

# Innovative strategies on B2B market

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**Abstract – Business-to-business describes commerce transactions between businesses, such as between a manufacturer and a wholesaler, or between a wholesaler and a retailer. Literate B2B Marketing helps the company to win the competition for the buyer, to see new examine needs and expectations of consumers, get detailed information about the current market competing firms and their offerings.**

Key words – marketing, innovation, strategy, B2B market, proactive and reactive marketing, method FORTH.

## I. Introduction

B2B marketing deals with goods which can be sold by companies or businesses to other companies for its further using in business. It accompanies the product at all the stages of its life. That's why it may be associated with the company's strategy and its manufacturing.

Marketing of industrial goods is significantly different from the ordinary one. Proper B2B marketing is able to provide a winning of the company in the competition for the buyer, to see new perspectives and areas of its using, examine needs and expectations of consumers, get detailed information about the competing firms and their offerings.

Although the goal of B2B marketing is to convert prospects into customers, the process is longer and more involved than B2C marketing. A B2B company needs to focus on relationship building and communication using marketing activities that generate leads that can be nurtured during the sales cycle. B2B companies use marketing to educate various players in the target audience because the decision to purchase is usually a multi-step process involving more than one person.

It's obviously that b2b marketing is quite different from consumer marketing in sense that you need a full understanding of the client and its needs.

It seems that the company is only need what it makes money from - raw materials, components, technology or services of outside companies . Deliveries are debugged, marketing channels work, what else does it need? But the company requires innovations and also something what improves its performance.

## II. Choosing a Strategy

Major B2B companies typically have a few key areas which they deal in. Although all operations are conducted in one area, special attention is paid on clearly defined segments.

The company management has to make a choice - lose positions on the market or increase sales? Increase expenses on marketing activities or use a low-cost

technology to get better results? How to act - reactively or proactively?

Any proposal on the B2B market should comply with one of the four questions of potential consumers:

How will it help you to save?

How will it help to dominate on the market?

How will it help to develop?

How will it help to minimize threats?

Company by promoting its service or equipment on the market, choosing one's own, unique strategy to achieve its goals. Sometimes companies use identical strategy, but the results are different. Some companies choose active while others choose a passive position on the market. Some companies respond to the actions of competitors while others are those who set trends (trendsetters). Some companies have reactive approach to the solving problems, while other act proactive.

Every strategy has its advantages and diasadvantages. For example, the reactive strategy is most popular because it does not need any additional effort and investment. Proactive strategy requires working at capacity. It's up to the enterprise to decide how to act.

Reactive marketing strategy - a marketing steps being taken by the company influenced the actions of competitors. In this case, the choice is due to external circumstances and events that are stimulated exerted by other companies. For example, a competitor releases a new product that is not in your company's product line, and so it encourages your company to start developing a new product for diversification. Reactive strategy can be described in two words - passive or protective strategy.

Proactive marketing strategy - a marketing activities that involve the actions of competitors and efforts are applied to be ahead of them. Using this strategy the company produces its own exchange rate movements and where appropriate acting in this direction. This strategy involves implementing fresh creative ideas into business processes, access to the consumer with an unexpected advertising campaign, for example, using guerilla marketing, bringing a completely new design solutions, etc. To describe the strategy we may use these words: active and offensive strategy.

Companies that act reactive are often faced with the fact that sales are growing very slowly or begin to drop, marketing exes increases. While the problem is just in that companies doesn't want to notice changes in customer buying behavior and changes in the rules on market.

Within each B2B companies there are the criteria that determine the intensity of interaction with each segment. Therefore, despite the common proactive position on the market B2B company may play "reactive " game. This does not mean that it allows competitors to strengthen its position. In this segment, competitors can be passive . Accordingly, there is a task for analysts and marketing specialists of B2B companies "to probe" this trend and offer something different from the others, and prove its leading position.

For small local companies the only way to take first place in its equipment or services - is to use partisan technologies of marketing

### III. Innovative Methods on B2B Market

FORTH is a customer-oriented innovation method to create mini new business cases with an internal team for innovative products, services and business models. On the one hand it's a highly structured method, but on the other it provides enough space for people to be creative. Every phase has divergence -- generation of many ideas -- followed by a convergence phase where the best innovative concepts are described as mini business cases.

The method leads to concrete new concepts, which are attractive because they have been checked with customers and are worked out as mini new business cases.

The method consists of five stages.

FORTH is an acronym. "Full Steam Ahead," - the first phase, which generates an appointment of innovation based on business objectives and does not require intervention by management in the following four stages.

New ideas requires new understanding, so the next step was allocated the phase "Watch and learn."

The development of new concepts for products or services is to FORCE and these concepts and ideas are generated in the third phase, "Splicing of ideas." We can generate a lot of ideas, but if managers are not convinced, you can be sure that nothing will happen.

In phase 4 "testing ideas" were proposed. You can test ideas on clients or conduct other tests, the final results of which will be a mini business case for each of the three or four product concepts.

The fifth and final stage «Homecoming» happens when the management presents business cases with a request of consideration of new ideas.

Method «FORTH» - is an innovative method that gives excellent results and is used by manufacturing companies and organizations in the health sector.

Leader of "Geehan Group" - Robert Urbanowicz took the famous BCG matrix created by Bruce D. Hendersenom and brought this segmentation on B2B market. In his opinion, B2B customers can be placed in similar sectors to determine the level of sales, marketing and development investments to provide economic growth and profitability.

The term "improvement" does not reveal why do you need a specific invention or innovation. With a matrix of needs you can understand this much more better.

#### 1. Investing in the stars

For B2B companies determination of consumers that have a huge potential in the market is a source of profit. As these companies are increasing resources, develop your business, you will have plenty of opportunities to obtain and increase your income. Market share should be preserved and increased. "Stars" brought a great profit.

#### 2. Protection "Cash cows"

There are also clients whoyou receive a stable income from. They purchase almost everything you can offer. They are the ones who work with you for a long time. "Cash cows" need to be protected. They appeal because they do not require additional investment and they would provide a good cash income.

#### 3. Walk the "Dogs"

This is an area where many companies lose valuable resources and do not know how to act. The accounts of these companies are small, have limited ability to grow, they have a claim to other companies.

#### 4. Acquire the "Question marks"

Its market share is low, but the growth rates are high. "Difficult children" should be learnt. In the future they may become like the stars and dogs. If it is possible to transfer it to the stars, you need to do that.

### Conclusion

Woking on selling to another business rather than an end user or consumer, you are engaged in B2B marketing. In recent times B2B marketing is growing at a faster pace.

B2B Marketing accompanies the product during all the stages of its life: from the creation of a new product, and up to its total consumption (destruction, waste, etc.). Therefore, industrial b2b marketing is quite closely associated with corporate strategy and denser than B2C marketing, interacts directly with the manufacturing and service inventory management.

As the is a specific market industrial goods - is a specific market , and only some of its features is similar with conventional market, B2B marketing is also different from marketing in the general sense.

Should be mentioned that industrial marketing (b2b) is highly functional interconnectivity. This means that b2b marketing most densely interacts with manufacturing and stock management services.

Typically, industrial marketing is closer to the consumer and much more better know their needs than ordinary consumer company.

Annually, there are more players in Ukraine who are willing to provide marketing services on B2B market. Practically every month marketing conferences, seminars and forums are holds. However, in this dynamic growth activity we would like to make efforts in the right direction.

This is a key issue for the marketing community who work on B2B markets.

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