Pricing strategies in b2b marketing

1. Odd Pricing/ Psychological Pricing

When the price of a product is an odd number, such a pricing method is known as odd pricing. Example: Conventionally, Some Shoe Company fix the price of shoes and chappals by the method of odd pricing, e.g., Rs.399.95 Ps. The reason for fixing the price as an odd number is quite obvious. Rs.399.95 Ps sounds better than Rs.400. An impression that the price is less is being created.

2. Price based on the prevailing or ruling price

Such a method is followed by those marketers who want to fall in line with their competitors. They keep the same price as decided already by their rivals. Example: Manufacturers of cement follow a uniform price policy (Oligopoly market).

3. Prestige Pricing

This method is followed by those who deal in luxury goods. Such marketers, generally, keep the price of goods high for they think that customers will judge quality by the price. Example: Those who sell cosmetic items, leather goods, electronic items, etc., follow prestige pricing.

4. Customary Prices

By custom or convention, certain products are sold almost at the same price by different marketers. Example: Milk, butter, coffee powder, soft drinks, etc.

5. FOR/FOB Pricing

Such a pricing has relevance when goods are to be transported to the buyer's place. In case of FOB origin, the transit charges will be born by the buyer himself and in the case if FOB destination, he need not pay the transit charges.

6. CIF (Cost, Insurance and Freight) Price

In the case of CIF price quotation, the price paid by the buyer (may be an importer) includes cost, insurance and freight charges.

7. Dual Pricing

It refers to the practice of some marketers who quote two different prices for the same product, one may be for bulk buyers and one for small quantity buyers.

8. Administered Pricing

The price determined by a marketer based mainly on personal considerations is known as administered pricing. Factors like cost, demand and competition are ignored.

9. Monopoly Pricing

The price fixed by a marketer who has no competition in the market is known as monopoly pricing.

10. Price Lining

In this case, the price, once determined, remains unchanged for a fairly longer period of time.

11. Expected Pricing

The price fixed for a product based on the expectations of the consumers is known as expected pricing.

12. Sealed Tender Pricing

In case of contracts involving heavy outlay, e.g., construction contracts, sealed tenders will be invited from interested parties. The work is then assigned to the one who has quoted the minimum price.

13. Negotiated Pricing

Manufacturers of industrial goods, who need components from suppliers, negotiate with the latter before finalizing the price. This becomes necessary in view of the high cost of the components.

14. Mark-up Pricing

It refers to the price arrived at by a retailer by adding a certain percentage (towards his margin of profit) to the manufacturer's price. It is only at this price that he sells the goods to the consumers.

15. Skimming Pricing

It refers to the practice of setting a very high price for a product, when it is introduced into the market for the first time and to reduce the same gradually as competitors enter the market. This has been explained by William J. Stanton as 'Skim-the-Cream-Pricing'.

Skimming pricing approach is followed when the marketer is not sure of the correct price for the product and decides to ascertain the same by trial and error. When a high price is set initially and the response of the buyers is good (because they are satisfied with the product quality), it may indicate that the marketer's pricing strategy is correct. If the response of the buyers is not so good (they find the price too high) the marketer may reduce his price. Thus, a high initial price offers scope for price reduction when necessary. It has been given the name 'skimming pricing' because it helps to skim (take) the cream of the market that is not really sensitive to price and is mainly quality conscious.

16. Penetration Pricing

Setting a low initial price for the product is what is penetration pricing. It has been given such a name because it enables the product to penetrate (pierce or go into) the market to find a place. Such a pricing is resorted to when the market for the product is very sensitive to price and the product faces threat from competition always. In the case of penetration pricing, although, profits are sacrificed in the initial years, profits are expected to accrue in the long-run.

Tendering/Bidding process

Pre-qualification & registration	Pre-Qualification Registration
	Issue User Name and Password
Public invitation	Tender Advertisement
	Tenderer Views Tender Advertisement and Notice
Tender submission	Tenderer Registration to Tender for a Project
	Download Tender Document
	Addenda Distributed by Principal
	Tenderer Submits Tender
Close of Tender	Close Tender
	Principal Opens Tender
Tender Evaluation	Tender Evaluation Process
	Request for Information
Award of Tender	Award Tender/Acceptance of Tender
	Sign the Formal Agreement
Archiving	Retention of Document

Tender documents to be submitted in two parts:

Part-1 : Techno commercial Bid or prequalification bid

Part-2: Price bid

(Along with EMD/ Security derposits)

When tenders are opened, first part -1 is evaluated

Supply chain Management

Supply chain management maintains the balance between the demand and supply and involves activities right from procurement of materials and converting them into finished goods to ensuring delivery at the right time to reach the end-consumer. Hence, supply chain management is the lifeline of an organization. It needs to be really efficient to keep the operations running like a well-oiled machine. A streamlined supply chain management chain can enhance customer relationship, lower down operational costs.

What are the main functions of supply chain management?

The role of supply chain management primarily comprises five functions mentioned below:

1.Purchasing

This is the first function of supply chain management. It pertains to procuring raw materials and other resources that are required to manufacture the goods. It requires coordination with suppliers to deliver the materials without any delays.

2.Operations

The operation team engages in demand planning and forecasting. Before giving raw material purchase order, the organization has to anticipate the possible market demand and number of units it needs to produce. Accordingly, it further sets the ball rolling for inventory management, production and shipping. If the demand is over anticipated, then it could result in excess inventory cost. If the demand is under anticipated, the organization wouldn't be able to meet customer demand, thereby leading to revenue loss. So, operations function plays a critical role in supply chain management.

3.Logistics

This function of supply chain management requires immense coordination. The manufacturing of products has commenced. It needs space for storage until it is shipped for delivery. This calls for making local warehouse arrangements. Let's say; the products are to be delivered outside the city, state or country limits. This brings transportation in the loop. There will also be a need for outstation warehouses. Logistics ensures that products reach the end-point delivery without any glitches.

4.Resource Management

Any production consumes raw materials, technology, time and labour. However, all the processes need to be efficient and effective. This phase is taken care of by the resource management function team. It decides the allocation of resources in the right activity at the right time to optimize the production at reduced costs.

5.Information Workflow

Information sharing and distribution is what really keeps all other functions of supply chain management on track. If the information workflow and communication are poor, it could break apart the entire chain and lead to mismanagement

Logistics Management

Logistics companies that are responsible for transporting goods from point A to point B, developing a marketing plan is also a sequential and detailed process. There are many links that make up a dependable and efficient supply chain and many obstacles that can cause that link to severe or break. A strong marketing plan holds together all of the tactics, or links, in a company's marketing effort to help things run smoothly and guarantee success in the form of qualified leads, higher ROI and more sales.

But what if your planning is out of practice? Or what if no one is steering the ship? Bring your internal marketing team back on track or work with an outsourced marketing agency to improve your logistics marketing plan.

Six steps that logistics companies should follow to develop a sound marketing plan.

1. Define your service offer
Do you deliver raw materials to factories or finished products to consumers? What modes of transportation do you use? Do you transport goods domestically or globally? What type of technology and tracking services do you provide?

These are all crucial questions to ask when chiseling out **a concise definition for your service offer**. It's important to have a clear offer established to avoid overpromising, and subsequently under-delivering, your sellable services to your clients. To define your service offer properly, Brand Strategy, which will cohesively outline your positioning statement and messaging platform.

2. Determine your primary and secondary markets
Are you managing the logistics of physical items, such as food, materials, electronics, equipment or liquids? For new companies, determining your markets will be dictated by your capability and capacity for material handling, production, packaging, inventory, transportation, warehousing and security.

It's important to establish your primary and secondary market focuses and reassess the market opportunity each year; markets shift over time and so might the demographics that need your logistics services. By reevaluating your primary and secondary markets, you'll be able to **better adjust your marketing budget and goals** and in effect, increase your ROI.

3. Identify your competition
Who are your tier-1 and tier-2 competitors? Are there certain companies that you consider to be a best practice reference? What do you offer that your competitors don't? How can you offer it differently or better? For example, does your competition use their own shipping department or a commercial carrier—and what are the benefits or challenges of each?

As a key rule, every company has competition, regardless of how specified or niche their services or markets may be. Even if your business can't identify direct competition, contextual competition still exists. Taking the time to thoroughly analyze any competition that may be lingering on the sidelines unnoticed can **help your logistics company refine its vision and focus**.

4. Articulate your value proposition
Once you evaluate the competition, determine what makes your company stand out and articulate it in such a way that customers will understand. Is it lower prices, newer technology, operational efficiencies or guarantees?

What really makes your business stand out in a field that's flooded with companies offering similar products or services? If you can't think of obvious examples that highlight your business's advantage, stand out processes or deliverable products, you need to reevaluate your value proposition and the aesthetic it projects to your customers. For many business leaders, it's difficult to remove yourself from the day-to-day operations to think strategically about your value propositions. A good way to start is by asking the question: What do our most satisfied clients say about us? This will get you out of your own head and into the minds of your target market.

Then broadcast these differentiators through great branding efforts that permeate all avenues of your company from the inside out. If you already advertise your value propositions but have no luck attracting qualified leads, **find out where you are on the spectrum from a great brand to a brand that isn't so great** and make adjustments from there to get up to speed.

5. Allocate a marketing budget
Determine how much money you want to spend on marketing and how it will be segmented. Will you disperse the budget across certain markets or will it be spent promoting the company as a whole? Your marketing strategy and goals depend on what your primary marketing focus is, which is why it's crucial to **establish a clear perspective and matching budget early on** in the process.

According to the 2019 B2B Marketing Mix Report, nearly 40% of B2B companies spend 10% or more of their company budget on marketing. Check out the 2019 B2B Marketing Mix Report for updated facts and figures about B2B marketers and other interesting tidbits and tips for establishing a marketing plan and budget for your company.

6. Develop a tactical marketing plan
Once your budget is finalized, determine what marketing channels you will use to promote your value proposition to your target markets. For example, where will you advertise and what industry tradeshows will you attend?

What are your goals when it comes to marketing? Are you generating brand awareness, building customer interaction with your business or working on converting familiarity with your brand into sales? Having **a clear, agreed-upon tactical marketing plan** going forward is tantamount to your logistic company's success in the coming year and an integrated marketing approach is most often the best way forward.

Inbound Logistics

Inbound logistics refers to the network that brings goods or materials to your business. Your inbound logistics network includes everything needed to transport, store, and deliver goods to your business from other suppliers. The actual products being brought into your business depend on what you do. Inbound logistics can cover things like raw materials if you are a manufacturer, or finished products if you deal with assembly. Essentially, inbound logistics refers to everything that you need to bring into your operations to create the finished product you eventually sell.

Outbound Logistics

Outbound logistics refers to the transportation, storage, and delivery systems that bring your products to your customers. Outbound logistics is the way you bring your finished products to their destination. Your outbound logistics networks will generally work with different partners than your inbound logistics network. While some entities in the transportation industry specialize in inbound logistics, others specialize in product distribution and delivery. The process for outbound logistics reflects these differences. While inbound logistics will bring raw materials into your business, outbound logistics will move your finished products to their destination. Often, this requires moving your products to a distribution center where they are routed to your customers.

Reverse logistics

Reverse logistics is the set of activities that is conducted after the sale of a product to recapture value and end the product's lifecycle. It typically involves returning a product to the manufacturer or distributor or forwarding it on for servicing, refurbishment or recycling. Reverse logistics is sometimes called aftermarket supply chain, aftermarket logistics.

Key points of B2B Distribution
B2B Marketers may follow the following distribution channels

- Wholesaler/Distributor
- Direct/Internet
- Direct/Catalog
- Direct/Sales Team
- Value-Added Reseller (VAR)
- Consultant
- Dealer
- Retail
- Sales Agent/Manufacturer's Rep
- Direct selling is the marketing and selling of products directly to consumers away from a fixed retail location.
- An intermediary (or go-between) is a third party that offers intermediation services between two trading parties.
- Dual distribution describes a wide variety of marketing arrangements by which the manufacturer or wholesalers use more than one channel simultaneously to reach the end user.
- A reverse channel may go from consumer to intermediary to beneficiary.