

# DIFFERENCES BETWEEN B2B MARKETING AND B2C MARKETING

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## OR IS EVERYTHING HUMAN-TO-HUMAN (H2H) MARKETING?

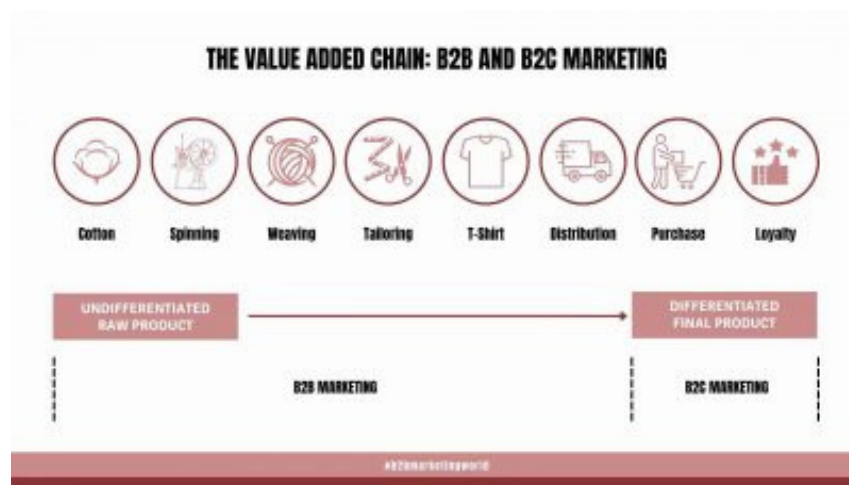
Ever wondered what makes Marketing for consumers (B2C) and marketing for companies (B2B) different? Depending on the source of information, you will read about huge differences and the trend of adopting B2C marketing for Business-to-Business Marketing strategies and tactics. Understanding the differences and make use of them is key to succeeding in your marketing role. The differences in real-life vary from industry to industry. This article gives you the most comprehensive overview of the crucial differences and outlines the consequences for your daily job.

# 1. WHAT IS B2B MARKETING, AND WHAT IS B2C MARKETING? A BRIEF DEFINITION.

Business-to-Business marketing describes all activities a company does to market a product or service to another company to influence the business relationship of two companies positively. By trend, decisions are made less emotional. The purchaser is less price-sensitive, and the product or service is complex and has a high explanatory effort. The purchase is built on a personal relationship and has a long-term perspective.

The definition described in this article What is B2B Marketing? A Definition puts it briefly: “The strategies and processes involved in marketing and distributing a product or service to another company or organization”

Business-to-Consumer marketing focuses on the relationship between a company and the end-customer of a product or a service. By trend, consumers are influenced by emotions, are price-sensitive, and make subjective decisions. Consumers do not necessarily seek long-term partnerships or try to make deals for the long run. The consumer themselves purchase without the involvement of other people.



To understand the difference between B2B and B2C Marketing, it is necessary to understand the basic mechanisms of both market types.

B2B marketing covers the whole value-added chain. In its most comprehensive form, from the raw material to the final product. The raw material, slowly transforming into the final product, becomes less and less differentiated. Each step of this transformation may happen between two companies – the one selling, the other buying – and is supported by B2B marketing. B2C marketing only covers the final step of this process—the point where the product is sold to the consumer.

## 2. DIFFERENCE BETWEEN B2B MARKETING AND B2C MARKETING

The definition of the two terms already gives some hints on the differences in marketing. The following table focuses on the 7Ps of marketing and covers the most important parts of the marketing mix. To gain even deeper insights, you also find differences regarding the most common marketing channels.

### 2.1. B2B VS. B2C FOR THE 7PS OF MARKETING

Here are the differences between B2B Marketing and B2C Marketing for:

- Product & Service
- Price
- Place / Distribution
- Promotion / Communication
- People
- Processes
- Physical Evidence

#### PRODUCT & SERVICE

##### B2B Marketing

Have a higher complexity and often need an expert to understand features and USPs, which leads to a high explanatory effort for marketers and sales. Specifications, norms, and standards are at the center of the product/service comparison.

##### B2C Marketing

Consumers understand the pros and cons of the product or service without understanding the mechanisms behind it. Brand, loyalty, or convenience are more important than the product benefit itself.

## **PRICE**

### **B2B Marketing**

Low price sensitivity. Prices are compared, and decisions are not made without at least a second offer. Budget constraints and bidding processes, often required by law, influence the price.

### **B2C Marketing**

High and low-price sensitivity, depending on the product. Consumers have a hybrid price perception as soft facts such as branding, personal status or perceived (promised) features influence the price sensitivity. By trend, price is an emotionally influenced buying aspect.

## **PLACE / DISTRIBUTION**

### **B2B Marketing**

Shipping costs can be high due to heavy or bulky products. The shipment might include dangerous goods and require special preparation. Typically, distribution is global but not decentralized. That means global fulfillment processes out of centralized warehouses with high planning and managing demand. International expertise is required.

### **B2C Marketing**

Fast delivery and 24/7 accessibility to the products/services are state-of-the-art. The fulfillment is often to the doorstep. Consumers do not have to leave their houses to get products. The distribution is an important factor for a buying decision. Ad hoc decisions at the point of sales (e.g., supermarket cashier) are common.

## **PROMOTION / COMMUNICATION**

### **B2B Marketing**

Less emotional, fact, and “educational content” driven. The marketing communication differs strongly, depending on buying phase. Awareness is followed by education and deep-dive know-how to prove the company's ability. Promotional communication like success stories and testimonials are less important than in B2C. Word-of-mouth and community management, including professional social media platforms, are part of B2B marketing communication. Niche target groups require a strongly segmented marketing mix.

### **B2C Marketing**

Emotional, brand, and brand promise focused. Fewer facts than in B2B. Communication targets the ultimate buying decision phase without necessarily educating the consumers upfront. Emotional and often irrational triggers rush consumers into a decision. B2C marketing communication positively influences these moments. After-sales communication is used to reassure consumers about their decision and build up loyalty. By trend, the target groups are bigger, and mass media is used to reach them.

## **PEOPLE**

### **B2B Marketing**

Marketing and salespeople are vital success factors in B2B. The personal relationship is at the center of the buying process and often a critical criterion. Due to the nature of the business, this group of employees are well trained and know the functional principles of the product. Salespeople often install products at the customer's site and educate the customer. The knowledge is deep and requires training which makes sales and marketing people expensive. The fluctuation rate is lower than in B2C, and loyal employees often are 100% convinced of the superiority of the product/service.

### **B2C Marketing**

Employees in B2C are often brand ambassadors and the face of the brand to the public. Due to the nature of consumer business, the face to face contact can be the one reason for purchase. Salespeople are trained on processes and how to behave, rather than on the product itself. For services, this is different as the service can only be fulfilled satisfactorily if the employee knows his job. People in B2C are easier to replace and cheaper in training. However, their impact on the sales process can be higher. Some markets have a high fluctuation rate, and loyal employees are often loyal to the brand or their colleagues.

## **PROCESSES**

### **B2B Marketing**

B2B processes often focus on the internal part of the valued added chain. These processes basically have the aim to increase efficiency. Typically, not all processes interact with each other, e.g., the sales process is not linked to the purchasing process. That means more interfaces and a high managing demand of processes. Fast-growing companies often lack proper organizational management as budget is typically allocated towards R&D and production resources.

### **B2C Marketing**

B2C processes focus on the external part of the value-added chain to increase the effectiveness of actions. However, for markets with a high price sensitivity, efficient internal processes are often a USP of companies. Process interfaces are often established at an early stage. B2C companies typically have proper organizational management and actively build processes.

## **PHYSICAL EVIDENCE**

### **B2B Marketing**

Physical evidence is normally realized with product samples or demos at the customer's site. Depending on the product or service, physical evidence is only possible during the project realization. That means there are typically project phases in which the customer can convince himself about the promised product quality and perception.

### **B2C Marketing**

Brick-and-mortar stores are still the typical way to establish physical evidence. Consumers can walk in and perceive the product. For services, it remains a marketing job to replace physical evidence, e.g. videos of the service, ratings and feedback, or a relatively new way – virtual reality. Online stores bypass the lack of real-world stores with free returns.

## 2.2. B2B VS. B2C FOR THE MOST COMMON MARKETING CHANNELS

For an even closer comparison of the two terms, the following overview gives an insight into the differences of marketing channels for both types of marketing:

- Online Appearance
- Social Media Marketing
- Search Engine Marketing
- Content Marketing
- Classic Marketing (Print)
- Event Marketing

### ONLINE APPEARANCE

#### B2B Marketing

Online Marketing is less comprehensive established in B2B due to the slower adaption of trends and opportunities. B2B companies often have a rudimental online appearance and do not use the full range of the online marketing kit. The aim is often focused on information and visibility, instead of conversions, leads, and turnover.

#### B2C Marketing

B2C is the pacemaker of online marketing, and the digitalization of business is a vital parameter for many companies. There are multiple online pure players on the market which have their only presence online. A proper online appearance is the most important part of the marketing mix and is constantly developed further.

## SOCIAL MEDIA MARKETING

### B2B Marketing

LinkedIn, the professional network has over 645 million users in over 200 countries, whereas Facebook has only 80 million small- and medium-sized business pages. The social media strategy strongly depends on the aim. With a focus on networking and reaching decision-makers, LinkedIn is the best choice. With a focus on influencing your small- and medium-sized company customers and for employer marketing, Facebook is still a relevant channel. There are multiple reasons from a branding perspective to use Instagram. Videos, most likely educational content, are perfect for YouTube and like video content hubs.

### B2C Marketing

The target audience strongly influences the choice of social media channel for B2C. More precisely, of the target audience's age. Facebook, YouTube, Instagram, Snapchat, Pinterest, Twitter, and WhatsApp have different core, user groups. Against the rumor that Facebook is growing old, still, a full 30% user group is aged 25 through 34. True, the user group 65+ years has doubled in the US to 41%. Another example is Snapchat. The platform is used by 69% of 13-17 years old, and this value is constantly decreasing the older we get. Only 10% of 50-64 years old use the unique messaging service.

## SEARCH ENGINE MARKETING

### B2B Marketing

Without a doubt, SEM is a vital part of marketing activities. The B2B portfolio is often a niche that leads to very specific content with an educational focus. Due to the relatively small group of competitors, it is typically easier to rank on longtail keywords, specific to the respective business. The cost per click is also cheaper than in a high-competitive area. Even more so, brand inquiries are easy to catch. Still, that does not mean B2B search engine marketing can be done casually. To rank number 1 or at least on the first page requires a professional approach.

### B2C Marketing

By trend, the keywords you try to rank for in B2C are more competitive than in B2B. Consequently, companies need to invest high, in both SEO and SEA experts and advertising. Services like Google My Business are often used for customer feedback and have high risks if not managed professionally. SEM people need to react flexibly to the 3000+ changes of the google algorithm per year (2018 number). It is also necessary to do AB testing and to adapt Google Ads campaigns regularly. From a content perspective, text alone does not work anymore. SEM requires text, pictures, videos, infographics, and all other sorts of animated content pieces.



## CONTENT MARKETING

### B2B Marketing

Content marketing aims to provide additional value to the target group. The nature of B2B marketing requires educational content to explain the product or service in detail. Thus, not only the functionality and features are relevant, but also the "behind the scene" perspective. Educational content proves the competence of the company and is a valuable source of information. The content marketing strategy needs to consider the different roles of people in the buying center. E.g., the user needs content to understand the working principle of the product. The influencer might want to know the technical or physical principle which results in a certain feature. And the decision-maker wants a comparison of different available solutions. The different requirements need different types of content. This is part of a B2B content marketing strategy.

### B2C Marketing

B2C products often require content types to decrease the complexity of the buying decision. Without a buying center as in B2B, the individual needs to decide on his or her own if the product or service is worth it. And if the brand promise given by an advertisement is trustworthy. Therefore, the aim of B2C content marketing within the buying process is building trust. From a branding perspective, content needs to be engaging, memorable, and emotional. A strong brand reduces buying barriers and increases trust. Hence, in B2C, the content marketing strategy is derived from the aim and may address the same person with different contents. In both B2C and B2B, the content needs to fit the buying process and needs to provide additional value.

## EVENT MARKETING

### B2B Marketing

There are different events such as exhibitions, networking events, or industry symposiums. Event marketing plays a vital role in presenting products and technology to the target group, but events are also an opportunity to meet other industry players. B2B is largely built on trust, and therefore, such networking opportunities play a vital role in the relationship.

### B2C Marketing

Events are typically used to display the newest products or services to a larger audience. Branch-specific events good opportunities for customers to see all provider of a specific product at one place. Exhibitions offer the possibility to see, touch and test the latest product innovations. Such events are very important from a branding perspective and are often expensively staged.

## CLASSIC MARKETING (PRINT)

### B2B Marketing

The classic brochure and print advertising are still a common things in B2B. Printed brochures, for example, are heavily used at exhibitions and as a presentation tool during customer talks. Due to the complex products, the high explanatory effort for the sales rep is supported with printed material. The advantage of physical documentation is to have it available independent of electricity, smartphones, and notebooks. Commonly, no electronic devices are allowed at the customer site—especially if the sales talk happens on plant premises. There are still industries and decision makers who read print copies (see this article for details on digital natives).

### B2C Marketing

In B2C, the purpose of printed material needs to work without the interaction with a sales guy. The print material needs to be self-explanatory. To catch the recipient's attention is hard, and the attention barrier is huge. Leaflets by snail mail are a common way of sending daily updates e.g., on grocery coupons. Other usages of print marketing material are company magazines, sent directly to the customer. With the ever-growing importance of digital channels, the classic print marketing material is continuously decreasing. But this also bears an opportunity because competition for the letterbox may be easier to win soon.

See this Hubspot blog article for further reading on the subject.

## 3. HUMAN 2 HUMAN MARKETING (H2H)

This article outlines that B2B and B2C marketing are different. Having a look on the classic 7Ps of marketing and common marketing channels, distinct differences can be listed.

One aspect frequently discussed when talking B2B vs. B2C is that, in both cases, humans interact with humans. A conclusion would be that the difference between B2B and B2C is outdated, and the only necessary approach is Human-to-Human "H2H".

Although this is correct often, it is also wrong for eCommerce. When purchasing online from Amazon.com, you have no interaction with a human. The strong brand, the convenience and your trust in the brand, replaces the human factor.

Another argument against the simplified concept of Human-to-Human is, this term only reflects the obvious – that we are all humans. It is just too generic to provide a valid framework to work with. However important the human factor is, it cannot be used to describe different marketing approaches.

To sum up, B2B and B2C marketing is still a valid framework to describe marketing for the various parts of the value-added chain. From raw material to the final product and beyond.

## **SUMMARY OF: THE DIFFERENCE BETWEEN B2B MARKETING AND B2C MARKETING**

Business-to-Business Marketing (B2B) and Business-to-Consumer Marketing (B2C) are different. There are differences from the perspective of the classic 4Ps of Marketing and considering the more comprehensive 7Ps. With a closer look at the most common marketing channel, the target group and the nature of the product has a big impact on your marketing. In some industries, this impact will be bigger than in others. Sometimes, B2C and B2B Marketing are very alike. On other occasions, you will experience differences like day and night.

The key take-away message is to know and understand your target group and how to reach them. This simple perspective defines the facets of your marketing strategy, content, and channels. Another aspect of knowing both, the B2B and the B2C end of things, is to learn from each other. Frequently, B2C marketing trends are adapted by B2B marketing over time. The reason for this phenomenon is we. Humans.

In both cases, people are collaborating. The exemption is eCommerce and purely digital services without another human interaction. Still, the basic concepts, differences, and peculiarities of B2B and B2C Marketing need to be considered before neglecting them. That's your very own choice when defining your state-of-the-art marketing strategy.