

BUSINESS MARKETING



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We would like to dedicate this book to

Our students, colleagues, teachers, and mentors who taught us

*Our families—parents, spouses, children—who encouraged us,
especially MSP, Wendy, Susie, and Jenny*

Our practitioner friends and acquaintances who inspired us

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BUSINESS MARKETING

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PREFACE

Business marketing is a relatively new term. It replaces two other terms, *industrial marketing* and *organizational marketing*. Yet another term is *business-to-business marketing*. In fact, all these terms are equivalent and can be used interchangeably. They signify situations in which individuals or groups purchase products or services for resale, for use in producing other goods, and for daily operations of an enterprise. The range of such offerings is indeed vast. Business marketing encompasses large aircraft, raw materials, truck fleet maintenance, business advisory services, institutional feeding, tiny electronic circuits, and telecommunications. Companies, partnerships, institutions, and governments are the customers.

Our goal in this text is to convey the growing importance of a major field of business activity that has suffered some neglect over the years. Throughout the book, we attempt to

- Show the dynamic and complex nature of the business marketplace in a global, comparative framework;
- Analyze the action, the actors, and the audience by exploring what business marketers do, both those who buy and those who sell;
- Explore both the broad policies and the specific practices in the field of business marketing—not just what is done, but how it is done;
- Reveal which competitive strategies and tactics work well, with special reference to selected industries, organizations, and situations.

The authors come from different countries and with diverse experience in academia, industry, and government; thus, we can bring a richer, broader perspective to the discussion at hand. Because our background includes many areas, it is natural for us to adopt a combined outlook, encompassing both managerial and social perspectives. We think that users of the book benefit when the text brings such diverse perspectives into play.

While we stress the importance of companies, partnerships, and individual entrepreneurs, we recognize that business marketing is carried out by a host of government agencies, not-for-profit institutions, and groups such as trade, industry, and technical associations. We note, too, that although business marketing is carried out in and among highly industrialized nations, such activity is also an integral

part of the economies of developing and industrializing nations. Finally, we recognize that no concrete wall exists between business marketing and consumer marketing. Indeed, we applaud creative marketers who cross the border in either or both directions. Flowers are now being delivered to offices and industrial-grade cleaning compounds find loyal users in households.

ORGANIZATION

Business Marketing is organized into 17 chapters. Chapters 1 and 2 focus on the environment of business marketing and show the links between industrial and consumer goods. Chapters 3 and 4 explain organizational buying and selling behavior. Interaction of buyers and sellers is probed and purchasing as a major activity is discussed at this point. Chapters 5 through 8 look at the driving forces and elements in business marketing, including the roles played by marketing research, segmentation, and technology. Competitive and cooperative behavior of industrial enterprises is discussed at some length. Chapters 9 through 15 focus on the marketing mix, emphasizing the nature and characteristics of goods and services, distribution channels and logistics, pricing policies, and promotion practices in the business marketplace. The text comes to a close by looking at evaluation and control systems in Chapter 16 and at strategy and planning in Chapter 17. Following the chapters are twenty-two cases that provide in-depth examples of a variety of business marketing activities.

UNIQUE FEATURES

Though our book is in the mainstream of business marketing, observing many traditions, it also offers some special features:

- Instead of an individual chapter on global marketing, the book offers global examples in each chapter.
- While thinking globally, business marketers must act locally; adaptation to special conditions is stressed where and when appropriate.
- Illustrations, cases, mini-cases, and videos show actual, lively examples of what is happening in the field.
- The discussion emphasizes not only what, who, where, and when, but also the how and why of business marketing.
- The multi-faceted and complex nature of the industrial marketplace is described, analyzed, and evaluated, to show both the macro and micro aspects of the issues.

LEARNING AND TEACHING AIDS

Each chapter opens with an outline and the major objectives, and closes with a list of the key terms and concepts and a set of challenging discussion questions. Business Marketing in Practice boxes in each chapter offer short but relevant stories of business marketing in action. The cases at the end of the book provide in-depth examples of a business marketing event, problem, or issue. For adopters of the book, we offer a set of videotapes consisting of two hours of stories highlighting individual companies and their experiences.

The Instructor's Resource Manual provides detailed answers to the discussion questions at the end of each chapter and a brief analysis of how to handle each of the cases at the end of the text. Our answers are just one possibility; creative students and instructors may wish to consider other acceptable responses. The manual also includes a guide to the videos, with suggestions for integrating the videos into the class. The Test Bank portion of the manual offers a complete set of multiple-choice questions and answers for each chapter, along with several essay questions and suggested answers. Finally, the manual includes a set of 100 transparency masters that do not duplicate the exhibits in the book, but rather complement and supplement them.

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Where to Reach Us

We are available to you and are genuinely interested in your comments, corrections, and criticism. We welcome contributions from you for future editions, be they mini-stories, examples, cases, or statistics. You can reach us by mail, phone, or fax, and are welcome to drop in on our classes for a face-to-face talk. Let us hear from you!

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Learning and teaching are not spectator sports. We hope that by using this book, whether as a student who purchased it or as an instructor who adopted it, you will benefit. In turn, we would like to learn from you! Please, do give us your comments and criticisms by mail, phone, or fax.

BUSINESS MARKETING

CONTENTS

Preface xvii

CHAPTER 1 INTRODUCTION TO BUSINESS MARKETING 1

An Overview of Business Marketing 2

Business Marketing Terminology 5

Business Marketing in Practice: Hitting the Nail, But Not on the Head 5

Business Marketing Defined 6

Business Products Defined 7

Business Marketing in Practice: Business Paper Marketers Watch Consumers 8

Business Product Classification 9

Capital Equipment and Investments 9 Accessory Equipment 11 Component Parts 12 Process Materials 13 Maintenance, Repair, and Operating (MRO) Supplies 14 Raw Materials 14 Business Services 15 Other Business Product Classifications 16

Differences Between Business Marketing and Consumer Marketing 16

Market Structure 17 Marketing Philosophy 20 Buyer Behavior 22

Purchasing Decisions 24 **Business Marketing in Practice:** Babcock & Wilcox Gains a Foothold in China 25 Marketing Research 26 Product/Service Mix 27 Promotion 28 Distribution Mix 29 Price 30 Conclusion 33

Business Marketing: An International Perspective 34

Examples of International Business Marketing 34 **Business Marketing in Practice:** The U.S.-Canada Free Trade Agreement 36 Entering Foreign Markets 37

A Look Ahead 38

CHAPTER 2 THE NATURE OF DEMAND IN BUSINESS MARKETS 44

Demand Defined 45

Business Marketing in Practice: The "Good Book" Is Good Business for Paper Producers 46 Direct Demand 46 Derived Demand 47 The Chain of Derived

Demand 47	Business Marketing in Practice: GE Analyzes Its Customers' Customers 51
<i>The Implications of Derived Demand</i> 51	
Price and Profit Impact 52	Promotion 53
Distribution 57	Business Marketing in Practice: Alcoa Reintroduces Aluminum TV Dinner Trays to the Microwave 58
<i>Market Evaluation</i> 61	
The Total Market Demand 63	Derived Demand 64
Complementary Products 64	Indirect Substitutes 65
Business Marketing in Practice: Titanium Displaces Graphite 65	Direct Substitutes 66
Company Product(s) 67	Company's Market Potential 67
Company Marketing Objectives 68	Internal Company Constraints 68
Evaluation of Tasks and Objectives 68	Pro Forma Profit and Loss Analysis 68
Reevaluation for Acceptable ROI 69	

CHAPTER 3 BUSINESS BUYER BEHAVIOR 73

<i>Factors Affecting Buying Decisions</i> 75	
Environmental Factors 75	Business Marketing in Practice: Prestige Motivates Corporate Jet Purchases 77
Organizational Factors 79	Buying Center Factors 81
Individual Factors 84	Business Marketing in Practice: Overstepping Ethical Bounds 85
<i>The Process of Business Buying</i> 86	
Buy Classes 86	Types of Products 87
Buy Phases 88	The Business Buying Process in Practice 89
<i>Motivations of the Business Buyer</i> 90	
Buyers' Criteria 90	Buyers' Uncertainties 91
Marketers' Abilities 92	<i>Characteristics of Buyer/Seller Relationships</i> 93
The Process of Relationship Development 93	Implications of Buyer/Seller Relationships for the Business Marketer 99

CHAPTER 4 BUSINESS PURCHASING 103

<i>The Contribution of Purchasing</i> 105	
The Scale of Buying 105	The Effects of Purchasing on Profits 106
The Effects of Purchasing on Product Quality 106	Appreciation of Purchasing's Contribution 106
<i>Strategic Purchasing</i> 107	
Using Fewer Suppliers 107	Business Marketing in Practice: Comparisons of Purchasing Patterns in Different Nations (Equipment, Materials, Components) 108
Purchasing Strategy and Technology Strategy 110	Make

or Buy	111	Business Marketing in Practice: Buyer/Seller Relations in Japan	112
Corporate Purchasing	115	Long-Term Strategy	116
<i>Relationship Management and Supplier Development</i>	117		
Supplier Relationships and Profit	118	Adversarial Purchasing	119
Business Marketing in Practice: An Example of Adversarial Purchasing	120		
Nonadversarial Purchasing	121	Switching Costs	121
<i>Assessing Suppliers</i>	122		
<i>Product Management</i>	125		
Value Analysis	125	Costs of Quality	125
Purchasing and Product Development	126		
<i>Purchase Price Management</i>	129		
Pricing Analysis	129	Contract Price Adjustments	130
Price as a Measure of Purchasing Performance	130		
<i>Just-in-Time (JIT)</i>	132		

CHAPTER 5 **MARKETING RESEARCH AND MARKET INFORMATION SYSTEMS** 136

<i>Marketing Research and Information Systems</i>	139
The Information Center	140
The Nature of Information	141
The Delivery and Diversity of Information	141
<i>Existing Sources of Information: Internal and External</i>	143
Internal/Unpublished Sources	144
The Three Levels of Published Sources	144
Business Marketing in Practice: The Yellow Pages as a Market Research Tool	147
Accessing Information	148
Accuracy and Errors	152
<i>Breaking New Ground: Conducting Primary Research</i>	152
Research Topics	154
Types of Business Marketing Research	154
Research Techniques	155
<i>Organizing and Executing Business Surveys</i>	155
Personal Interviewing	156
Mail Surveys	157
Business Marketing in Practice: Mailing Lists: How to Get Them, What They Offer	158
Telephone Surveys	159
Telemarketing, EDI, E-Mail, and Fax	160
Qualifying Interviewers, Interviewees, and Survey Forms	161
Data Analysis	162
Cost Considerations	162
<i>Measuring and Forecasting Markets</i>	163
Estimating Techniques for Market Potential	164
Forecasting Techniques	165
Specific Applications	169
<i>Other Topics in Business Marketing Research</i>	173
Buying Influences	173
Vendor Selection	174
Competitive Intelligence: How It Is Gathered	174
Business Marketing in Practice: The Inquiring	

Mind, The Persistent Attitude 175 Competitive Intelligence: Legal and Ethical Limits 177

CHAPTER 6 SEGMENTATION OF BUSINESS MARKETS 185

The Nature of Market Segmentation 187

The Basic Criteria 187 The Bases for Segmentation 191 Misapplications of Segmentation 192 Beyond Segmentation 193

The Macro Bases for Segmentation 194

A Note on Terminology 194 Size of Buying Unit 194 Type of Industry 196 Geographic Location 198 Combining Size, Industry, and Location 201 **Business Marketing in Practice: Segmenting the Markets of Eastern Europe for Telecommunication and Computer Equipment** 202

The Intermediate Bases for Segmentation 203

Operating Variables 204 **Business Marketing in Practice: Marvin: Real-World Window Sales** 205 Purchasing Approaches 207 Situational Variables 209

The Micro Bases for Segmentation 209

Buyer-Seller: One on One 210 Individual Characteristics 211

Combining Different Bases 213

Industry, Application, and Benefits 213 Users and Psychographics 214 Technology and Buying Factors 215 Emporographics and Product Application 215

Segmentation and Marketing Strategy 216

Segmentation, Strategy, and Positioning: An In-Depth Example 216 **Business Marketing in Practice: Lucrative Segments in Continuing Education** 218 Examples from the Service Sector 220

CHAPTER 7 COMPETITION AND COOPERATION IN BUSINESS MARKETS 228

The Arena of Competition and Cooperation 229

Business Marketing in Practice: The Parable of the Playground by the Seashore 230 A Historical-Economic View of Competition 234 The Modern Business View of Competition 235

Competitive Forces and Their Determinants 235

Existing Rivalry 236 New Entrants 237 Power of Suppliers and Buyers: The Threat of Integration 238 Substitutes: New Products and Processes 240

Cooperation: An Alternative to Competition 242

Voluntary Cooperation 243 **Business Marketing in Practice: When Competitors Agree to Cooperate** 244 Mandated Collaboration 246 Two Special Situations 247

Competitive Strategy and Tactics: Concepts and Implementation 248

Corporate Growth Strategies and Tactics 249 Generic Competitive Strategies 250 Marketing “Battle” Strategies and Tactics 251 Utilizing the Marketing Mix 253 Measuring Performance 255

Rivalry in Stable and Mature Industries 257

Business Marketing in Practice: Why Can’t Outstanding Companies Remain Outstanding? 259 Abrasive Materials 259 Cement 260 Internal Combustion Engines 261 Welding Equipment 262

Rivalry in Emerging and Growing Industries 263

Biotechnology 263 CAD/CAM/CAE Systems 264 Capital Equipment Leasing 264 Industrial Security 265

CHAPTER 8

TECHNOLOGY AND THE INDUSTRIAL MARKETPLACE

275

Business Marketing in Practice: Appropriate or Intermediate Technology for the Developing Nations 277

The Sources of Invention and Innovation 278

The Classic View of Invention and Innovation 278 The Modern View of Invention and Innovation 279

The Quest for Innovation in Different Nations 282

In Search of Growth: Technology as the Catalyst 282 Sources and Performers of Research & Development 285 Activity by Industries 286

Measuring Technological Change 288

Input Indicators 288 Activity Indicators 290 Output Indicators 291 Commercial Payoffs 292

The Spread of Technological Change 294

Diffusion and Substitution 294 Beneficiaries of Innovation 297 Technological Forecasting 299 **Business Marketing in Practice:** Perils and Pitfalls of Technological Forecasts—and How to Avoid Them 299 Managerial and Marketing Implications 301

Technology and the Global Marketplace 306

International Competition and Cooperation 306 Facilitating the Transfer of Technology 309 Technology as a Tool in Foreign Market Entry 310 High Technology: Is It the Cutting Edge? 310 Technology, Marketing, and Business Strategy 313 **Business Marketing in Practice:** Quality in High Tech: Philosophy and Practice 314

The Role of Technology in Selected Markets 315

Computer Hardware and Computer Services 317 **Business Marketing in Practice:** State of the “Wired” Office, 1992: Outlook by Field 317 Steelmaking:

Old and New Ways 318 Supertrains: Is There a Future? 319 Biotechnology: An Old/New Field 319 Medical Imaging: Equipment and Process 320

CHAPTER 9 PRODUCT DECISIONS AND STRATEGIES 328

Business Products Classification 329

The Product Life Cycle 330 The Product Life Cycle as a Planning Tool 332

Product Objectives and Policies 332

Product Line Width 333 Product Line Depth 333 **Business Marketing in Practice:** A New Standard in Speed of Travel 336 Risk in Product Line Management 336

Developing New Products 337

Management Attitudes Toward Risk 338 The Necessity of New Products 338 **Business Marketing in Practice:** Continuous Product Innovation 339

The New Product Development Organization 341

New Product Committees 341 New Product Departments 341 Product or Brand Managers 341 Venture Teams 342

The New Product Development Process 342

Managing New Product Development Risk 342 Idea Generation 343 Screening New Product Ideas 347 Business Analysis 349 Concept Development and Testing 352 Prototype Development 352 Trial or Test Marketing 352 Commercialization 353 New Product Development and Marketing Strategy 353

Designing New Products 356

Functional Design 356 **Business Marketing in Practice:** Product Development for World Markets 357 Industrial Design 358 The Total Design Concept 358

Product Deletion 359

Developing Products for Niche Markets 360

Nichemanship's Emergence 361 Determining Market Needs 361 Targeting the Niche 362 Finding an Attractive Niche 363 The Future for Niche Strategies 363

Developing Products for Global Markets 364

Global Product Standardization 365 International Product Adaptation 365 **Business Marketing in Practice:** Caterpillar Develops Products for Global Markets 366

Linking New Product Strategy to Results 368

CHAPTER 10 BUSINESS SERVICES 376

Growth of the Service Sector 378

Business Marketing in Practice: The Swing Toward Services 379