

# A Comparative Study On B2B Vs. B2C Based On Asia Pacific Region

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**Abstracts:** B2b (business to business) and b2c (business to consumer) refers to business dealings between two businesses and business to consumer. B2b business can be between manufactures and wholesalers or retailers. B2b and b2c marketing are developing rapidly. Especially the transaction process though internet in Asia pacific region. Not only are these there several differences between b2b and b2c. The pricing process of b2b and b2c are much different also the supply chain of b2b and b2c are bit similar but has some differences. In Asia pacific region the future of b2b and b2c market is promising but there are some ongoing and upcoming challenges. If we overcome them then our b2b and b2c market will be a largest market in Asia pacific region and all over the world.

**Index Terms:** principal of b2b and b2c, characteristics of b2b and b2c with differences, supply chain of b2b and b2c with differences, target audiences of b2b and b2c market, purchasing process of b2b and b2c, transaction process of b2b and b2c, distributor channel of b2b and b2c, b2b and b2c buyers behavior.

## 1. INTRODUCTION:

Business marketing is the practice of organizations facilitating the sale of their products or services to other companies or organization. This is happening in b2b market but in b2c market wholesalers or retailer's sales product or services to final customer or end customer. Today every single person is involved in b2b and b2c market directly or indirectly. For example, the book publishing industry is a good example. Authors market their manuscripts to book publishers. Both the author and book publisher are in a b2b relationship. The publisher prints and markets the books to bookseller, both online and retail stores. This relationship is b2b as well.

However, the bookseller sells to the final customer and is in a b2c relationship. B2B and B2C are term coined and popularized by the worldwide web for commerce and e-Business sales. Although the marketing programs are the same for each type of business (Internet/direct marketing, advertising, public relations, word of mouth and alliances), the purchase motivation is different and they have different needs when it comes to the information that they need in order to make the decision to purchase. B2B is contemporary shorthand for a longtime sales practice called business-to-business while B2C represents business-to-consumer. On the other hand, B2B deals primarily with other businesses, not to the public, and B2C provides products and services directly to the end user. The initial step in establishing marketing strategies for both B2B and B2C is somewhat similar. You have to identify first who your target customer is then figure out why this particular customer needs to hear your message. From there, the marketing activities diverge. Below is the summary of the key differences between B2B marketing and B2C marketing. Your marketing plan has to take account and consider these differences to ensure you are developing the right types of activities intended for particular market. [7]

## 2. WHAT IS B2B?

B2B, or business-to-business, is a type of commerce transaction that is based on the exchange of products and services from business to business, rather than business to consumer. A typical supply chain often involves multiple B2B transactions, as companies need to purchase components and raw materials for its manufacturing processes. [1] For example: Indo-British Garments Pvt. Ltd (IBG) is popularly known as the uniform manufacturing company in India and they are doing business with a lots of buying houses for selling and marketing their garments product. This is the B2B (Business-to-Business) marketing.

### 2.1 WHAT IS B2C?

B2C, or business-to-consumer, is the type of commerce transaction in which businesses sell products or services to consumers. Traditionally, this could refer to individuals shopping for clothes for themselves at the mall, diners eating in a restaurant, or subscribing to pay-per-view TV at home. More recently, the term B2C refers to the online selling of products, or e-tailing, in which manufacturers or

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retailers sell their products to consumers over the Internet. [2] For example, a retailer or wholesaler seals product to final consumer.

**3. CHARACTERISTICS OF B2B:**

- B2B sales volume is larger than business to consumer sales.
- Buying process of B2B products is more risky than B2C products purchase.
- B2B companies behave differently when buying. Committee usually makes purchases, and decisions are specification-driven.
- B2B companies avoid mass media when promoting their brand

**CHARACTERISTICS OF B2C:**

- The technology is simple, works, and is cheap.
- A team focused on branding and marketing.
- Minimizes transaction costs
- Makes it simple
- Makes energy efficiency fun
- Social Pressure [3]

Difference between B2B vs. B2C based on characteristics

B2B MARKETING	B2C MARKETING
Volume of sales is high	Volume of sales is low
The purchase of B2B products is much riskier	The purchase of B2C products is low riskier
Purchases are usually made by committee, and decisions	Purchases are usually made by individually with negotiations.
B2B companies avoid mass media when promoting their brand.	B2C companies use more mass media when promoting their brand.
For example, a manufacturing company will not sale one product they will sale large quantity. That is why, the volume of sales is high and high riskier.	For example, in b2c one product can be sale. So that, the volume of sale low and less risky.

**4. SUPPLY CHAIN OF B2C AND B2B:**

A B2C refers to on-line trading and auctions. The focus of a B2C is more on alluring prospects and changing them to retain able customers. The goal is to change a shopper into an aggressive buyer. The flow of information through a typical B2C is through the internet. The flow is as follows; product orders/service requests from customers, product information, specifications, providing of services by Business. Typical examples include eBay (Auction store), amazon.com (Online store), orbitz.com (Online service), and cheaptickets.com (Online service). [4] B2B commerce is basically doing business electronically or conducting business over the internet. It is usually associated with buying and selling information, products, and services by

way of the internet or by using private networks shared among business partners. B2B also know as markets allow companies to synchronize activities such as product design, procurement, transportation planning, production planning, and marketing. B2B markets give businesses a more flexible, open, reliable, highly available and scalable environment. There has to be a basic understanding of how a business buys and what a business buys in order to categorize the type of B2B markets. [4] Summary of B2B vs. B2C based on supply chain

B2B MARKETING	B2C MARKETING
B2B doing business electronically	B2C refers to on-line trading and auctions
Goal of business cannot change by an aggressive buyer	Goal can be change by an aggressive buyer
For example, a garment selling shirts to another organization, So here, and the organizational aggressiveness will not effect on sales on behalf of B2B marketing.	For example, if the organization sales shirts by unit price to customer then it will be problematic. Because there will be an individual customer and the product might be single that time the aggressiveness of customer is a big issue.

**5. TARGET AUDIENCES:**

The B2B market has a much smaller target market, where B2C works to attract a larger target audience in Asia pacific region. Comparison for B2C vs. B2B target audiences

MARKETING FUNCTION	B2B	B2C
Target audience	Enterprises	End User
Target market size	smaller	large
Example	However, in B2C market TATA car customer, this is not easily countable and market size is large.	TATA Company has lots of retailers in Asia pacific region but this is easily countable and market size is smaller in B2B market

**6. PURCHASING PROCESS:**

B2B purchasing process is more complex than B2C. B2B purchasing process takes long time like one month or a year also. Nevertheless, in B2C, the purchasing process takes very short time and this is easier than B2B purchasing process. Summary of B2B vs. B2c based on purchasing process

B2B MARKETING	B2C MARKETING
Longer purchasing process	Short time purchasing process
Time could be 10-more days/month	Time could be few minutes- 1/2 days
For example, A retailer shop needs 1000pcs of shirt for that reason this shop needs to order to manufacturing company. For manufacturing time may need 10-20 days. It could be in B2B business.	For example, in B2C business a customer can buy a product at anytime from anywhere.

B2B MARKETING	B2C MARKETING
Price may vary by customer.	Product price will be same for each product
Instant payment may not required	Instant payment must requires
Transaction require in more complex system.	Transaction can be in cash, by credit card or debit card
For example, in grocery business those are the supplier of the product, the grocery shopper will not pay the money instant because they are involve in B2B business. Here the grocery shopper and the supplier made a deal.	On the other hand, in B2C business the customer should pay the money instantly after the purchased of product.

**7. TRANSACTION PROCESS OF B2B AND B2C:**

In B2B transaction process is different here need some additional information like, tax, customer code, product code, merchant postal code. In opposition, in B2C transaction made instantly when customer purchase any product. Here need some different information like the one merchant name, latest amount data, dates and time.

**7.1 PAYMENT PROCESS:**

In B2C, consumers who buy products from you pay the same price as other consumers. In B2B, price may vary by customer. Customers who agree to place large orders or negotiate special terms pay different prices to other customers. Payment mechanisms also differ. In B2C, payments are mostly done through Credit/Debit Card or through PayPal. For Credit/Debit Card payments, merchants generally use different payment gateways like authorize such as Net, PayPal, Sage Pay, Ogone, Google/Amazon Checkout, etc. Apart from online payment, some merchants also follow cash on delivery payment method. [5] Summary of B2B vs. B2C based on payment process

**7.2 PRICING PROCESS OF B2B vs. B2C:**

In b2b market the prices of product is not similar with b2c market. In b2b market product is not counted as unit price but in b2c market product prices should be with unit prices. Summary of B2B vs. B2c based on pricing process

B2B MARKETING	B2C MARKETING
Unit prices is not necessary	Unit prices is necessary
Price cannot be same for each product	Price can be same
For example, a company needs five thousand pieces of shirts. Therefore, hare, each product unit price is not necessary.	For example, Mobile phone prices should be comfortable to the customer because they will buy few at a time.

**8. DISTRIBUTOR CHANNEL OF B2B & B2C:**

Distributor channel of b2b (Business to Business) is different from B2C. Here manufacturer are the product producer and there are three type of distribution way. First, end customer can get the product by agent another way is distributor and last way is agent to distributor. [6]

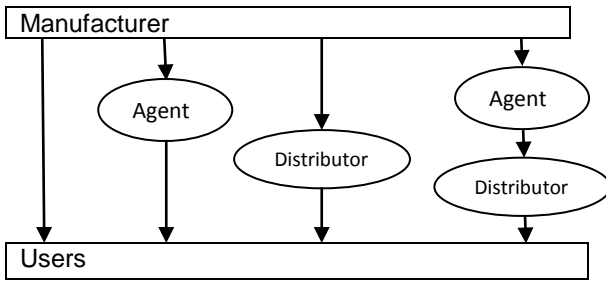


Figure: 1- Distributor channel of B2B [6]

In Business to consumer market, they sell goods and services from business to end consumer. They buy the products in wholesale price and sell it in a higher price to final consumer. through this way they are making profit and consumer buy the products for his/her personal uses and is not interested to resell it.

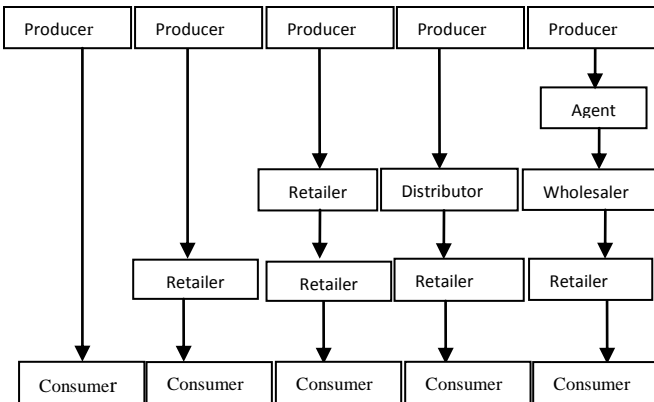


Figure: 2- Distributor channel of B2B [9]

Difference between B2B and B2C based on distributor channel

B2B MARKETING	B2C MARKETING
B2b work as manufacturer of the product	B2c work as the middle worker
End user can get finished product through agent, distributor etc.	End consumer can get finished product through retailers, wholesaler, distributor etc.
For example, Pran company producing lots of product and they send to final consumer through agent, distributor etc.	For example, Toyota manufacturing car and sends it to retailers for sell and retailers sales car to end customer.

**9. B2B AND B2C BUYERS' BEHAVIOR:**

A consumer when he/she purchases a product this process is very simple and fast. B2B buyers are more rational and B2C buyers are more controversial. B2B buyer actually buy what they need but in the cases of B2C they are opposite

from B2B. In addition, B2C buyers are more emotional than B2B. Consumers emotion largely affect on their purchase decision, which is not work in B2B market.

Summary of B2B vs. B2C based on consumer behavior

B2B MARKETING	B2C MARKETING
Consumer decision is rational	Consumer decision is emotional
Consumer buy what they need	Consumer demand has variety
For example, b2b buyer will but what is needed.	For example, customer needs a good jacket but due to the lack of money, he/she will go for normal one.

**CONCLUSION:**

B2b and b2c playing a vital role in Asia pacific region even in the whole world. Though this is true, b2b marketing is far more complicated than the traditional b2c concept of enticing a person to make a purchase. While initial marketing strategies such as identifying the consumer and ways to reach them may be similar, the marketing activities those follow being to differ. B2b marketing focuses on the value of one business to another business, the target market is relatively limited. However, in b2c marketing cycle their target is large group, shorter sales cycle and a single decision-making step. Though b2b marketing initially developed as an offshoot of the traditional b2c marketing, the area has gained sufficient maturity to develop its own style.

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