BtoB

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Marketers carry out war plans

BY KATE MADDOX

While the military was preparing strategies in the months leading up to the war with Iraq, advertisers and ad agencies were preparing their own for marketing and advertising during wartime. But, unlike during past wars, they had the advantage of time.

The months-long buildup to the war gave businesses time to evaluate their marketing strategies, put in place contingency plans, prepare media schedules and create messages that would be appropriate in a wartime environment.

Strategies included everything from writing flexible terms for ad placement in contracts to shifting to more e-mail during the first month of the war. Even so, when the first bombs dropped on Baghdad March 19, some business ground to a halt, with significant consequences for marketers.

United Parcel Service of America Inc., for example, which launched a major rebranding campaign on March 25, had to cancel media and customer events in more than 30 countries as a result of the conflict in the Middle East. Trade shows going on during the first week of the war lost some business *(see story page 3)*. Increased network coverage caused some TV ads to be shifted. But, for the most part, b-to-b marketers and their agencies had the benefit of months of planning.

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Corporate blogs make personal connection

BY RICHARD KARPINSKI

B-to-b marketers seeking more direct conversations with their customers have begun turning to that most personal of forums: the Weblog.

Corporate Weblogs aren't exactly sweeping the marketing world, but early adherents say they offer real power to connect with increasingly message-wary—and message-weary—audiences in a new and engaging way. Weblogs are described as chronologically organized, frequently updated Web sites that collect and present information and links to other Web content.

THEPOINT

Weblogs are going mainstream as marketers such as Macromedia and Cape Clear Software use them to connect with customers and quickly disseminate information.

There's no doubt that Weblogs have reached a critical mass. Google's recent acquisition of Weblog pioneer Blogger.com and waves of media coverage on the subject, plus adoption of the blog format at MSNBC, Slate and elsewhere, have put the blog squarely at the center of the Web consciousness.

For creative b-to-b marketers, Weblogs—especially when combined with e-newsletters, message forums and XML-based feeds of Weblog content—offer what Doc Searls, a well-known blogger and former public relations executive, describes as free-range publication relations.

"Weblogs give companies a

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Options for optimal prices

BY JOHN RUF

EVERY DAY WE hear more bad news about the economy. In one sector there is deflation, while another turns inflationary. Productivity-driven deflation, such as in information technology, is good for the economy. But it's dangerous when it is caused by a sharp slump in demand combined with excess capacity. Japan has been in deflation for 10 years, which shows we can't expect prices to rebound overnight. In fact, a deflationary cycle feeds on itself as customers start delaying purchases, expecting lower prices.

In this economy, what price is right for b-to-b marketers? Do you have any choices other than cutting prices? Often there is little time to react when prices plummet, so it makes sense to think through your options.

Here are some ideas on how to optimize pricing profitability in the worst of times:

Compliance. Audit how well your pricing policies are being executed. Look for customers that are getting better prices than they deserve, or salespeople or branches that are operating at below-average margins. Finally, enforce compliance to payment terms, special co-op allowances and return policies.

Disrupt. Explore ways to use disruptive pricing to change the playing field. For example, a plumbing products company disrupted its industry's practice of common, multilayered discounts with a simple performance-based structure that focused on year-end volume rebates.

Unbundle. In some industries, solutions pricing has become the norm. As customers become more price-sensitive, unbundling or "a la carte" pricing can be more attractive.

TPRs. Use temporary price reductions (TPRs) whenever possible. There are numerous TPR techniques, from special sales to bulk-buy offers to BOGOs (buy one, get one free) that may help you avoid permanent price-cutting.

Value pricing. Add a value-added service, such as same-day delivery, to keep prices at current levels. Or, take a price reduction but charge for a service that was free in the past.

Loyalty pricing. Create a continuity program that offers lower prices in return for a buyer's commitment to make you the preferred or exclusive supplier. If you have a good idea of what you can expect to sell to a customer, you can often find ways to reduce costs to make up your price cut.

Cost-to-serve fees. Segment customers on the basis of your cost to serve them and how important you are to their business. Many companies, ranging from airlines to delivery services, are adding special fees—such as change-of-order services—to capture cost-to-serve imbalances.

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Why can't marketing and sales get along?

BY CAROL KROL

Sales and marketing departments, which ought to work together in a symbiotic, supportive way, too often get bogged down in turf wars.

"The marketplace is primarily not 'getting it' at the operating level," said Vic Hunter, president and founder of Hunter Business Group L.L.C., Milwaukee, a b-to-b marketing consultancy. Even if company executives recognize the problem, attempts to correct it often fall short, Hunter said.

RELATEDNEWS

Tech solutions bridge the gap between marketing, sales. See Special Report, Page 17.

In fact, as much as 80% of marketing expenditures on lead generation and sales collateral are wasted because these efforts are ignored by sales, according to research by Aberdeen Group, Palo Alto, Calif. There's a significant lack of trust in the tools that marketing departments provide their sales teams, evidenced by the fact that many salespeople reportedly re-create their own materials. Typically, they spend 40 to 60 hours a month re-creating

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BRANDING

UPS repositions and refines logo

Campaign touts range of services Page 3

CHASERS

TV commercials show business as usual

Sunday morning viewing finds no war ads Page 30