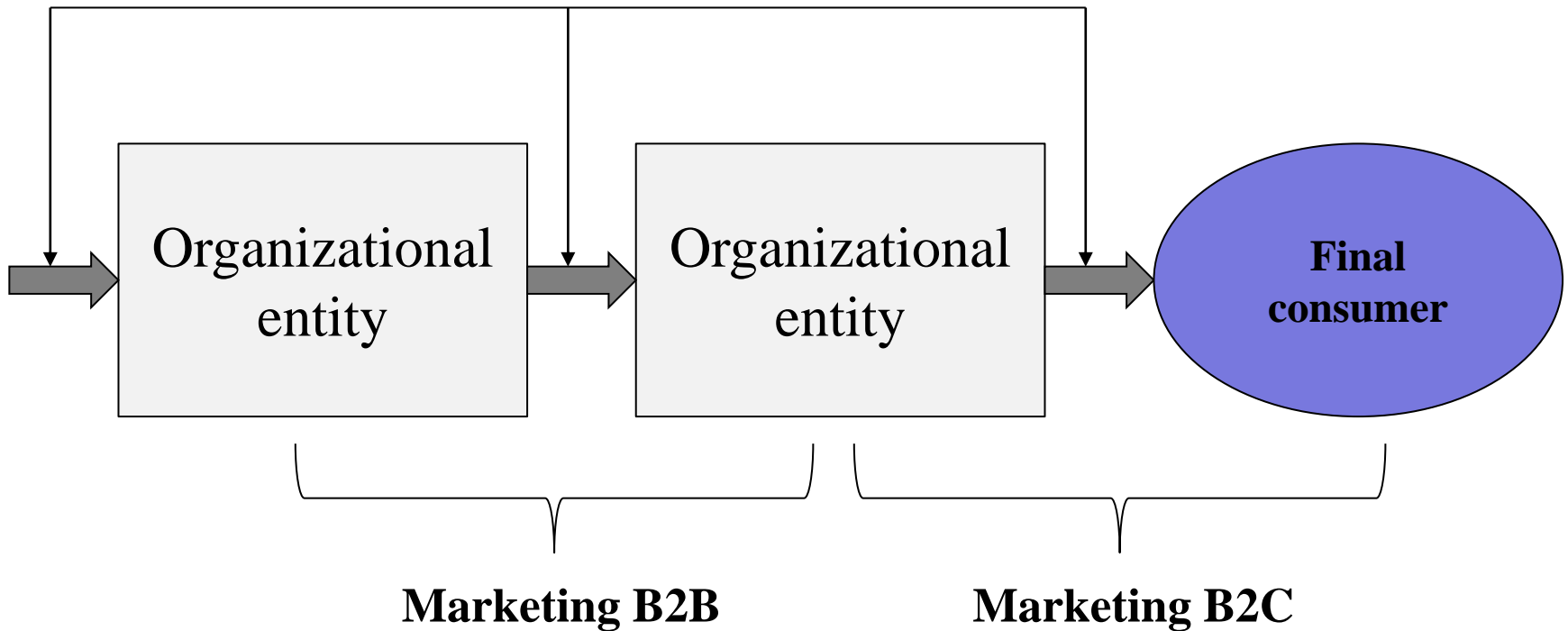


Marketing systems and Environments: Analysis of the needs and Marketing Mix

Marketing B2B

Transaction



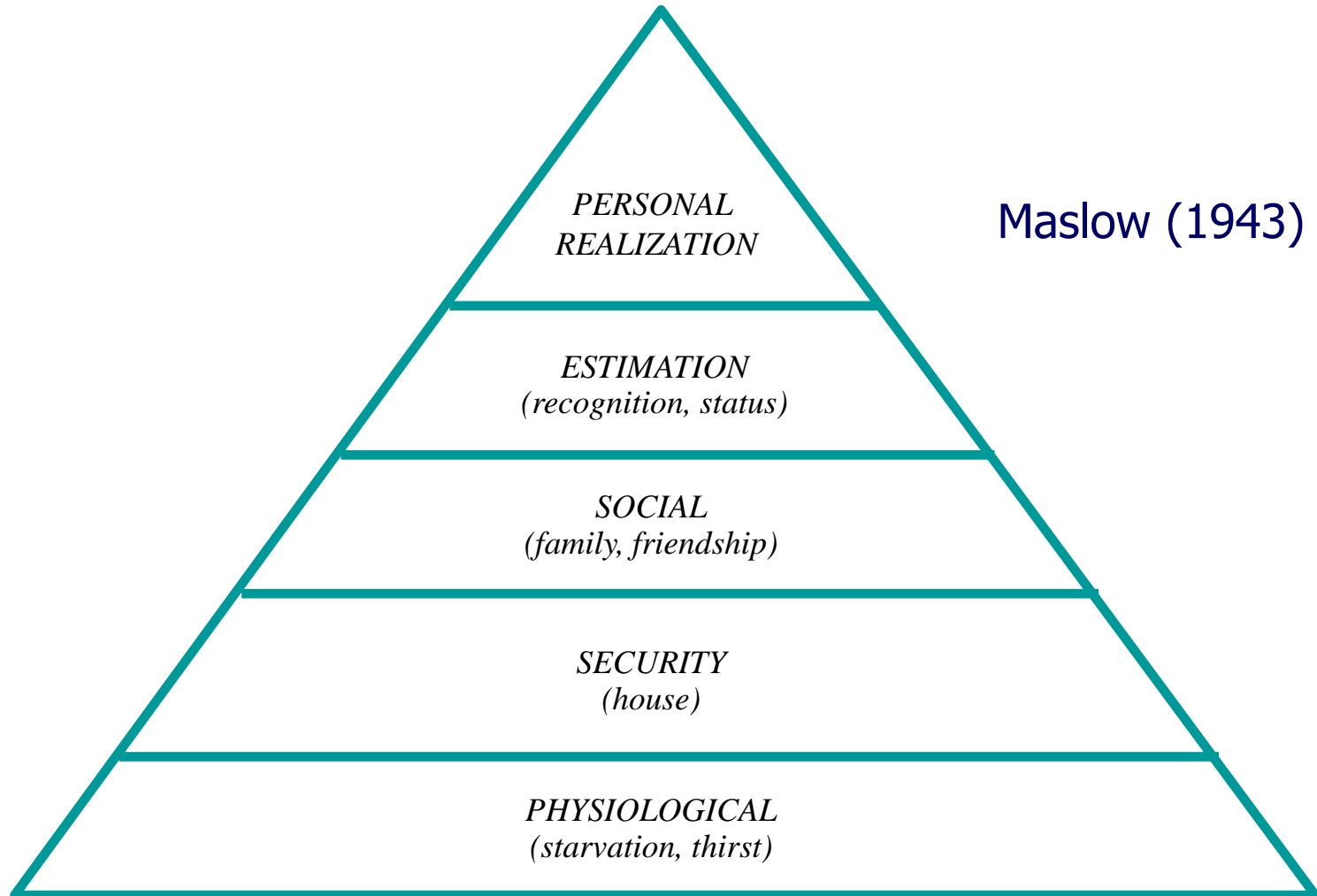
Why does the transaction happen?

Analysis of the needs

The transaction can happen only if there is an agreement among the contracting partners; it is often preceded by a negotiation process for searching the *conditions of mutual convenience*, a process that can be more or less long and complex in relation with the type and the value of the good/object of the exchange.

Conditions of mutual convenience mean needs which must be satisfied.

Needs at a macro level



Needs at an operative level

Generic needs: fundamental needs.

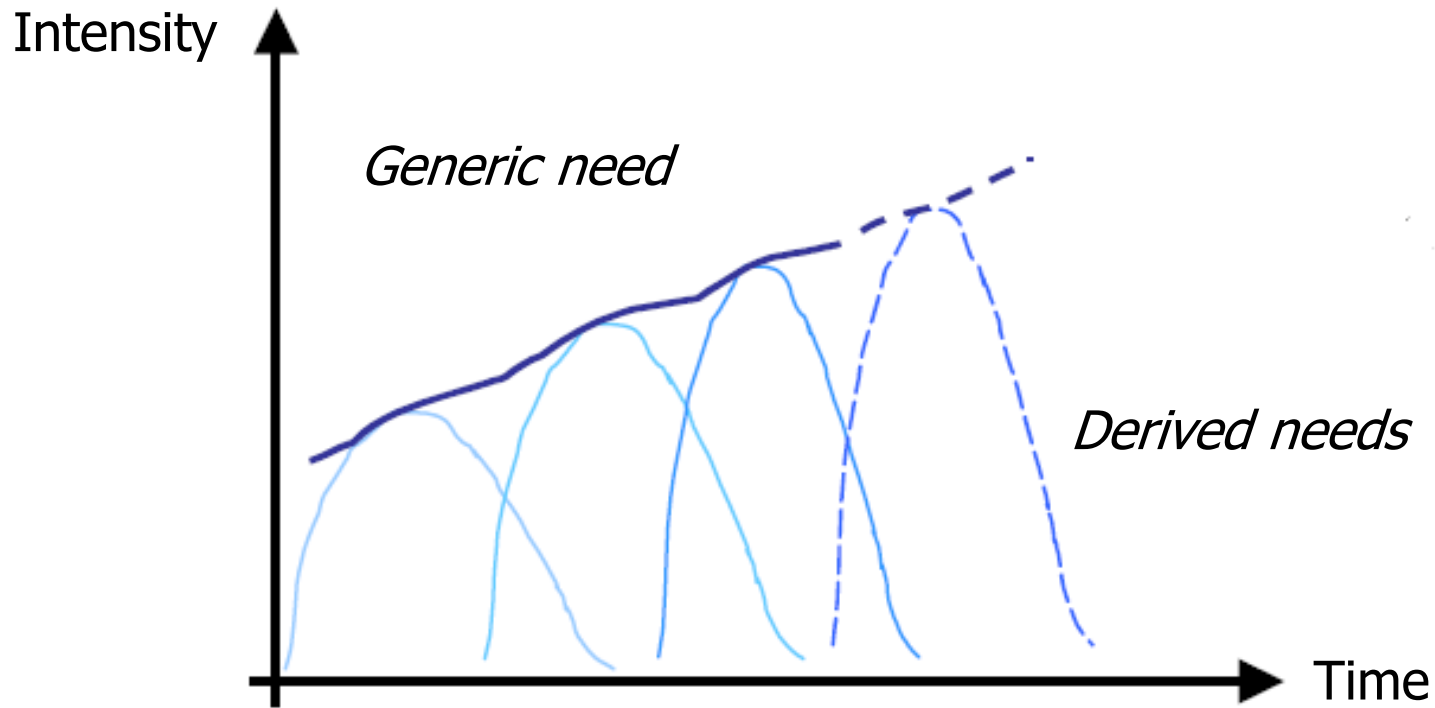
Derived needs: concern with the specific “object” capable of expressing particular functionalities.

The derived need is subject to the life cycle of the technological progress, while the generic need follows an independent road (even if they influence each other).

Kotler (1997); Abbott (1955)

Needs at an operative level

The trend of the generic need may be represented by the envelope curve of the derived needs.



Implications for the marketing

Marketing must define the strategies in relation with the generic needs rather than the derived ones, always if the enterprise has the skills to manage the evolution of the technology (product life cycle).

Fulfillment of the needs by the transactions

NEEDS / DESIRES
<ul style="list-style-type: none">• sense of lackness of basilar elements typically humans or of the business• push to own entities which aim at satisfying the need
MATERIALIZATION
<ul style="list-style-type: none">• object• service• activity• person• place• organization
INTENTION / DECISION
<ul style="list-style-type: none">• orientation to buy the «object of desire» renouncing to something else
NEGOTIATION
<ul style="list-style-type: none">• reserach of the conditions of mutual convenience• it leads to define the contractual terms and the other conditions useful for the exchange
AGREEMENT SIGNED
<ul style="list-style-type: none">• the transaction has happened• the contract, based on the previous conditions, in a real or virtual conflict of interests, has taken place
EXCHANGE

Where does the transaction happen?

The transactions are realized on the market.

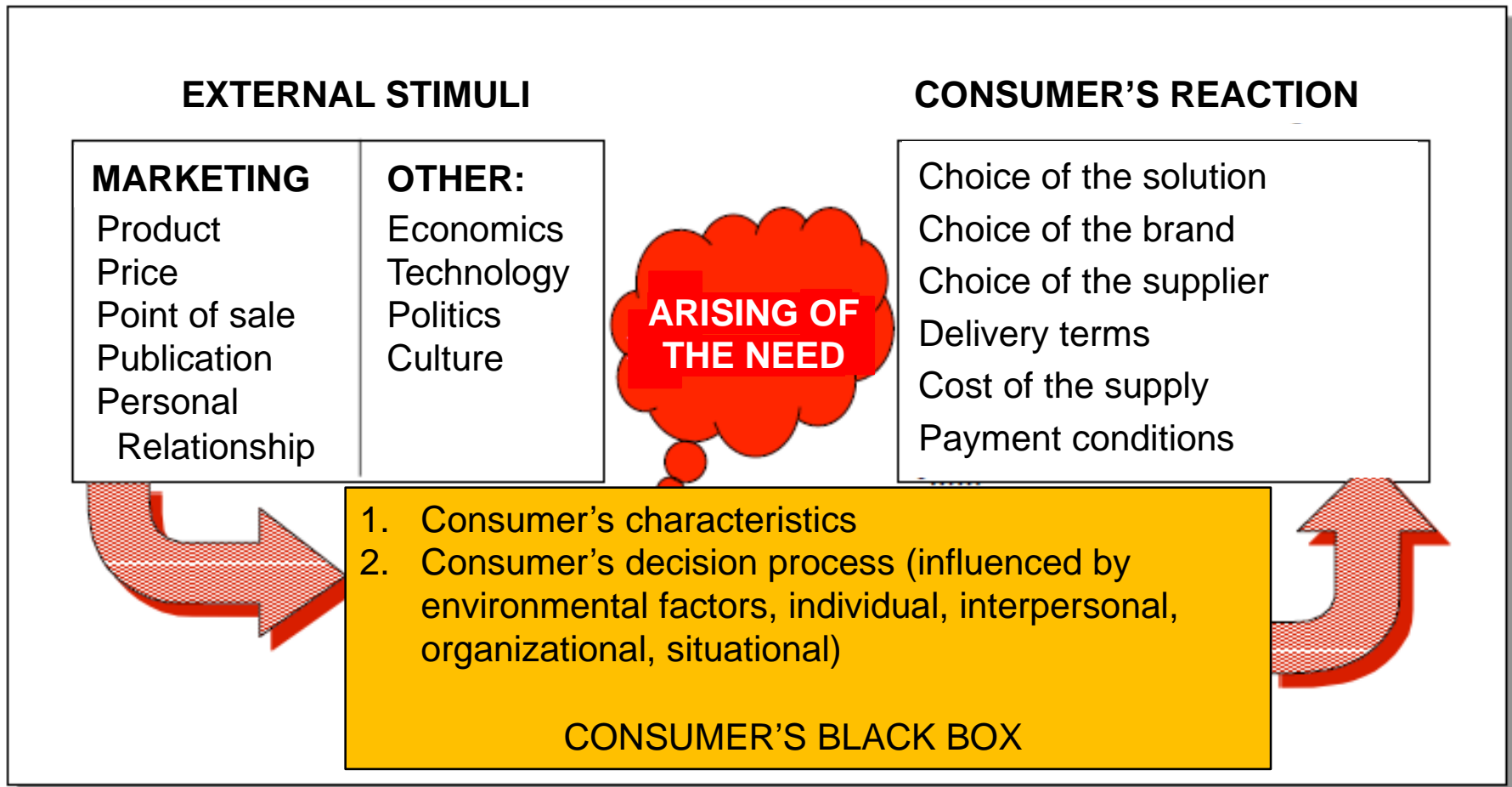
There are different places in which determined kinds of transactions are performed: the shops, the stock exchange, etc. In the past, the word «market» was used to indicate univocally the place where the negotiation and then the exchanges of goods happened.

The economic theory loses this sense of geographical place to assume the «market» as a set of operators which work together.

Characterization of the market: The six «O» model

Factor	Description
Offer	What interprets the needs of the market
Occupants	Subjects that form the market
Occasions	Moment in which the purchasing process is started
Organization	The net of actors that attends to the purchasing process
Objectives	The goals for whom a purchase is realized
Operations	The modes through which a purchase is realized

General scheme of the purchasing process



Steps of the purchasing process

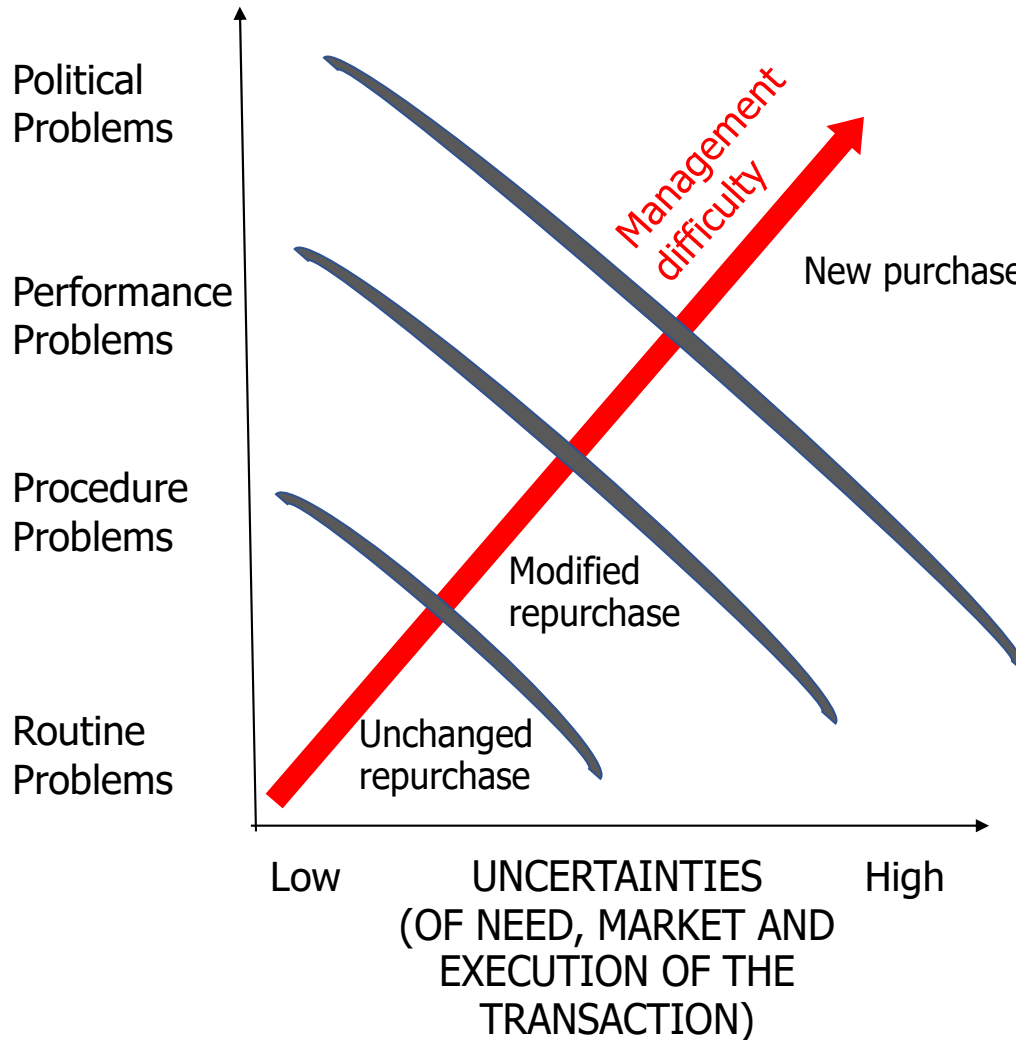
- 1. Anticipation or recognition of the need/problem**
- 2. Research of the information on the product capable to solve the problem / to satisfy the need**
- 3. Alternatives' evaluation**
- 4. Purchase**
- 5. Experience's evaluation**

Role of the purchasing relations

Customer's goals		Role of the supplier
Rationalization	Efficiency	Contribute to the reduction of the relationship cost for the customer
Development	Focalization	Define the own role in supporting the actual and future core competences of the customer
	Value	Encouraging the improvement of the product and of the distribution processes of the customer
	Positioning	Define the effort to be given for the positioning of the customer in the supply network

Adapted from Fiocca et al. (2009)

Purchasing situations

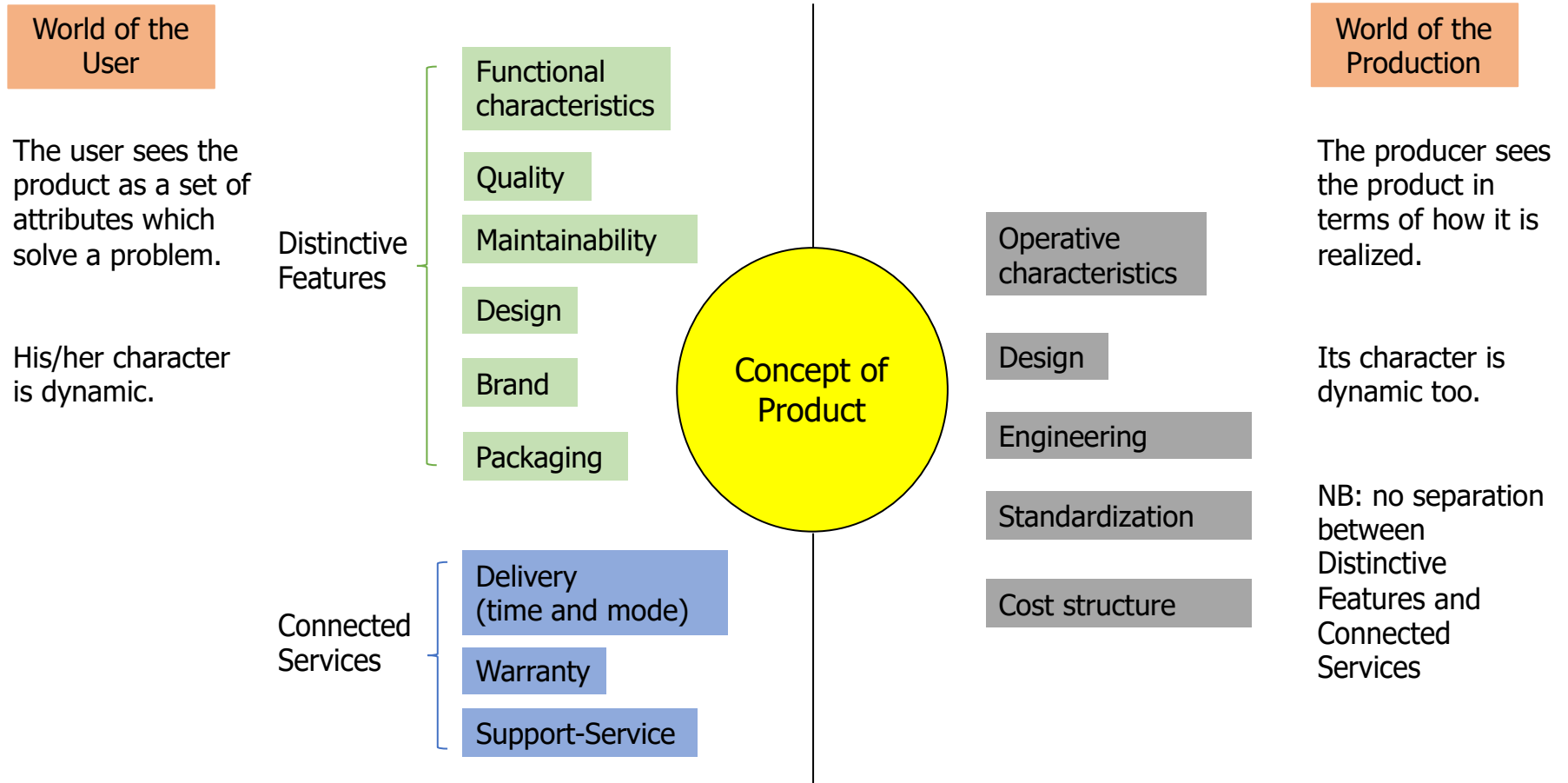


Factors that can negatively influence the management of the purchasing process

Adapted from Fiocca et al. (2009)

What is exchanged?

A product: an object coming from the transformation of an activity with eventual usage of materials in a good that can be offered on the market in order to satisfy the desires or needs.



Segmentation Matrix of Supplies

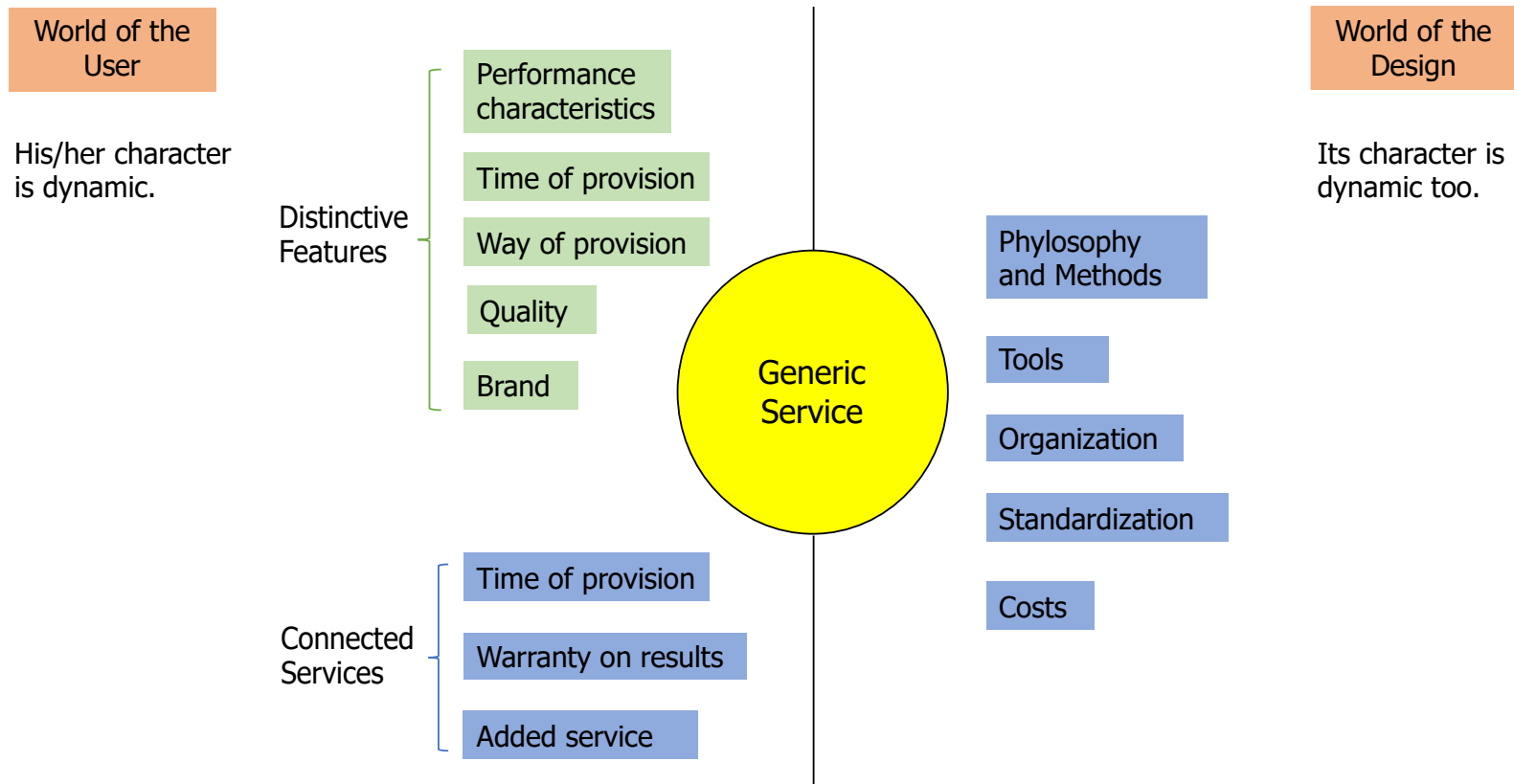
Importance	<i>high</i>	Leverage Items	Strategic Items
	<i>low</i>	Non Critical Items	Bottleneck Items
		<i>high</i>	<i>low</i>

Availability

Kralijc, (1983)

What is exchanged?

A service: activity or series of activities of nature more or less intangible that usually, but not always, is manifested by interactions between the customer and the service provider and/or physical resources and/or goods and/or systems of the provider entity in order to give solutions to the customer's problems.



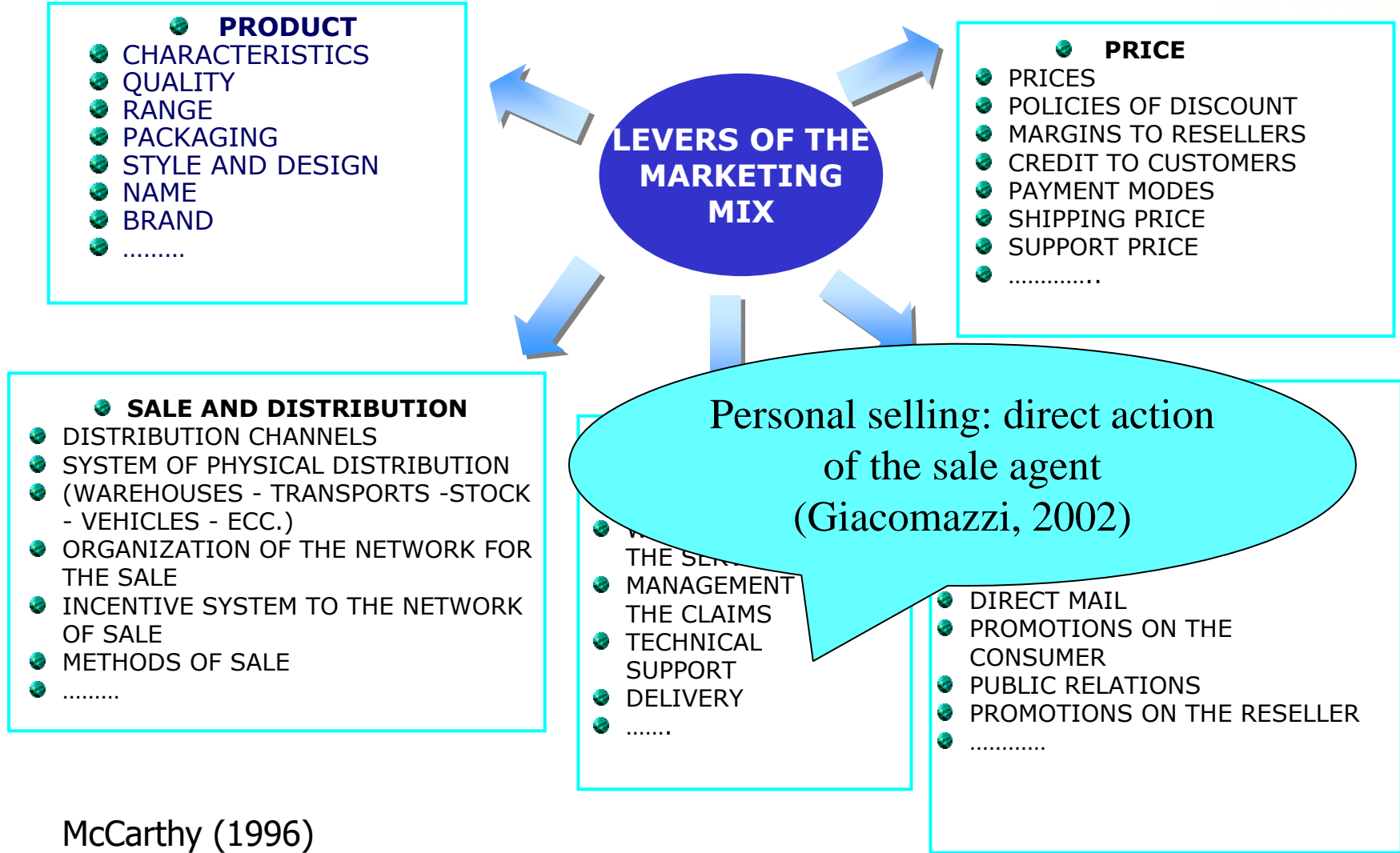
Marketing Mix

Given the goals and the strategies of marketing, the enterprise must establish the actions to be performed.

The definition and the execution of the tactics suitable to develop/conquer the markets (or their subsystems: the segments) are the basis of the operative marketing.

In order to obtain a commercial goal, the Chief Marketing Officer can use some tools, also named levers of the marketing mix.

The classical levers of the marketing mix



McCarthy (1996)

Marketing mix model for the services and for all the markets where the component of the service is important



(Model of the "7 P" by v. Zeithaml e M.J. Bitner)

Marketing mix model for the services and for all the markets where the component of the service is important

▶ People

- Personnel
 - Recruiting
 - Training
 - Motivation
 - Incentivation
 - Collaboration
- Customers
- Communication of culture and values
- Surveys on the personnel

▶ Physical Evidence

- Design of the environments (appearance, functionality, environ. conditions)
- Tools
- Sign
- Clothing of the personnel
- Other (relationships, business cards, brochure,...)

▶ Processes

- Flow of the activities (standardised, tailored)
- Number of steps (simple, complex)
- Degree of involvement of the customer
- Technology vs. human presence

(Model of the "7 P" by v. Zeithaml e M.J. Bitner)

The “traditional” differences between consumer marketing and business marketing

	CONSUMER MARKETING	BUSINESS MARKETING
Consumers <ul style="list-style-type: none"> ❑ number ❑ knowledge about the customer ❑ relative weight of the single ❑ relation company/customer 	<ul style="list-style-type: none"> • high • generic (target group) • low • normally absent 	<ul style="list-style-type: none"> • low • specific (one to one) • high • present
Product <ul style="list-style-type: none"> ❑ needs satisfied by the product / service ❑ level of customization of the product ❑ added services ❑ development of products 	<ul style="list-style-type: none"> • personal needs • standard product • sometimes present • through focus-groups with the customers 	<ul style="list-style-type: none"> • needs of the structure • customized product • fundamental • set of the structure of the customer
Price <ul style="list-style-type: none"> ❑ price of the product / service 	<ul style="list-style-type: none"> • important 	<ul style="list-style-type: none"> • important/fundamental
Sale <ul style="list-style-type: none"> ❑ structure ❑ profile of the sellers ❑ duration of the negotiation 	<ul style="list-style-type: none"> • large • negotiator • short 	<ul style="list-style-type: none"> • concentrated • technician/negotiator • long
Distribution <ul style="list-style-type: none"> ❑ channel 	<ul style="list-style-type: none"> • large scale retail 	<ul style="list-style-type: none"> • own distribution network
Promotion <ul style="list-style-type: none"> ❑ importance ❑ reputation of the product/service ❑ active references ❑ media used 	<ul style="list-style-type: none"> • fundamental • fundamental • important • mass media 	<ul style="list-style-type: none"> • additional • important • fundamental • fairs/conferences/press