**CHAPTER ONE**

**A BUSINESS MARKETING PERSPECTIVE**

**Business Markets**

Market for products and Service

Local to international - Bought by:

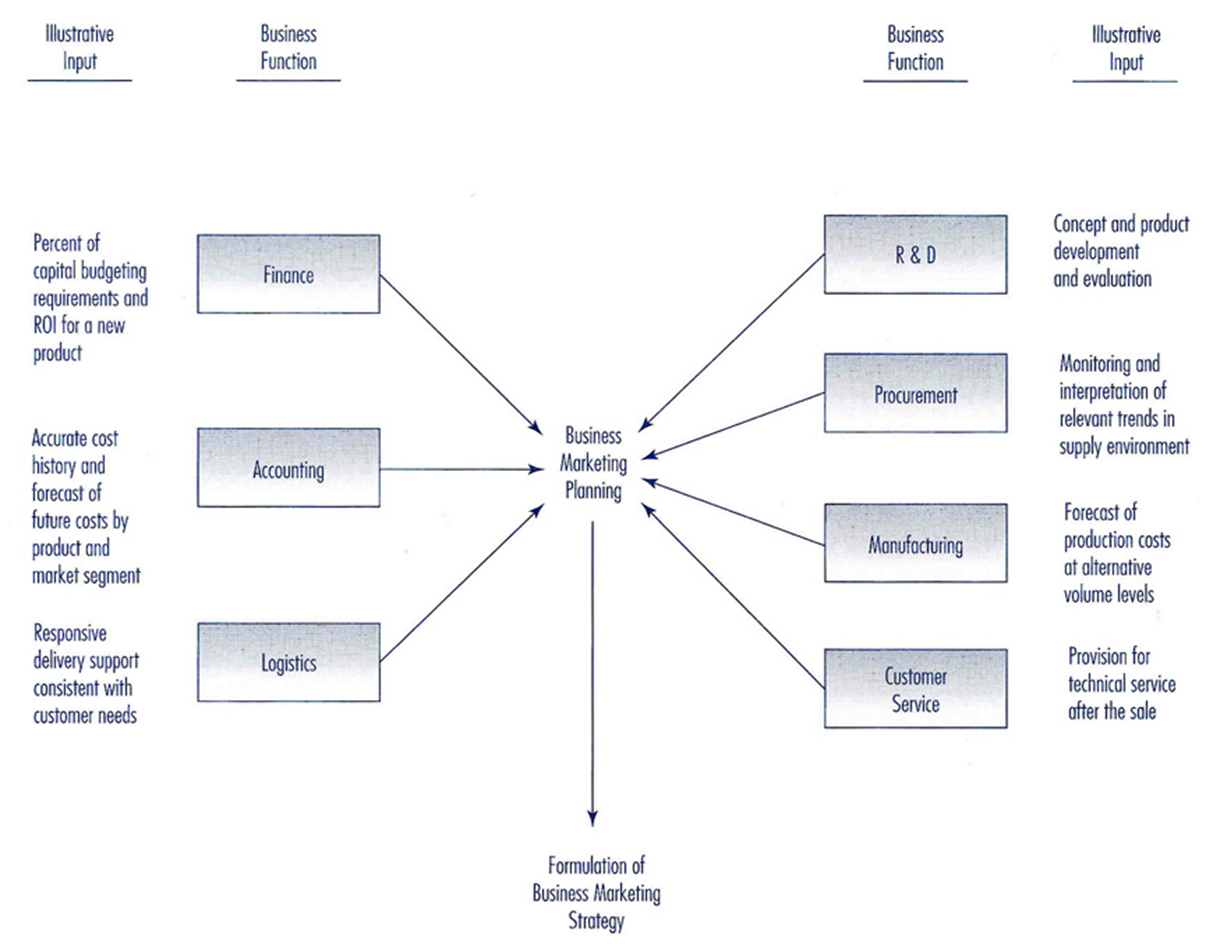
* Businesses
* Government bodies
* Institutions
  + For consumption
  + For use
  + For resale

**A Market Driven Firm**

Has:

* *Market sensing capability* … companies ability to sense change and to anticipate customer responses.
* *Customer linking* … the ability to develop and manage close customer relationships.

**Marketing’s Cross Functional Relationship**



Business marketing planning must be coordinated and synchronized with corresponding planning efforts.

**Keys to Cross Functional Working Relationships**

* Communications
* Perspective taking
* Responsive behavior
* Compatibility

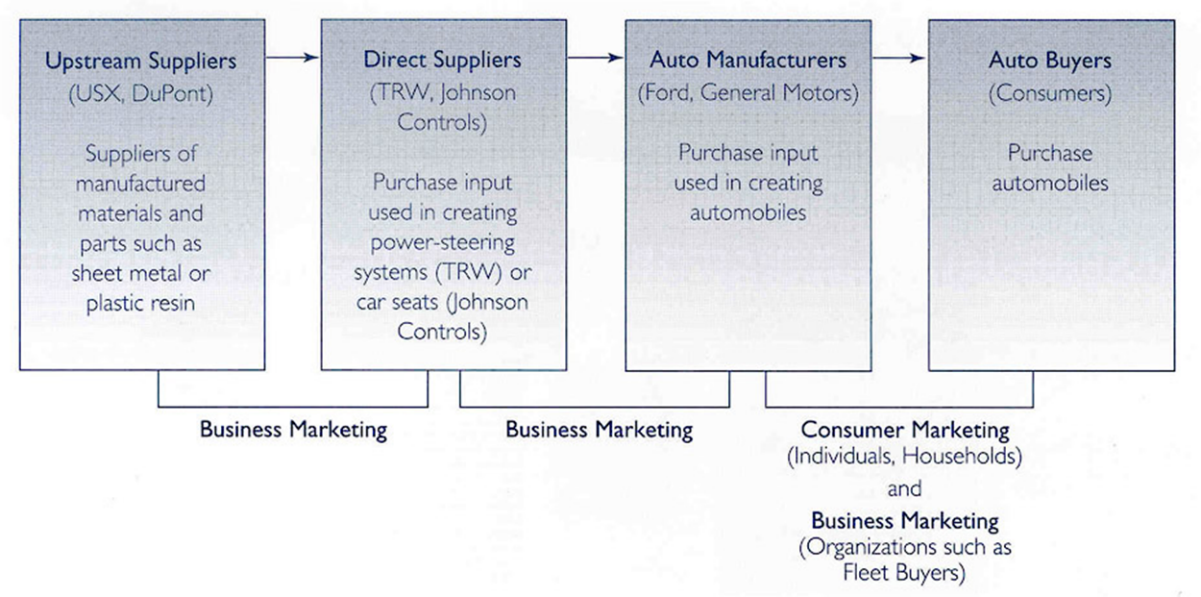
**Business Market Characteristics**

* Derived demand
* Fluctuating demand
* Stimulating demand
* Price sensitivity/demand elasticity
* Global Market perspective

**Relationship Marketing**

All marketing activities directed toward establishing, developing, and maintaining successful exchanges with customers.

**The Supply Chain**

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Michael Porter and Victor Millar observed that “to gain competitive advantage over its rivals, a company must either perform these activities at a lower cost or perform them in a way that leads to differentiation and a premium (more value).”

**Procurement Trends**

* Longer Term and Closer Relationship
* Closer Interactions among multiple functions
* Supplier proximity considerations

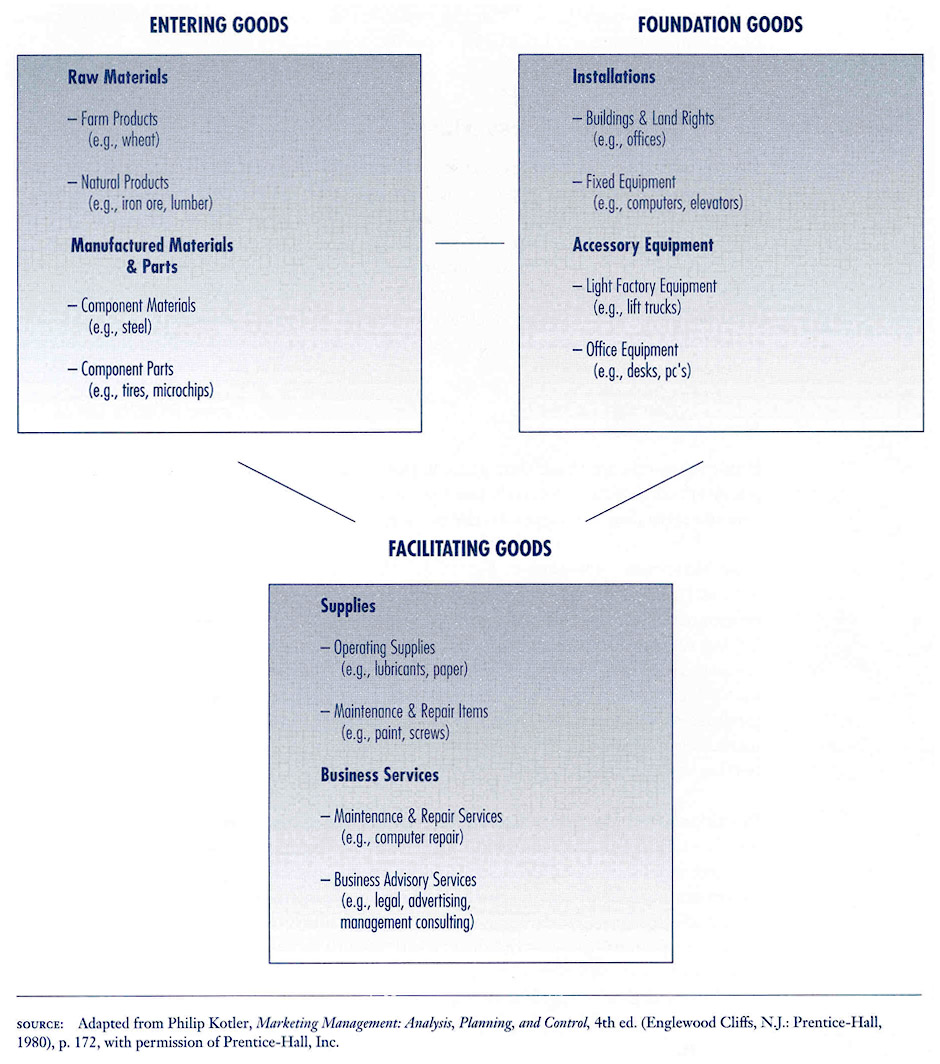
**Business Market Customer Commercial Enterprises**

* Users
* OEMs
* Dealers and Distributors

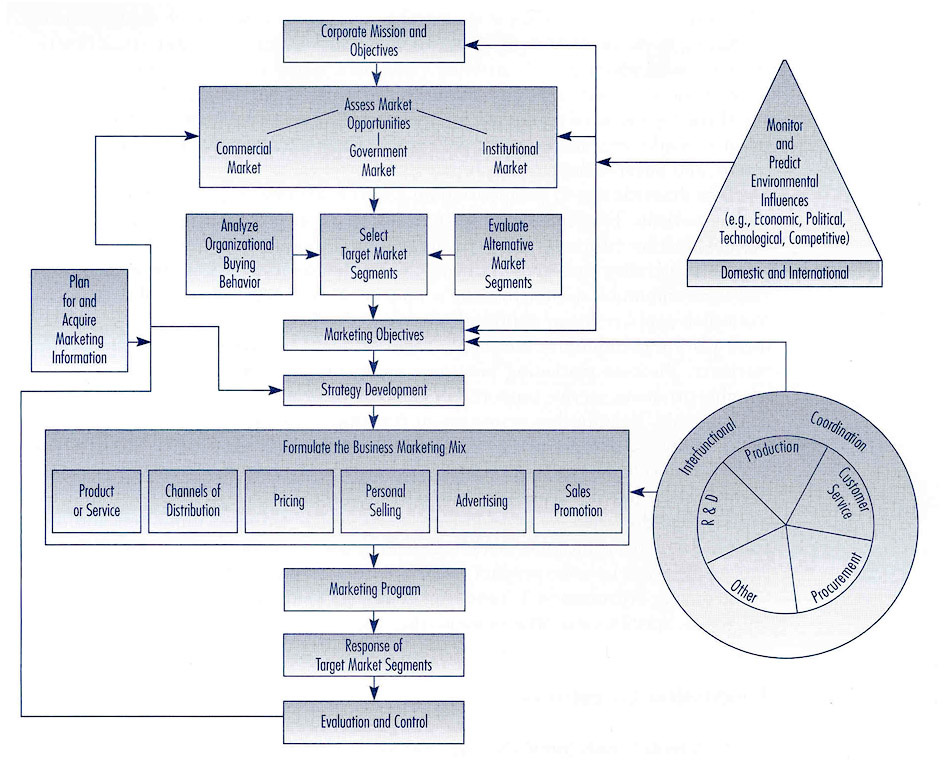
**Classifying Goods for The Business market**

Classifying industrial goods by the following questions:

* How does the good or service enter the production process?
* How does it enter the cost structure of the firm?



**A Framework for Business Marketing Management**

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Business marketing strategy is formulated within the boundaries established by the corporate mission and objectives.

Source:

Business Marketing management 8th edition, Michael D.Hutt, Thomas W. Speh