BUSINESS-TO-BUSINESS MARKETING & THE RELEVANCE OF COMMUNICATION

*Intelligent Sensing Anywhere*

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BUSINESS-TO-BUSINESS MARKETING & THE RELEVANCE OF COMMUNICATION

Intelligent Sensing Anywhere, S.A.

Internship realised at Intelligent Sensing Anywhere, S.A.

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INTRODUCTION

In the scope of the 2nd edition of the Master of Business Management at the Faculty of Economics of the University of Coimbra, an internship is required as an integral part of the master program. This experience has the purpose of providing valuable insights into the professional and market-oriented side of business management in practice.

The internship took place in the headquarters of Intelligent Sensing Anywhere, S.A. (ISA), in Coimbra, for a period of five months, from January till May 2009. The intern was supervised by Ms. Catarina Fonseca, Marketing Director of ISA, and Mr. Arnaldo Coelho, Professor at the Faculty of Economics of the University of Coimbra.

The purpose of this paper is to describe the professional experience, as well as the literature studied, in order to analyse this learning period.

The findings of this paper are divided into five chapters.
In the first chapter, the author reports her experience while working at ISA, presenting first a brief history of ISA and then, a description of the functions performed by the intern.
To complement the practical component of this experience, a theoretical study is developed in order to answer to the following question:

*What are the specificities of the business market and what implications does this have for communicating efficiently in order to anticipate and influence the buying decisions of organisational clients?*

In the second chapter, the specificities of the business market are analysed in order to understand the intricate behaviour of this market. Subsequently, the impact of the business-to-business market on the communication strategy of companies is discussed, as a way of helping the business marketing manager to adjust his/her marketing strategies to the business markets.

The third chapter focuses on understanding the unique characteristics of business communication, presenting the most relevant communication tools that a marketeer has at his/her disposal, in order to efficiently influence the organisational clients.

The fourth chapter is devoted to a brief analysis of the marketing strategy of ISA. The intern highlights the main experiences, observations and knowledge obtained at ISA. She also analyses her own contributions to ISA’s marketing strategy.

Finally, the fifth chapter concludes with an examination of the main learning points of the overall experience and study, finalising with a brief reflexion of the question posed on this paper.
1.1 - COMPANY PRESENTATION

ISA – *Instrumentação e Sistemas de Automação, Lda.*, a Portuguese company founded in 1990, starts with an initial capital of 5,000 Euros and only four workers, a highly qualified team of engineers and physicists with a solid expertise in electronics, instrumentation and software design. As a spin-off company of the University of Coimbra, ISA is initially exclusively dedicated to monitoring air and water quality.

In 1994, the company’s market-driven approach, one of its strategic guidelines, leads ISA to a new business area: Oil & Gas. This strategy has the purpose of obtaining a sustainable growth through diversification, which is accomplished when ISA becomes the European market leader of the LPG metering segment in 1996, having presently more than 50% market share.

ISA becomes a partnership company (anonymous company - S.A.) in 2008 and along with this change, the company’s strategic plan also undergoes some adjustments: ISA adopts a new name – ISA - *Intelligent Sensing Anywhere, S.A.* –, a new mission and vision, creating also three new business areas. Thus, after 19 years, ISA has now a capital of 800,000 Euros, more than 110 employees (among which several PhDs and MScs can be found) and six main investors (four individuals and two companies – Digal, S.A. and CQO, Lda.).

ISA has currently offices in Spain, France, Germany and Brazil and local agents in United Kingdom & Ireland, Romania, Turkey and Australia.

In 2009, ISA is present in six different business areas: Environment Monitoring Solutions; Oil & Gas Telemetry Solutions; Security & Remote Management Solutions; Energy Efficiency & Metering Solutions; Wireless Communication Modules and Healthcare & Medical Solutions (listed chronologically by date of creation). For each division ISA proposes new and innovative products, applications and solutions based on its own technology and leveraged by the large experience and know-how in the fields of electronics, software development, telemetry and control acquired over years.

ISA’s innovative culture leads the company to a close cooperation with reputable universities and companies, and also R&D institutions throughout the world (MIT, CMU, Oxford, VTT, Università della Sapienza, Università di Bologna, IOA, Exatronic, among many others) and with its *Alma Mater*, the University of Coimbra, being still the default technology partner for most new projects.
The Research, Development and Innovation (R+D+I) centre is located in Portugal, where 45 people are fully dedicated to innovation and the development of ground-breaking products and solutions. ISA invests 15% to 20% of the annual revenues in its own R&D department. 80% of the R+D+I budget is invested in a pull/market-driven strategy by listening carefully to knowledgeable clients that can propose innovative solutions. The remaining 20% represent the push/technology-driven approach that allows the R+D+I team to study the evolution of technology and to create state-of-the-art products. The ability to develop and launch innovative products\(^1\) into the market in a very short time is the key to ISA’s international success, having more than 40,000 installed systems on all five continents. The recognition and credibility of ISA as an innovative and solution driven company is demonstrated by the many awards already received. Among them, ISA won in 2006 the Innovation Award of the European Utility Awards. This award received during Metering Europe 2006 in Copenhagen recognises ISA’s iEyeMeter as an innovative solution which enables wireless multi-utility remote metering without the need to exchange legacy meters.

The remarkable evolution of ISA since 2003 - first profitable year - is reflected by an average sales growth of 60% per year and also by attaining in 2008 a record turnover of 5 million Euro (figure 1), where the exports represent more than 85% of this value.

![Turnover](image)

**Figure 1 – Turnover Evolution**

Source: ISA

The most important customers of ISA are shown in figure 2. IBM recently became part of ISA’s customer base and thus, part of the list of organisations that recognize the excellence of ISA’s solutions.

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\(^1\) Market-launch of four new products per year, on average. Source: ISA.
In order to increase the company’s results and customer satisfaction, ISA is currently working on the ISO 9001 certification process, which will warrant the quality of the entire company structure, starting with the conception and design of the product, going through its production and testing stages and ending with the after sales service. This complete control of the design and manufacturing chain is specifically helping ISA to meet deadlines and guarantee to its customers the maximum quality.

1.2 - Intern’s Functions

A brief description of the tasks performed by the intern during the five month internship will be presented in this topic. We will focus primarily on the assignments handled, on the working environment, and on the successes and shortcomings encountered by the intern when handling the various tasks assigned by the supervisor to her.

The internship starts in the headquarters of Intelligent Sensing Anywhere, S.A. (ISA), in Coimbra, from 5th of January till 31st of May 2009.

The initial days of the internship are devoted to understanding the company’s mission, vision, values, policies, overall strategy, products, competitive advantages and finally, the future ambitions of ISA. Several training sessions are presented by the representatives of each business area and the first tasks assigned by the supervisor to the intern, with the purpose of integrating the intern in ISA’s working environment. These tasks consist of translating existing leaflets and one installation manual.
After the adaptation period, the intern assumes the responsibilities defined in the internship program. Here we present the main tasks developed by the intern.

1. Events Management
   1.1. Trade-show Strategy Definition

   In order to select which events will ISA participate in, specific marketing objectives and strategies are analysed, always considering the target market. By participating in events, ISA wants to achieve the following strategic goals:
   - Building corporate image;
   - Provide product, service, and company information;
   - Identify potential customer and decision influencers;
   - Create actual sales;
   - Gather competitive intelligence;
   - Test new products or services.

   In the evaluation of every event, a cost-efficiency analysis is also made; the representatives of each business area of ISA are consulted (since each event is devoted to a specific business area) and the past event participations are taken into account. If the features of the event fulfil the marketing and commercial strategies and if the results of the previous analyses are satisfactory, than the intern has a new event to organise. After this study, ISA decides to participate in five trade shows (ExpoÁgua, FENGE 2009, Hannover Messe, AEGPL, ExpoCisco) and two forums (RFID Tech Forum 2009 and M2M Forum). From the total number of events, six of them are professional events and one is a general public fair (FENGE 2009). Three events take place in Portugal, while the four remaining events are located abroad.

   We will center our attention on the exhibitions’ management, considering that they demand a greater marketing exercise/effort to achieve the defined goals.

   1.2. Trade-show Communications Strategy

   To develop an effective trade-show communication strategy, before every exhibition, the intern and her supervisor gather with the responsible commercial director and his team to answer to these four questions:
   - What functions should the trade show perform in the marketing communications program and in the overall strategy of ISA?
   - In which ways can the trade-show communication plan contribute to the commercial strategy?
   - To whom should the marketing effort at trade shows be directed?
   - What is the appropriate show mix (place, people, promotion and products) for the company?

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Answering these questions helps our team to crystallize our communication strategy according to the target audiences.

1.3. Managing the Trade Show Exhibit

The intern is responsible for designing the show mix, having always the support of her supervisor and the marketing team.

The first component of the show mix is Place. Accordingly with the budget of every trade show and the marketing objectives, the intern and her supervisor choose the best stand location and size.

After defining this, the second element of the communication show mix is considered, i.e. People. Sales personnel and/or other representatives from the company must be trained to perform in a trade-show environment. At the trade show, the selling process is different from the typical sales call. While there, the company’s representative must sell the product first, then the company, and finally themselves.

After the intern’s supervisor chooses the persons that will represent ISA (usually the company’s representatives belong to the commercial and the marketing team), it is the intern’s responsibility to support ISA’s staff in the organisation of training sessions, aimed at a better understanding of ISA’s products and at improving selling skills. In these training sessions, the role of the intern is to clarify the trade show’s purpose, ISA’s communication strategies and its target audiences. Furthermore, the intern is also responsible for the coordination of the work schedule of ISA’s staff at the fair.

Promotion is another important part of the show mix. In the communication plan, the intern, with the supervision of the marketing director, coordinates and participates in the creation of marketing materials that will be used:

- to promote the trade fair (personalised mail and/or electronic invitations, Web site banner and news, e-mail signature promoting the trade fair);
- during the trade fair (leaflets, posters, case studies, power point presentations, promotion videos, business cards, lettering, trade fair catalogue advertising, trade fair Web site advertising);
- to make the follow-up of the contacts established in the trade fair (personalised follow-up mail and/or e-mail).

The first two will be used to advertise ISA’s presence in the trade fair, but also to support the task of the commercial team by scheduling appointments with prospects and customers during the show. Finally, a follow-up letter has the purpose of maintaining the established contacts and of keeping in touch with customers met during the exhibition by advertising ISA’s products, mentioning ISA’s offices and contact information, and finally through an invitation to visit ISA’s offices.

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4 After the trade fair, the commercial team in collaboration with the intern collect the contact forms, that were fill in during the exhibition, and classify them, distinguishing strategic prospects from curious people.
Together with the marketing team, the supervisor and the intern determine the stand presentation, the products’ image and arrangement, keeping in mind the following aspects:
- Audience target;
- Brand image and policies;
- Company’s message adjusted to a specific exhibition;
- Highlighted products;
- Tactics of the representatives of ISA.

Finally, the fourth element of the trade-show communication mix is Product. The intern, her supervisor and the responsible of the commercial team will decide which products of a specific business area are the most strategic to present in the fair. Instead of displaying a particular product, the commercial team might prefer to use scale models to demonstrate the product’s function. If so, the intern is also responsible to coordinate, in collaboration with a person from the technical team, the creation of the scale model.

2. Trade-show Logistics
Together with the responsibility of developing the communications strategic plan for every exhibition, the intern must also coordinate the logistic process that a trade-show entails. This means that she is responsible for organising the timely and cost-efficient transportation of the stand, the exhibition materials, and other required materials.

3. Commercial Functions
For one day, the intern is part of the commercial team, by being one of ISA’s representatives present in a trade show, Expolarga. Providing product, service, and company information and identifying potential customers are some of the functions performed by the intern as a salesperson.

Assuming the functions of a salesperson in a trade fair implies a better understanding of the products exhibited and to exercise the intern’s selling skills. In the future, this will help the author to develop the products’ marketing message, while promoting them, and also to recognize the importance of mastering the technical language spoken by ISA’s public.

The direct contact with prospects and some of ISA’s competitors also contributes to build the image of the external environment in which ISA operates.

4. Market Study
The Oil & Gas Telemetry Solutions business area developed a product, iGas, that reads the gas level of LPG tanks. Considering the success obtained by this product in a short term period, ISA now wants to explore new markets for iGas, in order to find new sales opportunities. A new task is assigned to the intern, being now also responsible for the study of the Liquefied petroleum gas (LPG) market.

The purpose of this market study is to determine the number of LPG gas tanks existing in every LPG company, of every European country (27 countries). This research will help the Oil & Gas Telemetry Solutions commercial department to find the most strategic markets.
The study must also include the contacts of the logistics directors of every LPG organisation.

Considering that the intern does not possess any knowledge about this specific market, the first stage of this research is to investigate all the LPG companies present in the European market. The intern gathers the companies’ names and contacts given by the commercial department and by the results of an online research through the World Wide Web. The name and contacts of the LPG Associations in every country are also collected, since they can help to accomplish the study goal.

The second stage of the market study is to contact through e-mail and telephone all the European LPG firms to obtain the number of LPG gas tanks that each one of them owns. The answers received by e-mail and through telephone are similar... The number of LPG tanks that the company owns is confidential information that cannot be revealed. Despite this first result, it is possible to find the number of LPG tanks on the websites of a few small LPG companies and another firm also reveals the number of tanks, after being contacted by e-mail.

Mr. José Basílio, CEO of Intelligent Sensing Anywhere, kindly offers to share his knowledge about the LPG market, strongly contributing to the market study evolution.

The intern finds a possible solution by reformulating her question to the LPG companies, asking instead for statistical data that will demonstrate that LPG is a growing energy alternative in the European market, when compared with purely fossil fuels. This strategy has better results, but for the majority of these companies this information is still confidential.

The main question of the study is modified, considering the obstacles found by the intern, and a new research goal is set: identify the market share of each LPG company in each country.

Unfortunately, the size and scale of the study exceeds the length of the internship, so the intern submits a working report with temporary results and further research guidelines to the person of the commercial team that will continue this investigation.

5. Coordinating the Production and Edition of a Promotion Video

One of the goals of ISA’s marketing department for 2009 is to produce a promotion video of one of its main products: iLogger. This video has the purpose of demonstrating the simple and prompt installation of iLogger, its functionalities and the different applications. Since the intern has experience in working with video-editing software, she is the person in charge of coordinating the production and edition of this short movie.

When the intern assumes total responsibility for the video, the copy strategy is already defined and the external advertising team5 that will shoot and edit the video chosen. The communication channels are already established: Internet (ISA Web site, Youtube, and Facebook). This choice is made considering that this video has the main objective of supporting the commercial team as a demonstration tool and will be used during sales

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5 The intern worked with jeKnowlegde, the organisation responsible for filming and editing the promotion video of iLogger.
demonstrations, promotion events, in ISA’s video presentation and finally, whenever an opportunity of promoting ISA in online media and TV arises. The intern follows the shooting sessions and also the video edition, having in consideration the brand image of ISA, the communication message defined in the copy strategy and the target audience. The goal of the intern is to clearly present the product’s competitive advantages (simple and prompt installation of iLogger, its functionalities and the different applications), promoting also the user-friendly interface software that the product includes and finally, to sell a credible and attractive image of ISA.

6. Creating the concept of a showroom
In 2009, ISA’s administration wishes to create a new concept for its current showroom. The challenge is made to the marketing team and the intern, understanding the strategic role of one of the most important mirrors of the company’s image, decides to contribute by developing her own personal idea of an original showroom. Since ISA is a high-tech company, the new concept for the showroom, in the intern’s opinion, is to immerse ISA’s technology in this room, in an interactive way. This idea has the purpose of giving a perception of ubiquity to ISA’s solutions, and to avoid the usual and less attractive products and services exposition. The intern presents also another suggestion...

Having in mind that the underlying concept of ISA’s business activity is metering, she suggests the creation of an interactive game. This game will explain in a simple, entertaining and educational way the metering concept, amusing and engaging every type of public invited to visit ISA’s facilities. To develop this game, the intern proposes an internal ideas contest, offering to every employee the opportunity of collaborating in this project. The idea presented by the intern is enthusiastically received by her supervisor, by ISA’s CEO and also by the marketing team. The contest is launched internally and other strong contributions are made by the marketing team, resulting in a very interesting project that is still under development.
The aim of this part of the paper is to complement the description of the internship with a theoretical background.

As described, the internship took place in ISA, a business-to-business (B2B) company\(^6\), working every day in the intricate world of business markets. The definition of business markets helps to illustrate the complexity of these markets:

*Business markets are "markets for products and services, local to international, bought by businesses, government bodies, and institutions (such as hospitals) for incorporation (for example, ingredient materials or components) for consumption (for example, process materials, office supplies, consulting services), for use (for example, installations or equipment) or for resale..."*\(^7\)

The inspiration for the theoretical part was drawn from the author's personal observation of the unmistakable influence that the B2B context has on the marketing strategy of ISA. From this finding, three questions arise:

*First of all, what are the specificities of the business market?*

In order to define the communications strategy, the marketeer must understand the market dynamics.

*Secondly, what is the impact of the business market specificities on the communication strategy of a company?*

To draw a successful communication strategy, the business marketeer needs to pay attention to the specific B2B context and to adapt his/her strategy to the company's audience target.

*Thirdly, how can the business marketeer anticipate and influence the buying decisions of the organisational buyer?*

Anticipating and influencing the buying decisions of organisational clients involves understanding the difference between B2B and B2C communication and mastering the use of the tools that the business marketeer has to communicate.

In the next two chapters, the author presents the research findings that will answer to the questions presented here. The first two questions will be discussed next. Afterwards, the third question will be explored at length.

\(^6\) Business customers represent 80% of ISA's customer base. Source: ISA.

2 – BUSINESS MARKET SPECIFICITIES

In this section, the specificities of the business-to-business market that influence the communication plan of seller companies are analysed. After the discussion of each specificity of the B2B market, its influence on communication is presented. First, the general nature of business markets is analysed, followed by a discussion of the nature of B2B demand. After a presentation of business goods characteristics and the interdependencies in B2B markets, we will study the complexity of the organisational client. To conclude, business buyers preferences for direct purchasing and further factors that influence buyers’ decisions will be presented.

2.1 - BUSINESS MARKET NATURE

A. Specificity

. Fewer and larger buyers\(^8\): When compared to the business to consumer market, business markets are constituted by fewer buyers. Despite this, business buyers are characterised by their large purchase volume. This can be explained, considering that there is more business buying than consumer buying, as the following argument shows: “for one set of consumer purchases, many sets of business purchases are made, given the number of times that parts of a consumer product are bought, processed and resold before reaching the final consumer”\(^9\).

Another explanation for the existence of larger buyers in the business-to-business markets is given by the high purchasing power of business companies, by their high level of production and by the strategic importance of storage goods in some business companies, that lead to a high purchase volume.

. High buyer-concentration\(^10\): Business buyers are more geographically concentrated, presenting frequently a higher buyer-concentration ratio than consumer markets. For instance, Antwerp, one of the most important diamond centres, concentrates the major diamonds companies in the world; international financial services can be found in London; and the movie industry in Hollywood.

B. Influence
We described the fact that B2B markets are characterized by a smaller, but concentrated, customer base and by the importance and power of the larger customers. Therefore, we observe that in business companies, the requests of each client are considered as unique, in view of the strategic relevance that they have. This entails that business marketeers will customize their communication throughout a strong relationship established with the customers in order to reach their expectations, as becomes particularly evident in the case of demanding customers: “Suppliers are expected to attend special seminars held by the business customer to become familiar with the buyer’s quality and procurement requirements. Sometimes these seminars go well beyond introductory material and into efforts at educating and even reorganising. Actions like this are light-years away from a conventional supply contract. They mark a commitment between two entire corporations, not between a salesperson and a purchasing agent”.11

The relevance of close relationships between buyer and seller in the business market has led marketeers to sell their solutions directly to business customers. Direct purchasing fosters a closer buyer-seller relationship, by helping to understand and to adapt to the specific needs of each customer. It has also been observed that business buyers “prefer to buy directly from manufacturers rather than through intermediaries, especially those items that are technically complex and/or expensive”12, since this will contribute to see their expectations fully met.

2.2 - BUSINESS GOODS DEMAND NATURE

A. Specificity

 Derived demand13: The demand for business goods14 is ultimately derived from the demand for consumer goods. This phenomenon occurs when the demand for a good or service is the result of the demand for an end product, since the former is a part of the production of the latter. Derived demand, therefore, depends on one or more demands located downstream of the company’s activity.

In the business market, the company’s situation is assessed with regard to the distance of the business good demand from the final demand. This analysis becomes more complex if the company’s good is closer to the beginning of the transformation chain and far from the

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14 Considering the business marketing definition, the designation “industrial goods” is limited. Since this concept only considers the incorporation of goods in the customers’ production of other goods (consumer goods) and not its use or consumption by the same customers. Considering this, the author proposes the use of the concept “business goods”, to express the goods offered by companies that work in business markets.
final demand, from which it depends. Moreover, the demand of the business good is in a permanent confrontation with several levels of successive demands that have a differentiated needs' structure.

. Price sensitivity: In the consumer market, price elasticity of demand is often negative, whereas in the business market, price elasticity of demand behaves in a different way. As noted earlier, the final consumer demand influences the demand for goods or services in the business market. For example, consider the "demand of electronic components that is stimulated by companies making digital cameras. As long as final consumers continue to purchase these cameras and are generally insensitive to price, manufacturers of the equipment are relatively insensitive to the price of electronic components. At the opposite end of the spectrum, if consumers are price sensitive when purchasing soup and other canned grocery products, manufacturers of soup will be price sensitive when purchasing metal cans. Thus, the derived demand indicates that the demand for metal cans is price elastic." If the price of metal cans continues to increase, soup manufacturers will search for substitute products. Although final consumer demand has a major impact on the demand for business goods or services, the former does not determine the latter fully.

B. Influence

For the business marketeer, the specific and complex dynamics of business markets imply a close monitoring of the demand patterns and of the changing buying preferences. The strategic force of the organisational seller depends of his/her aptitude to anticipate and control the final market. Therefore, understanding the specific needs of its direct customers, intermediate customers, and of the ones that dictate the final demand at the end of the chain, is extremely important and will help marketeers to conceive a successful marketing strategy, that also reaches the ultimate consumer directly.

The fluctuation of price sensitivity will also entail different ways of communicating: different communication strategies will be used considering the result of market studies made to the different segments of the company’s public. If they reveal that the company’s product is considered as expensive, the business marketeer must stress the quality and the functionality of the product. If the public perceives the product as a cheap one, than communication must be focused on the product’s cost.

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16 Demand elasticity refers to the responsiveness of the quantity demanded to a change in price. Demand is elastic when a given percentage change in price brings about an even larger percentage change in the quantity demanded. Inelastic results when demand is insensitive to price. Quoted in Hutt, Michael D.; Speh, Thomas W.; *Business Marketing Management: A Strategic View of Industrial and Organizational Markets*; Fort Worth: Dryden Press, 1998, 6th ed., p. 12.


2.3 - INTERDEPENDENCIES

A. Specificity

Business markets are characterised by the interdependency of buyer-supplier relationships because through these, the necessary resources to run their activity are acquired both on the input and on the output side: "A company's performance depends to large extent on the performance of suppliers and customers with which it maintains relationships. Furthermore, what happens in one of these relationships affects what happens in others."  

B. Influence

Business marketeers must be aware of the interdependencies existing between buyers and suppliers – a consequence of the high business markets concentration. They must perceive the opportunities that a close collaboration between the two parties can bring and capitalise this connection through the establishment of a closer buyer-seller relationship. This will help marketeers to provide economic value to the customer’s business and to their own. In order to achieve this purpose, they must invest in a strong internal communication. Business marketing management must be "coordinated and synchronised with corresponding planning efforts in R&D, procurement, finance, production, and other areas." Business marketing managers must act as integrators, stimulating close and tightly cross-functional relationships inside his/her own company with the final objective of responding to customer needs.

Marketeers need to explore new ways of taking advantage of these interdependencies, in order to control them and achieve higher results. To accomplish that, they must give particular attention to the relationships between buyers and sellers by fostering efficient external communication channels using, for example, electronic data interchange (EDI) tools or even electronic purchase channels (e-procurement). The communication between these two parties can also be supported through a customer relationship management system, that will help building long standing relationships with customers.

2.4 - BUSINESS GOODS AND SERVICES CHARACTERISTICS

A. Specificity

The required product and its specifications are generally well defined by the representative of the buying centre (purchasing agent), who clearly defines the supplier’s leeway and the company’s budget ceiling.

The goods purchased have a strategic relevance, since they will contribute to the results of the buyer’s company (whether they are destined to be incorporated, for consumption, use or resale).

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Usually business goods have a great number of applications, unlike the consumer goods, which mostly have a specific purpose.

B. Influence
Business buyers buy goods and services to make money, to reduce costs, or to satisfy a legal obligation\(^\text{22}\). When facing a specific problem or need, they define a clear description of the product and/or service. The role of the business marketing manager is to influence the buyers by stimulating the problem recognition and after, by communicating in an efficient way about the added value of their products and/or services. In order to do so, marketeers must study their market segments, identifying for each one of them a clear product and price policies\(^\text{23}\).

Product communication assumes a vital importance during the selling process. More than its design, its packaging and the brand symbols, marketeers must “sell” the product’s performance and its competitive advantages, also focusing on the services that the product can include (for example, the after-sales service).

Together with the product, price communication has a strategic function in the negotiation process. “When a product or service is launched, its price policy defines the product’s positioning, image and economic future.”\(^\text{24}\) Considering that in business marketing, the negotiating process is a bargaining process, price is one of the negotiable variables. The final price depends also on the way how the price policy was communicated. For instance, ”marketeers can demonstrate that the life-cycle cost of using its product is lower than that of competitors’ products.”\(^\text{25}\)

2.5 - Organisational Client

A. Specificity
Needs and motivations: In the business market, as well in the consumer market, buyer’s needs have a multidimensional structure.

The concept of an organisational client’s total need consists of at least five different dimensions\(^\text{26}\):

1) Technical dimension: product’s aptitude to the function; product’s quality and quality perseverance; punctual delivery; etc.
2) Financial dimension: purchase, installation and maintenance costs; terms and deadlines.

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\(^{23}\) The definition of policies must take into account the product’s life cycle stage.


3) Technical support dimension: after-sales service; service and utilisation assistance; etc.
4) Information dimension: communication; sales force qualification; priority access to innovation; market information; training; business intelligence; etc.
5) Psychological dimension: dependency relations; company and brand reputation; etc.

When comparing the motivational structure of organisational and consumer clients, we find that the structure of the former can be more complex than the latter but, at the same time, simpler. More complex, when we consider that in “business markets a purchase represents a company and all the people involved in the purchasing process; simpler, since the main motivations are more objective, thus, easily identifiable.”

Professional purchasing: Professional buyers possess a greater ability to evaluate technical information, since they have the responsibility of representing the company’s needs and their buying decisions assume a strategic role for the company’s results. To help and guide them in their function, professional buyers use buying instruments – for example, requests for quotations, proposals, and purchase contracts – and follow the organisation’s purchasing policies, constraints and requirements in order to achieve the more cost-effective buying.

High purchasing power: In comparison with the consumer market, business buyers’ purchasing power is much stronger. The high purchasing power of organisations will influence price negotiations, since this represents a significant sales volume opportunity to sellers. Thus, “bargaining” is one of the main principles of the business markets.

Complex buying decision process: It can be observed that more people typically influence business buying decisions than consumer buying decisions, turning the business buying decision process more complex. This complexity can be demonstrated by a brief analysis of the structure and composition of a business centre, and all the stages of its buying process that, in the end, result in a specific buying decision.

1) Structure and composition of the buying centres: The buying centre is composed of “all those individuals and groups who participate in the purchasing decision-making process, who share some common goals and the risks arising from the decisions.”

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Buying centres include all members of the organisation who play any of the following seven roles in the purchase decision process\(^{32}\):

- **Initiators**: These are the persons making the original purchase request. They may be users or others in the organisation.
- **Users**: The people who will use the product or service. In many cases, it will be the users the ones who start the negotiation process, by presenting a proposal with all the product requirements.
- **Influencers**: People who influence the buying decisions. They often add product specifications and provide information for evaluating alternatives. Technical personnel are an example of influencers in buying centres.
- **Deciders**: People who decide on product or service requirements and/or on suppliers.
- **Approvers**: People who authorise the proposed actions of deciders or buyers.
- **Buyers**: People who have the power to decide on purchases, suppliers and purchase terms. Because they are so important in selecting the suppliers and negotiating with them, they often are involved in shaping the product and set product and service requirements. When the purchase is complex, buyers are often part of the high level managers.
- **Gatekeepers**: They have an obstructive or enabling role. They can prevent sellers (or their communications) to reach the important people of the buying centre. These people can include personnel such as receptions and secretaries.

The members of the buying committee have a different role in each stage of the procurement process. The buying centre will “vary in number and type of participants for different classes of products.”\(^{33}\)

2) **The Purchasing/Procurement Process**\(^{34}\): To buy the needed goods, business buyers move through a procurement process. Webster and Wind (1972) have identified six stages of the business buying process:

- **Anticipation and recognition of the problem**: A problem or need is recognized by someone in a company. The buying process begins when this problem or need can be solved by acquiring a good or a service.
- **Specificities and qualities description**: The buyer determines the item’s technical specifications, the quality and the quantity necessary to solve the problem.
- **Potential suppliers search**: Once the item has been specified, the buyer identifies the most appropriate suppliers.


Written proposals analysis: For complex products and larger orders, the buyer will ask possible suppliers to hand in a detailed written proposal. This proposal will serve as the base for a first evaluation of the suppliers: some will be eliminated, while the others will be contacted for further information and negotiations.

Supplier selection: The desired supplier attributes for selecting a supplier will be specified by the buyer and a relative weight will be attributed to each criterion. These criteria and their relative importance will change along with the type of buying situation. When the selection criteria for a specific situation are determined, the buyer will evaluate suppliers according to these criteria and thus select the best supplier(s) for them.

Performance control and evaluation: At the end of the process, the buyer evaluates the chosen supplier and considers the delivered quality of product or service. This evaluation can lead to a change in the relation between buyer and supplier: the buyer can continue their relation as before, but he can also re-open negotiations and thus change their relation, or he can choose to end his relation with the supplier.

It has to be noted that the business buyer’s decisions don’t necessarily follow this process. The complexity level of the decision and the risk involved will influence the buying process. Moreover, next to the business activity and the size of a company, its organisational and decision procedures will also determine this process.

3) Buying Situations: The business buyer faces many decisions while making a purchase. The number of decisions depends on the type of the buying situation. Robinson and others distinguish three types of buying situations:

- New task: Buying situation in which a purchaser buys a product or service for the first time. The greater the cost and/or risk, the larger the number of decision participants and the greater their information gathering – and therefore the longer the time to decision completion.
- Modified rebuy: In this situation the buyer wants to modify the previous buying specifications. The modified rebuy usually involves additional decision participants on both the buyer and seller sides.
- Straight rebuy: Buying situation in which the purchasing department reorders on a routine basis. The buyer chooses from suppliers on its "approved list", giving weight to its past buying satisfaction with the various suppliers.

Different decision participants influence each decision. For example, purchasing agents are influential in straight-rebuy and modified-rebuy situations, while other department personnel are more influential in new-buy situations.

35 Delivery time, return policies, warranties, after-sales service, etc.
B. Influence

The business buyer presents specific needs and motivations that will influence his/her professional buying decisions. He/she represents a buying centre of a business company, which normally possesses a high purchasing power, and thus having a strategic importance to the seller. In order to influence the behaviour of purchasers, marketeers must study their needs and motivations, as well as their criteria for choosing a product or service. Furthermore, to understand the buying centre's complicated structure and composition, business marketeers have to figure out and periodically review the answers to these questions: Who are the major decision participants? Which decisions do they influence? What is their level of influence?

Only after these exhaustive studies can communication help by arousing, strengthening or changing the attitudes of customers towards the characteristics of the product or service. To achieve this, the business marketing manager must adapt the communication strategy to each organisational client, while always keeping in mind his/her specificities. For instance, since professional buyers possess developed evaluation skills, business marketeers should provide greater technical data about their product and its advantages over competitors' products. Marketeers must also send well-trained sales representatives and often sales teams to deal with the well-trained buyers.37

2.6 - Influences on Business Buyers38

A. Specificity

. Environmental factors: Buyers can be influenced by outside factors, such as the economic climate, the level of demand for their products, interests rates, the availability of a trained labour force, the political climate, etc. These factors all come into play when buying decisions are made.

. Organisational factors: Each buying organisation has specific objectives, policies, procedures, organisational structures, and systems. Other organisational factors were already described under 'organisational client'.

. Interpersonal factors: The above-analysed buying centre usually includes several participants with differing interests, authority, status, empathy, and persuasiveness. For instance, people might have different personal sympathies that can influence buying decisions.

. Individual factors: Each participant in the buying process has different personal objectives, motivations, perceptions, and values. This set of personal factors is influenced

by factors such as age, income, education, job position, personality, attitudes toward risk, and culture. Some of these factors will be similar within one culture or country, but can turn out to be very different across cultures.

B. Influence

The described influences on business buyers have in turn an impact on business-to-business communication.

First of all, environmental factors can at the same time pose problems and offer possibilities for business marketeers. The marketeer has to monitor all of these external forces, determine how they will affect buyers, and try to turn problems into opportunities. The business marketeer can for instance communicate about changing legislation that influences the buyer, and promote the solution his/her product offers to the client. Persuading buyers to invest in innovative technology in times of economic crisis, can be another example of turning an environmental problem into a marketing opportunity.

Secondly, business marketeers should be particularly aware of the organisational aspects of the buyers’ company. For instance, companies with a strong hierarchical structure with a heavy bureaucratic system need to be approached differently than companies that function on a more equal and informal basis.

Thirdly, interpersonal factors should be taken into account in B2B communication. The business marketeer will often know little about the internal group dynamic of the buyer organization, but he/she should take into consideration whatever information he/she has about the personalities and other interpersonal elements of the business buyer.

Finally, individual factors are important elements for B2B communication. Since each buyer exhibits a different buying style, the attention given to these personal details can be a decisive factor in influencing the buying behavior, since it will help to adapt communication to each one of them.
In marketing, the definition of communication is the set of signals issued intentionally, or not, by a company to inform its customers, distributors, opinion makers, and all selected audiences. A successful communication strategy depends on how these set of signals are designed in order to adapt to the specificities of the market and to reflect the value proposition expected by the audience target chosen by the seller.

Considering that every contact that a customer has with a firm or its agents helps to form a brand image, like for instance the company’s website, a magazine ad, a catalogue and so forth, it is crucial to every company to have an integrated marketing communication strategy (IMC). Integrated marketing communication is a “cross-functional process for planning, executing, and monitoring brand communications designed to profitably acquire, retain, and grow customers.” This integrated and cross-functional strategy enables a unified communication strategy, in order to create and support positive brand relationships with customers. IMC strategy begins with a thorough understanding of the target stakeholder, the brand, its competition, and many other internal and external factors, and must also include feedback mechanisms in order to have a two-way communication process. The latter will help marketers understand if the message was recognized by their audience target and, if not, to modify its content and presentation.

### 3.1 - BUSINESS COMMUNICATION DISTINCTION

According with the definition of a successful communication strategy, it can be easily observed how business-to-business communication must be necessarily different from the business to consumer communication due to the specificities of the business market, as presented in the last chapter. The differences between the methods and communication techniques used in the business marketing and the consumer marketing are shown in the table below.

Business communication is characterized by a more personalised and direct message, specifically designed to its audience targets. Although personal selling is dominant in business markets, non-personal methods of communication, like advertising, catalogues, and trade shows, have a unique role in the communication process on these markets.

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### Methodology

<table>
<thead>
<tr>
<th>B2C Communication</th>
<th>B2C Communication</th>
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</thead>
<tbody>
<tr>
<td>• Promote</td>
<td>• Inform</td>
</tr>
<tr>
<td>• Attract</td>
<td>• Create a favourable overall image</td>
</tr>
<tr>
<td>• Influence purchasing</td>
<td>• Offer a personal contact and help sales force</td>
</tr>
<tr>
<td>• Increase loyalty</td>
<td>• Increase loyalty</td>
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</tbody>
</table>

### Communication Objectives

<table>
<thead>
<tr>
<th>B2C Communication</th>
<th>B2C Communication</th>
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</thead>
<tbody>
<tr>
<td>• Relatively simple to identify and target</td>
<td>• Complex, multiple, interactive, different from company to company, modifiable within the same company</td>
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</tbody>
</table>

### Target

<table>
<thead>
<tr>
<th>B2C Communication</th>
<th>B2C Communication</th>
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<tbody>
<tr>
<td>• Weak technical component</td>
<td>• Strong technical component</td>
</tr>
<tr>
<td>• Generally simple and predominant in publicity and promotion</td>
<td>• Numerous sources of communication with multiple tools and predominance of interpersonal communications</td>
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</table>

### Communication Mix

<table>
<thead>
<tr>
<th>B2C Communication</th>
<th>B2C Communication</th>
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<tbody>
<tr>
<td>• The importance of individual product branding</td>
<td>• The importance of corporate branding</td>
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### Brands

<table>
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<tr>
<th>B2C Communication</th>
<th>B2C Communication</th>
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</thead>
<tbody>
<tr>
<td>• High budgets (comparing with the sales volume)</td>
<td>• Lower budgets</td>
</tr>
</tbody>
</table>

Table 1 – **Consumer communication strategy vs. Business communication strategy**

Source: Mercator

Always taking into account the specificities of business communication, this chapter focuses on the communication mix tools used in the B2B market, since they are the elements that a marketeer has at his/her disposal to design an efficient marketing communication plan. Considering the great number of communication techniques existing in marketing, the author will present some of the most efficient ones for the business market.

After studying the target stakeholders, the company’s brand, its competition, and other internal and external factors, each firm must determine which components of the communication mix (also called promotional mix) it will use and the relative importance of each one of these tools in the mix. In an effective communication program, the business marketeer blends all communication elements into an integrated program, using each tool in a coordinated way and where it is most effective.

The most efficient communication means for business markets, which we will analyse here, are: personal selling, advertising, direct marketing, sales promotion, public relations, and the so-called word of mouth. We will also present some effective online and offline instruments in our analysis of these means.

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42 Once more, is important to stress that the choice of the most effective communication tools will always depend of the target stakeholders, the company’s brand, its competition, and other internal and external factors, like we mentioned before.

3.2 - BUSINESS COMMUNICATION TOOLS

- PERSONAL SELLING

The President and CEO of Motorola, Inc., described the strategic role that the salesperson assumes in the business market as follows:

"Members of our sales force are surrogates for customers. They should be able to reach back into Motorola and pull out technologists and other people that they need to solve problems and anticipate customer needs. We want to put the salesperson at the top of the organization. The rest of us then serve the salesperson. If we could get that mentality ingrained throughout Motorola,... I think we could move a long way toward where we need to be."\textsuperscript{44}

As a result of the technical complexity of business products, the relatively small number of potential buyers, and the extensive negotiation process, the primary communication vehicle in business-to-business marketing is the salesperson, as we argued earlier. However, the importance of personal selling in the promotion mix of a firm varies according to such factors as the "nature and composition of the market, the nature of the product line, and the company’s objectives and financial capabilities. Some business marketeers may rely on manufactures’ representatives and distributors; others rely exclusively on direct sales force. Regardless of how a company implements its sales strategy, the salesperson is the initial link to the marketplace and specific customers\textsuperscript{45} and he serves as a representative for both seller and buyer companies. "The image, reputation, and need-satisfying ability of the seller firm is to an important degree conveyed by the sales force. By helping procurement decision makers to define requirements and match the firm’s product or service to requirements, the salesperson is offering not just a physical product but also ideas, recommendations, technical assistance, experience, confidence, and friendship."\textsuperscript{46}

The task of the salesperson is both complex and challenging, and in the business market their role cannot be replaced. For instance, to meet all their customers’ expectations, salespeople are required to have broad knowledge that extends beyond their own products. They must be able to talk intelligently about competitors’ products and they must know not only their customer’s business but also the business of their customer’s customers and finally, they must follow the trends in the customer’s industry. So, “by developing a keen understanding of the customer’s business and using end-user market research, the


salesperson can assist the buying company in creating value-adding services for the buyer’s target customers.”

. Selling Centre: The members of the selling organisation who are involved in initiating and maintaining exchange relationships with business buyers constitute the organisational selling centre. Its primary goals are the “acquisition and processing of pertinent marketing-related information and the execution of selling strategies. The salesperson and the buyer each begin the interaction with particular plans, goals, and intentions. The salesperson exchanges information and assistance in order to solve a purchasing problem.”

- ADVERTISING
A primary role of business-to-business advertising is to enhance the reputation of a firm by creating company and product awareness and by disseminating information. If advertising succeeds, a corporate identity or image is also created, possibly translating into a larger market share and consequently, in higher profits.
This mass media method of marketing communication presents five essential features:
- Possibility of reaching many different audiences;
- Economic option, if we consider that although the access to the media is expensive, the contact per cost is extremely reduced;
- Advertising is based on the repetition principle: multiplying contacts and campaign duration;
- Publicity offers a simple, strong and unique message, allowing the use of the same message in different targets;
- Advertising message is perfectly controlled by the advertiser.

Creating business-to-business advertising messages involves evaluating the buying criteria of the target audience, analysing the most appropriate language, format, and style for presenting the message, and finally selecting the most appropriate media. Marketeers must put themselves in the position of the receivers in order to evaluate how the message will appear to them and where it will be displayed. This strategy will contribute to a higher retention of the message.

The impact of advertising on the overall efficiency of the business marketing program can be demonstrated in three ways. First, even though advertising may not directly create product

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49 Idem
50 Adapted from Lindon, Denis; Lendrevie, Jacques; Lévy, Julien; Dionísio, Pedro; Rodrigues, Joaquim, V., Mercator XXI – Teoria e Prática do Marketing, Dom Quixote, 1999, 11st ed., p. 322.
preference in business markets (this requires demonstration, explanation, and operational testing), it supports the salespeople by preparing the way for a first sales call. Secondly, business suppliers recurrently “need to remind actual and potential buyers of their products or need to make them aware of new products or services. Although these objectives could be partially accomplished through personal selling, the costs of reaching a vast group of buyers would be prohibitive.” Finally, it appears that advertising interacts efficiently with all communication and selling activities and it can result in higher levels of efficiency for the overall marketing strategy.

Business marketeers must be able to measure the results of current advertising, evaluating also the effectiveness of advertising expenditures against expenditures of other elements of marketing strategy, in order to improve future advertising.

Next, we present some of the offline and online advertising means considered to be the most efficient ones in business markets.

. Offline advertising means:

1. Business publications advertisements\(^{52}\): The attraction of trade publications is explained by the capability of reaching decision-makers and buying influencers that are inaccessible to the salesperson. Business publications can be either horizontal or vertical. Horizontal publications are directed at a specific task, technology, or function, independent of a specific industrial sector. When many industries are potential users and well-defined functions are the principal buying influencers, a horizontal publication is effective. Vertical publications, on the other hand, present specific content for one business activity in particular. If a business product has applications only within a few industries, vertical publications are a logical media choice.

. Online advertising means: All paid space on a Web site (web advertising), in an e-mail (e-mail advertising) or in a wireless content sponsorship is considered as online advertising\(^{53}\). The rise of online advertising is explained by its reduced cost and also due to the measurement metrics tools included in this advertising component, that help to track advertising performance.

1. Web and e-mail advertising: Consists of a few sentences of text embedded in another firm’s content. Web advertising usually includes multimedia content, while e-mail uses graphics. The critical ingredient of a Web and e-mail advertising campaign is the selection of Web sites and of the electronic mail list of strategic buying influencers.

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2. Content-sponsored advertising for mobile devices: Wireless version of displays and other ads that sponsor Web content. Users pull content from mobile Web sites and ads come along with the page download.

3. Interactive Displays Ads\footnote{Strauss, Judy; El-Ansary, Adel; Frost, Raymond, $E$-Marketing, Prentice Hall, 2005, 4$^{th}$ ed., p. 330.}: Pop-ups, banners, buttons, and skyscrapers occupy designated space for rent on Web pages. All ads in this category are interactive, given that by clicking on the ad, the user is transported to the advertiser’s Web site, where the objective is actually achieved.

4. Search Marketing or Search Engine Marketing\footnote{Strauss, Judy; El-Ansary, Adel; Frost, Raymond, $E$-Marketing, Prentice Hall, 2005, 4$^{th}$ ed., p. 328.} (SEM): The act of marketing a Web site via search engines, whether to improve rank in listings, purchase paid listings, or combine these and other search engine-related activities. Here you can find some examples of search marketing techniques:

- Keyword advertising (also called contextual advertising), refers to keyword buys at search engine sites. For example, advertisers can buy the word telemetry, and when users search that word, the advertiser’s banner or message will appear on the resulting page.

- Pay per Click\footnote{Chaffey, Dave; Smith, PR, eMarketing Excellence, Butterworth-Heinemann, 2005, p. 224.} (PPC) Search Marketing: A relevant text ad with a link to a company Web site is displayed when the user of a search engine types a specific phrase. Unlike conventional advertising, the advertiser doesn’t pay when the ad is displayed, but only when the ad is clicked on which then leads to a visit to the advertiser’s web site – hence pay per click.

- **DIRECT MARKETING**

  This communication mix element enables companies to reach a large number of recipients directly, without intermediary channels. In other words, direct marketing is any direct communication to a business recipient designed to generate a response. It includes tools such as direct mail, catalogues, telemarketing, text messaging (or short message services – SMS), among others.

  Direct marketing is attractive to many marketeers, because in many cases its positive effect (business buyers that responded to this direct stimulus) can be measured directly. The downside of this component is the fact that usually it is unsolicited and can be considered as privacy intrusion. To avoid this situation, there is a communication strategy, generally applied to online marketing, called permission marketing that has the main purpose of “turning strangers into customers”\footnote{According to Seth Godin (1999). Quoted in Strauss, Judy; El-Ansary, Adel; Frost, Raymond, $E$-Marketing, Prentice Hall, 2005, 4$^{th}$ ed., p. 343.} by previously asking them permission to send information. Permission marketing can be qualified as opt-in or opt-out. The opt-in qualification means that Web users have to check the box where they give permission to
voluntarily receive commercial e-mails about topics of interest to them. Opt-out is similar to opt-in, however, in this situation users have to uncheck the box on a Web page to prevent of being included on the e-mail list.

. Offline direct marketing means: The most common form of direct marketing is direct mail, in which marketing materials are sent to customers using the postal service. This includes advertising circulars, catalogues, free trial CDs, and other unsolicited invitations delivered by mail.

. Online direct marketing means:

1. Direct mail\textsuperscript{58}: This cost-efficient direct marketing tool delivers a message to a precisely defined prospect and is commonly used for corporate image promotion, product and service promotion, sales force support, distribution channel communication, and special marketing problems (identifying new customers and markets, meeting competitor claims, and promoting items that are not receiving enough sales support).

   From a cost standpoint, direct mail is efficient when compared to other media. First, it requires no postage or printing charges when compared to postal direct mail. Second, e-mail can be automatically individualised to meet the needs of specific users. Third, it is a viable advertising medium when potential buyers can be clearly identified and easily reached through the mail. When “inaccessible” buying centre members have been identified and their role confirmed, direct mail combined with telemarketing follow-up, can be the most effective solution to expose these members to promotional efforts\textsuperscript{59}.

   Finally, e-mail is also one of the most effective ways to make announcements, to send promotional offers, or to communicate anything important and relevant to stakeholders, through periodic e-mail newsletters.

2. Messaging\textsuperscript{60}: In this option, users can receive the messages easily and instantly on their mobile phones or pop-up browser windows on their PC. Short message services (SMS), instant messaging (IM) and multimedia message service (MMS) constitute three examples of messaging. SMS is particularly attractive since its users can communicate quickly and inexpensively, without needing heavy or complex software to send or receive SMS. Marketeers can capitalise SMS to build relationships by sending permission-based information to customers when and where they want to receive it.

3. Location-based marketing\textsuperscript{61}: Promotional offers that are pushed to mobile devices based on the user’s physical location, through global positioning system (GPS) or through the user’s address information stored in a database. A good example of

\textsuperscript{58} Strauss, Judy; El-Ansary, Adel; Frost, Raymond, \textit{E-Marketing}, Prentice Hall, 2005, 4\textsuperscript{th} ed., p. 340.


\textsuperscript{60} Strauss, Judy; El-Ansary, Adel; Frost, Raymond, \textit{E-Marketing}, Prentice Hall, 2005, 4\textsuperscript{th} ed., p. 344.

\textsuperscript{61} Strauss, Judy; El-Ansary, Adel; Frost, Raymond, \textit{E-Marketing}, Prentice Hall, 2005, 4\textsuperscript{th} ed., p. 345.
this communication tool is given by the following example: a mobile user receives a SMS from a company offering a free drink while passing by a stand at a B2B trade fair.

- **PUBLIC RELATIONS**

Public relations (PR) is used to influence public opinion and to create goodwill among a number of different publics including company shareholders and employees, the media, suppliers, and the local community, as well as consumers, business buyers, and many other stakeholder groups\(^{62}\).

The primary role of public relations is to inform and mobilize different audiences, acting as the interpreter of the company’s administration\(^{63}\).

Public relations have different underlying objectives\(^{64}\) which vary considering the following public’s classification: internal (shareholders, administration and employees) or external targets (general public, consumers, partners, competitors and governments); primaries, secondaries or marginal and finally as supporters, opponents or indifferents. The table presented bellow shows the different goals of public relations accordingly to the audience targets.

<table>
<thead>
<tr>
<th>Objectives</th>
<th>Internal</th>
<th>External</th>
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<tbody>
<tr>
<td>- Increase the credibility of the company, as well as, its products and services</td>
<td>x</td>
<td>x</td>
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<tr>
<td>- Maintain the company's employees well informed about their activities in order to contribute to their involvement</td>
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<td></td>
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<tr>
<td>- Create a sense of belonging</td>
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<td>- Engender common values among employees</td>
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<tr>
<td>- Stimulate sales force and distributors</td>
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<td>x</td>
</tr>
<tr>
<td>- Improve the company’s image and its brands</td>
<td>x</td>
<td>x</td>
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<tr>
<td>- Create or enhance the company’s reputation and its products or services</td>
<td>x</td>
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<tr>
<td>- Develop an ambience of trust with the media</td>
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<td></td>
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<tr>
<td>- Prevent and minimize the impact of imminent crisis</td>
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<td>x</td>
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<tr>
<td>- Guide the company’s management considering the feedback from the public</td>
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<td>x</td>
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<tr>
<td>- Capitalise the company’s goodwill</td>
<td>x</td>
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<td>- Attract investors</td>
<td></td>
<td>x</td>
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<tr>
<td>- Establish good neighbourly relations with the local community</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>- Share the contributions of the company for the development of the country or region</td>
<td></td>
<td>x</td>
</tr>
</tbody>
</table>

Table 2 – **Public relations objectives**  
Source: Mercator\(^{65}\)


\(^{64}\) Idem

\(^{65}\) Idem
. Offline public relations means: PR offline tools include press and media releases, lobbying, charitable and public events, advertorials\textsuperscript{66}, financial reports, promotional collateral, facility tours, sponsorships, interviews and any other method used for the promotion of a positive image of a company.

. Online public relations means:

1. Blogs and RSS: Web logs or “blogs” give an easy method of publishing web pages which are best described as online journals, diaries or news or events listing. Business blogs can be useful in showing the expertise of those within an organisation, but need to be carefully controlled to avoid releasing damaging information. Really Simple Syndication (RSS) is an extension of blogging where a blog, news or any type of content is received by specialist reader software. It offers a method of receiving news that uses a different broadcast method to e-mail, so it is not subject to the same conflicts with SPAM or SPAM filters.

2. Community building\textsuperscript{67}: Many sites build communities through online chat rooms, discussion groups, and online events. Online interest communities from diverse geographic locations are one of the net’s advantages for users and capitalised by marketeers.

3. Online events\textsuperscript{68}: Online events are designed to generate user interest and draw traffic to a site. Companies use forthcoming events as legitimate reasons to e-mail potential clients as well as their existing clients. Holding online events in which clients can talk to prestigious people may be seen as one more valuable reason for being a client of a particular organisation.

- \textbf{SALES PROMOTION}

Sales promotion\textsuperscript{69} consists of a diverse collection of incentive tools, mostly short term, designed to stimulate trial, or quicker or greater purchase, of particular products or services by consumers. Whereas advertising offers a reason to buy, sales promotion offers an incentive to buy.

. Offline sales promotion means: Sales promotion includes tools for consumer promotion (samples, coupons, cash refund offers, prices off, premiums, prizes, patronage rewards, free trials, warranties, tie-in promotions, cross-promotions, point-of-purchase displays, and demonstrations); trade promotion (prices off, advertising and display allowances, and free goods); and business and sales-force promotion (trade shows and conventions, contests for sales representatives, and specialty advertising).

\textsuperscript{66} Advertisement written in the form of an objective editorial. Source: Merriam-Webster Online Dictionary http://www.merriam-webster.com/dictionary/advertorial

\textsuperscript{67} Strauss, Judy; El-Ansary, Adel; Frost, Raymond, \textit{E-Marketing}, Prentice Hall, 2005, 4\textsuperscript{th} ed., p. 335.

\textsuperscript{68} Strauss, Judy; El-Ansary, Adel; Frost, Raymond, \textit{E-Marketing}, Prentice Hall, 2005, 4\textsuperscript{th} ed., p. 336.

\textsuperscript{69} Source http://www.the500group.com/glossary_S.html
1. Trade Show: In a trade-show exhibition sellers present their products and services in stands, being visited by interested industry members. Through a trade show, an effective selling message can be delivered to a relatively large and interested audience at one time; new products can be introduced to a mass audience; customers can get hands-on experience with the product in a one-on-one selling situation; potential customers can be identified, providing sales personnel with qualified leads; general goodwill can be enhanced; free publicity is often generated for the company; Trade shows offer a cost-effective solution to introduce a product in new markets. An international trade fair enables a manufacturer to meet buyers directly, observe competition, and gather market research data. Trade shows can help a buyer to recognize the need for a product, help to develop product specifications, and assist in the search for a potential supplier. Trade shows can also be a useful medium for the buyer to provide feedback on product/service performance to current suppliers.

Online sales promotion means:

1. Sampling: Some sites allow users to sample digital products or services prior to purchase. Many software companies provide free download of fully functional demo versions of their software. The demo normally expires in 30 or 60 days, after which time users can choose to purchase the software or remove it from their system.
2. Contests, sweepstakes and games: Many sites hold contests and sweepstakes to draw traffic and keep users returning. Just as in the offline sales promotion, these sales promotion activities create excitement about brands and lure customers to visit a retailer.
3. Advergames: This sales promotion tool combines online advertising and gaming, by using products and services image and features in the game. Advergames are used to draw site traffic and build the company’s brand. It is an important emerging tactic, that engages users with entertaining product-related content.

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- OTHER TOOLS OF COMMUNICATION

. Word-of-Mouth (viral and affiliate marketing, e-mail a friend, web rings, links): Word of mouth is a powerful technique of offline and online promotion, that it is used when information is communicated from person to person.

1. Viral marketing\(^{73}\): When individuals forward e-mail to friends, co-workers, family, and others on their e-mail lists. Viral marketing is the online equivalent to word-of-mouth and is an efficient communication tool as long as the recipient's friends are in the firm's target market.

2. Affiliate marketing: An Internet-based marketing practice in which a business rewards one or more affiliates for each visitor or customer brought by the affiliate's marketing efforts. Business marketers only pay to their affiliates when the new client introduction results in a sale or a lead, constituting a low-risk investment and a high-reward environment for both parties. It is relatively easy to control the affiliate's performance and a company can easily know the control the costs of this action.\(^{74}\)

. Search Engine Optimisation (SEO)\(^{75}\): SEO involves achieving the highest position or ranking in the listings on the search engine results pages, after introducing a specific combination of keywords (or keyphrase). This position or ranking is dependent of an algorithm used by each search engine to match relevant site page content with the keyword entered. There is no charge for these listings to be displayed or even when the company's link is clicked upon. To achieve a higher position or ranking, the business marketer may need to pay a search engine optimization firm to advise or undertake optimization work.

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\(^{75}\) Chaffey, Dave; Smith, PR, *eMarketing Excellence*, Butterworth-Heinemann, 2005, p. 218.
In order to analyse the five month internship, we will divide our analysis into three different parts. First, an evaluation of the marketing strategy of ISA is made, mentioning the strong and weak points observed during the internship period. Secondly, the author refers to the most important points learned while working at ISA. In the third part, the intern’s contributions to the company’s overall performance are assessed.

The marketing department of ISA was only created in 2007, thus having a recent experience. The marketing strategy is defined in the headquarters and the marketing functions of its offices are reduced to tactical operations and to the adaptation of the overall marketing strategy to the local markets. Despite the recent creation of the marketing division, ISA presents a marketing strategy well defined. Hereafter, the analysis of this strategy is presented.

ISA’s marketing team led by Ms. Catarina Fonseca invests in building a strong, consistent and attractive institutional brand image. However, it is still necessary to better define the different business units and product brands.

Another important part of ISA’s marketing strategy is internal marketing. The company has an internal newspaper and a well developed intranet platform. In the corridors of ISA it is possible to find interesting audiovisual means and marketing material promoting ISA. The excellent means of informal communication and the numerous internal events promote an efficient internal communication. The intern could also witness the close relationship between the marketing and the human resources departments. These two divisions contribute to increase the involvement of every employee, through a subtle communication of ISA’s values, mission and vision. This strategy is extremely successful and strongly contributes to the pleasant working environment in the headquarters of ISA.

The good relation established with the local and national media and an intelligent marketing strategy contribute to a high number of media appearances of ISA (approximately 5 appearances per month).

Finally, it is important to mention the relevance given by the marketing director to informal and formal training sessions. In the future, this attitude will contribute to a continuous improvement of the entire marketing team, consequently translating in higher achievements.

Next, we analyse the points of ISA’s marketing strategic plan that deserve more attention in order to improve the results of the company:

- Strongly increase the investment in marketing intelligence, in order to have a better understanding of the market; to determine the current and future needs and preferences, attitudes and behaviour of the market; and to assess changes in the
business environment that may affect the size and nature of the market in the future. This way, the marketing team will have, what Peter Drucker liked to call, knowledge workers.

- Invest in the definition of a clear distribution strategy, through the realisation of market studies that will help to find suitable distributors. This measure is extremely important for each of the business activities of ISA, but the Wireless Communication Modules area is the one that needs more attention, since the lack of distributors is one of its bottlenecks.
- Accelerate the Web site development, exploring the e-business and the e-procurement opportunities.
- Frequently update the online information of the Web site (See Web site advantages for companies).
- Invest less time in the logistic organisation of exhibitions, by asking a higher involvement of the responsible commercial department.
- Evaluation and measure of the results achieved by the overall marketing strategy (also includes the results attained through the participation in trade shows), since this is the only way of understanding the evolution of the marketing department.

The second part of our analysis aims at understanding the main contributions of the working experience to the author. Here we present the intern’s findings:
- Better understanding of the professional market and the operations of a company;
- Responsibility of working with great amounts of money and the financial consequences that a wrong decision implies;
- How to manage professional relationships;
- How to negotiate in the business market;
- For every obstacle there is a solution: solution-driven thinking!
- Application of the theoretical body of knowledge acquired at University and the need of updating it constantly.

In the following part, we change the perspective and discuss what the intern has in turn contributed to ISA’s overall performance. Here we can find the intern’ self-assessment:
- Creative and solution-driven thinking, that helps to develop the showroom concept and to surpass some of the difficulties found in the market study;
- The positive attitude, the dedication and organisational skills which contributes to accomplish the tasks in the deadlines established;
- The perception of ISA’s brand image and the attention to detail improves ISA’s stand image at the trade fairs;
- Rapid integration in the marketing team, collaborating actively to every challenge presented.

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Knowledge workers know how to use information and technologies to generate value and reduce costs. Quoted in Lindon, Denis; Lendrevie, Jacques; Lévy, Julien; Dionísio, Pedro; Rodrigues, Joaquim, Mercator XXI – Teoria e Prática do Marketing, V., Dom Quixote, 1999, 11st ed., p. 48.
In the future, the intern wishes to improve the following aspects:
- Punctuality;
- Time management;
- Communications skills (verbal and written);
- Keeping marketing knowledge up-to-date.
The professional experience brought by ISA and the necessary theoretical research contribute to my understanding that although business marketing and consumer marketing share the same body of knowledge, principles and theory, they need separate attention. This can be explained by the fact that business buyers and markets function in a very distinctive way, when compared with the consumer goods market.

Organisations like ISA need to transfer the results of the existing theoretical studies to their own reality, in order to be prepared to fight for their aspirations and to provide them with strong roots that are capable of subsisting to “market storms”. Organisations like ISA thus need knowledge workers, who know how to use information and technologies, in order to generate value and reduce costs.

The final purpose of the five months enriching experience in ISA could only be accomplished thanks to the required theoretical study. Together, they contributed to the final findings - main learning points - presented here by the author.

Business markets present a demand that is strongly influenced by the final demand and thus, require a close monitoring of the B2B and the B2C markets by the business marketeer. Thus, business marketing strategy must also contemplate the final market. Business markets are also the markets in which we can easily find the true definition of prosumers, i.e., consumers that insist in participating in the processes of designing, shaping and even producing a product or service.

Business buyers are searching for solution-driven organisations and the business seller is striving to serve them in “real-time” with the final purpose of meeting the buyers’ expectations. It is imperative that the marketing department of the business seller understands and forecasts evolving needs in order to be one of the firms present in the suppliers’ list of prosumers.

The strategic importance of interpersonal relationships between buyer and seller can be considered as one of the main reasons for a higher development of B2B markets. Buyer-seller relationships function as a bridge that will allow a closer engagement between these two parties, which results in a new source of opportunities, innovation and higher results to both actors. The way in which business marketing managers can exploit and maintain a close buyer-seller relationship is one of the most complex challenges that business marketing research faces. The author believes that neuromarketing developments may help to achieve lasting and successful relationships.

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77 A recent field of marketing that studies consumers' sensori-motor, cognitive, and affective response to marketing stimuli.
Stressing the main specificities of the business markets and exploring some of their consequences on business marketing communication can help us to understand the principal mechanisms that may lead to the substantiation of the company’s mission. However, to answer to the last of the three questions made...

*How can the business marketeer anticipate and influence the buying decisions of the organisational buyer?*

To find an absolute answer to this question would end the quest of marketing itself... It would end marketing as the discipline that studies "a set of methods and means that an organisation uses to promote, in the target audience, the behaviour conducive to the realisation of its own objectives". Thus, we can present a set of instruments that were created with the purpose of fostering business communication results and we can also stress the ones that normally obtain more results. Their efficiency will depend on a wide group of variables, such as: combination of the chosen instruments; business market comprehension; company’s overall strategy; and so forth.

A good guideline to approach the last question could be read in one of the slides of a presentation of Dr. Luiz Moutinho in the Faculty of Economics of the University of Coimbra... He advised, in slightly different wordings, the following:

*Have an intelligent, brain-to-brain dialogue with customers!*

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6 – BIBLIOGRAPHY


- [http://www.the500group.com/glossary_S.html](http://www.the500group.com/glossary_S.html)