Business-to-Business Marketing Strategies: What Happens Behind the Scenes and How It Affects the Business World

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As a marketing student myself, it is very common for me to hear the term, "Business to Consumer Marketing," or in short, B2C marketing. For those of you who are not familiar with marketing, B2C marketing simply means, the strategies behind the mark or brand that a business uses in order to present itself and its products in a favorable way to a consumer. This does not always mean just the logo or design, but the company behind it, how the public perceives it, and the customers it serves. Marketing students and professors have extensively studied the relationships between business and consumer and how brand image affects them, but I often see business-to-business marketing strategies being overlooked. In my study, I will look at several different companies and articles focusing on the behind the scenes companies working to build the final product that we consumers eventually buy at the store. I will answer questions that apply to how B2B companies are chosen, for example, "who manufactured the brakes in that automobile and what is the auto company's relationship like with that brake manufacturer?" "How did they choose the brake company, and did branding have anything to do with it?"

B2B Branding Importance: Gardner Denver

I first became interested in B2B branding when I came across an interesting article in Forbes magazine titled *Why B-To-B Branding Matters More Than You Think,* in which the authors did a short study on the company, Gardner Denver. I hadn't heard of this company at all, but apparently they are one of the leading manufacturers of pumps, compressors, fuel systems, and the like for a number of large companies. What is important about this particular case is that Gardner Denver represents 43 percent of their market. To put this into perspective, that's a larger market share than Proctor and Gamble has in all of its holdings. With that much market share comes great responsibility. Think of it this way. If Proctor and Gamble sells a consumer a dysfunctional product, they anger one consumer and in the grand scheme of things, that's not really that important. However, if Gardner Denver produces a filter or a turbine that doesn't work, it not only costs Gardner Denver millions, but also could possibly shut down the client's company or at least cost that client millions for having faulty machinery. The basic idea that this study presents is that brand image within a company that provides services to other businesses can be and is extremely important. Companies in businesses comparable to Gardner Denver have a lot at stake; always having to take extra care not to take down their big name clients as well as themselves. The Forbes article really showed me how important brand image and quality can be for B2B companies and how much is really at stake within these industries.

B2B Modernization: GE

After realizing the importance of B2B brand image, I took a look at one of the largest brand names in history, General Electric or more simply, GE. GE is definitely not a "behind the scenes" company; it is perhaps one of America's oldest and largest corporations. However, most of their products are manufactured for other businesses and not consumers, enabling me to label them as a B2B company.

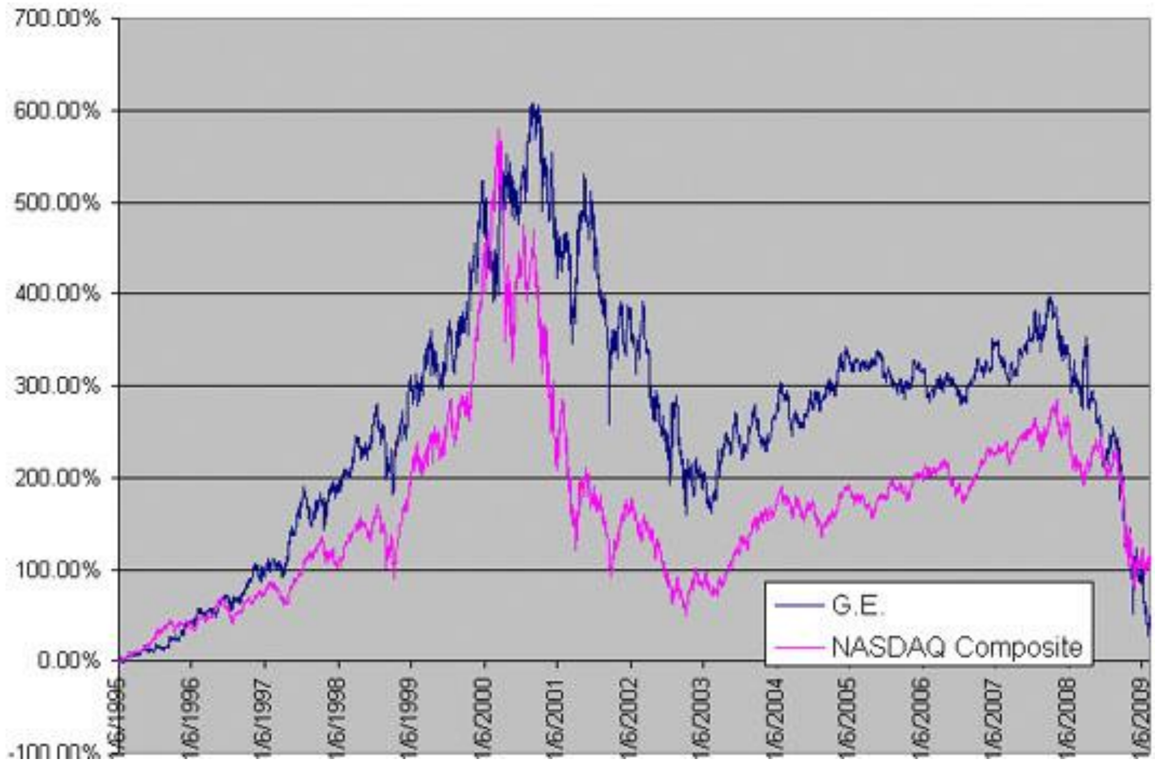
The interesting thing about GE is that just ten years ago, this gigantic company based in New York had virtually no marketing strategy. According to the Harvard Business Review, "For decades the company had been so confident in its technologies that it seemed to believe the products could market themselves" (Harvard Business Review: Unleashing the Power of Marketing Article, page 1). Though GE is a powerful company, it was shocking to me when I read that, "In discussions about corporate strategy, marketing wasn't at the table" (Harvard Business Review: Unleashing the Power of Marketing Article, page 1). However, by the time the early 2000s began to take shape, GE realized that they were going to need some major changes in strategy if they were going to remain the industry leaders in a time in which the Aviation industry was struggling.

They soon realized; however, that not only were going to have to increase marketing within the Aviation department, but they were going to have to increase marketing on all fronts if they were going to try and personalize their brand and make it more identifiable with the businesses buying their products. To make this change a reality, GE had to refocus their company's goals as well as add a marketing strategy to the mix. "The refocus ushered in a strategy fueled by technology, innovation, global markets, and stronger customer ties. To succeed, GE would need a marketing engine that drove more direct collaboration with customers and one that led to new markets with standards as rigorous as those for functions such as finance and human resources. CEO Jeff Immelt issued a mandate that marketing should be a vital operating function across GE that spurred organic growth (Harvard Business Review: Unleashing the Power of Marketing Article, page 1).

In 2000, GE Aviation combined the efforts of marketers to quantify the value of their products with the work of the engineers, enabling them to work together towards a common goal. This was the first year that a marketing team had a vote at the executives table, as well as the first year that marketers were able to see firsthand what projects the engineers were working on and be a able to value the products from a first hand look at what they were actually strategizing to sell. This move alone made GE a more close-knit and efficient company, because interdepartmental communication became the norm soon after this, causing employee satisfaction to increase as well.

Not only did the GE marketing team focus on the inner workings of the company, but they also began putting a greater emphasis on customer service within the company. The amount of care and efficiency that these actions showed within the company made their stock prices for the year skyrocket.

As you can see by this graph taken from the New York Times, there was a huge increase in price in the year 2000, where they actually overtook the Nasdaq composite.



After building up their brand image through customer service and giving the marketers the ability to have more of a role within the company, you can see in the graph above that their stock prices began to fall. They did, however; make a huge comeback in 2004, when their new marketing team proved they were taking a more advanced role and kick started series of "of new cross-company initiatives—among them Imagination Breakthroughs, a portfolio of growth projects created in 2004 and designed to engage marketing and technology in ways that would create new value"(Harvard Business Review: Unleashing the Power of Marketing Article, page 1). These initiatives have led to the development of new technologies like sodium batteries which are used to power hybrid locomotives as well as a "GE Healthcare offering that combined existing technologies for a new purpose—namely, allowing emergency responders to better distinguish between ischemic and hemorrhagic strokes and then direct patients to the right hospital for care " (Harvard Business Review: Unleashing the Power of Marketing Article, page 1). These new technologies are bringing in over 2 billion dollars in revenue each year.

Many people mistakenly believe that marketing is solely about advertising. Most of the moves that the marketing department made to cause GE's stock prices to soar and maintain a significant lead over its prices in the 90s were in-house policy and organizational changes. We definitely saw an increase in advertising at that time, but the most significant changes came within the company. Through a new outlook on customer services, more communication within the company, and the encouragement in finding more ideas, the marketing team was able to make GE grow into the powerhouse and industry leader you see before you today.

Though advertising can help change a brand's image, business to business branding is more in depth. If companies realize that a corporation is dedicated to pleasing the customer or always pushing innovation and new technology, then that corporation's brand image is going to be heightened and attract a lot of dedicated customers. General Electric's marketing team did an outstanding job of pushing the GE brand to a level that goes far beyond the company we saw in the early 2000s.

B2B Singularity: LinkedIn

After analyzing the strategy of a more "traditional" B2B company, I was curious to see how an online company, with no tangible products, markets their products compared to a more commonly known manufacturing company. LinkedIn is one of the largest social media entities in the world, but it is also the first social media company to really have a B2B focus. LinkedIn is a company that stands out because it is the largest human resources movement in the world.

According to their website, "LinkedIn operates the world's largest professional network on the Internet with more than 400 million members in over 200 countries and territories." What makes LinkedIn so successful? Obviously there are a lot of factors that contribute to this multimillion-dollar business, but I think one of the largest contributors is the fact that they have diversified their service. Though the United States makes up roughly a third of their user base, LinkedIn has moved into foreign markets on every continent. The company's product, "is currently available in 24 languages: Arabic, English, Simplified Chinese, Traditional Chinese, Czech, Danish, Dutch, French, German, Indonesian, Italian, Japanese, Korean, Malay, Norwegian, Polish, Portuguese, Romanian, Russian, Spanish, Swedish, Tagalog, Thai and Turkish"(LinkedIn). In an ever more globalized world with businesses showing up in new places by the day, it is more important than ever before that companies, prospective employees, and their customers be in touch.

What makes LinkedIn unique to other social media structures is their ability to play virtual matchmaker for businesses and prospective employees to find the best fit for both parties through their online profiles. However, LinkedIn has become so much more than that. They have added integral services such as news and advertisement, alongside the most important resource any company can have, job candidates. The company was originally aimed at just business, but they have since expanded into the academic sphere, as well as some political fields.

In a CNN interview, Reid Hoffman outlined how their strategy soon went beyond connecting professionals, “We launched three revenue streams in 2005. The first was job listings. The second one we figured would help us get to profitability fast: We launched subscriptions, which was enhanced communications and search capability. People need to talk to people they don't already know in order to get the job done. That's the plural majority of our business today”(CNN Money: LinkedIn's startup story: Connecting the business world pg. 1). Instead of dealing in talent, LinkedIn has become an online trader of ideas, philosophy, and innovation. Sticking with the original brand logo (pictured to the right) since the company was founded in 2003, LinkedIn has chosen to focus their branding strategy on the quality of the services they provide and they have largely been very successful in doing so. Senior Director of Design & Web Development at

LinkedIn, Steve Johnson recently did an interview with the magazine "Business Insider." When asked to provide some examples as to why LinkedIn is so successful, one of the first things he said, was to "build pride in the company's brand"(Business Insider: LinkedIn Exec: Here's How We Built A $13.25 Billion Company With 200 Million Users pg 1), focusing not on the customers, but rather the employees, because if there is pride within the company then the businesses working with them will soon follow suit. He also stated that LinkedIn does not use gimmicks to attract employees or users, because a company should not need gimmicks if it wants to be thought of as a professional company in the human resource field.

In my opinion, LinkedIn has obviously executed these strategies with the utmost efficiency. They have achieved popularity and trust not only from people, but companies as well; using strategies focused on constant improvement, transparency, and diversification.

B2B on the Small Scale: Ditch Witch

After, taking a broad overview of three extremely large companies, I decided it was time to look at a B2B company that is successful on the smaller scale. For this part of the study, I chose a company that is very dear to most native Oklahomans: the trencher and drill manufacturing company, Ditch Witch. I thought it would be interesting to study this company's marketing strategies, because I want to outline the different approaches that a small, privately owned company takes compared to the large corporations of GE, LinkedIn, and Gardner Denver.

Located in the small town of Perry, Oklahoma, Ditch Witch embodies the idea of "rags to riches" America and implements this in a way that defines themselves and their business. A good company is more than just the sum of its products. As you can see in their mission statement, “The Ditch Witch organization is understandably proud of the many innovative products we've contributed to the underground construction industry, but we reserve the full force of our pride for the thousands of employees, past and present, who have made these products possible. They share more than a place to collect a paycheck, a mission statement and a strong work ethic. They share a bloodline”(Ditch Witch). They focus on American values and want to present themselves as a team of dedicated, hardworking individuals, working toward a quality-focused business model. It is my opinion that they execute this image to their customers very effectively. They have proven this in a variety of ways, but perhaps the greatest evidence lies with their main competitor, Vermeer. Vermeer is a relatively large corporation that has dealerships worldwide. It also employs around twice as many people that Ditch Witch does. However, Ditch Witch directly competes with them on every level, quietly holding strong and growing into a real threat in their perspective market. If being able to directly compete with a company that is twice their size doesn’t prove their effectiveness in producing quality products, I don’t know what does. The quality of their products is so evident that on several forums I have read that their trenchers are the “cadillacs of the excavating market.

Unlike the companies listed above, Ditch Witch has seen some changes over the years with their logos and company name. Ditch Witch was established in 1902 under the name, "Charles Machine Works." However, by 1949, the business changed to its current name of Ditch Witch. The original Ditch Witch logo (pictured above) featured the iconic "witch" that the new logo features as well. However, it was originally colored with a green background. In 1960, Ditch Witch changed their colors to orange and black, and though they went through a number of different designs, they have more or less stuck to a close replica of their current logo (pictured below). There are countless articles and papers that have been written on the topic that say that a brand's logo can be the deciding factor as to whether or not a company is successful. Although this may be the case and the logo change did add to the company's profitability, I was unable to prove or disprove the association between these two factors. Ditch Witch's profits steadily improved over the years that it changed its colors and logo, but the company was also in its growth stage, so there is no way to prove that the logo change had anything to do with it.

Ditch Witch has proven itself to produce quality products to the businesses that need them, while effectively maintaining their image of quality work done by employees that value the American way of life. Their philosophy has been the same throughout their company history, and remains strong to this day.

B2B Innovation: BCG

The final company I have decided to look at is definitely unique. Not only does it not share industries with any of the industries above, but it is also very much a behind the scenes corporation. In a sense, everyone knows their work, but are unable to put a face with the work that is presented.

Boston Consulting Group (BCG) is a multinational management-consulting firm with offices in over 80 countries. They have been in the top five of Fortune magazine's "top 100 companies to work for" competition, every year for the past five years in a row. They are also number 89 in Forbes' Fortune 500 largest privately owned firms. Obviously, BCG has the credentials of a successful company and is highly sought-after by some of the largest companies in the world, but how did they get that way? What made them this way? How do they market themselves to be at the forefront of business consulting? University fellow, Christopher McKenna may have some answers to these questions. In his book titled, "The World's Newest Profession: Management Consulting in the Twentieth Century," he outlines how BCG's emergence in the 1970's was so successful. "In the 1970s, two very different firms, Arthur Anderson & Company and The Boston Consulting Group surpassed Booz Allen & Hamilton and McKinsey & Company to become, respectively the largest and most profitable consulting firms in the world. The partners at Anderson and BCG achieved their success by building consulting practices quite different from the organizational and production advice offered by the traditional consulting firms" (The World's Newest Profession: Management Consulting in the Twentieth Century, Pgs. 210-211). At the time, they rose to power by "offering clients strategic council on the acquisition of corporate divisions and the creation of new product lines" (The World's Newest Profession: Management Consulting in the Twentieth Century, Pg. 211). Another strategic move and perhaps what pushed them to the head of their market share was the fact that they focused on the high end of the market, effectively pushing their competition away from the larger and more well known companies.

Of course, anyone who has read a marketing book knows that these are not the sole reasons for their success. In the quote above, McKenna outlines the fact that BCG brought new consulting practices into the mix. BCG owes their success to these innovations. BCG developed the "Growth Share Matrix" (more commonly known as the "BCG Matrix") that is pictured below. This simple chart shows a business where to allocate its cash within each product line. It is still used heavily in consulting today. They also developed the "Experience Curve" in 1968, which illustrates a business's ability to lower the cost of doing a task over time. These contributions to business research are some of the most popular methods of consulting and are taught to marketing and management students every day.

In the early years, BCG used cutting edge research in an emerging market to establish themselves as industry leaders. They heavily networked and targeted industry leaders as their clients, allowing them to expand their market and cater to a variety of different businesses that need their advice. Their continued innovation and research in the areas of management consulting have allowed them to maintain their current position as a top company.

Final Thoughts:

In the beginning of this study, I was very curious to see if B2B branding was as important in business as B2C branding is. I soon realized after reading about Gardner Denver, that though it is not necessarily important for a business like Gardner Denver to maintain positive brand image, it is extremely important that they not receive a negative brand image. If they are reputed negatively or the quality of their products are compromised, then not only does that hurt them as a company, but their clients as well. After realizing this, I wondered what a B2B company does differently than a B2C company to maintain a positive brand image. This led me to analyze the different marketing strategies of the companies outlined in the study. In summary, I have found the B2B response to be not without its similarities to B2C marketing strategies; however, B2B focuses on a different set of values than does B2C.

Since their customer base is different, a B2B company has to present itself in a different way. B2B companies cannot rely on gimmicks or advertising alone. Their clients are experts that do not make rash decisions. These clients are looking not only for a quality product, but rather, a company that can produce the product quickly, efficiently, and with the lowest overhead possible whether that be tangible manufactured parts, or intangible products such as consulting or human resource. However, I also found that though this builds an efficient company with a positive brand image, it does not necessarily mean they will have the ability to maintain it.

Innovation, it seems, is the key element of a positive Business-to-Business brand image. Without constantly pushing new technologies such as the sodium battery, GE would not be the powerhouse they are today. Without diversifying and constantly pushing new ventures to their program, LinkedIn would not be the largest human resource program on the market today. If they had quit pushing the quality and effectiveness of their machinery, Ditch Witch would have never been able to catch Vermeer and compete with them the way that they do. BCG continues to research and push consultancy to new horizons. If any of these companies became complacent, none of these companies would be the successes that they are today. My conclusion is that being innovational is what links these businesses together in their ability to maintain a positive brand image.

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