

B2B Digital Marketing Strategies for Small and Medium Enterprises (SME)

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Abstract – Business to Business (B2B) requires a consultative selling which means understanding the client's needs and building a trust relationship as part of business strategy. This approach is different than Business to Customer (B2C) marketing where goods and services are directly sold to end user or retailer. Due to promotion to digitalization in BRICS (Brazil, Russia, India, China & South Africa), there a renew approaches towards digital marketing and hence such strategies are developed. To restrict the scope of research, this study focuses on analyzing the B2B digital marketing strategies for Small and Medium Enterprises (SME) with respect to original equipment manufacturer (OEM) in automotive industry. This research explores the differences in the approaches followed for B2B marketing strategies and how effectively new technologies like Big Data, Business Analytics, Internet of Things (IoT), CRM, ERP, Social Media and Inbound Marketing are being used by SMEs.

Keywords – B2B, B2C, Digital Marketing Strategies, BRICS Nation SME, Digital Marketing, OEM, Automobile Industry, B2B IoT

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1. INTRODUCTION

According to BRICS Business Council report⁴³, hundreds of SMEs from BRICS countries gathered in Tianjin China to look investment and trade opportunities under “2017 BRICS Hi-tech SME Cross-border Investment and Trade Cooperation Conference”. There are many groups and forums formed for SME businesses and traders. Government has supported these groups so that the selling of goods and services across the borders should help economy to grow and stand out in rest of the world (Sello Rasethaba, Jun, 2017). By referring the global opportunities provided to SMEs, the question is “What marketing strategies are followed by SMEs of BRICS countries to utilize domestic and cross border business opportunities?”

According to Jenni R. (April, 2015), North American SMEs have used digital search engine marketing which is nothing but search engine optimization (SEO) and paid per click (PPC) as part of their marketing strategy. According to Jenni, 7 out of 10 manufacturers are using digital marketing. Jenni reported few facts of the digital marketing for SMEs as listed below.

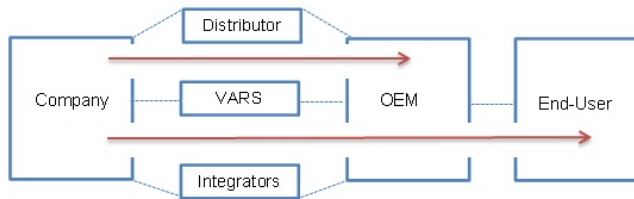
1. 2% of the manufactures are able to track return on investment (ROI) of their digital marketing expenditure.
2. 10% SMEs are aware that using digital marketing they can target audience of their choice.
3. 65% companies created more content than previous year.
4. 25% companies found sells growth after digital marketing.
5. 40% SMEs are aware of digital marketing concepts and strategies.
6. 10% SMEs are aware of purchasing funnel.
7. 2% SMEs are able to get potential buyers from digital marketing.

These facts indicate that B2B SMEs from developed countries have less knowledge about digital marketing. Hence there is a need of this research to establish the study for BRICS countries B2B SMEs on effective use of digital marketing.

The diagram shows the selling of a company to different business segment. A company can sell its

⁴³ <https://www.bricsbusinesscouncil.co.za/brics-opinion/brics-china-lines-up-worlds-largest-meeting-on-smme-funding-innovation/>

products or services to distributor, value added resellers (VARs), integrators, original equipment manufacturers (OEM) or end user. For using the digital marketing, it is important to understand the sale strategies and target business segment.



1:1: Company Selling Targets

Digital marketing can be termed as an approach, a strategy, or a branding and marketing exercise, by the use of digital platforms, as the name suggests. Digital Marketing is the development of brand, product or service online.

It is now believed that Digital Marketing is the most important part of the marketing mix. It has grown rapidly in the past few years as more and more businesses are realizing the importance of a good online. The components of the digital marketing are shown in the diagram below.



1:2 Digital Marketing Components

2. REVIEW OF LITERATURE

B2B

B2B e-marketplace provides a new dimension in facilitating marketers to work more efficiently and effectively, particularly when making critical marketing decisions. B2B e-marketplace can serve both buyers and sellers as a new marketing channel to conduct or execute marketing functions such as sales, product

promotion and distribution of products. B2B e-marketplace has proved to be advantageous for buyers to be reported as: the lower selection costs (Laudon, 2000); reducing time by instant access to sellers (Harridge-March, 2004), and the ability to ensure the best buying price by comparing multiple sellers in the e-market place (Chaffey, 2004).

B2B has made a significant contribution to the e-marketers and larger organizations are taking benefit of advanced technology to reach out to vast audience through online marketing tools. Small and medium enterprises that are keen to compete in the digital environment remain concerned as to how their business can gain profits through digital marketing. With significant online and offline publications from both academics and industry there is a growing awareness of the contribution of e-marketing in the global environment. European research from Google has found that modern day B2B buyers are considerably younger and more digitally savvy than ever; in fact, 40% of European researchers are aged between 18 and 34. At the opposite end are buyers who have witnessed with their own eyes the recent digital evolution and adapted with the times.

B2B Digital Marketing Strategies

1. **Corporate Identity** – Logo, branding, letterhead, business cards, tagline, signage, etc. Follow through on all communications projects/materials. Look up the e-Book called The Branding Bible. Branding is more than you're the logo, or the colours and pictures you choose on the website. When you position the self in the market correctly, you differentiate the self from other businesses offering similar products / services. The brand needs to show the Unique Selling Proposition within each marketing message. Not familiar with a USP? Simply "Google it" and you'll know enough to improve the current slogan or elevator pitch. In fact, you'll want to do the "poor man's background check" and Google the brand or the first and last name to see how others see you. I've been working on this one myself. Google "Andrew Barden" and you'll see that I dominate the first page, usually 9/10 or 10/10. The online reputation can make or break the business reputation. Protect it.
2. **Product photography/illustration** – You need good photos or illustrations before you can do anything. This seemingly basic requirement is often overlooked. A picture says 1,000 words. The right picture can grab the readers' attention enough to get them to read. Pictures of human faces or animals can also create a desired emotional reaction,

even before reading a single word of copy in the promotion.

3. **Web site** – All of the leads / interested parties will go here, so make sure the web site is ready for them! The site must make it easy to locate products/info and download quickly and easily. You need to be able to answer the prospect's first question upon arrival "What is the ONE THING they want me to do?" And the answer needs to be "Give us the information in exchange for X." You need good copywriting and professional navigation, but you don't need fancy graphics – web sites in the B2B world are for information, not showing off. No Flash is necessary. The web site exists to help sell the products or to generate leads to sell the service. Make sure the information is current. Above all, develop a video with testimonials from satisfied clients. Adding a video introduction from you, the business owner, goes a long way in building rapport, too.
4. **Web Traffic Generation** – How to generate targeted traffic to the site. There are two approaches, short term and long term. An example of a short term approach is designing a landing page with Google Analytics embedded in it, then design a pay-per-click campaign, assign a daily budget, and test to see if within a week or so you have made more money than you spent.

A long term approach is to set up well written professional profiles on all the social networks, grow the network to many thousands, and ask and answer questions within groups of which the ideal client is likely to be a member.



2:1: Product Search Example

The efficacy of growing the business with a well written social network profile is very important. I've personally had prospective clients read my answers to questions posed on social networking sites, read my profile, check out my verifiable testimonials, and then pick up the phone and call me to sign up for business coaching. Plus, I've been fortunate to have both the

Wall Street Journal and Dow Jones Newswire writers contact me as a small business expert—all based on my well written professional profile on sites like LinkedIn.com and Biznik.com. Just imagine if you had the industry news organizations calling you or clients calling you, simply because you had a compelling profile!

5. **Literature** – Provide first-class brochures that the salespeople are proud to present. The literature is a reflection of the professionalism, or lack thereof, of the company. You need as much to capture the mind share of the salespeople as you do the attention of the potential customers.
6. **Follow-up system** – Use telemarketing to follow up on leads. The telemarketing people must be capable of connecting with prospects and getting the information you need to close sales.
7. **Ads** – Target any ads to a very small niche. You'll need to do the psychological profile of the Ideal Client first, to know where their "eyeballs" are going to be through the day. For B2B, industry journal advertising gets the company and products in front of a huge audience. It's very cost effective in that sense. Advertising will not, typically, generate hot leads, but it will get people to the web site. Establish a campaign or "look" unique to the company. Carry this through on all ads for at least a year. This is key for any branding strategy. And remember this: You only get one shot, so you have to stop them! Make them want to take action, and help them get in touch with you. Frequency is important, and so is impact. Take advantage of editorial calendars in journals and map out the schedule accordingly.
8. **Public relations/publicity** – Once you have the list of journal editors (which you need to update faithfully), send out press releases on a regular basis. You can use services like PRWeb.com and similar companies, most of whom charge around \$400 per press release. If you are not a writer, be sure to have a professional write the press release or it won't be distributed. Provide photos. Some online PR companies even allow you to embed video.

Establish relationships with the editors. You can use the press release's cover letter to set up the initial pitch for technical articles. Technical articles are one of the most important yet most under-appreciated activities you can perform. They can generate huge exposure and position the company as the expert in the field.

In digital marketing, content writing should showcase 2 main qualities a. humanity b. expertise. The humanity is showcased when you tell a painful story, showing the reader that you understand their pain. Then the reader believes that if you understand their pain so well, you'll undoubtedly know how to solve their problems and make the pain go away. Only later do they need to confirm the competence. Start with a story and you'll get them hooked to read all the way to the end where the contact information is located.

9. **Direct marketing** – It's expensive to mail a printed piece to a huge audience. That's what the wide circulation of a trade publication is for. But direct marketing is very easy to manage. You can target the recipients, check the leads themselves, and follow up easily. Success is easy to quantify. You'll want to hire a professional copy writer for the sales letter, post card, or brochure. Write the first draft, focus on success stories and the benefits (the emotional release of solving the problem) and then turn it over to the copywriter to make it sing.

With any direct marketing effort, always make an offer. Without "something in it for me," people will not respond. It's called a "Call to Action." But don't just give stuff away. Make them respond to receive the offer.

Creative execution is critical. It must stand out. Newsletters, both print and electronic, offer another excellent way to communicate current information and generate exposure. There are often services within an industry (real estate, for example) that provide a weekly newsletter that they send to the list on the behalf, with the branding and photo and personal letter. Then they add plenty of news and stimulating articles that will be salient to the ideal clients. They can be either printed/mailed or electronic. Just look at the average client acquisition cost to see if postage and printing is a relatively small expense compared to the lifetime value of a new client.

10. **Trade shows** – The key trade shows in the industry and use a modest, well-organized booth. Get a hospitality suite, sponsor a press breakfast, and host a seminar. Do something unique – focus on a key new product or product family. Focus on shows that will allow you to personally speak to enough qualified buyers to make it worth the cost. One little secret of how to write business at trade shows: do major phone campaign to all the registered attendees prior to the show. Find out if they are willing to set up an appointment for a presentation.

Difference between B2B and B2C

Marketing involves a broad spectrum of activities, whose ultimate goal is sales. B2B and B2C are the two business marketing models where sales are the end-result, but, this doesn't make the two business models alike. **B2B** is an acronym for Business to Business, as the name signifies, it is a type of commercial transaction where the purchasing and selling of merchandise are performed between two business houses, such as entity supplying material to another for production, or entity providing services to another.

Business to Consumer is another model which is abbreviated as **B2C**, where the business sells its goods and services to the final consumer. Those companies whose products and services are consumed directly by the end user are known as B2C companies. There are many important differences between B2B and B2C, which you can see in the article below.

SME B2B

Despite the large number of economical and easy-to-use solutions available, SMEs often persist in focusing their online presence on a limited set of options. The reasons why many marketers working for B2B SMEs have not yet implemented any digital marketing techniques are diverse and are studied in this research.

BRICS SME

On June 5-6, 2017, Bank of China and Tianjin Municipal Government have jointly held the "2017 Tianjin (China) and BRICS High-tech SME Cross-border Investment and Trade Cooperation Conference"⁴⁴. The conference was intended to help domestic SMEs and the SMEs of the BRICS countries and the world at large to strengthen the communication and cooperation, realize complementary advantages, achieve mutual-beneficial results and share the business opportunities brought by the global value chain, by leveraging on BOC's strengths in internationalized and diversified development.

This research has limited the scope on BRICS SMEs because there are many initiatives taken by BRICS countries to promote their SMEs for cross border trades. The research explores how effectively these SMEs have utilized the government initiatives and digital marketing to grow their business.

B2B Digital Marketing

Digital Marketing mainly originated from the Internet and search engine websites. The first search engine was started in 1991 with a network protocol called

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http://www.boc.cn/en/bocinfo/bi2/201704/t20170407_9226091.html

Gopher for query and search. After the launch of Yahoo in 1994 companies started to maximize their ranking on the website (Smyth 2007).

B2B Digital Marketing Strategy

To be effective at digital marketing, you'll need a strategy. The use of technologies to help marketing activities in order to improve customer knowledge by matching their needs is digital marketing. (Chaffey, 2013)

Digital Marketing Trends

1. Moving from passive advertising to active engagement.
2. With the social networking pages, its quality rather than its quantity.
3. Social media opens you and the brand up to feedback and potentially criticism.
4. Digital marketing gives the control back to the consumer

SME in Automotive Industry

In the past, B2B SME buyers would contact a sales person directly to evaluate the solutions available. But in the last decade, the purchasing cycle has become increasingly complex. Today:

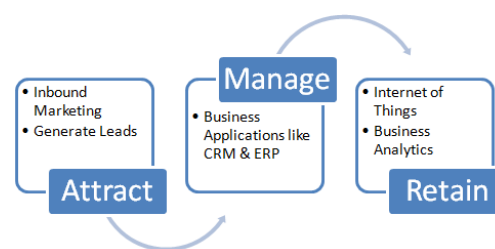
1. Most B2B SME buyers spend a considerable amount of time online to find the parts and innovative automotive components information.
2. They spend this time searching for automotive companies and products, and benefiting from access to a wealth of information on potential automotive suppliers and available solutions.
3. Using the internet, they can get most of the information of OEM, raw material suppliers that they need for themselves, and now tend to contact suppliers much later on in the purchasing process.

Hence digital marketing in automotive industry for SMEs has become an integral part of the marketing strategy.

3. RESEARCH METHDOLOGY

The research methodology provides the conceptual framework on which data analysis will be done. Based on the literature review and background understanding of this research a conceptual framework is designed. Digital marketing is used in every stage of customer building. The stages of customer building are shown in the below diagram.

Conceptual Framework

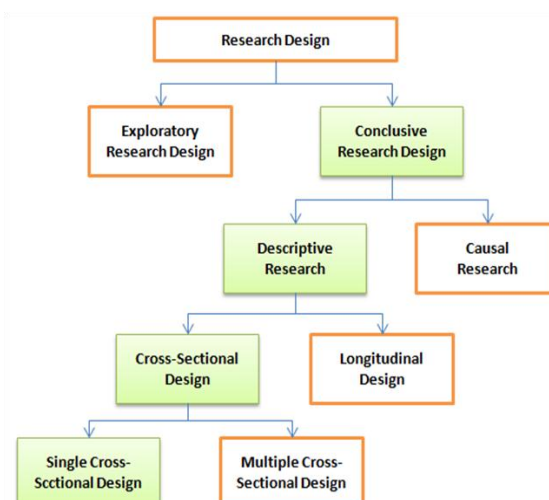


3:1: Conceptual Framework

Research Design

There are three parameters as attract, manage and retail are considered for data analysis. Attracting the customers is done through inbound marketing which is used to generate the leads. Managing the customers are done using in place business applications. And the very important part of this conceptual model is retaining the customers which is done with the help of intellectual applications and technology like business analysis and internet of things. Internet of things in digital world plays a significant role to capture the business information and act automatically based on event trigger. For example if a machine wear and tear is reached to threshold, then automatically information is sent to manufacturer which triggers the messaging to act on the event and initiate business discussion. Internet of things gives a lot of business opportunity to business which will be discussed with the help of data analysis.

The research is of descriptive type. A questionnaire is prepared to capture the information from 300 SMEs from BRICS countries. The questions are designed on 5 likert scale and few questions are of Yes/No in nature. The **questions capture SME's location, business segment and product information to perform the data analysis.**



The sampling technique adopted for the study is non-probability sampling. The respondents are choosing on the basis of convenience sampling. The reason why this sampling method will be used is that of the

time constraints, lack of knowledge about the entire universe and the main reason being that it will not be easy to collect the data from all the customers who worked on this project.

Data Collection Method

The two sources of data collection are namely primary & secondary.

Primary Data

Primary source is a source from where we collect first-hand information or original data on a topic. Interview

Technique was used with structured questionnaire for the collection of primary data.

Secondary Data

Secondary data includes data which exists already and are directly applied for the study. Secondary data will collect with the help of websites, journals and also through personal discussion with the architects.

Statistical Tools and Techniques

The below mentioned statistical analysis will be carried out using a software called "Statistical Packages for Social Science (SPSS)", version 16.

1. Frequency Analysis:

Frequency analysis is conducted for all the demographical variables to know the percentage of the respondents belonging to the respective segments.

2. Factor analysis:

As the number of statements under each section is more, it is necessary to reduce those variables into factors for easy analysis, for that purpose factor analysis is used in the study.

3. Independent T-test:

In order to study the perception of male and female towards the Project management factors, independent t-test is used.

4. One-Way ANOVA:

For those demographical variables whose values are found to have more than three values, one way ANOVA is used to find if there is any difference in the opinion of employees of a certain group, with respect to a factor.

5. Correspondence analysis:

In order to find if there is any association between the segments (clusters) and the demographic variables

which has more than 2 variables, correspondence analysis is conducted.

6. Chi-Square:

In order to find if there is any association between the segments (clusters) and the demographic variable gender (as it has only two variables), Chi-Square analysis is conducted.

7. Weighted Average Mean Method:

In order to find out which factor contributes more for the success of the project weighted average mean analysis is done to the study.

CONCLUSION

Digital channel in marketing has become essential part of strategy of many companies. Nowadays, even for small business owner there is a very cheap and efficient way to market his/her products or services. Digital marketing has no boundaries. Company can use any devices such as smart phones, tablets, laptops, televisions, game consoles, digital billboards, and media such as social media, SEO (search engine optimization), videos, content, e-mail and lot more to promote company itself and its products and services.

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