Chapter 2
B2B vs. B2C Selling

ABSTRACT

The history of selling arrives at a major milestone when two different objectives or targets of selling are clearly defined. This chapter recounts how the single selling function migrated to two different approaches: business to consumer (B2C) and business to business (B2B). In this chapter, the special characteristics, methodologies, and approaches of B2B selling are identified and their origins are made clear. History shows that the difference in selling to consumers or to businesses was not clear at first. Peddlers and traveling salesmen sold to both as selling became a profession. The industrial revolution, growth of commerce, and the founding of the USA all contributed to a strong commercial world that required sales to approach and deliver differently to businesses, from a consumer market. Scientific management played a major role in this change, as organizations attempted to apply this scientific method to the sales function.

BUSINESS TO BUSINESS VERSUS BUSINESS TO CONSUMER SELLING

The activity of selling—the act of making a sale—began as a mixed activity in terms of who was the target of the sale, who was doing the selling, and who benefited from the transaction. Sometimes the seller would negotiate with a consumer, the person that would directly consume the product offered for sale. Sometimes the same seller would be in negotiation with a buyer from a shop, a business, or some group that would purchase the item only to sell

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it again at a profit. Much later we can clearly identify two distinct selling activities—selling to consumers and selling to organizations or businesses. This initial mix of activities was the result of the fact that,

The traveling salesman inherited his improvisational ways and, more important, expanded and refined them within the new economic context of the late nineteenth and early twentieth centuries. Neither peddler nor door-to-door canvasser, the commercial traveler—or drummer, as he was often called—almost always sold to the trade and was the aggressive, logical consequence of the expanding national market system, a figure who from an economic standpoint remained inseparable from the growth of the railroad and other developments that strengthened the "visible hand" of business. No other occupational group concerned with selling drew so heavily—or represented so dramatically the nascent power of modern business enterprise. (Spears, 1995, p. 8)

Technology helped create the seller that called on other businesses and brought the offerings of one manufacturer to another business that could use those items. According to Spears (1995),

After the Civil War, as the railroad system expanded and business interests reached out to new markets, the traveling salesman staked his claim on the American imagination. Hauling his gripsacks and sample trunks through railroad depots, hotel lobbies, and general stores, linking retail merchants to wholesalers and manufacturers, he played a vital role in the creation of a national market economy. (Spears, 1995, p. 1)

This type of seller focused on the businesses that needed the goods of other manufacturers and on products that were more complicated, more expensive, and less immediately consumable. Firms that focused on business selling usually had a smaller force of sellers, where "companies that sold to consumers often had large sales forces, larger than those that sold to businesses" (Friedman, 2004, p. 10).

The function of business-to-business selling, or organizational selling as it was called, had certain characteristics. Researchers made it important,

To understand how business or organization customers can be segmented. Many firms sell not to ultimate consumers but to other businesses. Although there are many similarities between how consumers and businesses behave,

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