International Journal Of Management And Economics Fundamental
(ISSN – 2771-2257)
VOLUME 03 ISSUE 05 Pages: 49-57
SJIF IMPACT FACTOR (2021: 5. 705) (2022: 5. 705) (2023: 7. 448)
OCLC – 1121105677
Publisher: Oscar Publishing Services

Research Article

STRATEGIES AND DIFFERENCES IN B2B AND B2C MARKETING

Journal Website: https://theusajournals.com/index.php/ijmef

Submission Date: May 17, 2023, Accepted Date: May 22, 2023,
Published Date: May 27, 2023
Crossref doi: https://doi.org/10.37547/ijmef/Volume03Issue05-07

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ABSTRACT

The article classifies B2B and B2C markets and performs their comparative analysis. The target audience of the B2B and B2C market, the specific characteristics of the sale of goods, transactions, distribution channels, customer behavior and their actions in these markets are classified and their distinctive features are studied.

KEYWORDS

B2B and B2C characteristics, supply chain, B2B and B2C market target audience, buying process, transactions, pricing, distribution channels, buyer behaviour.

INTRODUCTION

Research aimed at creating marketing and its theoretical foundations is becoming increasingly popular in the world. The reason is that marketing is the science and philosophy of the market that helps the entrepreneur to find his customers. The study of marketing theories is not only helpful in understanding the market, operating in it, influencing it and managing it, but it is also the key to success in business.

The development of the economy and the modernization of buyer behavior (the mass movement of customers, their behavior and emotions in their purchasing behavior) and management practices (marketing development and differentiation of the specific market in its sectors and industries) have made the market unique B2B and B2C requires learning by segmentation.

The abbreviations B2B and B2S in marketing entered the science as modern directions. In marketing, the phrase "B2B" corresponds to the English phrase "business to business" and applies to business activities aimed at selling their products or services not only to final consumers, but to other enterprises. The phrase "B2C" means business to the final consumer, corresponding to the English phrase "Business to Consumer".

The division of marketing into two major areas requires the creation of methodological bases for the study and improvement of their theoretical aspects in the world of science.

The fragmentation of the market into different sectors such as B2B and B2C has introduced a new dynamic logic for marketing and made it easier to study the different aspects of this discipline. From this point of view, in the studies of most scholars, they have focused on the justification of their different aspects in the study of B2B and B2C marketing theories.

LITERATURE REVIEW

The theoretical aspects of market segmentation based on the differences in the use of products by consumers and the characteristics of value creation have been studied by scientists such as Rémi Mencarelli, Arnaud Riviere, Lindgreen , Cova and Salle , Gummesson . conducted research aimed at developing approaches to the organization of electronic business in small business entities according to the characteristics of the B2B and B2C market . M.Roberto and J.Wesley, who studied the evolutionary development of marketing theories over 100 years based on the literature analysis of the last 30 years, developed a series of theoretical rules suitable for marketers in the B2B field. In general, the scope of research in this regard is wide, and clear criteria for the marketing activities of enterprises operating in the B2B and B2C market have not been developed.

Business marketing is a marketing activity that helps other companies or businesses sell their products or services . Today, everyone is an active participant in the B2B and B2C market, directly or indirectly.

Although the initial steps in creating marketing strategies for B2B and B2C markets are similar, mainly aimed at defining the target audience and ensuring effective communication with the customer, in order to develop target strategies, it is necessary to understand the main differences between B2B marketing and B2C marketing. It is also required to take into account these differences in order to ensure that the marketing strategy is designed for the specific market.

B2B is a market activity based on business-to-business exchange of products or services. A typical supply chain often involves multiple processes with B2B, as companies need to purchase fixed assets and raw materials from other business entities in order to carry out their production processes.

B2C marketing refers to market relationships that occur in the process of selling products or services to consumers. Typically, this is marketing aimed at consumers who buy clothes for themselves in retail outlets, eat out at restaurants, or subscribe to pay TV channels to watch at home. The term B2C also refers to online and e-mail distribution systems where manufacturers or sellers sell their products to consumers over the Internet. B2C marketing is all marketing relationships between a retailer and a wholesaler in the process of selling a product to the final consumer.

ANALYSIS AND RESULTS

The characteristics of the B2C market are as follows:
the technology of the sales process is relatively simple;
uses focused branding strategies;
minimizes transaction costs ;
personal selling is preferred;
relies on the psychological states of consumers;
market to consumers i social will be directed;

Table 1

Between the characteristics of B2B and B2C marketing difference

B2B MARKETING	B2C MARKETING
Trade volume big	Trade volume low
B2B — products buy get high risk	B2C — products buy get low risk
Purchases usually enterprise team and decision makers by done is increased .	Purchases usually alone in order negotiations with done is increased .
B2B companies own in advertising the brand public information of means they use less .	B2C companies own in advertising their brands more public information of means they use
Big in the B2B market quantity of products will be sold . Therefore , trade _ volume and demand high will be	B2C products are usually sold at retail, so the purchase risk and trade the volume will be low.

B2C online sales and aux ts ions also means _ B2C focus in the center more buyers attraction to do and own customers save to stay directed . The main goal is the buyer to become a permanent customer . In the B2C market, it is common for information flow to take place through personal interactions and the Internet. The flow of information is as follows: customer order / service order, product information, technical characteristics of goods, provision of services by the enterprise. Examples include eBay (auction store), amazon.com (online store), orbitz.com (online service), and cheaptickets.com (online service).

In global countries, B2B market has a very small target audience, while B2C market works to attract a wider target audience.

A buyer in the B2C market performs the process of purchasing a certain product faster than in the B2B market. Brief information about the buyer, including name, residential address, date and time, is sufficient.

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Crossref doi Google Scholar WorldCat MENDELEY
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Consumers buying products from a B2C marketplace make purchases at the same price as other consumers. In the B2B market, the price may vary depending on the customer. Customers who agree to place a large order or set special terms will pay lower prices than other customers. Payment mechanisms in the B2C market can be made mainly by cash, plastic card or online transfers, deferred payment or loans.

In the selection of distribution channels, manufacturing enterprises make mutual agreement with B2C market participants, and B2B market participants act as coordinators of the main 4 processes (Figure 1).

Partnership agreements between B2C market participants and trade intermediaries lose their relevance in changing market conditions, as they are based on personal relationships and traditions that are difficult to change. Modern theories of marketing use the principles of "Relationship Marketing" to regulate these processes.

The basic unit in the analysis of the "buyer-seller" relationship is the interaction between the representative of the purchasing organization and the representative of the selling organization. The behavior of buyers in the B2C market is a key factor in their decision to purchase a product.

Figure 1. Traditional distribution channel model in B2B and B2C market

Modern forms of the B2C market are emerging in the virtual world. B2C marketing is the most studied in the field of digital marketing in foreign scientific literature. Smart, technology-driven interactions and synergies between businesses and consumers are the key challenge of 21st century marketing. The main B2C market Internet and smart technologies are organizing the trading area.

As a result of the development of various digital technologies in the new century, B2C relationships have changed significantly. However, these relationships have not only changed in terms of the way, place and time of doing business, but have fundamentally changed the nature of the relationship and the context of consumer behavior.

B2C relationships have changed functionally, but at the same time the business and social frameworks of the relationship have changed in substance and context. The concept of B2C interaction has been redefined in terms of motivators, the role of consumers is more active and participatory, and B2C relationships are increasingly moving to digital technologies. In doing so, the traditional marketing communications (MMC) mix requires significant adaptation to emerging trends and new technologies, as well as to concurrently changing consumer behaviors and key motivators.

Direct marketing (direct marketing) and word-of-mouth (WOM) as the main elements of integrated marketing communications related to digital marketing have become the main strategic directions for creating B2C smart retail. Direct marketing is the basic form of marketing that takes place between the seller and the customer without an intermediary.

The emergence of modern forms of information and communication technology (ICT) has shaped the marketing paradigm, particularly direct marketing and the mass market environment known as online or digital marketing. Internet marketing is marketing that allows existing and potential customers to communicate directly with sellers electronically.

Direct marketing uses two categories of smart channels to reach target customers: (1) traditional channels such as direct selling, direct mail, telemarketing, and telemedia. (2) search engine marketing (Search Engine Marketing-SEM), digital display advertising (Digital Display Advertising -DDA), e-mail marketing (e-mail marketing), social media marketing (Social Media Marketing - SMM) and mobile marketing (mobile marketing). The basis of traditional marketing channel message-oriented, didactic and generally limited means of communication, broadcast, outgoing and one-way communication is further developing. On the other hand, digital marketing channels are characterized as interactive forms of communication tools, and their activities are driven by personalization of content according to customer interests and expectations.

In general, digital marketing technologies include experiential marketing functions of interactivity, connectivity, and creativity in dealing with customers. The development of various digital channels, such as social networks, mobile applications, location-based services, etc., requires the retail system to be fundamentally changed and based on smart technologies. Accordingly, modern B2C marketing requires a shift to smart retail formats.

From the results of theoretical studies, it became clear that for retailers in the B2C market, "value" is an absolute measure in the development of their strategic decision-making process, and it lies at the heart of modern marketing philosophy. Yet this seems difficult to understand for many retailers, who still base their decisions on more specific strategic elements of cost, functionality, etc. Not only in retail, but also in other business models, "value" always appears as an important and constant factor at the strategic and procedural level.

Based on the above research result, a unified, comprehensive, continuous and value-based multi-dimensional model of the interaction system of retail business and consumer in smart retail is recommended in Figure 2.

The model proposed in Figure 2 comprehensively captures the key business and system factors affecting smart retail, connects them, and prioritizes the form of customer value creation. In particular, the smart retail development model aimed at creating value for customers, based on the results of theoretical research, embodies the main factors and actions, which are as follows:

- Adaptation to the changing factors of the business environment;
- Adaptation to changing business practice factors;
- Identifying retail consumer behavior and main motives;
- Implementation of the Smart Marketing Strategy process;
- Identify smart retail tools and benefits;
- Identify digital marketing factors affecting sales;
- Demonstration of the value of smart retail;
- Smart retail value stakeholders;
- Smart retail value-oriented executive actions.

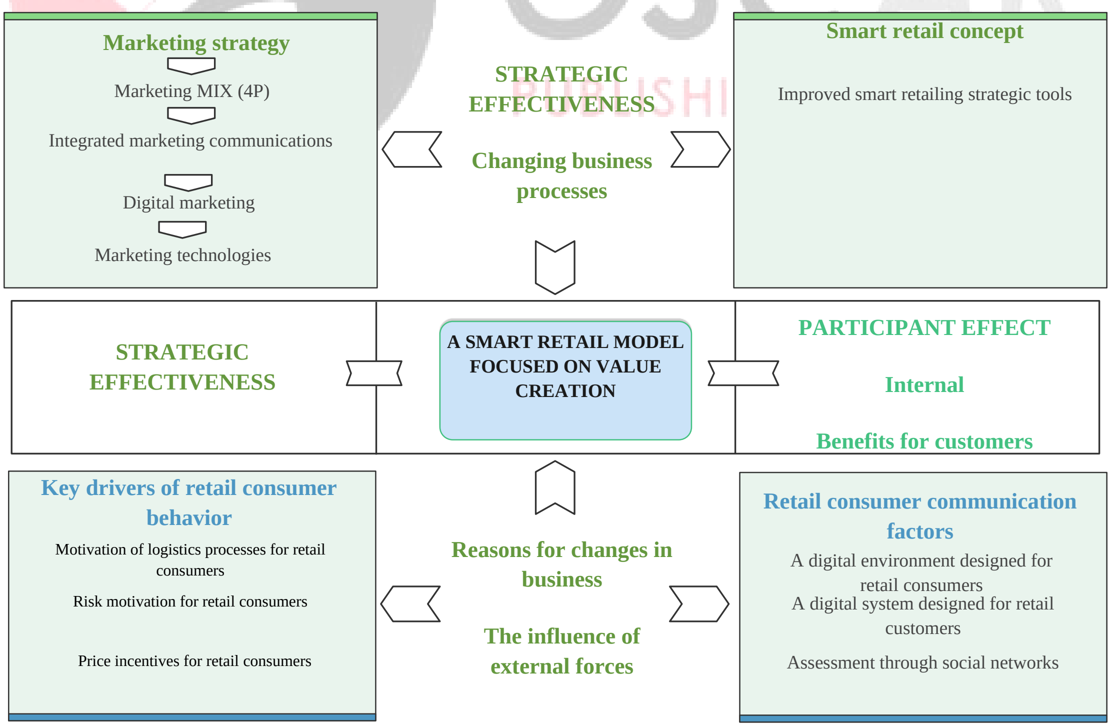

Figure 2. A smart retail model focused on creating value for customers

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The bottom part of Figure 2 lists the changing factors of the business environment, and these changes are considered as the main factors driving the development of smart retail. These factors have been shown to influence and shape retail consumer behavior, including the costs and risks of implementing smart retail. Similarly, the factors of the changing business environment are the basis for the development of online social networks, through which online customers and their behavior should be considered as decisive, influencing forces in retail sales. The second is a collection of marketing-related systems, features, and tools.

The upper part of Figure 2 shows the company's strategic response to the changing business environment and customer behavior based on a motivational approach. In this context, the last factors are schematically presented and these are the factors that form the basis of the marketing strategy. Accordingly, on the upper right side of the figure, the concept of smart retail is illustrated with its tools and advantages. Theoretical studies have shown that changes in consumer, technology and marketing practices influence smart trading as a holistic business approach.

CONCLUSIONS

All of the above environmental, consumer, and marketing factors ultimately culminate in activities focused on creating value for customers as the means and ends of smart retailing. Thus, in the proposed model, value appears in two forms: soft and hard. The model identifies key stakeholders and actors and divides them into three categories: external, internal and ongoing customers. Finally, at the center of the proposed model are three smart retail value-oriented activities identified as the most important steps for developing a value-based smart retail marketing strategy.

Smart retail is a modern approach to retail efficiency in the modern B2C market, combining value category and individual elements that explicitly or implicitly define business-consumer relationships and synergies.

The results of scientific-theoretical analyzes made it possible to come to the following conclusions:

1. "Value" is the best tool for understanding the business-consumer interaction of smart retail, as it allows both to have a holistic and comprehensive understanding of relationship synergies, interactions, risks and benefits.

2. "Value" is the ultimate goal of both parties in the relationship, as both the modern retail business and the modern consumer help to understand business and consumer motivation.

3. Focusing on "value," especially through its "soft" manifestations, gives retailers the strategic flexibility to develop a unique and resource-intensive competitive advantage. This relieves small retailers from the disadvantages of economies of scale and strengthens their position vis-à-vis small and large competitors.

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4. Smart retail, becoming a holistic strategic approach to retail, supports the transition to new strategic directions based on the use of modern marketing tools as part of a broader marketing tactic.

5. Smart retailing not only improves the retailer's position in relation to consumer benefits, risks and costs, but also redefines and increases profits by leveraging business and social synergies.

6. Smart retail has "invaded" the consumer's life, especially through consumer social networks, but correspondingly, even proportionately, the consumer has "invaded" the retailer's marketing process. Both parties seem chaotic in this, but the inevitability of its growth is the only means of maintaining the relationship in a balance of strong interactive synergy and mutual respect.

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