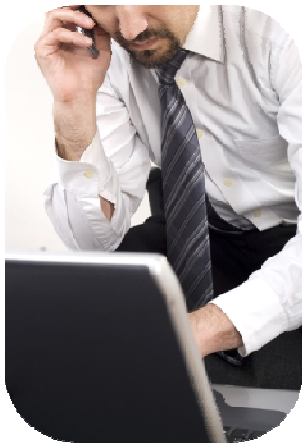


Business to business marketing and your website

Last month's newsletter focused on B2B Ecommerce. This month we are going a bit wider and looking at B2b marketing and providing a few pointers on how this may be applied to your website.

Both B2B and B2C marketing try to convert prospects into customers but there are clear differences between them.

In much of B2C marketing the challenge and objective is to build product awareness and convert personal browsers into (impulse) buyers. In B2B marketing there are generally several people involved in the decision, the sales cycle is longer and the decision more considered. Please note that more considered does not necessarily mean more rational.



When it comes to the web, research has shown that of business to business buyers:

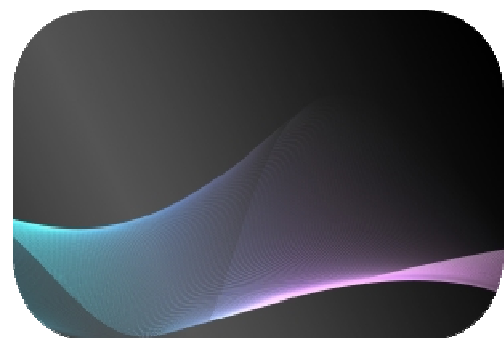
- 64% use the Internet as the first research resource
- 85% use the Internet at some point during the buying process
- 94% use the Internet to conduct research before making a purchase

So when considering B2B marketing what should you consider?

B2B marketing considerations

Firstly, a business buyer wants or has to buy. Most businesses must buy products and services that help them stay competitive and successful. But... business buyers are more sophisticated. They have to be as many B2B purchases are of raw materials, components or units that are 'remanufactured' and have further value added within a more complex product. Clearly technical specifications tend to be quite important to this and whilst this does not mean that 'design' is unimportant the extended offer such as after sales service, the client account team, swift problem resolution, technical advice and stock holding for just in time delivery all factor in.

Secondly, larger business purchases are very rarely an "impulse" buy. The purchase of many business products is a multistep process and where many people influence the decision – from the purchasing director / manager to technical professionals and end-users and members of the board – thus creating a decision making unit (DMU) rather than an individual buyer. This DMU likes to think it is more 'rational' and has considered all the angles including ROI and



that the product or service they have chosen saves the company time or money or makes the company money, improves productivity and increases efficiency. However, people are people and still subject to a selective search for evidence, selective perception, inertia, wishful thinking, familiarity, group think & peer pressure, bias for or against and role fulfilment (doing what's expected of you) amongst many more factors.

Thirdly, most B2B marketing involves a relatively small numbers of customers of different sizes plus a few key accounts. It's the Pareto Principle or 80:20 rule where 20% of the customers account for 80% of the sales. So recognizing the key accounts and managing their expectations is crucial as is making sure that CRM systems help with the management of smaller (but perhaps more profitable?) smaller accounts. All of this means that personal relationships are crucial in B2B marketing especially in key accounts where face to face contact and technical understanding are generally vital. For other accounts the relationship must normally be more transactional to maintain viability but this means that CRM systems must help sales agents with technical solutions.

Finally, positioning really, really important to branding. In a consumer market many brands have small differences based on packaging and promotion. In B2B understanding the competition and identifying a market niche that you can dominate and turn in to a real brand advantage is crucial. Good B2B brands – e.g. BA, Hertz, Cisco, Microsoft, Rolls Royce, Rackspace – have done this.

Categorization / segmentation in B2B



So, when business to business marketing it is important to recognize the points above and think how to 'play the game'. Fortunately, B2B can be categorized to some extent to help with this:

1. Low-risk, low-value purchases where there is little risk involved when getting the decision wrong. As an example, this might apply to office consumables not bought in vast bulk.
2. Low-risk, high-value items such as raw materials that involve a mixture of technical, purchasing and senior people who want to minimize price without hurting quality. Purchasing would usually be the key decision makers on transactions but the DMU may review suppliers periodically.
3. Low-value, high-risk items such as insurance also tend to involve a DMU. As the 'risk' is in the product or service rather than the price, as each transaction is unique, an expert tends to take the lead here every time a purchase takes place.
4. High-value, high-risk purchases involving a large number of senior decision makers evaluating a many criteria. It might be a new production line or complex

equipment such as a new computer network or a new office, plant and equipment, vehicles and etc.

Website marketing and B2B

This categorization can, in turn, be used to develop different marketing strategies depending on the mix of the types of business an organization has. A B2B campaign for a company that is wholly in segment 1 is much more likely to be more “consumer like” than a campaign for a company that is wholly in segment 4.



This can help with the development of your B2B website. There are certain things that are obvious such as the target audiences. In any business to business marketing you have different audiences with different expectations and understanding. So you have to talk to the Finance Director differently from the Purchasing Director, differently from the R&D Director etc. Each has their own expectations and language. Each has different ‘education’ needs. None wants to feel ‘talked down to’.

Certainly each will search for things in a different way so you have to understand this for search engine marketing and optimization.

They may want access to samples, case studies and technical details and, indeed, people who show this interest can, with a bit of thought, then be categorized as to their stage in the buying process and the appropriate contact strategy / tactics from the website or email.