<u>**Course outline**</u>

Business marketing

6-109-10A

Professor: Gary Gebhardt
Bureau 4.717
Tél. : 340-6868
Courriel : gary.gebhardt@hec.ca

Business marketing (also called Business-to-Business Marketing or B2B Marketing) encompasses all of the commercial relationships and transactions between organizations (i.e., not consumers), including businesses, non-profits, institutional, and governmental organizations. Business-to-Business Marketing is distinguished by the nature of the market and relationships between organizations, as well as the strategies, tools, and tactics used to serve business markets. Although a surprise to many people, the sales volume represented by Business-to-Business markets is much larger than consumer market's sales volume. This course provides an overview of the major theories, practices, and emerging trends in business marketing. After completing this course, students should be able to understand and solutions for many of the challenges currently facing practitioners, as well as understand and be able to answer many of the unanswered questions posed by the academic literature.

Almost every product or service market – whether for profit, not for profit, institutional, or governmental – includes a significant business-to-business component. To ensure success in business markets, managers must often develop marketing strategies and plans that are as sophisticated and complex as in consumer markets. Oftentimes, business markets require even more sophisticated and complex strategies and plans than consumer markets because there are so many people involved in every transaction and relationship, which, in turn, requires a significant level of innovation to develop plans and intense rigor to ensure successful implementation. This course seeks to provide a thorough understanding of the models, concepts, strategies and trends in business marketing to enable students to contribute to business success today and in the future.

COURSE OBJECTIVES

This course on Business Marketing highlights the features and characteristics of marketing management in the context of relations between organizations and to promote studies and research in this area.

 More specifically, this course aims to enable students to:
1. Understand the characteristics of and trends in Business Marketing,
2. Understand the major theories related to Business Marketing;
3. Develop the ability to apply Business Marketing theory to solve problems in practice;
4. Be able to read academic research, assess its quality and understand how to apply the findings in practice; and
5. Develop new research questions/ideas related to Business Marketing by identifying gaps between existing theory and current practice.

PEDAGOGICAL APPROACH AND COURSE FORMAT

In order to address the objectives related to the theory and practice of business marketing, this course will have nine applied case-based sessions focused on an applied area of practice and three sessions focused on academic research. This model is organized as (a) three applied case-based sessions, followed by (b) an academic research session looking at three academic articles related to the prior case-based sessions.

APPLIED SESSIONS – CASE DISCUSSIONS

This course uses the case method as the primary pedagogical tool to help participants learn. The case method is a subset of the active learning approach, considered the most effective at ensuring long-term retention of concepts and the ability to effectively utilize those concepts by participants. Accordingly, for each applied session we will focus on developing solutions – both individually and collectively – for an actual business case.

For each of our applied case meetings, we will have the following:

- Reading assignment
  - For each session, you are expected to read one or two textbook chapters – or other background materials posted on ZoneCours. Be sure to read the assigned chapters/background material *before* addressing the assigned case in any depth. The background material and cases were assigned in tandem to elaborate on each other.
- Written assignment
  - Each week, each participant will submit a typed case write-up – typically a very short memo to the case protagonist suggesting a solution. These case write-ups will be collected at the beginning of class. Requiring individual case write-ups ensures you keep up with the readings and analyze the case on your own, which will maximize what you learn during our class sessions.
    - Late submissions will receive no more than 80% of credit.
    - No write-ups will be accepted after the class has discussed the case. *No exceptions!*

- - Given you are submitting individual case write-ups, the professor doesn't expect the depth or breadth of analysis we would from group cases. We will discuss the parameters of case write-ups on the first day of class.
    - We are utilizing individual case write-ups *instead* of group projects because it ensures you keep up to date with the concepts presented in the textbook and take the time to read and analyze each case. This, in turn, enriches the classroom experience through lively and informed discussions relating to a common body of information. Also, session-based assignments avoid a common dysfunctional behaviour in educational settings, such as cramming before an exam, which has to be the least effective way to actually *learn anything.* You're here to learn, not to take tests.
  - Case discussion
    - Each week, the majority of classroom time will be spent discussing the case as a class. The professor will provide more guidance for the process on the first day of class.
    - Participation in our case and article discussions is a critical component of the class and represents 30% of your final grade. That being said, it is important to understand that **frequent** participation in class is not as important as the **quality** of participation. That is, you should strive to make effective use of discussion time in class, through thoughtful, timely, and constructive participation.
    - *The Professor reserves the right to cold call on anyone during class discussions related to assigned readings or case material.*

EXPECTATIONS REGARDING CASE WRITE-UPS AND CLASS DISCUSSIONS
Participants are expected to analyze each case *individually* and submit *individual case write-ups*, and then we will all discuss, analyze, and solve each case collectively in class.

The overwhelming majority of participants in prior classes have been surprised by how much they have learned using this approach.

Successfully using this learning model requires that participants imagine themselves as characters in the case and try to solve the case the best they can on their own. Then, when the entire class gets together to discuss the case, the discussion is very interesting and, typically, people see a lot more and learn a lot more about how to solve complex problems than they did on their own.

In order to make this approach work – which means ensuring YOU will learn the most out of the class that you possibly can – you should *only use data in the case and models/tools from the assigned textbook (or other textbooks you have used in the MSc program or your Bacc program).* Participants should never try to "find out" what really happened or get outside data when analyzing the case. Once that happens, the mental process of learning how to solve a problem on your own is destroyed.

Hence, there are a few ground rules for analyzing and preparing cases that we will use for this course:
- Participants must individually complete assignments,
- Participants should not seek an unfair advantage over other participants,
- Participants must truthfully represent fact and self at all times, and

- The professor must be able to trust that these rules are followed in order to grade assignments, grade exams and facilitate classroom discussion.

To ensure these goals and the goals of the class, participants are expected to:
- Work individually on each week's case write-up;
- Not discuss cases or case questions with other students or people who could give them an unfair advantage before our class discussion;
- Not share any data, information or formatting for write-ups with other participants; and
- Abstain from seeking any information from outside the assigned case or MSc and Bacc. textbooks to when solving the case.

Any violation of these rules will be referred to the Director of the MSc Program.

ACADEMIC RESEARCH SESSIONS – ARTICLE DISCUSSIONS

For the Academic Research Sessions, participants will be given instructions as to how to analyze and summarize the assigned articles in preparation for our session. These sessions will involve a class discussion of the assigned articles. Much like our case sessions, these sessions rely on having meaningful exchanges regarding the assigned articles, which involves assessing the research questions, understanding the role of the article in the literature, why it was probably published, understanding and assessing the research methods, and discussing how the findings relate to managerial practice.

For each of our academic research meetings, we will have the following:

- Reading assignment
    - For each session, you are expected to read all of the assigned research articles.
- Written assignment
    - Similar to the Applied Sessions above, each participant will submit a typed write-up at the beginning of each class. The same rules apply.
        - Late submissions will receive no more than 80% of credit.
        - No write-ups will be accepted after the class has discussed the articles. *No exceptions!*
    - We will discuss the parameters of academic article write-ups on the first day of class. The parameters may change during the course of the semester.
    - The goal for article write-ups and discussions are the same as we had for cases: to have participants read the articles in depth and be able to understand and discuss them as a group, leading to better learning outcomes.
- Article discussions
    - Each week, the majority of classroom time will be spent discussing the assigned articles as a class.
    - Participation in discussions is a critical component of the class and represents 30% of your final grade. That being said, it is important to understand that *frequent* participation in class is not as important as the *quality* of participation. That is, you should strive to make effective use of discussion time in class, through thoughtful, timely, and constructive participation.
    - *The Professor reserves the right to cold call on anyone during class discussions related to assigned readings.*

- Methods discussion
  - Although the primary focus of the assigned articles is to understand Business Marketing Theory and Research, a significant part of each article discussion will cover the methods used by the researchers. The goal is for students to be able to better understand the methods used to be able to evaluate the appropriateness, as well as to learn how to do their own academic or applied research using similar methods and tools.

EXPECTATIONS REGARDING ARTICLE WRITE-UPS AND CLASS DISCUSSIONS

- Participants are expected to analyze the assigned articles *individually* and submit *individual write-ups*, and then we will all discuss, analyze, and criticize each article collectively in class.
- If a method or analysis is "too complicated" to understand, do your best and we will discuss the methods and analysis during class. You can search other sources to understand what you are reading, including searching the internet for explanations or using the library (preferred).
- You may ask another classmate or someone for help to understand something if you can't figure it out on your own, but keep in mind that this is an *individual* assignment. Do not rely on someone else to do the work for you. If you do, you won't learn anything.
- As with the cases, though, your write-up must be done by you. Any collaborating or using other people's work will be referred to the Director of the MSc Programs for disciplinary actions under the School's plagiarism and academic integrity policies.

GRADING/EVALUATION CRITERIA

Participants earn grades based on written assignments, classroom participation and a final examination at the end of the course. Submitting assignments late and arriving late to class will be tracked and negatively impact a participant's final grade.

Every session your professor will assess each participant's written assignment using the following scheme:
- High Pass (HP)
- Pass (P)
- Low Pass (LP)
- Unsatisfactory (U)

Every session your professor will assess class participation using the following scheme:
- High contribution (HC)
- Positive Contribution (PC)
- Low contribution (LC)
- Unsatisfactory contribution (UC)

These scoring schemes have multiple advantages:
- Simple ☺,

- Provide constant participant feedback without a false sense of accuracy,
- More descriptive than letter grades,
- Allows your professor to assign scores with lower risk of grade inflation or deflation across time,
- Allows your professor to assign session scores for writing and participation more efficiently and fairly, and
- Permits a more holistic assessment of a participant's performance at the end of the period.

FINAL EXAM (40%)

The final exam will be a traditional exam administered during the examination period. It will include some combination of case study analysis and comprehensive examination questions to assess the extent that students are able to analyze business-to-business marketing challenges in a structured and rigorous manner, as modeled throughout the course.

To calculate final grades – and to be able to enter your weekly performance into ZoneCours – we will convert assessments into points as follows:

ASSESSMENT CONVERSION CHART		
Written Assessment	Participation Assessment	Points
High Pass (HP)	High Contribution (HC)	10
Pass (P)	Positive Contribution (PC)	7.5
Low Pass (LP)	Low Contribution (LC)	5
Unsatisfactory (U)	Unsatisfactory Contribution (UC)	0

Course grades will be determined using: (1) the ten highest written assignment scores (out of twelve); (2) the ten highest classroom participation scores (out of twelve); and (3) your performance on the final examination.

Final grades will be assigned based on the following table:

	Number of Opportunities	Number included in Grade	Assessment	Final Grade Weight
Write-ups	12	10 Highest	HP/P/LP/U	30%
Participation	12	10 highest	HC/PC/LC/U	30%
Final Exam	1	1	0-100 points	40%

Session 1: Introduction: A Business Marketing Perspective
- Introductions
- Overview of the class and review of the syllabus
- Overview of Business and Channel Marketing

Required Readings posted on ZoneCours:
- Michael E. Porter, "What is Strategy," HBR 1996: # 96608-PDF-ENG
- William Ellet, "The Case Study Handbook,"
  - Chapter 1: "Persuasion, Argument, and the Case Method" - # 2447BC-PDF-ENG
  - Chapter 2: "What Is a Case?" - # 2448BC-PDF-ENG
  - Chapter 9: "How to Write a Case-Based Essay" - # 2451BC-PDF-ENG

Required Reading in Textbook: ***Business Market Management: understanding, creating, and delivering value***, 3rd edition (2009) by James C. Anderson, James A. Narus, and Das Narayandas, Upper Saddle River, New Jersey: Pearson Prentice Hall.
- Chapter 1: Business Market Management : Guiding Principles

Session 2: Business Purchasing Behaviours and Buy Scenarios
- Understand how organizations buy products, services and solutions.
- General types buy scenarios
- Using detailed buy scenarios to identify, group and segment markets

Required Reading in "Business Market Management:"
- Chapter 2: Market Sensing

Case Assignment:
- Curled Metal Inc.--Engineered Products Division, HBSP #709434-PDF-ENG

Session 3: Value Propositions
- Uncovering the value added for businesses and channels
- Using value propositions to identify, group and segment the market
- Developing solutions by segment according to value propositions and buy scenarios

Required Reading in "Business Market Management:"
- Chapter 3: Understanding Firms as Customers

Case Assignment:
- Biopure, HBSP # 598150-PDF-ENG

Session 4: Value-in-Use and Value Pricing
- Understanding the notion of Value-in-Use for a product, service or solution
- Understanding the competitive advantage of using Value-in-Use in establishing a price
- Tools for quantifying Value-in-Use

Required Reading in "Business Market Management:"
- Chapter 4: Crafting Market Strategy
- Chapter 5: Managing Market Offerings

Case Assignment:
- KONE: The MonoSpace Launch in Germany; HBS Product Number: 501070-PDF-ENG

Session 5: Academic Research on B2B and Value
Academic Articles
- Narayandas, Das and V. Kasturi Rangan (2004), "Building and Sustaining Buyer-Seller Relationships in Mature Industrial Markets," Journal of Marketing, 68 (3), 63.
- Brown, Brian P., Alex R. Zablah, Danny N. Bellenger, and Wesley J. Johnston (2011), "When do B2B brands influence the decision making of organizational buyers? An examination of the relationship between purchase risk and brand sensitivity," International Journal of Research in Marketing, 28 (3), 194.
- Macdonald, Emma K., Michael Kleinaltenkamp, and Hugh N. Wilson (2016), "How Business Customers Judge Solutions: Solution Quality and Value in Use," *Journal of Marketing*, 80 (3), 96-120.

Session 6: Channels of Distribution
- Channel types, roles, and behaviors
- Understanding channel business models and economics

Required Reading on ZoneCours2:
- Marketing Reading: Developing and Managing Channels of Distribution, by V. Kasturi Rangan; Web Based HTML; HBSP #: 8149-HTM-ENG
    - NOTE: This is an on-line, interactive reading assignment.

Case Assignment:
- Alloy Rods Corp., by Frank V. Cespedes and Ellen R. Hattemer; HBSP #: 586046-PDF-ENG

Session 7: Channel Strategy and Planning
- Developing a channel strategy
- Evaluating different types of channels based on the needs and desires of target segments and how to choose among them
- Creating channel management programs to maximize the value added for end-users and channel partners

Required Reading in "Business Market Management:"
- Chapter 7: Business Channel Management

Case Assignment:
- Arrow Electronics, Inc., by Das Narayandas; HBSP #: 598022-PDF-ENG

Session 8: Implementation : Choosing and Managing Channel Members
- Implementing channel strategies
- Understanding the role and responsibilities of channels
- Selecting people to manage the channels
- Selecting and managing channel members

Required Reading in "Business Market Management:"
- Chapter 9: Sustaining Reseller Partnerships

Case Assignment:
- WESCO Distribution, Inc.; Numéro de Produit HBS: 598021-PDF-ENG

Session 9: Academic Research on Distribution Channels
Academic Articles
- Vinhas, Alberto Sa and Erin Anderson (2005), "How Potential Conflict Drives Channel Structure: Concurrent (Direct and Indirect) Channels," Journal of Marketing Research, 42 (4), 507-15.
- Kabadayi, Sertan, Nermin Eyuboglu, and Gloria P. Thomas (2007), "The Performance Implications of Designing Multiple Channels to Fit with Strategy and Environment," Journal of Marketing, 71 (4), 195-211.
- Avery, Jill, Thomas J. Steenburgh, John Deighton, and Mary Caravella (2011), "Adding Bricks to Clicks: Predicting the Patterns of Cross-Channel Elasticities Over Time," Journal of Marketing, 76 (3), 96-111.

Session 10: Consultative Selling
- Consultative selling in business markets and with channel partners

Required Reading in "Business Market Management:"
- Chapter 8: Gaining New Business

Case Assignment:
- Siebel Systems: Anatomy of a Sale, Part 1, by John Deighton and Das Narayandas; Numéro de Produit HBS : 503021-PDF-ENG
- Siebel Systems: Anatomy of a Sale, Part 2, by John Deighton and Das Narayandas; Numéro de Produit HBS : 503022-PDF-ENG

SESSION 11: SALES FORCE MANAGEMENT

Required Reading on ZoneCours2:
- Marketing Reading: Sales Force Design and Management, by Doug J. Chung and Das Narayandas; Web Based HTML; HBSP #: 8213-HTM-ENG
    - NOTE: This is an on-line, interactive reading assignment.

Case Assignment:
- Hewlett-Packard--Computer Systems Organization: Selling to Enterprise Customers, by Das Narayandas and Robert C. Dudley, HBSP Product #: 500064-PDF-ENG

Session 12: Finding and Managing Customers with Channel Partners
- Working in partnership with the channels to find and manage clients
- Understanding the role of direct sales to pull sales through channel partners
- Using customer relationship management to maximize the lifetime value of customers
- Using the internet to increase customer value

Required Reading:
- Social Media And Related Technology: Drivers Of Change In Managing The Contemporary Sales Force, by William C. Moncrief, Greg W. Marshall and John M. Rudd in Business Horizons, HBSP # BH647-PDF-ENG
- Redirecting Direct Selling: High-Touch Embraces High-Tech, by Linda Ferrell and O.C. Ferrell inB usiness Horizons; HBSP #: BH478-PDF-ENG

Case Assignment:
- Hiperbaric: B2B 2.0 by Pablo Foncillas: IESE Business School Case Study, HBSP : IES373-PDF-ENG

Session 13: Academic Research on Selling and Sales Management
Academic Articles
- Palmatier, R. W., L. K. Scheer and J.-B. E. M. Steenkamp (2007). "Customer Loyalty to Whom? Managing the Benefits and Risks of Salesperson-Owned Loyalty." *Journal of Marketing Research* **44**(2): 185.
- Hohenberg, Sebastian and Christian Homburg (2015), "Motivating Sales Reps for Innovation Selling in Different Cultures," *Journal of Marketing*, 80 (2), 101-20.
- Shi, Huanhuan, Shrihari Sridhar, Rajdeep Grewal, and Gary Lilien (2016), "Sales Representative Departures and Customer Reassignment Strategies in Business-to-Business Markets," *Journal of Marketing*, 81 (2), 25-44.

Required Textbook
Business Market Management: understanding, creating, and delivering value, 3rd edition (2009) by James C. Anderson, James A. Narus, and Das Narayandas, Upper Saddle River, New Jersey: Pearson Prentice Hall.