

# **Business-to-Business Marketing – WS 2020**

Martin A.Koschat

## **I – Focus and Objectives**

This course explores the challenges of market-focused management in the business-to-business (B2B) realm. While firms operating in consumer markets often have a well-documented tradition of market-focused management, firms operating in business markets have received much less coverage in the academic and trade press. This is surprising and, ultimately, unsatisfactory because about 2/3 of the gross world product is transacted in business markets while only 1/3 is transacted in consumer markets. Ergo, roughly 2/3 of the graduates of a general business program will find themselves working for organizations that deal with business customers, while the remaining 1/3 will work for organizations that are themselves customers in B2B markets. A solid understanding of how B2B markets work is therefore an essential element of a well-rounded business education.

The purpose of the course is to give you a conceptual – and at the same time a practical – understanding of how market-focused management works in business markets and how leading business marketers succeed in their respective markets. The perspective of the course is that of managerial practitioners who need to make numerous interrelated decisions in the face of complex and often conflicting demands.

## **II – Course Topics**

- How do business markets differ from consumer markets
- How do business customers differ from consumers and what are the managerial implications of these differences
- Segmenting business markets and adjusting the value proposition
- Product decisions in business markets
- Pricing in business markets
- Managing customer engagement and satisfaction in business markets

## **III – Bibliography (Required readings)**

**Note:** The acquisition of these readings from The Case Centre is mandatory because the readings are copyrighted, and their publishers expect payment. Therefore, each course participant must purchase his or her copy of this reading material. To acquire these cases, register and login at [www.thecasecentre.org/students/course/registerForCourse](http://www.thecasecentre.org/students/course/registerForCourse) and enter the CoursePack code **C-3468-181501-STU**. Failure to register and pay will result in a delay of the recording of your final grade.

August 31, 2020

**K. Kashani** with J. Shaner (2002), *Tetra Pak (A): The challenge of intimacy with a key customer*, IMD Case Study, IMD 5-0604.

**K. Kashani** with J. Shaner (2002), *Tetra Pak (B): Hear me, know me, grow me: The customer satisfaction initiative*, IMD Case Study, IMD 5-0605.

**K. Kashani** with I. Francis (2006), *Xiameter: The past and future of a 'disruptive innovation'*, IMD Case Study, IMD 5-0702.

**K. Kashani** with A. DuBrule (2009), *Value selling at SKF Service (A): Tough buyer confronts strategy*, IMD Case Study, IMD 5-0751.

**G. Narayandas** and **G. Swartz** (2001), *Kone: The MONOSPACE launch in Germany*, HBS Case Study, 9-501-070.

**W. Ulaga** with Athanasios Kondis. (2014), *GE Healthcare India (A): The marketing challenge of low-resource customers*, IMD Case Study, IMD-5-0800.

**J. Walsh** with A. Woolfrey and S. Coughlan (2008), *The Coca-Cola Company (abridged)*, IMD Case Study, IMD 5-0741.

#### **IV – Course Work and Methods of Evaluation**

Due to circumstances beyond our control, the course will be offered as a distance learning course. This means several things. You, the students, have to write more than if the course were held in a traditional classroom setting. (Correspondingly, I, the instructor, have to read more. Actually, a lot more.) In addition, we will meet for each session in a virtual classroom.

To follow the course, each of you needs a computer with a microphone and a camera as well as speedy internet access. (“Speedy” means, your internet access needs to be fast enough to watch YouTube videos.)

There will be a Moodle website for this course. Please make sure that you have access to the University’s Moodle platform as soon as possible. On Moodle, we will hold the virtual class sessions using the software BigBlueButton which provides real-time sharing of audio, video, and slides, as well as a webcam, a chat and a screen function.

Apart from the format, the primary method of learning in this course is still based on managerially oriented *case discussions*. Cases allow you to learn from the experience of managers operating in real-world companies and from immersion in practical management and business decisions. The cases capture the complexity faced by managers on all levels. The cases that will be assigned represent a diverse spectrum of management issues. They have been selected for their particular relevance to the issues under discussion, as well as for their capacity and track records as good learning vehicles.

Your expected contribution to this course is threefold: 1) Preparation, 2) Classroom contribution, 3) Individual analysis (a.k.a. Final Exam). You will be evaluated based on each of these three components. Regarding these three components:

Preparation:

There is a heavy emphasis on your individual preparation. For a given case, I am asking you to submit your pre-analysis of the case by the end of day of Thursday prior to the Friday when the case is scheduled for discussion.

Your analysis should address each of the questions posed in the syllabus. There should be about one good paragraph per question for a total of no more than two double-spaced pages.

The format of your submission can be either MS Word or Adobe PDF. (If you have a problem with either, let me know.) Submit your work by email to my regular address, that is, [martin\\_koschat@hotmail.com](mailto:martin_koschat@hotmail.com).

I will grade your submission as “not satisfactory”, “satisfactory” or “good”. I will provide a sample solution as part of our general discussion in class, usually the following week.

Class participation:

Attendance is mandatory. The virtual breakout rooms work quite well. There you can consult your colleagues. Through the chat function of BigBlueButton you can contribute to a session.

Final Exam:

The final exam will be a written exam. On the day prior to the exam, I will send you a case similar to the cases that have been presented during the stream. On the day of the exam, I will send you my questions at the beginning of the designated time period and you will email me your analysis of the case – addressing my questions – at the end of the designated exam time.

Evaluation:

You will be evaluated based on the quality of your preparation (40%), your course participation (20%) and the final exam (40%). This weighting reflects the realities of the format.

One final reminder: Please note that **preparation and class attendance are not optional; they are mandatory**. If you cannot attend during the scheduled sessions shown below, this course is not for you. If you cannot attend a given session (as a result of illness or other emergencies), you should let me know in advance either in person or via email at: [martin\\_koschat@hotmail.com](mailto:martin_koschat@hotmail.com).

## **V – Course Director**

Instructor: Hon.-Prof. DDr. **Martin A. Koschat**  
email: [martin\\_koschat@hotmail.com](mailto:martin_koschat@hotmail.com)

## **VI – Language of Instruction**

Business English

## **VII – Schedule of Class Sessions**

Again, all class sessions are virtual. We will begin the course with a virtual preview session on Friday, October 2, 2020, starting at 9:45 and ending before 11:15. I will present a brief overview of the course. You will have the opportunity to ask questions and to determine whether this course is for you. Subsequently, we will have six case discussions which will take place on October 9, October 16, October 23, October 30, November 13, November 20, and November 27. (Note, these comprise 7 dates. One of these dates will be cancelled during the semester.) The final exam with the format outlined above will take place on December 4 during the regular class hours from 9:45 to 13:00. Your participation is essential. Make-up exams will only be administered in case of documented force majeure. You will have the opportunity to discuss the business issues raised in the final exam with me on Friday, January 15, 2021 from 9:45 to 11:45, if you so choose. If you wish to do so, you will let have to give me advance notice. Note that the purpose of this session is not to discuss your grade. If you wish to contest your grade you will have to do so in writing.

## **VIII - Sessions**

### **Session 1: How do business markets differ from consumer markets?**

Preparation: Read the case *The Coca Cola Company* with the following questions in mind:

1. What are the functions performed by TCCC, its bottlers and retailers in bringing a bottle of Coca-Cola to a consumer?
2. What is TCCC's value proposition to its bottlers and the retailers that sell TCCC's products?
3. How and why has TCCC's approach to its customers changed over the last two decades?

**Session 2:** How do business customers differ from consumers and what are the managerial implications of these differences?

Preparation: Read the case *KONE: The MonoSpace© Launch in Germany* with the following questions in mind:

1. What can be learned from the test market and market launches in France, the Netherlands and the UK?
2. How would you price, promote and distribute MonoSpace©.
3. What core competencies at KONE will need to be managed to ensure the success of your marketing plan?
4. What reactions do you expect from competitors and how will you manage these reactions?

**Session 3:** Segmenting business markets and adjusting the value proposition

Preparation: Read the case *Xiameter: The past and future of a 'disruptive innovation'* with the following questions in mind:

1. What factors, internal or external, were responsible for Dow Corning's poor performance between 1995 and 2001?
2. What did the new segmentation reveal about customers beyond what the company knew already? In what ways was this scheme an improvement over the previous and traditional end-user segmentation?
3. Trace the development of Xiameter from its beginnings: In your opinion, what were the key decisions that shaped its business and marketing strategies?
4. Was the "dual-brand strategy" a good idea? If so, why? If not, why not?

**Session 4:** Product decisions in Business Markets

Preparation: Read the case *GE Healthcare India (A): The marketing challenge of low-resource customers* with the following questions in mind:

1. What are the characteristics and needs of business customers in low-resource settings?
2. Should GE go after this market?
3. Is Lullaby Warmer the right solution for the Indian market?

**Session 5:**    Pricing in business markets

Preparation: Read the case *Value selling at SKF Service (A): Tough buyer confronts strategy* with the following questions in mind:

1. What are the dynamics in SKF's end-user market?
2. How do these dynamics affect SKF's market position?
3. In the current market environment, how sustainable is SKF's strategy of not pursuing "price seekers?"
4. Are reverse auctions a challenge to SKF's business model?
5. Should SKF participate in Steelcorp's reverse auction?

**Session 6:**    Managing customer engagement and satisfaction in business markets

Preparation: Read the cases *Tetra Pak (A): The Challenge of Intimacy with a Key Customer* and *Tetra Pak (B): Hear me, know me, grow me: The Customer Satisfaction Initiative* with the following questions in mind:

1. How serious is Pontero's problem in his market?
2. How well did Tetra Pak diagnose Pontero's problem?
3. How sensible is Tetra Pak's proposal to Pontero?
4. What do you make of the customer satisfaction survey results?