

Business to Business Marketing
MARK 7397
Summer 2013

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This course qualifies for the Sales Certificate emphasis for the Bauer MBA

1. Required Course Materials

Value Merchants: Demonstrating and Documenting Superior Value in Business Markets

James C. Anderson, Nirmalya Kumar, James A. Narus

For other articles and collateral see hyperlinks in the Appendix to the Syllabus

2. Nature of the Course

Business to Business (B2B) marketing is different than Business to Consumer (B2C) marketing. An understanding of basic marketing principles is necessary, but not sufficient to successfully market in the B2B space. This course will identify and analyze these differences then discuss how to successfully market in this space.

We will do this in the context of the energy industry. Offering a business to business marketing course focusing on energy, especially Oil and Gas is consistent with the University of Houston and Bauer College's focus on energy and capitalizes on its location in the world's energy capital.

Energy is a big industry. From finding and developing energy sources to the power plug in your home or office the industry has many, many markets and customers. Many in the Energy industry only understand their own segment and do not have an appreciation for the breadth of the markets served or how each segment's products are marketed, sometimes including their own segment

The focus on energy does not diminish the value of the course for those interested in a business that markets products or services to other businesses, especially those in technical industries. We use energy as a laboratory or case study to understand how B2B markets work and how to succeed in them.

We will use the B2B financial services industry as a contrasting example to confirm our energy industry conclusions.

The class will use articles and online content. We will look at 5 specific B2B markets: each of the 4 major energy markets and, for contrast, the wholesale financial services industry. Each of these five segments will begin with a guest speaker and end with a student presentation on changes occurring in that market.

3. Learning Style

The methods of learning in this course require advance preparation by the students. We will work together to present, discover and share ideas in order to learn more about the issues related to marketing hydrocarbon products and services. I believe that a variety of pedagogical and analogical techniques maximize what we all get from the class. Therefore, the course will use online curriculum, industry guest speakers, lecture, facilitator and student-led discussion, multiple research projects, Socratic dialogue, group work, a field trip, and student presentations to expose key learnings.

4. Daily Routine

For most days, I expect class meetings to follow this type of routine:

- First half
 - Overview Lecture on Text Material – 40 Minutes
 - Guest Speaker on Energy Sector – 40 Minutes
- Break
- Second Half
 - Student Team Presentations

5. Group Projects

a. Team Presentations

Each student team will be involved in two group presentations and one final paper. A student team will be assigned to one of the international oil companies (IOC's) or an Oil Field Service company and one of four financial services company. The team will be responsible for presenting their company's marketing position in one segment of (1) the energy industry and (2) the financial services industry. Each team will give a presentation for their company organized around the 4P's of Marketing and a SWOT/PEST analysis. For more details on these presentations refer to the Blackboard Learn assignments.

These group projects will be formal presentations using appropriate technology and any supporting documentation.

Grades will be based on knowledge of the company's marketing position, especially:

- Differentiation and segmentation strategies
- Alignment with Corporate Strategy
- Future direction and changes

And:

- Quality of Media and Materials
- Presentation Skills
- Supporting Documentation

b. Team Paper

Each team will prepare a 3-5 page paper. (1.2 space, double space between paragraphs) The paper will analyze how effectively **one** of the team's IOC market segments and the team's financial services company use the concepts from *The Value Merchants* to create a competitive advantage in the marketplace. I expect the paper to be organized similar to the following outline:

- i. Description of the customer for the chosen IOC segment and the financial services company
- ii. The 4 P's for the IOC and Financial Services company
- iii. Use of *The Value Merchant* concepts
- iv. Team analysis of the companies' approach
- v. Team recommendations for the companies

6. Class Participation

An effective class session can only occur if you, your classmates, and I are involved in the learning process. This requires detailed advance preparation from all of us.

Class discussions are enhanced by a free and open exchange of ideas. We learn from each other by building off other people's comments and by disagreeing with other people. You should be prepared to defend a position that you take and you should expect others to defend their positions. I encourage you to challenge ideas with which you disagree—remember to *challenge the idea and not the person*. Furthermore, you should expect to be challenged by others—who disagree with your ideas, not you. By defending your ideas you will learn, but you should also be willing to change your mind. Changing your mind is also a sign of strength. Be aware that for many issues there is no one right answer. I also want

to encourage you to be creative in your ideas and show a willingness to take chances.

Class participation is a critical component of my evaluation of your performance in the class. Participation is based on quality, but some level of quantity is also necessary. Quality participation moves the discussion along and contributes to our collective learning.

Note: I assume you are prepared for every class—so tell me if you are not. If I cold-call you and you are obviously not prepared, you will lose all of your "1 pointers" for the semester.

7. Attendance Policy

Attendance is expected—in my classes we all learn from each other and your absence will prevent us from learning from you and you learning from us. **We meet 12 days, you can not miss a class and expect to be successful.**

8. Grades

I expect that by this time in your graduate education that you are intrinsically motivated. I also expect that you are taking this course because you genuinely want to learn more about Business to Business Marketing and probably the Energy Industry Therefore, I do not require any exams in this class.

On the other hand, I believe that we all tend to do what is evaluated and rewarded. I am very interested in learning from you and I think that your colleagues share this interest. If you choose to not actively participate in the class you deny us the ability to learn from your wisdom and experience. To assure that you give as much to the class as you hope to receive from it, I rely on grades (besides the school requires them). I expect to base your grades on the following proportions:

Team Project Content	(2@ 20%)	40%
Team Project Presentation	(2@ 10%)	20%
Team Paper		20%
Class Participation		20%

9. Tentative Schedule

July 8

- Class Overview
- The Value Merchants – Chapter 1
- The Players in the Energy Industry
 - The hydrocarbon supply chain
 - IOC's
 - Then there were FIVE
 - Whoops, Four – Why did Conoco and Phillips split?
 - NOC's
 - Independents - Upstream and Downstream
 - Oil Field Services
 - The two giants, plus one
 - The rest
 - Power and Utilities
- The B2B Financial Services Industry
 - The Financial Services Supply Chain
 - Competitive Market – Primary Players
 - Competitive Market - Niche Players
 - Selling Value
- Discuss 4P's, SWOT and PEST

July 10

- The Value Merchants – Chapter 2
- Upstream
 - Marketing the Brand of a member of the Evil Empire
 - Chevron versus Exxon approach
 - Marketing to NOC's and Gov'ts to share in their sovereign wealth (Weeks 3-4)
 - Hugo Chavez, Conoco and Exxon
 - Long Beach California and Thums
 - Macondo
 - Nigerian Kings
 - The emergence of CNPC and Rosnaft
 - 100 years of middle east relationships with IOC's
- Guest Speaker
- **Student Presentation – Team A – Oil Field Services**

July 15

- The Value Merchants – Chapter 3
- Guest Speaker – Paula Fenton - The added complexity of NOC's
- **Student Presentation – Team B – IOC 1**

July 17

- The Value Merchants – Chapter 4
- Guest Speaker – Bruce Henderson – The Gas Marketing and Trading world
- **Student Presentation – Team C, IOC 2**

July 22

- The Value Merchants – Chapter 5
- Downstream Lecture
 - B2B
 - The sales and marketing interface
 - Jobbers and Distributors
 - Big Boxes and Private Brands
 - Intermediates and Petrochemicals
 - The impact of technology
 - B2C
 - Brand Management
 - Differentiation strategies
 - 4 P's
- Guest Speaker – Jane Gasdeska Phillips 66
- **Student Presentation – Team D, IOC 3**

July 24

- The Value Merchants – Chapter 6
- Guest Speaker – Financial Services 4 P's
- **Student Presentation – Team C – Financial Services 1**

July 29

- The Value Merchants – Chapter 7
- Guest Speaker – Steve Koch – B2B eCommerce Marketing
- **Student Presentation – Team D – Financial Services 2**

July 31

- The Value Merchants – Chapter 8
- **Student Presentation – Team B – Financial Services 3**

August 5

- **Student Presentation – Team A – Financial Services 4**
- Class Evaluation
- Summary and Wrap – Up

10. Academic Honesty

The University of Houston Academic Honesty Policy is strictly enforced by the C. T. Bauer College of Business. No violations of this policy will be tolerated in this course. A discussion of the policy is included in the University of Houston Student Handbook, <http://www.uh.edu/dos/hdbk/acad/achonpol.html>. Students are expected to be familiar with this policy.

11. Accommodations for Students with Disabilities

The C. T. Bauer College of Business would like to help students who have disabilities achieve their highest potential. To this end, in order to receive academic accommodations, students must register with the Center for Students with Disabilities (CSD) (telephone 713-743-5400), and present approved accommodation documentation to their instructors in a timely manner.

12. Statement About Teaching

The CBA has a policy that requires all of its instructors to be evaluated by their students. The results of these evaluations are important to provide feedback to instructors on how their performance can be improved. In addition, these evaluations are carefully considered in promotion, salary adjustment, and other important decisions. We openly encourage students to provide feedback to the instructors and to the CBA through the evaluation process.

13. Cellular Phone/Technology Use Policy

I expect cell phones to be **turned off** during class. Failure to comply will be applied in a negative fashion in your Attendance/Participation scoring.

I encourage students to use any available note-taking technology, but will ask any student that is using technology for other than note-taking to turn off the device.

Appendix – Pre-Work Links

Financial Services Articles are in Blackboard

#1 Wikipedia Energy Industry Overview

http://en.wikipedia.org/wiki/Energy_Industry

#2 Wikipedia Petroleum Industry Overview

http://en.wikipedia.org/wiki/Petroleum_industry

#3 API Industry Overview

<http://www.api.org/story/index.html>

#4 The Big 5

http://www.bakerinstitute.org/publications/NOC_IOCs_Jaffe-Soligo.pdf

#5 Crude Oil Products and Specs

http://en.wikipedia.org/wiki/List_of_crude_oil_products

#6 The Relationship between IOC and NOC

<http://www.newser.com/story/3533/exxon-conoco-pull-out-of-venezuela.html>

#7 Natural Gas

http://en.wikipedia.org/wiki/Natural_gas

#8 Daniel Yergin, NY Times, 6/9/2012

<http://www.nytimes.com/2012/06/10/opinion/sunday/the-new-politics-of-energy.html?pagewanted=all>

#9 Downstream definition and products

http://en.wikipedia.org/wiki/Downstream_oil_industry

#10 Gas and Diesel Marketing and Pricing

http://en.wikipedia.org/wiki/Gasoline_and_diesel_usage_and_pricing

#13 Shell Agreement with TA truckstops – What does this mean?

<http://www.cdllife.com/2012/top-trucking-news/trucking/shell-oil-to-begin-selling-Ing-at-ta-truck-stops/>

Blackboard Learn Presentation Assignment

Corporate Marketing, Positioning, Branding and Public/Regulatory position

Upstream Marketing, including NOC relationships and Oil Field Services

Midstream Marketing, including pipeline, trading and gas marketing

Downstream including Fuels and Petrochemicals

Business to Business Financial Services