Foster School of Business
University of Washington
Marketing 511: B2B Marketing 2015
Instructor Robert Pollack
Business to Business (B2B) Marketing as an elective?

Just ask Jeff Bezos of Amazon. While Amazon publically talks about its moves into mobile phones, streaming TV and package delivery drones the business they are not discussing has the potential to be their biggest move since books. Quietly, Amazon is fast becoming a dominant force in enterprise cloud computing and B2B sales.

A recent headline in Forbes states .. “Amazon’s Wholesale Slaughter: Jeff Bezos’ $8 Trillion B2B Bet”

As Amazon, and others have discovered, the overall volume of B2B transactions is much higher than the volume of B2C transactions. The reason for this is that in a typical supply chain there will be many B2B transactions involving sub components or raw materials, vs only one B2C transaction .. sale of the finished product to the end customer.

Other B2B examples include ..

.. Flextronics of Singapore selling manufactured iPad’s to Apple for sale to end-users
.. Intel selling microprocessors to Dell for servers
.. Airbus selling A380 superjumbo airplanes to British Airways
.. Amazon selling fasteners using the identical distribution system and infrastructure as a Kindle.

But Amazon, recognizes that innovative services and products are imitated in no time, price margins are under increasing pressure, and customers are bombarded with advertising messages through a multitude of media. Amazon’s latest B2B competitor is none other than Alibaba.

Competing successfully is only possible through an understanding of the B2B marketplace and the tools available to drive integrated, customer-driven marketing solutions.
A study in 2014 by B2B International found that B2B marketers identified their biggest problems in the following areas …

These sound remarkably similar to B2C issues. However, as you will discover, the ways to address them in B2B can be very different.

Some of the skills are the same. That is why BA 500 and MKTG 501 are prerequisites. However, understanding the differences of marketing to business’s as opposed to consumers can make a huge difference when pursuing future opportunities in B2B. Differences include lead generation, product development, sales and technical support as well as the building of long-term relationships.
**What will you learn in this course?**

This course provides a practical approach to business market management.

It will focus on ..

| .. B2B vs. B2C: Similarities, differences and hybrids |
| .. Understanding the B2B market environment, what matters to customers and how to marginalize competitors |
| .. Establishing your “point of difference” which results in superior value to customers |
| .. Setting objectives, strategies and metrics .. that will motivate, energize and focus employees on common goals |
| .. Building and selling the B2B marketing plan in the organization .. sometimes the toughest task of all |
| .. Launching the “go to market” plan externally using state of the art marketing technology as well as effective traditional approaches. |
| .. Measuring / maintaining customer satisfaction resulting in customer loyalty .. This takes more courage in B2B than you might think |
The instructor?

Business to Business Marketing will be taught by Rob Pollack, an award winning marketer who has spent 20+ years in both B2B and B2C environments with Fortune 100 companies.

**Marketing Awards:**

- Ad Age Marketing 50 in 2007 awarded to the top 50 marketers in the U.S.

Rob has managed in the trenches and has seen it all. The good and the bad with companies like ..
- Boeing,
- General Electric,
- Motorola
- Black and Decker.

Most recently he was Vice President of Brand Marketing for Boeing Commercial Airplanes where he led the marketing for the 787 Dreamliner.

Currently, Mr. Pollack does marketing consulting in the aviation industry.
B2B Marketing 2015 Modules

- **Market Driven B2B**
  - B2B Marketing 2015: An Introduction
  - B2B versus B2C and hybrids
  - The B2B market environment, category, growth, trends, competition

- **Defining / Creating Value**
  - Customer Insights in B2B markets
  - Branding and the Customer Experience

- **The B2B Marketing Plan**
  - Crafting Marketing Objectives and Strategy
  - Product / Service portfolio mgmt.
  - Pricing in the B2B marketplace
  - Distribution .. In person, through others and digitally

- **Mid-Term Exam**

- **Marketing Communications: | Customer Experience**
  - Content Marketing in the B2B world
  - The Power of Going Digital .. B2B Marketing 2.0
  - The Joy of Analytics .. Using "big data" to competitive advantage
  - Blue Collar Marketing .. Advertising, Events and Traditional Methods
  - Effective External Communications .. It's not about the masses
  - Internal Communications .. Keeping everyone on the same page

- **Integrating the Plan | Customer Loyalty | The Future**
  - The power of “trust” in the B2B marketplace
  - Customer satisfaction .. Creating loyalty and long business relationships

- **Term Project Reviews**
Course Philosophy / Format

This course is a marketing elective in the Foster MBA program. It aims to give MBA graduates a deeper understanding of business marketing management. It presumes a familiarity with marketing concepts and frameworks gained through the core MBA Marketing course.

At the beginning of each class the key material will be introduced through a combination of story-telling and PowerPoint. As a pragmatic marketer I will focus a bit more on application than theory. It will be expected that you have done your assigned reading before the class, in-depth, and will discuss it before class with a small group of classmates. This will allow more time in class to put theoretical ideas into reality.

While I may like to talk I also enjoy listening. It is expected that you will participate in class discussions and bring forward your ideas and thoughts. Creativity and innovative thinking applied to business to business problems will be encouraged as successful marketing requires us to establish a real point of difference from our competitors. Preparation for and participation makes the discussions more interesting, insightful, and fun. There is no need to contribute in every session but you are more than welcome to do so. Not to worry if English is not your first language. As this is commonplace in the global marketplace issues with our language are expected and understood. I have worked in markets where English is not a first language. I learned to listen more closely and ask questions back to make sure we both understood each other. We will make every effort to make sure we do this in our course.

Finally let’s work together to make each class session a lively, stimulating, and intellectually rewarding venture in group learning.

The best classes are those that are highlighted by an interactive discussion about the potential marketing opportunities that arise from course concepts or from a case. You are encouraged to disagree with my thoughts or those of other classmates as long as you always respect the opinion of others. The hardest concept in business to learn is to listen and “be there” in every conversation. We’ll discuss this more during the course.

Business to Business Marketing
Course Philosophy and Format

To keep a “reality based” approach to our classes I will invite guest speakers to several of our sessions. These speakers will have had extensive personal experience in the area we are reviewing. Their stories, learnings and insights will help us to better internalize the information. We will always make sure there is time for your questions / comments with each guest.

I will have office hours available before or after each class so we can discuss any of the subjects we have reviewed. I can also meet with Term Project teams, as they go through their planning during the course. One of the strengths of the Foster School is its mentoring program. In addition to this activity, in the second half of the course, I will be available if you would like to discuss your future in Marketing (either B2B or B2C .. I have spent equal time in both worlds) and the pros and cons of the discipline.

The review of the Term Project should be an exciting time for all of us. We will have an “evaluation team of experts” join us at both the start and the end of the project. At the end of the review session they will have a chance to comment on what they heard. We will ask them to stay after the class if anyone wants to talk further.

In the end .. this course is about you. Although it is an elective, it is a potential gateway to a highly rewarding career direction both intellectually and financially.

There are thousands of marketers out there. However, not many great marketers. People who have passion, the courage to be different, think out of the box, yet collaborate, will have unlimited potential in B2B marketing. My job is to help create a spark that might lead you in this direction.

There has never been a better time to enter the marketing profession. I envy all of you who are at the beginning of the journey!

Business to Business Marketing
Course Philosophy and Format .. continued

Reading

During the course, readings from texts, blogs, articles and white papers will be assigned and required reading. These will be part of the Coursepack. Purchase of the Coursepack for Marketing 511 is mandatory.

There is no assigned textbook for this course. There are 3 optional texts that I have reviewed and believe have some value. All are available through Amazon and similar sources.

Optional Reading

Business Market Management
Understanding, Creating and Delivering Value
By Anderson, Narus and Narayandas

Business Marketing Management b2b
By Hutt and Speh
South-Western CENGAGE Learning  www.cengagebrain.com  2013

B2B Brand Management
By Kotler and Pfoertsch
Springer  www.springer.com  2006
Course Assignments and Grading

This course will include both individual and team assignments. Individual coursework will include readings, case studies and an at home mid-term exam. The mid-term exam will involve the development of the front half of a B2B marketing plan. The team component will be based on the second half term project.

<table>
<thead>
<tr>
<th>Grade Components</th>
<th>Points</th>
<th>% of Final Grade</th>
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</thead>
<tbody>
<tr>
<td>Individual class participation</td>
<td>80</td>
<td>20%</td>
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<tr>
<td>Case Study</td>
<td>80</td>
<td>20%</td>
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<tr>
<td>Mid-term</td>
<td>80</td>
<td>20%</td>
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<tr>
<td>Term Project</td>
<td>160</td>
<td>40%</td>
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</tbody>
</table>

Total 400 100%

Grading Scale:

95% and above 4.0
94% and above 3.9
93% and above 3.8
And so forth ...

Code of Conduct

By being a student in this class you acknowledge that you are a member of a learning community in the Foster School of Business that is committed to the highest academic standards. As a member of this community, you agree to refrain from cheating, attempting to cheat, plagiarism, lying, and stealing in relation to academic work.

In a workplace situation these activities would probably result in your dismissal. Best to practice the right behaviors now.

In addition, I ask that you stay offline during class sessions and only use your laptop for class-related activities. Research shows that being online (surfing the Web, checking email, texting, etc.) inhibits your ability to learn and distracts those around you (including me). Thanks for supporting this policy.
Class contribution .. 20% of grade

Below is a description of how your class contributions will be calibrated. As

**Outstanding Contributor:**
Contributions in class reflect exceptional preparation. Ideas offered are always substantive, and provide one or more major insights as well as providing a fruitful direction for the class. Arguments are well substantiated and persuasively presented. If this person were not a member of the class, the quality of the discussions would be diminished significantly.

**Good Contributor:**
Contributions in class reflect thorough preparation. Ideas offered are usually substantive; provide good insights and sometimes a fruitful direction for class discussion. Arguments, when presented, are generally well substantiated and are often persuasive. If this person were not a member of the class, the quality of discussions would be diminished considerably.

**Satisfactory Contributor:**
Contributions in class reflect adequate preparation. Ideas offered are sometimes substantive, provide generally useful insights, but seldom offer a major new direction for the class. Arguments are sometimes presented, and are fairly well substantiated and sometimes persuasive. If this person were not a member of the class, the quality of discussions would be diminished somewhat.

**Unsatisfactory Contributor:**
Contributions in class reflect inadequate preparation. Ideas offered are seldom substantive, provide few useful insights, and rarely offer a constructive direction for the class. Class contributions are few and far between. Many contributions are “cherry picking” efforts making isolated, obvious or confusing points. If this person were not a member of the class, the quality of discussions would not be changed or perhaps even improved.

Note: Allowances will be made for non native English speakers. However, you will still be evaluated on the quality of your thoughts in the same way as the others in the class.
Case Studies . 20% of Grade

There will be three case studies in this course. These case studies have each been derived from recent stories in The Wall Street Journal. The first case study will occur during the first class. You will be expected to read the case and be prepared to answer the questions in class.

The second and third case studies will require you to submit the answers to the questions before the class for which it is due. Again class participation is expected. This component of your grade will be based 75% on your written submissions and 25% on class participation.

Mid-Term Exam . 20% of Grade

The mid-term exam will take place after the completion of the 3rd of five modules during the course. It will have three open ended questions for you to respond to. Responses to each question should not exceed two pages in length.

Each question will test your understanding of a marketing concept as well as how you might use this concept in a practical application. The majority of your time and effort should be made on the practical applications. Anyone can copy a concept from a book or website. The key is how you use this information in a potential real world situation.

We will use a portion of a later class to discuss some of the plans you have created and will allow your peers to ask questions or provide additional insights.

Grades will be on a curve versus your peers and I will review each exam question as I might in an actual workplace environment.
Term Project: Build a marketing plan for a $10.6 billion aircraft sale!

The Term Project will be launched roughly half way through the course. Ideally teams will be composed of roughly 5-7 students which will be randomly created. Random team creation is important as most business teams don’t have the luxury of picking just the people they like. Building team chemistry is part of the assignment.

This project will take place in the form of a “campaign” competition.

Each team will be a manufacturer in the commercial aviation industry. There are up to five competitors participating in this sales campaign.

- Airbus with the A320 NEO
- Boeing with the new 737 MAX 200
- China with its all new C919
- Bombardier with its new CS300
- Embraer with a larger version of its Ejet

Delta Airlines has announced plans to renew their single aisle fleet of jets beginning in early 2017. They will require a fleet of 100 single aisle aircraft delivered over the course of 4 years.

Your task is to put together the initial marketing plan, which when integrated with sales and other relevant functions can set the stage to win this $10.6 billion dollar order. Your marketing plan will be presented to your own management’s leadership team for review and approval.

While acquisition cost is important most airlines analyze the long term cost of operating the aircraft as part of their decision making process. Fuel efficiency, reliability, passenger comfort, maintenance costs as well as the aircraft’s residual value when an airline sells off the aircraft are all evaluated.

Most of the interaction with the airline will take place with your company’s sales force. They will need your help in making your company’s case to the customer. But customers turn to aviation mags / websites, blogs, third party analysts, consultants, the press and the banking/finance community for help in making their decision. So the complete marketing toolbox should be considered as you put together your plan.

The stakes are high. The competition will be incredibly fierce and you will have only one shot at this airline for the next 10 years. No pressure? Lots of pressure in this real world, winner takes all, game of high stakes B2B marketing and sales.

Significantly more info for this project will be presented during the class.
Teams will be assigned as aircraft manufacturers including Airbus, Boeing, Bombardier, Comac (China’s entrant) and Embrear.

A small group of industry experts will attend the initial session and final team presentations and will select the winning manufacturer. A senior marketing executive from Boeing will provide a basic understanding of the airplane purchase process during the class where the project is introduced. Their evaluation will be based on:

- your understanding of the market,
- your competitors and their possible selling proposition
- your strategies on products, price and service.
- your written marketing plan.
- your presentation.. both content and style

In a real world campaign both a written value analysis as part of a sales proposal and an in-person sales presentation will take place. Remember your assignment is the marketing plan to support the campaign, not the actual sales proposal.
# B2B Marketing 511: Course Schedule

<table>
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<tr>
<th>Date</th>
<th>Topic</th>
<th>Guest Speaker</th>
<th>Reading / Assignments</th>
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<td><strong>Market Driven B2B</strong></td>
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<td><strong>30-Sep</strong> B2B Marketing in 2015: An Introduction</td>
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<td><strong>Business to Business Marketing Overview</strong>&lt;br&gt;By Ralph Oliva, Institute for the Study of Business Markets</td>
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<td></td>
<td><strong>B2B vs B2C and hybrids</strong></td>
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<td><strong>The Differences between B2B and B2C Marketing</strong>&lt;br&gt;An article by Ron Brauner .. 4/08&lt;br&gt;<strong>Case Study: With Ipad Sales Falling Apple Pushes into Business's</strong></td>
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<td></td>
<td><strong>Defining / Creating Value</strong></td>
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<td><strong>7-Oct</strong></td>
<td>The B2B Market Environment Category, Growth, Trends, Competition</td>
<td>F. Alamdari&lt;br&gt;VP Mktg Boeing</td>
<td><strong>Competitor Intelligence Research and Market Intelligence</strong>&lt;br&gt;by M. Harrison and J. Cupman at B2B International</td>
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<td><strong>14-Oct</strong></td>
<td>Branding and the Customer Experience</td>
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<td><strong>Why B-To-B Branding Matters More Than You Think</strong>&lt;br&gt;Mckinsey and Co. in Forbes Magazine&lt;br&gt;<strong>Case Study: Go Daddy Out To Lose its Bad Boy Image</strong></td>
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<td>Topic</td>
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<tr>
<td>The B2B Marketing Plan</td>
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| 21-Oct Crafting Marketing Objectives and Strategy |                          | Planning Market Strategy in Business Markets  
Business Market Management  
by Anderson, Narus and NarayandasPrentice Hall ppgs. 149-173                                                                                          |
by S Mewborn, J. Murphy and G. Williams of Bain and Company  
Case Study:  
Glut of Chinese Goods Pinches Global Economy                                                                                                        |
| 28-Oct Product Service Portfolio Management | Blake Emery  
Dir of Prod Innovation  
Boeing | Considerations for a Successful B2B Product Launch: TricomB2B                                                                                           |
| Distribution: In person, through others and digitally |                          | Business Marketing Channels  
by Ali Heydari CEO & Sales Director of RoyalPoolir                                                                                                      |
| 4-Nov Mid-term exam due Term Project Launch | Randy Tinseth  
VP of Marketing  
Boeing  
Diana Klug  
Dir of Brand Mktg  
Boeing | The Power of Trust in the B2B Relationship  
Exam will be distributed on October 28th  
Term project  
Edelman Trust Barometer 2015 (Abridges)                                                                                                             |
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<tr>
<td>11-Nov</td>
<td>Content Marketing in B2B</td>
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<td>Creating Content that Sells: Content Management for Demand Generation</td>
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<td>by Marketo 2012</td>
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<td>7 Surefire Ways to get more Impact from your Content Marketing</td>
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<td>by Neil Patel</td>
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<td>18-Nov</td>
<td>The Power of Going Digital</td>
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<td>Uncovering the Realities of Today's Digital Marketing Landscape</td>
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<td>B2B Marketing 2.0</td>
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<td>by Sitecore</td>
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<td>The Joy of Analytics</td>
<td>Beth Koemens</td>
<td>The Definitive Guide to Marketing Automation (Abridged)</td>
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<td>Dir of Marketing Analytics</td>
<td>by Marketo Co</td>
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<td>Boeing</td>
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<td>25-Nov</td>
<td>Blue Collar Marketing</td>
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<td>Business Promotions and B2B Advertising</td>
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<td></td>
<td>Advertising, Events and Traditional Methods</td>
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<td>by Paul Hague</td>
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<td>Effective Communications</td>
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<td>Measuring Employee Engagement by Nigel Miller at Edelman</td>
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<td>.. Internal and External</td>
<td>Russ Young</td>
<td>The Importance of Earned Media by L Hennessey at Edelman</td>
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<td>Former</td>
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<td>Dir of Comms .. Boeing</td>
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<tr>
<td></td>
<td>Integrating the Plan</td>
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<td></td>
<td>Customer Loyalty</td>
<td>D. Okrent</td>
<td>Customer Sat Surveys: A Practical Guide (Abridged) by Infoquest International</td>
</tr>
<tr>
<td></td>
<td>The Future</td>
<td>Brand Director Boeing</td>
<td>Can companies find love in B2B Markets Forbes Magazine by D. Michaels and A Dullweber .. Bain and Co</td>
</tr>
<tr>
<td></td>
<td>... Creating loyalty</td>
<td>Brand Director Boeing</td>
<td>Seven B-to-B Marketing Trends That Will Shape 2015 K. Maddox at Ad Age</td>
</tr>
<tr>
<td>2-Dec</td>
<td>2015 Trends and the Future of B2B Marketing</td>
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<td></td>
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<tr>
<td>9-Dec</td>
<td>Term Project Reviews</td>
<td>Randy Tinseth</td>
<td>Marketing Plans submitted for review at end of class</td>
</tr>
<tr>
<td></td>
<td>Build A Marketing Plan for a $10.6 billion dollar aircraft sale</td>
<td>VP of Marketing Boeing</td>
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<tr>
<td></td>
<td></td>
<td>Diana Klug</td>
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<td>Dir of Brand Mktg Boeing</td>
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</tbody>
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# Good Sources of Information about B2B and Marketing

<table>
<thead>
<tr>
<th>Site Name</th>
<th>Web Address</th>
<th>Brief site Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing Charts</td>
<td><a href="http://www.marketingcharts.com">http://www.marketingcharts.com</a></td>
<td>For marketing professionals looking for the latest trends and data</td>
</tr>
<tr>
<td>Social Media Examiner</td>
<td><a href="http://www.socialmediaexaminer.com">http://www.socialmediaexaminer.com</a></td>
<td>How to use social media, blogs and podcasts to connect with customers, generate awareness and increase sales.</td>
</tr>
<tr>
<td>American Marketing Ass</td>
<td><a href="https://www.ama.org/">https://www.ama.org/</a></td>
<td>Connects marketers, foster knowledge sharing, provide tools and training and support marketing practice globally</td>
</tr>
<tr>
<td>MarketingProfs</td>
<td><a href="http://www.marketingprofs.com">http://www.marketingprofs.com</a></td>
<td>Real-World Education for Modern Marketers</td>
</tr>
<tr>
<td>LinkedIn Slideshare</td>
<td><a href="http://slideshare.net">http://slideshare.net</a></td>
<td>World’s largest community for sharing presentations and other professional content.</td>
</tr>
<tr>
<td>Openview</td>
<td><a href="http://labs.openviewpartners.com">http://labs.openviewpartners.com</a></td>
<td>Research and analytics, including target / market segmentation, market channel discovery, and buyer persona research</td>
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Business to Business Marketing

Outcomes: On completion of this course, you will be able to:

• Develop a market-driven approach to B2B which always puts the customer first

• Recognize the similarities and differences between consumer markets and business markets.

• Determine how B2B buying decisions are made in organizations by multiple individuals with different perspectives, motivations, and procedural constraints.

• Have insight on developing an integrated marketing plan that a B2B company can support which will profitably driving top line results.

• Understand how in B2B markets, benefits-real and perceived-determine ultimate value for a product or service.

• Enhanced understanding of how marketing communications can be as important in B2B as in B2C.

• Convey the importance of synchronizing product, sales, and service units as co-creators of customer value.

• Apply concepts and theories to business marketing situations and take appropriate decisions using a strategic marketing perspective

• Respect the power of trust that drives all successful B2B relationships