

# **BUSINESS-TO-BUSINESS MARKETING**

## **WEEK 8 MARKETING COMMUNICATION IN BUSINESS MARKETS**

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**SPRING 2023**

## **WEEK EIGHT**

### **MARKETING COMMUNICATION IN BUSINESS MARKETS**

#### **8.1 Introduction**

Welcome to week eight lecture! It is my joy to have you in this class. We have now looked at three elements of marketing mix: product and price. We now want to focus on the third P which is promotion or marketing communication mix. Most people think of promotion, especially advertising as marketing. In this lesson we will put more weight on personal selling as it is the most popular tool for business markets communication.

#### **8.2 Intended Learning Outcomes**

At the end of this lecture, you will be able to

1. Define marketing communication in business market context.
2. Compare and contrast business and consumer markets communication.
3. Explain the role of marketing communication in marketing strategy.
4. Develop business market communication strategy.
5. Examine marketing communication strategies.
6. Review the role of communication in building relationships.
7. Determine the contributions of personal selling in marketing communication.

#### **8.3 Definition of Marketing Communication**

Marketing communication is popularly known as promotion. It is the art of informing consumers about a company's offering with an aim of making them become consumers. Marketing communication is the most pronounced tool of marketing and is often equated with it. Ali (2021) defines business marketing communication as a management process through which organizations contact with its various audiences. The aim is to influence the perception and understanding of the organization, and/or its products and services, with a view to generating specific meanings and ongoing attitudinal and behavioral responses. Further definition of marketing communication states that marketing communication represents the collection of all elements in an organization marketing mix that facilitates exchanges by establishing shared meaning with the organization customers or clients. Fill and McKee (2011) hold the view that business-to-business marketing communications are concerned with the way in which an organization communicates with other organizations regarding its products, services and its own desired corporate identity and associated reputation. They further add that marketing communications is an audience-centered activity which attempts to encourage engagement between participants and provoke conversations.

From these two definitions we notice that:

- a) All marketing mix variable and not just the promotional variables communicate with the customers.
- b) Marketing communication can be either intentional or unintentional.
- c) Marketing communication is both a sender and receiver of messages.
- d) Dialogue is critical in business -to- business and must be stimulated through marketing communication.
- e) Relationships: Communication should build trust that leads to involvement and commitment.
- f) Cognitive response: B2B audiences should be regarded as active problem solvers, who use marketing communications to help them in their purchasing and organization-related activities.

Business market communication is different from consumer markets in several ways. There is a greater emphasis on personal selling in business-to-business markets than there is in consumer markets, largely due to the bigger order values and the smaller numbers of buyers in each market segment. Because the buyers and sellers are much more likely to establish a long-term relationship in a B2B environment, there is also a greater emphasis on the personal contact which selling entails (Blythe and Zimmerman, 2013). Table 8.1 is a summary of these differences.

**Table 8.1 Comparison between consumer and business market communication**

Consumer markets	Business -to- business markets
Availability of mass media.	Mass media of little use.
Greater use of emotional appeals.	More rational approach used.
Greater tendency on the part of consumers to avoid the message.	Greater preparedness to seek out information
Selective retention means that communications are quickly forgotten.	Communications are frequently stored for future reference – brochures, advertisements, and leaflets may be filed away.
Copy is almost always short and punchy, usually just ten or a dozen words.	Copy is frequently long, even a thousand words or more.
Communication is aimed at individuals, who are in most cases solely responsible for purchasing decisions.	Communication is aimed at groups who in most cases need to agree on purchasing decisions.
Characterized by mass media, reaching broad market segments.	Characterized by industry-specific media, widely read by decision-making unit members.
<i>Source: adopted from Blythe and Zimmerman (2013)</i>	

## 8.4 Roles of Marketing Communication in Business Markets

Marketing communications plays several roles in B2B exchange networks. Among the most pronounced include:

- a) **Differentiate:** Marketing communications can differentiate products, services, and organizations, particularly in markets where there is little to separate competing offerings. For example, companies selling gasoline have no way of differentiating their products other than through promotion.
- b) **Reinforce:** Communications can also reinforce perceptions and images associated with organizations and their products. This is done by constantly reminding them of the existence of the brand and its benefits through various methods of communication,
- c) **Inform:** this is particularly useful when new products or services have been developed. An important aspect of B2B marketing communications is enabling. Promotion offers an opportunity for customers to learn about new features and usage of both old and new products.
- d) **Persuade:** Communications may also attempt to persuade current and potential customers of the desirability of purchasing an organization's offerings and thus lay down the foundation for an exchange relationship.

## 8.5 Developing Marketing Communication Program

Effective marketing communication requires the business marketer to develop a clear communication strategy. The business marketer does this step by step as indicated in the figure 8.1 (Blythe and Zimmerman, 2013):

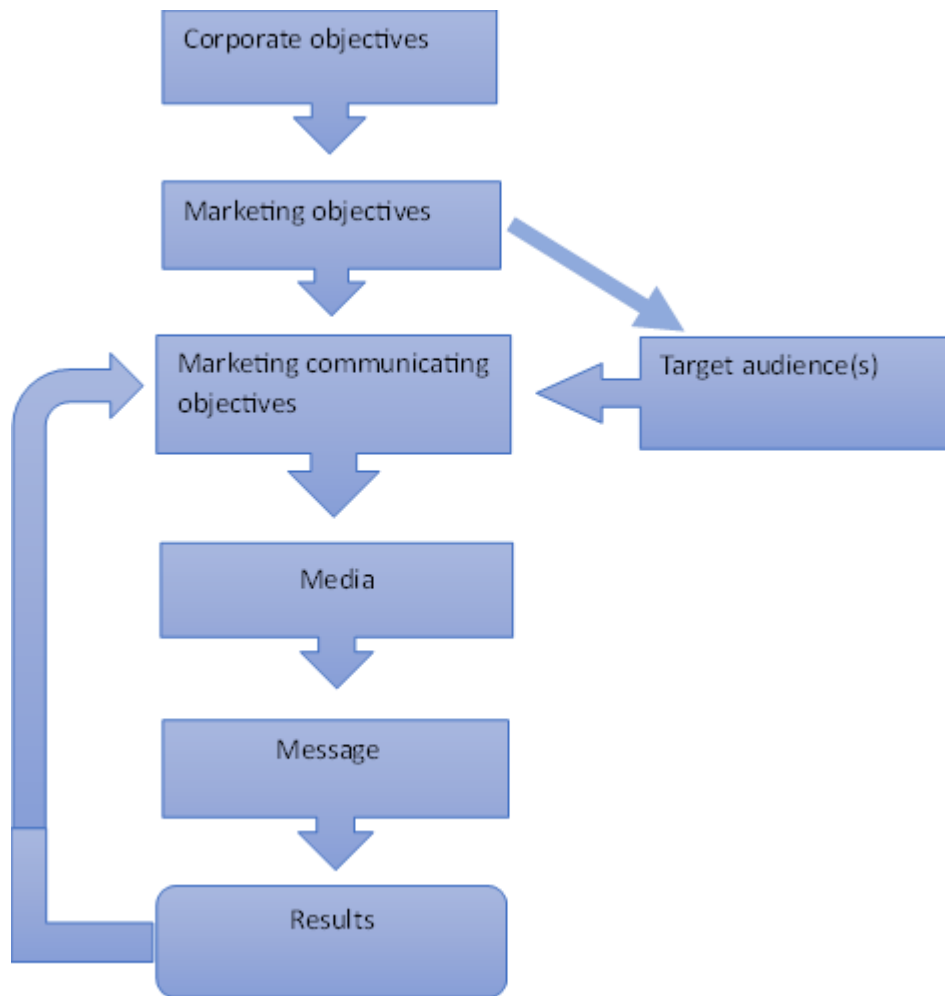
**Determine marketing communications objectives:** These are borrowed from the overall marketing strategy for the firm. The marketing objectives are usually derived from the corporate objectives of the firm. The communication objectives must be specific and measurable. Some of the communication objectives that may be developed as indicated by Yeshin (2006) include:

- **Reminder:** This works to ensure the brand is brought towards the front of mind. It can seek to communicate specific benefits that may have been forgotten.
- **Changing attitude, perception, and beliefs:** This is important when the image of the brand is perceived as old-fashioned or when the competitors' brands are seen to have greater relevance to the current needs. The objectives then become counteracting negative attitudes and portraying the product as of high quality and able to meet the needs of customers.
- **Reinforcing attitude:** Another objective is to reinforce an attitude. The business marketer will remind customers the reason as to why they usually chose the product. It reasserts the original value of the brand to either offset competitive pressure or to reassure customers that the brand values have not been changed.
- **Product line building:** This objective is set if the volumes for individual product lines, although profitable may not be able to sustain marketing communication. In this

case promotion will seek to communicate values that are common to all products line which bear the brand name.

- Relating products to consumer needs: This happens when the underlying reason for purchase is not clear. The objective will be to ensure that the product is seen as being directly relevant to consumers' requirements.
- Image: Marketing communication may be designed to improve the brand image.

**Figure 8.1 Steps in developing marketing communication program.**



*Source: adopted from Blythe and Zimmerman 2013*

- a) **Target audience:** Target audience refers to the group that is aimed at by marketing communication. The target market could be existing customers, potential customers, consumers who have experienced a company's brand but primarily purchase from competitor, customer who are infrequent users of our brand or only use size or flavors, people with low awareness of the brand and people who hold negative attitude towards the brand etc. Two different approaches can be used to identify the target audience. First, for industry and the individual companies, this will consider aspects such as size and number

of customers in the market, the industry, benefits wanted, and competitor activities. The second approach will be the need to identify the people who might or might not have a vested interest in the purchase (the DMU). This can be very difficult, especially if the customer is a large company with many divisions at home and around the world.

- b) **Choosing appropriate media:** In business marketing, personal selling is the most effective media. Media may be electronic but is often web-based, print (either business or trade publications), exhibitions, brochures, or mailings. An effective website is an essential component in the communications effort.
- c) **The core message:** The core message identifies the precise information that must be conveyed by the promotion campaign. Communication must be persuasive and differentiate between features and benefits. Consumers want advertising to take them seriously and at the same time to be done in such a way that it appeals to them. It must stick close to the product and the brand and in fact to the everyday lives of ordinary people. While business marketing communications focus on transmitting more fact than emotion, well-turned, rational appeals will always attract more attention than simple emotional appeals. To create specific messages, it is important to recall what the communications plan is trying to say. At the same time, however, the marketer must also understand what buyers already think and do, what information buyers need, and what competitive actions are currently (or could be) undertaken.
- d) **Assess the results:** If the objectives have been set as has been described above, the manager will be able to compare the results with the objectives, evaluate any shortfalls and change the objectives, audiences, media or messages in order to improve results.

## 8.6 Marketing Communication Strategies

There are basically three communication strategies; pull, push and profile (Fill and McKee ,2011).

- a) Pull-positioning strategies – these are intended to influence end-user customers (consumers and business)
- b) Push-positioning strategies – these are intended to influence marketing (trade) channel buyers.

Profile-positioning strategies – these are intended to influence a wide range of stakeholders, not just customers and intermediaries.

## 8.7 Relationship Marketing and Communications

One of the strongest pillars of business-to-business marketing is relationship building. From a relationship perspective, marketing communications can perform different yet significant roles as relationships evolve. Table 8.2 summarizes the different stages of relationship development and the roles that can be played by marketing communication.

**Table 8.2 The different relationship roles of marketing communications**

<b>Relationship stage</b>	<b>Role of marketing communications</b>
Acquisition	Differentiation to establish position. Information about organizational credentials and product features. Persuasion to stimulate behavioral action
Development	Differentiation and information provision predominate as organizations become increasingly open and reveal more about themselves. Increasing levels of trust emerge as the boundaries of the relationship become established.
Retention	The provision of knowledge and sharing of information becomes regularized and a common part of the relationship. Reinforcement messages, based on both reminding and reinforcing, are used to provide trust and commitment to support valued relationships.
Decline	Discrete relationships resort to persuasion to extract remaining value from the relationship.

*Source: adopted from Fill and McKee 2011*

### **8.8 Communication Mix for Business Marketers**

The strategic marketing communications process involves the implementation and deployment of the marketing communications mix. This is the bundle of communication tools, media and messages used to reach, engage and interact with audiences and which supports the marketing communications strategy (Fill and McKee 2011). In this section we summarize the main tools, their roles, and types and how they are integrated to support marketing communication as shown in table 8.3.

**Table 8.3 Marketing communication mix for business marketers**

<b>Tool</b>	<b>Definition</b>	<b>Main role</b>	<b>Types</b>
Advertising	Advertising is a non-personal form of mass communication, paid for by an identifiable sponsor.	To inform and remind.	Online and print advertising in trade journals and newspapers.
Sales promotion	Sales promotion seeks to offer buyers additional value, as an inducement to generate action, often	Aimed at moving buyers along the buying process rather than making a complete transaction.	Buying allowance, Count and recount, buy-back, merchandising,

	to make an immediate sale.		promotional, gifts and premiums.
Public relations	Public relations are about establishing and maintaining relationships with various stakeholders and with enhancing the reputation of the organization.	Improves firm's image and reputation	Press release, press conferences, interviews, events, lobbying, corporate advertising, crisis management, investor Relations.
Direct marketing	Seeks to target individual customers with the intention of delivering personalized messages and building a relationship with them based on their responses.	Complements personal selling activities and in doing so reduce costs and improve overall performance.	Direct mail, telemarketing and web supported.
Personal selling	It is interpersonal communication tool which involves face-to-face activities undertaken by individuals, often representing an organization.	Building relationships with members of buying centres.	Supported by trade shows and field marketing.

*Source: adopted from Fill and MCkee 2011*

### **8.9 Business-to-Business Media**

Business marketing communication is enabled through a well-articulated combination of media vehicles. A summary of media classes and types is given in table 8.4. As a general rule, business marketers use print rather than broadcast media simply because of the informational nature of the messages they wish to convey and the (small) size and (large) geographic dispersion of their audiences. Print media is an important part of B2B communications. It enables reasonably detailed information to be conveyed to buyers and designers. Trade journals, business magazines and industry-based directories are common media. When making a choice between different media mix, the business marketer must consider the goal of the campaign and the cost of combining the different media types.

**Table 8.4 Classification of business-to-business media**

<b>Media class</b>	<b>Media types</b>
Broadcast	Television and radio
Print	Newspaper and magazines
Outdoor	Billboards
Digital	Website
In-store	Signages
‘Others’	Brochures

*Source: adopted from Fill and Mckee 2011*

### **8.10 Digital Media and B2B Marketing Communications**

The internet is a medium that allows for interactivity and is possibly the purest form of marketing communications dialogue outside personal selling. It is a two-way communication very fast, allowing businesses and individuals to find information and enter exchange transactions in such a way that some traditional communication practices and exchanges are being reconfigured. The digital media overcomes many of the challenges of traditional media and is the fastest growing. Table 8.5 is a comparison of traditional media and digital media while Table 8.6 describes the most popular digital media under use.

**Table 8.5 Comparison between traditional and digital media**

<b>Websites/Internet</b>	<b>Traditional media</b>
Good at providing rational, product-based information.	Better at conveying emotional brand values.
More efficient as costs do not increase in proportion to the size of the target audience.	Costs are related to usage.
Better at prompting customer action	Less effective for calling to action except point-of-purchase and telemarketing
Effective for short-term, product-oriented brand action goals and long-term corporate identity objectives	Normally associated with building long-term values
Increasingly good at generating awareness and attention (e.g., seeding online video)	Strong builders of awareness
Measures of communication effectiveness weak and/or in the process of development. Measures of website use very high.	Established methodologies, some misleading or superficial (mass-media) direct marketing techniques are superior
<b>Dominant orientation -cognition</b>	Dominant orientation-emotion

*Source: Adapted from Fill and McKee 2011*

**Table 8.6 Digital media channels used in business-to-business marketing**

Digital media channel	Explanation
Website	Should be attractive and one that encourages interactivity and engagements. B2B website design and content influence business buying and selling behavior, negotiation strategies, pricing practices, and performance in a B2B context
Search Engine Marketing	The website designer must endeavor to raise rankings. The two main techniques used are the search engine optimization and pay per click
Email marketing	Email can be directed at clearly defined target groups and individuals and the email messages can be personalized and refined to meet the needs of individual buyers. In-bound and out-bound emails must be managed.
Mobile marketing	Mobile marketing is developing rapidly and is perceived to be good for customer acquisition as well as developing relationships.
Social media	A group of internet-based applications that build on the ideological and technological foundations that allow the creation and exchange of user generated content. Examples include social networks blogs, microblogging, podcasting, and online communities.

*Source: adopted from Fill and McKee 2011*

### **8.11 Personal Selling in Business Marketing Context**

Personal selling is the most important tool of marketing communication in business marketing. This may be attributed to the fact that the tool allows for relationship building which is a key characteristic of business marketing. Personal selling brings the buyer and seller together mainly on face-to-face exchange which can easily induce change of behavior.

In carrying out their main task of order taking from customer it is normally assumed that the sales force does the following (Fill and McKee, 2011):

- a) Order takers are salespersons to whom customers are drawn at the place of supply.
- b) Order getters operate away from the organization and attempt to gain orders largely with demonstration and persuasion.
- c) Order collectors attempt to gather orders over the telephone, through email or a combination involving the Web.
- d) Order supporters are all those who support salespeople in that they are involved with the order once it has been secured,

## 8.12 The Roles and Tasks of Personal Selling

The sales force in business marketing act as representatives of the organization to the customers and vice versa. They must manage customers well and ensure they pass correct information to the organization on behalf of customers. The specific roles performed by the sales force are summarized in table 8. 7.

**Table 8.7: Tasks of personal selling**

Activity	Explanation
Market research	The analysis and forecasting of market trends and related activities. The identification of sales opportunities.
Inbound information	Reporting information to the organization about the market customers and associated stakeholders.
Outbound information	Reporting organizational information to customers and associated stakeholders about products and organizational issues.
Prospecting	Finding and using leads to generate new customers.
Marketing & sales team coordination	Developing strong internal links with sales support teams, the marketing department, and other agencies.
Selling	Leading prospects and established customers to a successful close.
Customer relationship	Developing mutually satisfying relationships with customers.
Sales service	Pre-sales support to encourage buyer engagement and trust prior to any transaction. Post-sales support to provide reassurance and formative collaborative gestures.

*Source: adopted from Guenzi 2002*

## 8.13 Situations When Personal Selling Is Preferred

Personal selling is far more expensive compared with advertising and public relations. However, certain situations render it as the most preferred tool of marketing communication. When the firm is dealing with complex relationships, personal selling is the only tool that allows clarification of issues. In selling capital-intensive items, it will suit the situation as it allows maximum interaction between buyers and sellers. Buyer significance is another situation. If the buyer considers the item to be very significant in his operations, then personal selling will come in handy to address any issue raised by the buyer. Communication effectiveness is a situation where advertising is not able to provide enough information to enable the buyer to decide. Salespeople discuss with clients their specific needs, talk in the customer's own language, offer source credibility through expertise

trustworthiness, and build a relationship that corresponds with the psychographic profile of each member of the DMU.

In situations where the customer base is small and dispersed across a wide geographic area it makes economic sense to use salespersons, because advertising in this situation is inadequate, ineffective and inefficient. The channel factor is another important situation when personal selling may be preferred. If the communication strategy combines a larger amount of push, rather than pull, activities then personal selling is required to provide the necessary communications for the other members of a network.

From the ongoing discussion it is then clear that personal selling is the main tool of marketing communication for business marketers. It also follows that the salespeople must be equipped with appropriate skills to carry out their tasks well. Handling objections, answering questions, and overcoming misconceptions are also necessary information exchange skills.

#### **8.14 Review Questions**

1. Define marketing communication in business marketing context.
2. Compare and contrast consumer and business market communication.
3. Describe steps followed in developing a marketing communication program for business marketers.
4. Discuss the roles of marketing communication in business markets.
5. Why do business marketers prefer personal selling as their mode of communication.

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