are done on credit terms because of huge quantity being sold and purchased everyday. The most significant feature of this market is that it involves a very close interaction between the buyers and sellers. This market is very sensitive in nature and the sellers pay lot of attention over their buyers because the loss of one buyer leaves a significant affect on the business of the seller. Due to its sensitive features the business organizations prefer only direct marketing /selling route for making all their transactions because they cannot afford to involve any market intermediary on their behalf to deal with the organization. Image building plays a very important role in such markets and the organizations
involved in business to business transactions do not let their image being tarnished due to any small or big reason. The business players in this market keep their total emphasis on retaining the existing customers with healthy business relationship with them, rather than attracting the new customers. In the present era the business to business markets are growing multifold and according to the California Management Review Vol. 46 No 1 estimates show that world wide business to business market will grow from $ 919 billion to & 6 trillion by the year 2009. The opportunities in business to business markets are ample in terms of getting qualified leads, selling by telephone and creating the catalogs, these markets use the same tools as used by consumer markets. Due to large size buying the life time value of the business to business markets customers is very high.

The role of direct selling in business to business markets is very crucial as it restores the face to fact contact between the sellers and buyers without which the relationship concept is not at all possible and secondly it helps the business organizations to continuously increase the high and frequent transaction accounts with them. Since the buying in business to business markets is done by either purchasing managers of the organizations or the buying centers, this makes the buying behavior and process much more complex and time taking because they buy not for their own use but for some other person or department and finally the money involved in the transactions is also owned by the organization so for even small variations in prices and product lot, the buying centers or the buying managers need to take the approval from their respective organization heads .

**Objectives and Media of Business to Business Marketing**

Business to business marketing has the following two major objectives –

- Increasing sales opportunities and reducing cost
• Building and maintaining the customer relationship

The business to business market players know very well that in order to be successful they have to keep their existing customers delighted by their services, products and other business dealings. Because of heavy volume transactions the value and importance of the buyers is very high.

An edge in business to business marketing is that the best source of new business is the existing customers; such activity is called as cultivating the customers. The cultivation process takes advantage of this activity by actively searching out sales opportunities and by closely monitoring the relationship. After gaining a customer, business organization can use the customer information center and direct marketing to pursue the penetration strategies. They penetrate the account to search out additional sales opportunities and strengthen relationships. They pursue this at individual, buyer group and at organization level also. All these combined efforts enable the organizations in business to business markets to establish a strong bond with the customers. The organizations keep on penetrating as long as they see scope of return but at the same time the challenge before them is also to ensure the retention of customer base already acquired.

The second major objective is acquiring the new customers which although is very challenging and costly task but the business players in business to business marketing are forced to do it in order to grow and become a major player.

It is known that the business to business marketing revolves around the stature of the business organizations, bigger and established the organization is, the chances of success are higher. The organization size is determined by the number of customer accounts it is maintaining with itself.
In order to grow in a right direction and acquire more and more customers, the business organizations are required to have a clear understanding of customer segmentation, targeting and positioning. The customer information center helps the business organizations to identify the right customer segments and their attributes. After identifying the unfulfilled needs of target segments the organizations have to customize their market offerings to cater to the needs of such customers. The market offerings need to be appropriately positioned before the identified customer segments. The scope of business to business marketing increases with the right approach of the business players towards the market activities and trends.

Experts in the field of business to business marketing opine that the success of the market players solely depends upon the customer relationship management of the organizations.

The fundamental of business to business market is relationship with the customers. For having a close and strong relationship the marketers must understand the exact needs and demands of their customers and they should treat the customers not as customers but as their business partners having a thorough involvement in the business processes and activities. In business to business markets the marketers take the help of customer information centers in getting closer to the customers, the customer information centers are supposed to be well equipped and updated with the customer information and market trends.

The marketers are said to be highly involved in establishing a value added communication with their customers in order to promote and maintain a strong and healthy business relations with them. The special emphasis is given on customer value creation and maintenance in such markets, since the customers or buyers involved in business to business transactions are real major market players who have the ability to influence the demand and supply pattern of the market. Due to the heavy transaction patterns and significant quantum of
business the marketers in business to business markets do work hard and do not leave any stone unturned for adding up their customer base and increasing the scope of business.

The business to business market laid special attention on the media used to promote the goods and services in the market. Although the market players have several options available with them in the form of fax, interactive television, CD Rom, electronic kiosk, online services and World Wide Web. The strength of all these media tools lies in its cost effectiveness and vast reach to the customers. Through all such media tools the customer gets the appropriate information at the right time, in the right way and right context regarding the products and services. These new generation media tools do not carry the constraints like page size, weight cut offs etc. The information is available on demand and it is both way for customers as well as for the marketers also. The best part of such media devices is its least interaction with humans because such devices are mostly automated and pre programmed for the functioning and except the periodic updations there is no need to apply human approach.

New generation media tools also allow the paperless environment where marketers can efficiently deliver their messages to target groups and even to the individual customers. However unlike traditional media, new media is mainly invitational where consumers actively seek the relationship. Marketers need to work hard to get themselves easily located and identified by their target segments, to support these efforts they usually rely on traditional media such as direct mail print and television they often develop enticing incentives for the consumers to locate them. The media also enables the marketers to offer the relevant and convincing content in the given media tools, the nature of content takes on many forms. It may be in the form of electronic shopping mail retail store catalogue, product demonstration, advertising or directory. The content can also
mention that in case of additional information required, the customers can re-approach the marketers for the same.

Traditional and non-traditional direct marketers are a growing segment of electronic media. With increased postage cost, paper storage and increased prospecting response rate from direct mail many familiar direct sellers are testing new media. A study conducted by a marketing research firm called Simba Information revealed that the marketers can expect a high rate of profit while using the media tools if they

- Use existing computer base.
- Have the ability to bind buyers and sellers who are separated till now
- Ensure the easy accessibility
- Offer decision support system through value added services
- Have the ability to close the sale.

The role of technology in the usage of media is very crucial in bringing together the buyers and sellers in a unique way. With the advancement of technology the media is becoming much more powerful and important in the business transactions with special reference to business to business markets where it is not possible for the all the sellers and buyers to meet face to face like in consumer retail markets but here in business transactions the maximum deals are finalized through certain media devices without calling buyers and sellers at one place. The orders are placed, the goods is transported and supplied and the payment is transferred through e-payment mode, all such proceedings take place with a click of button and within no time the deals are closed. The major media tools used in business to business markets are as follows –

**Fax on demand** – One of the major medium which can easily benefit the direct sellers in business to business market is fax on demand. Such device is runned by a dedicated personal
computer and displays the stored information such as catalogs sheets etc to the customers within few minutes of time. The use of fax on demand is particularly appropriate to companies that offer large number of products having lengthy technical species and want to offer 24 hour access to the customers with no staff requirements.

**Electronic Kiosk**– Over the last few years electronic kiosk have made a tremendous come back in the market place. These freestanding electronic displays were once upon a time considered as large wielded boxes, crammed full of electronic switches, tubes, video players line printers etc. Due to updations in technology the sizes of these machines have reduced significantly and now they can be easily placed in any area. These kiosks are very effective in functioning and are heavily used by the marketers especially in business to business marketing.

**CD ROMs/ Diskette** – CD ROMs and diskette have been widely used in the area of business promotion by the marketers. The specialty of such devices is their multiple features and high usefulness for the marketers, the entire gambit of information regarding the products and services can be easily carried and managed through such devices. They also include the facility of animation with sound, diagrams etc; all these things make the marketing presentations highly impressive and appealing for the buyers. In business to business markets the information of products and market trends play a very important role and the same can be easily done through such media tools. Once CD Rom can carry the information equivalent to 2, 50,000 pages. Now days the business to business marketers have started giving their entire product catalog on these rooms.

**Online Service Marketing** – Online services are proprietary networks that allow the dialing access through personal computers modems. Personal digital assistance or cable television set up
boxes with modems include consumer on line services such as compo serve, America Online, Delphi etc. The three characteristics shared by all on line services are –

- They are highly effective information media
- They are significant distribution channels for wide range of products and services.
- They are sophisticated marketing databases.

World Wide Web- No form of new media has gripped the imagination of consumers and marketers more than the internet. It is the modern descendant of the government and academic computer started two decades ago. The internet is a vast global network of forty thousand interconnected computer networks, which are able to seamlessly connect and estimated 30 million users worldwide. No one owns the net and no organization or government controls it. The fiercely independent, yet cooperative nature of the internet is one of its most prominent features. The net includes the series of different applications. E mail is the most common of these applications. It allows people to instantly communicate across the network and vast reaches of the internet. Growth of net users have been estimated at 60-85% annually, low cost access, minimal regulatory constraints and the wealth of information available have all contributed to this growth. Another recent growth spurt has come as the consumer online services have given their subscribers net access. This has forever changed the perception of the net as a strictly academic and research tool.

Commercial activity has been slowly coming on the internet. According to Simba information management in 1994 the internet accounted for just 6% of new media transaction activities a total of $20 million. This is changing rapidly. The influx of new users, advent of relatively secure credit and transactions, and the sheer number of commercial websites online has created a virtual good rush of commercial website online.
Scope of Business to Business Marketing

Even with the slow economy, there is a huge potential for growth in business to business arena in general, not to mention the potential for growth in business to business online. Jupiter research a marketing research agency estimated that business to business marketing has a great potential and it is continuously growing from 3% in 2000 to more than 70% at present. With the growing market trend, it is vital that business to business information and offerings is readily available. There is lot of competition for business to business market share, the direct marketing association reports that business to business direct marketing is the fastest growing segment within direct marketing as it is currently valued at around $793 billion. Therefore, if any company wants to enter in the same, it will have to face a tough competition for it.

Companies dealing both in business to business and business to customers market have the additional advantage of being able to deal with one information provider. Accurate, up to date information is critical for profitable business to business marketing. Business to business data can include industry classification on following parameters wiz size / revenues of the targeted business, number of employees, location, credit ratings and list of principles / owners/shareholders.

With the growth and revolution in information technology world the scope and role of business to business markets has increased multifold. Since all the market players are now well equipped with recent electronic gadgets and have got the excellent connectivity system to each other, they wish to accelerate their pace of business activities in business to business markets. A new phase has been entered in the global e-commerce revolution. This new phase is B2B. As the first phase was fuelled by the foresight and modernism of business-to-consumer-companies of Internet, the second phase will be fuelled by the headship and market success of business to
business companies or B2B e-commerce. It means electronic transactions among and between companies and their suppliers and employees. According to the viewpoint of today's enterprise managers, this great revolution comprises of equal opportunities and threats. Those who retaliate to the new ideas of B2B, it offers great opportunities on a large scale and those who fail to make use of the opportunities provided at the right time get displaced by competitors who are more and more forward-thinking. B2B has a great scope for success. This is because it has many advantages over the routine businesses. The most important advantage it has is its global appeal. Through online transactions, the business can reach out to the masses anywhere from around the world be it USA, India or Japan. Also, there are competitors, but still there is not that much gravity of competitors... One the other hand, in B2B, people from all over the globe will visit an online computer center. Adding to it, B2B is not that expensive as compared to other normal routine forms of businesses. Also, buyer can get the required good or services at very cheap rate. Yes, this is possible in B2B when online auction takes place. This new trend of online auction really improved the sales as buyer can get a good at a very low rate because there are many competitors in this. There is another great thing about B2B which is the technique called Just in Time Delivery (JLT). In JLT, with the help of electronic commerce, company can easily track the location of the goods as to which place it has reached. So, needless to say B2B has an amazing scope in the near future.

Hut and Speh (2001) note that "business marketers serve the largest market of all; the dollar volume of transactions in the industrial or business market significantly exceeds that of the ultimate consumer market." For example, they note that companies such as GE, DuPont and IBM spend more than $60 million a day on purchases to support their operations.
Dwyer and Tanner (2006) say the purchases made by companies, government agencies and institutions "account for more than half of the economic activity in industrialized countries such as the United States, Canada and France."

A 2003 study sponsored by the Business Marketing Association estimated that business-to-business marketers in the United States spend about $85 billion a year to promote their goods and services. The BMA study breaks that spending out as follows (figures are in billions of dollars):

- Trade Shows/Events -- $17.3
- Internet/Electronic Media -- $12.5
- Promotion/Market Support -- $10.9
- Magazine Advertising -- $10.8
- Publicity/Public Relations -- $10.5
- Direct Mail -- $9.4
- Dealer/Distributor Materials -- $5.2
- Market Research -- $3.8
- Telemarketing -- $2.4
- Directories -- $1.4
- Other -- $5.1

The fact that there is such a thing as the Business Marketing Association speaks to the size and credibility of the industry. BMA traces its origins to 1922 with the formation of the National Industrial Advertising Association. Today, BMA, headquartered in Chicago, has more than 2,000 members in 19 chapters across the country. Among its members are marketing communications agencies that are largely or exclusively business-to-business-oriented.

The tremendous growth and change that business marketing is experiencing is due in large part to three "revolutions" occurring around the world today, according to Morris, Pitt and Honeycutt (2001).
First is the technological revolution. Technology is changing at an unprecedented pace, and these changes are speeding up the pace of new product and service development. A large part of that has to do with the Internet, which is discussed in more detail below.

Technology and business strategy go hand in hand. Both are correlated. While technology supports forming organization strategy, the business strategy is also helpful in technology development. Both play a great role in business marketing.

Second is the entrepreneurial revolution. To stay competitive, many companies have downsized and reinvented themselves. Adaptability, flexibility, speed, aggressiveness and innovativeness are the keys to remaining competitive today. Marketing is taking the entrepreneurial lead by finding market segments, untapped needs and new uses for existing products, and by creating new processes for sales, distribution and customer service.

The third revolution is one occurring within marketing itself. Companies are looking beyond traditional assumptions and adopting new frameworks, theories, models and concepts. They're also moving away from the mass market and the preoccupation with the transaction. Relationships, partnerships and alliances are what define marketing today. The cookie-cutter approach is out. Companies are customizing marketing programs to individual accounts.

**The Impact of the Internet**

The Internet has become an integral component of the customer relationship management strategy for business marketers. Dwyer and Tanner (2006) note that business marketers not only use the Internet to improve customer service but also to improve opportunities with distributors.

According to Anderson and Narus (2004), two new types of resellers have emerged as by-products of the Internet: infomediaries and metamediaries. Infomediaries, such as Google and Yahoo, are search engine companies that also function as brokers, or middlemen, in the business
marketing world. They charge companies fees to find information on the Web as well as for banner and pop-up ads and search engine optimization services. Metamediaries are companies with robust Internet sites that furnish customers with multi product, multi vendor and multi service market space in return for commissions on sales.

With the advent of b-to-b exchanges, the Internet ushered in an enthusiasm for collaboration that never existed before--and in fact might have even seemed ludicrous 10 years ago. For example, a decade ago who would have imagined Ford, General Motors and DaimlerChrysler entering into a joint venture? That's exactly what happened after all three of the Big Three began moving their purchases online in the late 1990s. All three companies were pursuing their own initiatives when they realized the economies of scale they could achieve by pooling their efforts. Thus was born what then was the world's largest Internet business when Ford's Auto-Exchange and GM's Trade change merged, with DaimlerChrysler representing the third partner.

While this exchange did not stand the test of time, others have, including Agentrics, which was formed in 2005 with the merger of Worldwide Retail Exchange and GlobalNetXchange, or GNX. Agentrics serves more 50 retailers around the world and more than 300 customers, and its members have combined sales of about $1 trillion. Hutt and Speh (2001) note that such virtual marketplaces enable companies and their suppliers to conduct business in real time as well as simplify purchase processes and cut costs.
Strategies of Business to Business Marketing –

B2B Branding

B2B Branding is different from B2C in some crucial ways, including the need to closely align corporate brands, divisional brands and product/service brands and to apply your brand standards to material often considered “informal” such as email and other electronic correspondence.

Product (or Service)

Because business customers are focused on creating shareholder value for themselves, the cost-saving or revenue-producing benefits of products and services are important to factor in throughout the product development and marketing cycles.

People (Target Market)

Quite often, the target market for a business product or service is smaller and has more specialized needs reflective of a specific industry or niche. Regardless of the size of the target market, the business customer is making an organizational purchase decision and the dynamics of this, both procedurally and in terms of how they value what they are buying from business market, differ dramatically from the consumer market. There may be multiple influencers on the purchase decision, which may also have to be marketed to, though they may not be members of the decision making unit.

Pricing

The business market can be convinced to pay premium prices more often than the consumer market if you know how to structure your pricing and payment terms well. This price premium is particularly achievable if you support it with a strong brand.
Promotion

Promotion planning is relatively easy when you know the media, information seeking and decision making habits of your customer base, not to mention the vocabulary unique to their segment. Specific trade shows, analysts, publications, blogs and retail/wholesale outlets tend to be fairly common to each industry/product area. What this means is that once it is figured out for the industry/product, the promotion plan almost writes itself (depending on your budget) but figuring it out can be a special skill and it takes time to build up experience in your specific field.

Promotion techniques rely heavily on marketing communications strategies

Place (Sales and Distribution)

The importance of a knowledgeable, experienced and effective direct (inside or outside) sales force is often critical in the business market. If business player sell through distribution channels also, the number and type of sales forces can vary tremendously and your success as a marketer is highly dependent on their success.

B2B Marketing Communications Methodologies

The purpose of B2B marketing communications is to support the organizations’ sales effort and improve company profitability. B2B marketing communications tactics generally include advertising, public relations, direct mail, trade show support, sales collateral, branding, and interactive services such as website design and search engine optimization. The Business Marketing Association [1] is the trade organization that serves B2B marketing professionals. It was founded in 1922 and offers certification programs, research services, conferences, industry awards and training programs.
Positioning Statement

An important first step in business to business marketing is the development of your positioning statement. This is a statement of what you do and how you do it differently and better and more efficiently than your competitors.

Developing the messages

The next step is to develop the messages. There is usually a primary message that conveys more strongly to your customers what you do and the benefit it offers to them, supported by a number of secondary messages, each of which may have a number of supporting arguments, facts and figures.

Building a campaign plan

Whatever form your B2B marketing campaign will take, build a comprehensive plan up front to target resources where you believe they will deliver the best return on investment, and make sure you have all the infrastructure in place to support each stage of the marketing process - and that doesn't just include developing the lead - make sure the entire organization is geared up to handle the inquiries appropriately.

Briefing an agency

A standard briefing document is usually a good idea for briefing an agency. As well as focusing the agency on what's important to you and your campaign, it serves as a checklist of all the important things to consider as part of your brief. Typical elements to an agency brief are: Your objectives, target market, target audience, product, campaign description, your product positioning, graphical considerations, corporate guidelines, and any other supporting material and distribution.
Measuring results

The real value in results measurement is in tying the marketing campaign back to business results. After all, you’re not in the business of developing marketing campaigns for marketing sake. So always put metrics in place to measure your campaigns, and if at all possible, measure your impact upon your desired objectives, be it Cost per Acquisition, Cost per Lead or tangible changes in customer perception. Business to business marketing is a bit different from business to customer. In B2B ads should run more times before it takes any effect. Customers rarely act first time when they see or hear about you. That’s why the business players should have a clear and consistent promotion strategy. To place the ad just once and claim it straightaway as unsuccessful is not appropriate. It is not effective because it might have been the wrong place to advertise, but a lot of the time companies have never given it a second chance. On the other side to run the same strategy with a little efficiency in long term over the years could be harmful. For the wholesaler, manufacturer, supplier, distributor, retailer, sole trader or trade agent in business to business markets one of the effective ways to promote the company, products or services is B2B marketplace DoTradeEasy.com.

Here the business players can attract buyers, find supplier, business partner, and increase visibility over the internet and start secure trading. They can join www.dotradeeasy.com for free today. Trying new marketing strategies is crucial for every successful business.

Challenges & Problems in Business to Business Marketing –

Business to business marketing pose lot of challenges and problems before the business players. Due to its highly complex nature and large quantum of transactions and over sensitivity, the business to business market gets highly challenging for the business organizations. Since the cost and value of even one buyer is very high, the marketers cannot afford to take any sort of risk in
their promotional strategies, product development, identification of segments, positioning of market offerings and finally developing and maintaining a long term profitable relationships with all the buyers and partners involved in doing the business. This marketing demands high investment and a very careful approach because the buyers operating in these markets have dominance and significant influence over the business trends because of their strong purchasing power and bulk buying system. The business players have to continuously update themselves regarding the buying behavior and upcoming trends of the market. In the present era of internet and electronic commerce, all the business players are highly aware and they have all the ready statistics available with them through which they are in a position to immediately compare and decide the business player to deal with.

Some of the major challenges involved in business to business marketing are as follows –

**Quality Versus Quantity** – As we know that the volume of business in business to business markets is quite big in size, thus the challenge of maintaining quality increases. The business players have to be very particular about the supply of right quantity with promised quality to the buyers. Keeping the quality standards intact is a sole responsibility and challenge of the business organization.

**Website Real Site Allocation** – In the present time, the major portion of business to business marketing operations is done through internet. In this websites play a very crucial role in making the business organizations highly successful and favorably visible by the website browsers. As all the market players use websites for the business promotion, they place the product ads on the same, this involves the challenge of determining the optimal placement of products and services on the website.
**Testing Effectiveness of Creative Ideas** – The whole idea and task of business marketers is to introduce the creative ideas and implement them at the right time, in the right way and before the right audience. A careful approach of the marketers enable them to establish a strong corporate brand in the market but this branding has some guidelines to be followed specially when it is done through websites, the challenge before the marketers is to honors those guidelines and fulfill their purpose.

**Generating high Quality leads** – Lead generation and their management has always been the biggest challenge before marketer’s right from the inception of marketing. In business to business marketing merely generating the leads do not suffice but the marketers have to keep into consideration that the generated leads must be of high quality in terms of transactions, payment mode and system ethical practices etc. The success of business marketers largely depend upon the quality leads available with them.

**Creating perceived value in product benefits**– In the present scenario the customer is said to be the king and is highly demanding in terms of market offerings. The business marketers have a very great challenge before them to convince the buyers regarding the offerings with high value. Establishing the favorable customer perception towards the market offerings is the ultimate goal and challenge of the marketers and for this they enter into relationship management and get highly personalized with them.

**Generating a high volume of leads**– The market is witnessing cute throat competition with several market players operating on thin margin and pushing their market offerings really fast to capture the maximum portion of the market. In such scenario getting the volume leads and business is not an easy task. It requires the extra efforts towards pleasing the customers and finally persuading them to buy the products.
Generating Public Relation - Business market is highly volatile and sensitive in nature where in small things also matter a lot, the business marketers have to strengthen their public relations for establishing themselves fully and strongly in the market, in order to make their presence feel by the customers, the business players have to spend lot of money, efforts and time over public relations activities and making it all through successful is again a tough challenge before marketers.

Competing in lead generation across multiple media - In the business to business markets the business players use multiple media tools to make their reach in the market. Getting the thorough and favorable response from all the media channels is again a tough challenge of business marketers because in case of any media tool not performing as per the expectations of marketers regarding lead generations may prove to be highly costly and negative for the business marketers.

Database Management - Database plays the role of artillery in marketing battle field. The success of business to business marketing heavily depends upon the quality and quantity of data in hand of the business players, since it is known that business markets are totally relationship and information oriented where the way to success is having the entire knowledge about the market proceedings specially ensuring that the marketers have right and relevant data with them and the same is used by them at the right time in the right way. The database management includes acquisition of data, maintenance and updations of data and finally exploiting that data for getting the optimum return from it. Firstly acquiring the data is itself a very big challenge before the business players and they need to be very cautious regarding the same because any data acquired through illegal means may have serious repercussions for the business secondly the maintenance of data that includes the issue of safety and security and updations is another big
challenge before the marketers, the market and the customer is ever changing and the business organizations have to continuously update themselves as per the market trends and finally the last challenge is to make the right use of data so that the maximum return can be expected from the same.

**Tracking Return on Investment** - Business to business marketing is a macro level marketing where in the transactions taking place are really huge in quantity and quality also plays a very crucial role. Stepping in the business markets is not an easy task because it demands heavy investment of money, time, efforts and other resources. The quantum of risk is business is also comparatively quite high. The marketers, in order to gain success, keep on investing funds and resources in the said market but at the same time they have to keep into consideration the return part as well. They have to be cautious about the situation of over investment as well as under investment in the market. Tracking the return on investment is another big challenge before the business marketers, they need to continuously monitor their return and incase of non satisfactory return, the necessary strategies have to be formulated and implemented for bringing the position back on track.

**Growth & Innovation** - In the present era the buyers have developed the tendency to get bored with existing products soon. The product life cycle is reaching to it’s decline sooner and the products once launched get obsolete within no time, in case of business markets this problem is found on the advance side because in business markets the buyers are also the resellers of the same products in same or different form and they look for customer demanded products in every new order they place in the business markets, the business players operating in the business to business markets need to continuously promote the innovation through which only they can grow. Innovation is again a cost involving and risk involving activity because the future is
unknown for the innovative product. The business marketers have to be very particular about their innovative business practices and at the same time they have to keep into the mind the profit part also. Innovating and growing have emerged as one of the strongest challenges before the business marketers.

**Changing pattern of doing business** – The business to business marketing is undergoing a paradigm shift and is now being done with all new and creative methods involving the information technology. The new technology has significantly separated the buyers and sellers as they do not meet frequently face to face to finalize the deals but most of the business deals are carried out through internet thus the business marketers have the strong challenge to keep themselves highly visible and updated on net promotions through websites and secondly the relationship management with the customers is again a difficult task because satisfying the customers through meeting them in person and solving their problems is easy in comparison to approaching them on emails.

In the light of above it can be said that business to business marketing is undoubtedly a high potential area of marketing but at the same time it involves a high level of above mentioned challenges which if properly tackled by effective strategies and right approach, can be overcome and the market can provide enough growth potential for the business players.

**Value Addition and Customer Satisfaction**

The current day marketers have started talking of value added delivery to the customers because of cut throat competition and highly sensitive nature of the market where the customer has taken the status of king and has started ruling over the marketing practices of the business organizations. Now in order to gain success in business markets the business players have the inescapable and unavoidable task and responsibility to highlight the value portion in their market
offerings. The creation of positive and favorable customer perception towards the market offerings is the real success of business organizations.

The concept of value addition which leads to customer satisfaction was well propagated by the famous marketing experts of the past era as well as the present era. Now the whole concept of marketing has undergone remarkable change where in the customer is at the center point and all the marketing agencies and strategies whether related to product, price, place, promotion or packaging revolves around the customer expectations and demands. In business marketing, where the foundation is relationship, the concept of value addition becomes highly relevant. The business marketers have to value the following components to attain success –

**Value the customer expectations** – Customers have varied expectations and these expectations play a crucial role in satisfying the customer from the organization. The customers expectations, if tackled and managed properly can produce great results for the business organizations, the growing importance of this area can be witnessed by acknowledging the concept of customer expectation management. This has become the specialized field of today.

### Value addition & customer satisfaction

- Value the customer expectations.
- Value the customer relationships
- Value the customer commitments
- Value the market offerings
- Value the after sales service
- Value the customer suggestions
- Value the customer welfare
Value the customer relationships – The foundation stone of the business markets is relationship with the customers and without giving value to the customer relationship the business marketers cannot attain success. We are living in a relationship marketing era where the profit has become the secondary motive of the business organizations specially in business to business marketing the importance of relationship is increasing day by day and the marketers have started giving value to the customer relationship because it is a gateway to customer satisfaction.

Value the customer commitments – Doing what committed is the key to success in business to business marketing. The business players who understand the value of commitments and there fulfillments, reach the success ladder. Since business marketing is related to supply chain where in the buyers are also the re sellers of the same or different form of the given products they need a very high level of customer service and for a service to be called as successful, the role of commitment is very high. The business marketers must value their commitments to the customers whether in terms of quality, timely delivery, quantity, after sale service etc.

Value the market offerings – The customers do not buy the products, but they buy the value of the product in terms of its capacity to satisfy the customers needs, solve their problems and meet out their expectations. In business to business marketing where the competition goes neck to neck, the marketers have to play the strategy of value offerings and enhancement of customer welfare. The products offered by the marketers must carry significant value which can convince the customers to not only buy the product but also publicize it favorably before the masses and create value for the organization in return. In business to business markets the sellers and buyers both are business organizations or individuals, and they have the relationship of give and take of value, the higher the exchange of value is, the higher the success of business will be.
**Value the after sales service** – After sales service with special reference to the business markets has lot of relevance. The repeated buying and selling in business markets solely depends upon the after sales service area. The business players have to be very efficient and ethical in after sales service i.e. meeting the customers after the transaction and solving their queries and problems at the convenience rather than at marketer’s convenience. The business markets mostly deal in industrial goods and semi finished goods where in the role of after sales is very important because at times the buyers are required to take the assistance of the business players regarding their problems.

**Value the customer suggestions** – Listening to customer suggestions and incorporating the same in business strategies is the mantra of present generation marketing. In business to business market the business players have an intimate relationship with each other and they keep on suggesting the business organizations to update and upgrade and take a suitable action against any situation. Non obedience to customer suggestions may lead to the situation of disaster for the business organization especially in the highly sensitive business markets. The marketers must learn to not only listen but wherever possible include the customer suggestions in their practices.

**Value the customer welfare** – The successful marketing talks of long term customer welfare rather than short term customer gains. The environment of business markets can be healthy only if the marketers create welfare for their customers. In the present time of societal marketing, the marketers have to think for the society welfare in terms of addressing the societal problems etc. In business marketing the marketers must value the customer welfare to become successful in their business venture.

The concept of value addition directly relates to customer satisfaction. It can be said that the valued customer is the satisfied customer and vice a versa. Unless and until the business
organizations work towards adding value to the above mentioned important components, they cannot satisfy the customers. The business to business marketing is a chain marketing where in the value addition the key to satisfying the customers is. The marketers cannot be successful without reaching to the nerve of the customer expectations and without identifying the needs wants and demands of the customers in the right way. The level of the customer satisfaction determines the level of customer loyalty with the business organization in the short as well as long run of business. Companies of all types and sizes need to take a hard look at their approach to analyzing customer satisfaction and to measure it in a more perceptive and holistic manner than by asking simplistic questions that give a snapshot view of product and service. For this view can get outdated alarmingly quickly; and sustainable differentiation. Satisfying customers is a means to an end... This puts any business in a better position to reinforce the triangle of satisfaction/robustness/durability, which in turn translates into more effective cost management and revenue/margin growth.

The current study has covered Amway India Ltd. for it's analysis in terms of value addition of the company assets, share holder's equity resulting through the company's excellent performance in business to business segment. Amway India Ltd. is a dominating player in the sector of personnel care, nutrition, cosmetic & home care. According to the company sources nutrition contribute to around 50 % of the company's turnover, whereas cosmetic stands for 20% and rest personal & home care division contribute 50% each. The company is playing the major role in business to business market by way of selling the above mentioned categories of products to certain business organizations, dealers and distributors.

Based on the positive response from the market the company has projected its turnover of around Rs.25 billion in the country by the year 2012. The success of this direct
selling giant in business to business market has contributed towards its overall value addition and the same is reflected here in below in the form of its financial performance of last three years with its interpretation and analysis.

**A Study of Consumer Durables & financial institutions have revealed following Results: - Consumer Durables in India**

<table>
<thead>
<tr>
<th>Amway Balance Sheet</th>
<th>Jan 09</th>
<th>Jan 08</th>
<th>Jan 07</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Assets</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Cash</td>
<td>8,352.00</td>
<td>7,764.00</td>
<td>9,546.00</td>
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<tr>
<td>Net Receivables</td>
<td>6,443.00</td>
<td>7,693.00</td>
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<tr>
<td>Inventories</td>
<td>867</td>
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<td>Other Current Assets</td>
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<td>3,581.00</td>
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<tr>
<td><strong>Total Current Assets</strong></td>
<td>20,151.00</td>
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<tr>
<td>Net Fixed Assets</td>
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<td>2,668.00</td>
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<tr>
<td>Other Non current Assets</td>
<td>4,072.00</td>
<td>5,013.00</td>
<td>3,287.00</td>
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<tr>
<td><strong>Total Assets</strong></td>
<td>26,500.00</td>
<td>27,561.00</td>
<td>25,635.00</td>
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<tr>
<td>Liabilities and Shareholder's Equity</td>
<td>Jan 09</td>
<td>Jan 08</td>
<td>Jan 07</td>
</tr>
<tr>
<td>Current Liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>8,309.00</td>
<td>11,492.00</td>
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<td>Short-Term Debt</td>
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<tr>
<td>Other Current Liabilities</td>
<td>6,437.00</td>
<td>6,809.00</td>
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<td><strong>Total Current Liabilities</strong></td>
<td>14,859.00</td>
<td>18,526.00</td>
<td>17,791.00</td>
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<tr>
<td>Long-Term Debt</td>
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<td>Other Noncurrent Liabilities</td>
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<td><strong>Total Liabilities</strong></td>
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<td>23,826.00</td>
<td>21,307.00</td>
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<tr>
<td>Shareholder's Equity</td>
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<tr>
<td>Preferred Stock Equity</td>
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<td>0</td>
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<tr>
<td>Common Stock Equity</td>
<td>4,271.00</td>
<td>3,735.00</td>
<td>4,328.00</td>
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</tbody>
</table>


<table>
<thead>
<tr>
<th>Total Equity</th>
<th>4,271.00</th>
<th>3,735.00</th>
<th>4,328.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shares Outstanding (mil.)</td>
<td>1,951.00</td>
<td>1,951.00</td>
<td>1,951.00</td>
</tr>
</tbody>
</table>

**Ideal & Actual Trend line**

![Graph showing trend line for current assets from 2007 to 2009](image)

**Analysis:**

The current study covered Amway India Ltd. for studying and analyzing the role & contribution of business to business marketing towards the current assets of the company. The above mentioned balance sheet as well as the trend chart of the current assets of the said company reflects that value of the current assets in the year 2007 was around Rs. 19939.00 and the same went down to Rs. 19880.00 in the year 2008 but again recovered Rs. 20151.00 in the year 2009,
this marginal down up trend in the valuation of current assets reveal that the company is maintaining its strong position in Indian market and is continuously expanding and diversifying its business operation in order to fetch more and more revenue from the market thus enhancing its overall value.

The marginal down fall in between year 2007 and 2008 is the result of company’s investment in business promotion activities, employee training & welfare and also somewhat due to external reasons in the way of down fall in consumer durable sector. The recovery trend as mentioned above reflects the returned from the market, high positioning and strong brand loyalty.

Irrespective of these ups & downs, it is quite clear from the analysis of company’s books as well as interaction with the company’s officials during the course of research that the said company is fundamentally strong and is going to grow further with all innovative strategies.

**Analysis:**

The above mentioned trend analysis for the total current liabilities of the last three year starting from 2007 show that the company’s liabilities increased from 2007 to 2008 and then after the books of the company show the significant fall in the current liability valuation as Rs. 14859.00 falling from Rs. 18526.00 in a span of just one year.

The above mentioned trend of increasing liabilities has been the result of aggressive investment pattern adopted by the direct selling giant towards product and market development. Due to continuous positive response from the India consumer durable market the company is vary much hope full for its bright future. The major portion of company’s revenue is getting invested in event management and brand building.
The return of the same is certified by the books of the company attached above for reference purpose showing the downward trend from the year 2008 to 2009. The above mentioned financial books of the company reveals a significant falls in short term debts as well as account payables also thus again certifying the strong emergence and positioning of the company.

![Ideal & Actual Trend Line](image)

Thus after analyzing the role and contribution, strategies and challenges of business to business marketing with special reference to direct selling company, Amway India ltd. it is found that the said method of direct selling for business sector is highly successful and result oriented.