# C2B2B2C Business Model: Marketing Strategy for Digital Era

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***Abstract:*** *The primary objective of this business model is to resolve the communication barrier in the power tools industry. This technique will help the business to understand and establish the communication between the customers, the manufacturers and the distributors ('channels' in the sales and marketing jargon). The business model will also help the companies that want to enter or target the market with necessary knowledge, innovation strategy, network (connection) and experience and get into a better market position with the help of the channels. The purpose of this article is to present the critical elements of the C2B2B2C model from the marketing perspective with which the company can influence on their performance. The objective of this article will ensure to review – the literature over the traditional approach of B2B2C model, the steps to implement this model in the real world using the possible options and how can the companies leverage their performance in the longer-run.*

***Key Word****: business, marketing, innovation, connection.*

## I. Introduction

The business disruption once in a while happens rapidly, too quick to even think about reacting. Let's consider what befell Blockbuster as film rentals moved on the web. Different occasions it happens all the more gradually however is no less effective. The inquiry is how on the web, online and social media are changing how buyer's shop and settle on choices. Organizations because of economic situations turning out to be progressively narrow and particular (specialized), to accomplish an upper hand and C2B2B2C marketing is a connection between the manufacturers and the customers. Quickly innovative and demographic changes, globalization of business sectors and enterprises, and adjusting items and/or administrations are required modification of organizations as far as innovation and electronic information exchange.

## II. Market Overview of Power Tools

The global power tools market size was valued at $34,983.0 million in 2020 and is projected to reach $48,677.0 million by 2027, registering a CAGR of 4.8% from 2020 to 2027. Power tools have transformed different industries such as automotive, construction, and others by saving the effort and time necessary for simple tasks, such as screw driving to complicated tasks including breaking and sawing.

## III. Key Players in the Power Tools Market

The key market players within the power tools market are listed as follows. They are categorized in the various market segments by – mode of operation (electric, corded power tools, cordless power tools, pneumatic & others), tool type (drills, saws, wrenches, material removal tool & others), application (industrial, construction, automotive, aerospace, do-it-yourself (DIY) & others) and region (North America, Europe, Asia Pacific, Latin America, Middle East & Africa).

- Atlas Copco AB
- Emerson Electric Co.
- Hilti Corporation
- Ingersoll-Rand plc.
- Koki Holdings Co., Ltd.
- Makita Corporation
- Robert Bosch GmbH
- Snap-on Incorporated
- Stanley Black & Decker Inc.
- Techtronic Industries Co. Ltd

# IV. Information Asymmetry

Intensive development of the market and increasingly shifting expectations and requirements of customers, enterprises felt like intense pressure to improve the efficiency and effectiveness of marketing activities on B2B2C markets, which require new and different approaches to solving old problems.

The challenge here for the manufacturers is not able to communicate with the customer at the right time. The connection is not completely available to keep them informed about the latest products – the factor of 'Information Asymmetry'.

The dealers need not sell everything all the time. It is based on the sales margin, incentives, favoritism towards a brand, ease of sales pitch [marketing efforts], re-sale value that decides their intention to market a brand or product or service. If the above continues to be the same over a period, the information sync between the dealer and customer fades out.

The customer is pushed to incline with one brand and goes for the same which is never realized by the manufacturer in most cases. The manufacturer can inform the dealer to iterate based on certain criteria, but can they monitor? The answer is no, as they handle other brands as well.

## Effects of Information Asymmetry

Information Asymmetry in the business environment will impact the manufacturers in the following ways. This is primarily extracted from the process of observation in the power tools industry with the respective officials.

- The loss of information flow leads to missing out potential customers (prospects).
- There is no customer-specific data available for the manufacturers to track down.
- The sales officers to reach every store is not scalable in the longer run.
- The lack of motivation for the distributors when comparing with other brands.
- There is no direct route for customers to seek help from the company.

# V. The Sharing Economy and Manufacturers in the Current Scenario

The sharing economy is growing and the brand loyalty is no longer an easy task for the companies or its intermediaries to accomplish. The companies are trying their best to ensure the awareness is created to match and maneuver the mindset of the customers.

## Does that mean the intermediaries are not being loyal to the manufacturers?

The answer is 'no' and the reason here is, not all the distributors or retailers are exclusively for a particular brand any more. The trend is changing. Over the years, the exclusivity is now turned towards providing a multi-brand experience for the customers to have a glimpse of products from various brands. The traditional approach is available in Figure 1.
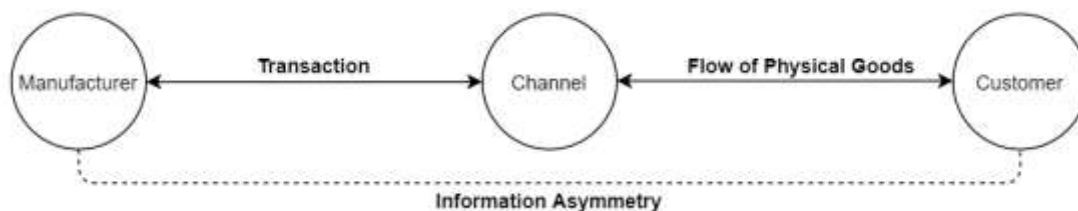


**Figure 1**: Information flow in the traditional B2B2C Model

All they need is the communication to be established to create customer awareness ensuring they have the latest information especially.

- High-end Products
- New Product Launch
- Latest Offers Discounts right from the manufacturer

This can make the customers be ready with the information without any delay and be able to contact the dealer to facilitate the contractual obligations to complete a sale. This way, the B2B2C approach is achievable from the manufacturer's standpoint.

**Can the B2B2C approach still work in the Digital Era?**

The answer is 'yes', but from a different perspective. The B2B2C model will enable organizations to contact dealers & promote their products which takes time to reach the customers.

What if the manufacturers reach the customers first?

Let's try the B2B2C model for the digital era. The solution here is the **C2B2B2C** approach - Customer to Business (Manufacturer) to Business (Channel) to Customer. They don't sell directly, but they will be able to communicate directly which has a bigger impact and removes the information asymmetry barrier. The sketch of this model is available in Figure 2.
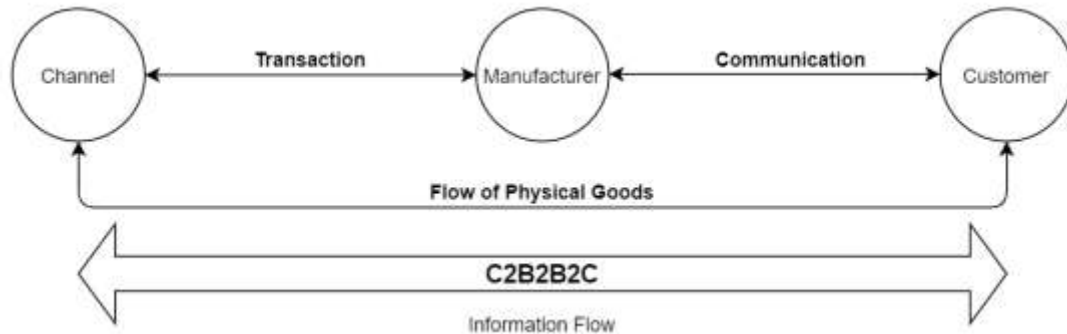


**Figure 2**: Information flow in the C2B2B2C model

**The Difference of C2B2B2C Model from the Traditional Approach**

First, start with customers and not with the product manufacturers by finding — who are they, what are their needs and how would they wish to execute with the brand. The idea of "transaction" grows the communication that encourages a closer relationship between brands and buyers beyond a product purchase. It's almost inarguable that the absence of innovation information and moderate development is because of the lack in customer focus. The manufacturers can still overcome with crushing proficiency from their manufacturing supply chains – significant, yet inadequate to prevail into what's to come.

Second, is the manufacturer — how does the organization fabricate the product arrangement wanted by their buyers, and from where and how would they source their information most cost proficiently? This powers the manufacturers to have a similar outlook as a retailer, however as far as product experience.

Third, through which channels do the purchasers wish to get the products? Now and again it will be the channel partners. In others, it might be immediate from the manufacturers itself. It could likewise be from an e-commerce business player like Amazon or other platforms. Or on the other hand no doubt, some mix is always there.

Fourth, there are three things - the company has given the information to the customers, the company will delegate the deal facilitation process to the channels, not 100%. This means the company will also be in a situation to help customers (contacted directly) complete the deal signed and finally, the manufacturer will now take over the communication (marketing) part of the business development cycle and the channel partner or distributor will now be responsible to fulfil the orders.

## VI. Recommendations to execute in the Real World

This quest for marketing perfection is not in vain—during the next five years or so, we're likely to see a radical integration of the customer experience across physical and virtual environments. Already, the customer decision journey has been altered by the ubiquity of big data, the Internet of Things, and advances in web coding and design. Customers now have endless online and off-line options for researching and buying new products and services, all at their fingertips 24/7. Under this scenario, digital channels no longer just represent "a cheaper way" to interact with customers; they are critical for executing promotions, stimulating sales, and increasing market share. There are 2 major plans to succeed – Roadshows and WhatsApp for Business.

**Roadshows**

This is the place to show what the manufacturers can benefit the customers by live demos and explanation with different stalls for various products.

**WhatsApp for Business**

Once the user signs up for the business updates, they'll get all the information right in their WhatsApp chat window with prior consent.

Why WhatsApp?

This is a widely used communicator tool for current users. As a business entity, they need to be transparent in providing the authentic information right into their devices to communicate on the go as soon as the public release to the media is done.

**What can Roadshows and WhatsApp for Business trigger?**

If there is a moderate user base from both the options discussed earlier, the company comes into the picture to establish a Customer Experience (CX) center.

How can this help?

This benefits the users to test the product, understand the purpose, usage and the most important factor – environment and conditions to be aware well in advance before the customers even buy!

**Customer Experience Center to lead Business Continuity**

There are crises – not a 'business-as-usual' scenarios where the disaster management action is in place or there could be a 'work-from-home' situation due to the uncertainties (pandemics for example) or any other natural hazards in the world. In this case, the organizations have to be on top of every digital medium backed by state-of-the-art technology.

This puts the organizations in the first & fast mover advantage ladder to make the most of the crisis to demonstrate how they can connect the customers and prospects to the best they can and continue to engage throughout their journey.

McKinsey's **Global Customer Sentiment Surveys** tells how customers are turning to online consumption in record numbers. More than 50 percent of Chinese customers show a pronounced move to digital, especially on work-related activities. They're also seeing an uptick in first-time users and established customers' usage across several categories, such as entertainment streaming, e-sports, restaurant and grocery delivery, online education, online fitness and other necessary products. While this trend is not yet as evident in Europe due to limited home-delivery options, confinement is driving significant trialling of new online ways of shopping.

Given the shifts in economics and the suddenness of the downturn, we expect to see big shifts in marketplace dynamics, from business closures to consolidations, and from new business and partnership models to innovations that address emerging opportunities.

## VII.    Conclusion

A manufacturer who adopts the C2B2B2C model views the customers as their actual customers and as purchasers as well – who's needs should be comprehended and particularly met all through the way to deal conversion based on the product development, enhancement & launch decisions on direct communications with customers that are everlasting and it is a closed cycle (available in Figure 3).
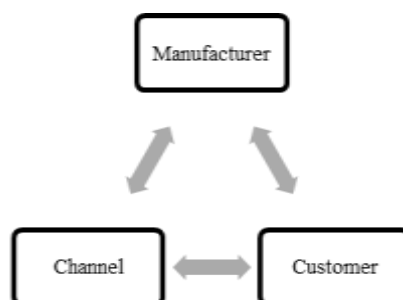


**Figure 3**: Multi-directional Flow of C2B2B2C Model

If the results have progressed nicely, it implies everybody won — the customer, the manufacturer and the channel. On the other hand, if the results are ineffective, the 'how things stand' (status quo) continues and that won't end up well for anybody involved in the business.

The technological advancements have been hugely adopted by various market leaders; the concept of connected inventory is still the exception in retail although there are prominent early adopters. The adopters are scattered across different markets such as Amazon, P&G, Zalando, Adidas, L'Oréal, Valentino etc.

With transparency in place, the goods are distributed to end customers over a growing number of network nodes. There are a lot of models to better the service with connected inventory in place.

**Internal Connected Inventory**
A company connects the inventory in its central warehouse together with its local distribution centers and stores. When a customer orders a product online, the most efficient dispatch point measured by time and cost is selected or a store is suggested for personal pickup by the customer. Sales clerks in stores can also check at a click if a sold-out product is available elsewhere.

**Out-of-Stock Partnership**
Manufacturers and retailers reciprocally disclose their respective stocks of products that the retailer regularly sources from the manufacturer. If the product is out of stock at the retailer, the customer can still complete the purchase because the manufacturer can send the article directly.

**Endless-aisle Partnership**
In the endless aisle model, the manufacturer provides the retailer virtual access to its entire inventory, including products that the retailer does not have in its product range. The retailer can thus offer an extended product range in its online shop that is then directly handled by the manufacturer.

**Bilateral Partnership**
Manufacturers and retailers reciprocally make their inventory transparent so that they can take care of each other's fulfilment as needed. When a customer places an order in a partner's online shop, the product is sent from the best possible distribution point.

**Virtual Inventory Pool**
Several retailers and manufacturers connect their inventories. The pooled inventory is held by a neutral entity (for example, a joint venture) to which every partner has access. A customer order is always fulfilled from the best possible distribution point.

To sum up, the important aspects of leadership and C2B2B2C marketing management beginning with the stage of product and/or services planning, namely — production control, management and communication system, supply chain management, distribution management, and procurement and quality control, which can be controlled only with the help of appropriate technological support.

## VIII.    Acknowledgement

## IX. Disclaimer

The authors do not intend to illustrate either effective or ineffective handling of a company's strategy. The authors may have disguised certain names and other identifying information to protect confidentiality.

This paper is intended for the audience part of the business sector (mentioned in the document) and other business targeting for better communication to their customers and has covered various aspects of the approach on comparison with the existing methodology explaining the ways to implement the same in the real world.

The examples, images and references are provided for informational purposes only. The names of the companies and products mentioned in the document may be the trademarks of their respective owners. All rights belong to its rightful owner/owner's. No copyright infringement is intended.

This is a technical review article which is in the conceptual phase. No matter what happens, this model will help the businesses to be closer with the customers throughout their journey.

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