

## **B2G: Systems approach for government marketing plans**

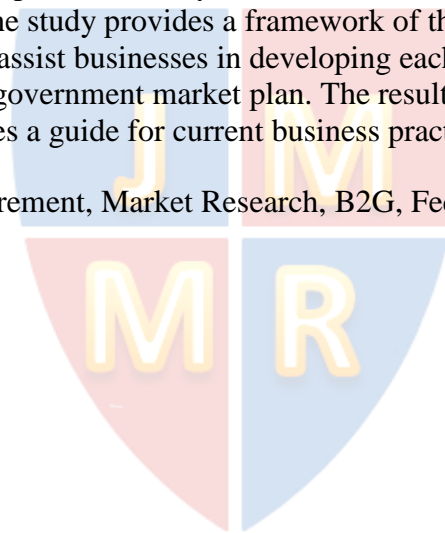
Ronald Shehane  
Troy University

Steven Sherman  
Troy University

### **ABSTRACT**

There is a current trend of neglect in research literature concerning the subject of business to government (B2G) marketing. This is especially true concerning the development of marketing plans that can guide businesses in achieving their sales goals with the federal government market. Market research is critical to the effort of developing marketing plans. An analysis is conducted in this study to identify the critical elements comprising a market plan and to review existing government procurement systems and the data provided that might be helpful in a market research effort. The study provides a framework of the data provided by government procurement system that will assist businesses in developing each of the critical elements required to develop a federal government market plan. The result of this study fills a gap in research literature and provides a guide for current business practice and future studies.

Keywords: Marketing, Procurement, Market Research, B2G, Federal Government Business



Copyright statement: Authors retain the copyright to the manuscripts published in AABRI journals. Please see the AABRI Copyright Policy at <http://www.aabri.com/copyright.html>.

## INTRODUCTION

A search of research literature indicates a significant body of academic research on market planning and strategy. However, a similar search of research literature indicates a trend of academic neglect concerning the subject of marketing to the federal government (Thai, 2001). Out of a search of peer reviewed and scholarly articles, dating from 2007, none were found that dealt with planning or strategy development related to the federal government market. Coverage of the subject has been largely relegated to trade journals and magazines (Thai, 2001). The federal government spends more than \$500 billion per year on goods and services (Bradt, 2010; USASpending.gov, 2012). The size of federal government market and its importance to the economy and business in general would seem to warrant more emphasis on academic research and analysis. In addition, marketing to the federal government is very different than typical business-to-business marketing (Amtower, 2011; Bradt, 2010; Santo, 2001; Slavens, 2007). The complexities of the government market with six hundred thousand registered competitors seeking government business, the steep learning curve and complexity involved in understanding and applying tens of thousands of pages of regulations, and the costly and voluminous proposal development required offers special marketing challenges that warrant separate study of the government market (Amtower, 2011; Bradt, 2010; Slavens, 2007).

### Market Plan Development

Market Research is a critical element to developing marketing strategy and an eventual marketing plan when approaching a new marketing segment, such as the federal government. As part of this marketing research, a company has to evaluate the need for its products and services in a new marketing area, assess the existing competition, and develop strategies and action plans to approach that new market segment. Such research involves assessing a company's existing business mission, current strategy, strengths, and weaknesses. However, after evaluating internal data, businesses need research information on market opportunities, competition, and customer needs to better define the new target market being approached. An effective overall marketing strategy should serve to identify what marketing research is needed and how the research should be applied toward developing a marketing plan (Kotler & Keller, 2012).

The development of a good marketing plan is critical to the success of a business as it approaches a new market segment. The marketing plan serves to develop and direct the marketing effort. A marketing plan should address both the strategic and tactical efforts of a company in being competitive in a market segment. The strategic component of a marketing plan identifies the market opportunities that exist, defines the target markets within the market segment, and details the firm's evaluation of the potential value of the market involved. The tactical portion of the marketing plan defines the specific initiatives involved in approaching the market of interest and includes how it will differentiate its product in terms of features it offers, how it will promote its product and company, how it will merchandize its product, how it will price its product to be competitive, what sales channels it will use, and what competitive services it will provide to support customers (Kotler, 2012). This study intends to evaluate existing federal government marketing data systems and identify how those systems satisfy the basic strategic and tactical elements of a marketing plan.

## **METHODOLOGY**

This study will consist of a content analysis of the various online procurement-related government systems in existence that provide data that could serve as a basis for developing a marketing plan for doing business with the federal government. The research question addressed in this study is “What data do existing government procurement systems provide that are supportive of the market plan elements?” It is hoped that the study may serve as a basis for future research and a guide to management practice in federal government marketing.

## **GOVERNMENT SYSTEMS ANALYSIS**

### **FedBizOpps (FBO)**

FBO contains a reportable database of all published business opportunities over \$25,000 with the federal government. It contains the detailed requirements for each procurement opportunity that are sufficient for developing and submitting a bid or proposal. The database is accessible to the government agencies, the public, and registered businesses. Businesses can register using their Dun & Bradstreet number to obtain access to all procurement documents and to have the capability to save their queries. The general public has query capability for most information including solicitations and overall requirements (FedBizOpps, 2012; Parvey & Alston, 2010).

Queries to the database can be performed for different date range by selecting a combination of federal agency or office advertising the opportunity along with a combination of product or service type code such as North American Industrial Classification System (NAICS), Product and Service Codes (PSC), or Federal Supply Code (FSC). In addition the query can be narrowed to the type of procurement such as pre-solicitation announcement, solicitation, sources sought, amendments, or award notices. Registered businesses can specify an interest in the procurement and also specify their desire to team with other interested contractors (FedBizOpps, 2012; Parvey & Alston, 2010). The queries and reports they produce can be saved for later reference and use.

Although the FBO system is generally viewed as a site for identifying and submitting bids or proposals for government business opportunities, it is a significant source of information needed to develop a federal government marketing plan (Bradt, 2010; FedBizOpps, 2012). The following queries were found to be supportive of the marketing plan elements:

- Market Opportunity - Search on NAIC, PSC, FSC identified existing opportunities by product or service that businesses can use to determine possible matches with their core competencies and opportunities to expand product/services to match existing markets.
- Target Markets – Combination searches on NAIC, PSC, FSC along with Agency, Office, State, or ZIP selection served to identify large target areas for sales based on existing needs.
- Market Potential Value – Not provided.
- Product Features – The detail of each solicitation served to provide information on the features that government customers had identified. This information was provided for all search modes chosen.
- Product Promotion – For all search modes the system provides the opportunity to promote a business’ products/services. A business can submit proposals outlining their

capability to provide products/services under a “sources sought” procurement type. A “sources sought” is a type of procurement in which the government seeks to find out the capabilities that certain types of businesses have to meet a requirement that is being considered for future solicitation. This gives businesses a chance to promote their capabilities, establish contact with procurement officials, and impact on the description of requirements eventually solicited. Businesses also have the opportunity to register as interested in the opportunity which can result in teaming offers from other vendors and further promotion of their capability within the vendor community.

- Merchandizing – All search modes provide details on requirements that can be supportive of product/service design, selection choice design, product/service packaging, and display approaches that affect merchandizing. In addition, queries are provided for set-aside codes that can help special business categories to improve their merchandizing effort. The government favors certain set-aside categories such as HUBzone, Service Disabled Veteran-Owned, Woman Owned, and Small Businesses helpful to merchandizing.
- Product Pricing – Not provided.
- Sales Channel – The system provides information on agencies, office, state, zip, and individual contracting officers that serves to identify avenues for selling a product or service. Agency/Department searches are useful for filtering and grouping this information.
- Service Support – All search modes provide details on requirements that are helpful in identifying any additional service needs that customers are requesting or that might need in supporting their main requirement.

### **GSA Schedules and Queries**

The General Services Administration (GSA) provides two database systems that are useful for market plan development.

GSA offers an online database in its eLibrary Schedule List that provides a listing of the standard GSA schedule contracts with a description of the services/products provided to the federal government, detailed prices for each product/service, contract terms, marketing approach, and company description information. The online database provides drill down capability so that a researcher can filter on contract category (such as Schedule 71 - Furniture or Schedule 520 – Financial Services) to see a list of vendor schedules grouped by Special Item Number (SIN) which describes the service or product categories being offered (such as Schedule 71 SIN 100 Healthcare Exam Room or Schedule 520 SIN 1 Program Financial Advisor) for each type, and then can select to see each vendor schedule contract with its detailed offerings and price (GSA eLibrary, 2012; Parvey & Alston, 2010).

GSA offers an online Sales Query Report Generation System that reports on GSA sales in a variety of ways. Report formats from which to choose are as follows: All Schedules by Fiscal Year, All Schedules by all Available Fiscal Years, SIN & Schedule Totals by Fiscal Year, All Contract Sales by Schedule by Fiscal Year, Schedule Sales Grand Total by Quarter by Fiscal Year, Total for All Quarters by Contractor by Fiscal Year, Total by Quarter & SIN by Contract Number and Fiscal Year, Total for Each Quarter for a Specific SIN by Fiscal Year, Total by Quarter & Contract for a Specific Contractor and Fiscal Year, Total by Contractor for a Specific Schedule and Fiscal Year, All Sales by Fiscal Year for a Specific SIN Number, All Contractors by Schedule by Business Size by NAICS Code (GSA Query, 2012; Parvey & Alston, 2010).

The following query and reporting options were found to be supportive of the marketing plan elements:

- **Market Opportunity** - Searches on the GSA Schedule List help identify existing product opportunities by contract category and SIN for products/services. The searches assist businesses in identifying matches with their core competencies and identifying new opportunities to expand product/services to match existing product/service offerings in the government, but it fails to identify the agency or location purchasing the product/service. Descriptions of various SINs and detailed information on those services in vendor schedules help businesses refine their product/service offerings.
- **Target Markets** – Not provided. Identifies product/services offered but not to whom they are offered.
- **Market Potential Value** – The GSA Sales Query Reports provide sales values in the various report formats and combinations mentioned above. Market values are focused on fiscal year, SIN, NAIC, vendor, but give no clue concerning to whom and where the product/service was provided.
- **Product Features** – The GSA Schedule List provided details of each schedule offering for each vendor for each schedule category and SIN. This provides businesses with the information needed to develop a marketing plan that matches or exceeds product features of other GSA vendors. This information can be used with the GSA Sales Query Reports by contractor to determine how well the product features offered are working for competitors in generating sales.
- **Product Promotion** – The GSA Schedule List provides information on how competitors promote their business and products/services that can be used to match or exceed competitor efforts. This information can be used with the GSA Sales Query Reports by contractor to determine how well the promotion efforts offered is working for competitors in generating sales.
- **Merchandizing** – The GSA Schedule List provides details on services currently offered by competitors that can be supportive of product/service design, selection choice design, product/service packaging, and display approaches that affect merchandizing. This information can be used with the GSA Sales Query Reports by contractor to determine how well the merchandizing approach used is working for competitors in generating sales.
- **Product Pricing** – The GSA Schedule List provides detailed pricing of competitors by product/service that can be used to determine best pricing approaches. This can be used with the GSA Sales Query Reports by contractor to determine how well the pricing strategy is working for competitors in generating sales.
- **Sales Channel** – Not provided. No information is provided on who the services are provided to.
- **Service Support** – The GSA Schedule List provide details on additional services provided by competitors.

### **USASpending.Gov**

USASpending.Gov is a searchable online database, accessible to the public that at no cost, that identifies federal government awards of \$25,000 and above since the year 2000. Each award includes the following searchable fields: name of the entity receiving the award; agency

providing the award; product/service category (NAIC and PSC); amount of the award; transaction type; funding agency; performance location to include state, city, and congressional district (USASpending.gov, 2012). The database provides a graphical interface that allows users to drill down by agency, U.S. map location, or awardee. The interface allows users to click on state, select award type to include contract, select product/service type, click on agency, click on vendor, click on lower level location, and finally display transaction details on each award. The system also allows the selection of a fiscal year or range of fiscal years. Reports can be displayed as trends or lists (USASpending.gov, 2012). The following query and reporting options were found to be supportive of the marketing plan elements:

- Market Opportunity – Searches by product/service category, agency, and location help identify existing market opportunities. The searches assist businesses in identifying matches with their core competencies and identifying new opportunities to expand product/services to match existing product/service offerings in the government.
- Target Markets – Searches by location and agency within product/service category identify target markets by location and agency.
- Market Potential Value – The systems offers both graphical and list views that provide sales values by product/service category, agency, and location.
- Product Features – Not provided. Transaction details and product/service category provide only the broadest of descriptions of the product or service provided.
- Product Promotion – Not provided.
- Merchandizing – Not provided.
- Product Pricing – Provides information in transaction details that shows overall dollar amount of award that can be used by a business when they lose a bid or proposal that identifies which contractor won and by how much. This is of limited use in adjusting pricing for similar proposals. This could possibly be cross matched with any available GSA contract data to compare and adjust pricing with competitors.
- Sales Channel – Agency and location searches provide information on sales channels to approach within specific product type searches.
- Service Support – Not provided.

### **Federal Procurement Data System – Next Generation (FPDS-NG)**

FPDS-NG is a searchable online database, available to the general public that shows the details of contract awards of \$3,000 and greater for the years 1981 to present. The system provides search and advanced search options for fields including: Agency Name, Contract ID, Solicitation ID, Vendor DUNS number, Vendor Name, NAIC, Vendor State, Vendor City, Vendor ZIP, and Congressional District. The system provides a listing of contract awards showing amount of award and a short description of the requirement. When a user clicks on view, the details of the award transaction are revealed. The system provides sort capabilities on any field such as agency, date, state, and fiscal year. The system also provides the capability of producing ad hoc reports as defined by the user (FPDS-NG, 2012). The following query and reporting options were found to be supportive of the marketing plan elements:

- Market Opportunity – Not useful. Searches would be of limited value since they provide only a listing of transaction details that are difficult to summarize.
- Target Markets – Searches by location and agency within product/service category identify target markets by location and agency.

- Market Potential Value – Not useful. Searches are of limited value since there are no summary totals.
- Product Features – Not provided. Transaction details and product/service category provide only the broadest of descriptions of the product or service provided.
- Product Promotion – Not provided.
- Merchandizing – Not provided.
- Product Pricing – Provides information in transaction details that shows the overall dollar amount of an award that can be used by a business when they lose a bid or proposal that identifies which contractor won and by how much. This is of limited use in adjusting pricing for similar proposals. This could possibly be cross matched with any available GSA contract data to compare and adjust pricing with competitors.
- Sales Channel – Agency and location searches provide information on sales channels to approach within specific product type searches.
- Service Support – Not provided.

## CONCLUSIONS AND FUTURE RESEARCH

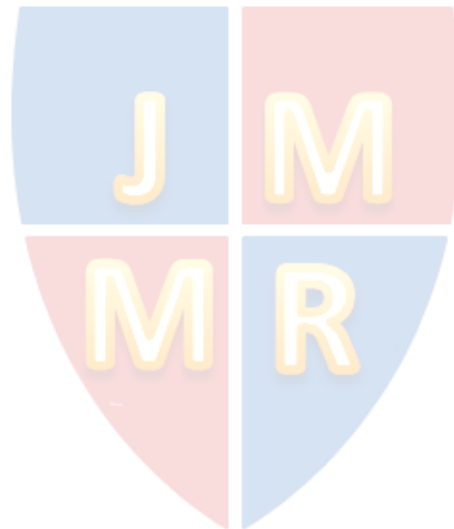
Figure 1 shows a framework of the relationships that existing federal procurement systems have with the elements required for the development of a federal market plan. The framework is based on an analysis of the query and reporting options available for each system. The framework indicates the sources needed in developing the various parts of a marketing plan. The framework also shows the shortfalls in information provided by the various systems that may require additional research and development.

The framework will be a useful guide for future research and as a guide to management practice in developing marketing plans for federal government marketing efforts. Future studies of interest involve development of an integrated methodology of using systems data to develop a marketing plan, a study of the changing nature and dynamics of federal procurement systems data, an analysis of the impact government regulations and systems have had on leveling the playing field for small businesses, and identification of additional data needs for marketing efforts with the government for small businesses.

## REFERENCES

- Amtower, M., 2011) Selling to the Government, John Wiley & Sons, Hoboken, New Jersey, 2011.
- Bradt, J., 2010. Government Contracts Made Easy, Summit Insight, United States,
- FedBizOps, 2012. Retrieved from <https://www.fbo.gov/> November, 2012.
- FPDS-NG, 2012. Federal Procurement Data System – Next Generation (FPDS-NG). Retrieved from [https://www.fpds.gov/fpdsng\\_cms/](https://www.fpds.gov/fpdsng_cms/) November, 2012.
- GSA eLibrary, 2012. GSA eLibray Schedules List. Retrieved from <http://www.gsaelibrary.gsa.gov/ElibMain/scheduleList.do;jsessionid=0287B64DE0E8FC8219C0E53C3B3B0FAE.node1> November, 2012.

- GSA Query, 2012. GSA Sales Query Report Generation System. Retrieved from <https://ssq.gsa.gov/ReportSelection.cfm> November, 2012.
- Kotler, P., & Keller. K., 2012. Marketing Management. 14<sup>th</sup> Ed., Prentice Hall, Upper Saddle River, New Jersey, 2012, p. 38.
- Parvey M., & Alston, D., 2010. The Definitive Guide to Government Contracts, Career Press, Prompton Plains, New Jersey.
- Santo, B., 2001. “The Fundamentals of Selling to the Feds”, Catalog Age, 18, 2001, p.34
- Slavens, R., 2007. “Look to the Mundane for Government Opportunity”, 2007 Guide to Vertical Marketing, 2007, p. 22
- Thai, K.V., 2001. “Public Procurement Re-Examined”, Journal of Public Procurement, 2001, 1, 1, pp. 9-10.
- USASpending.gov, 2012. Retrieved from <http://www.usaspending.gov/> November, 2012





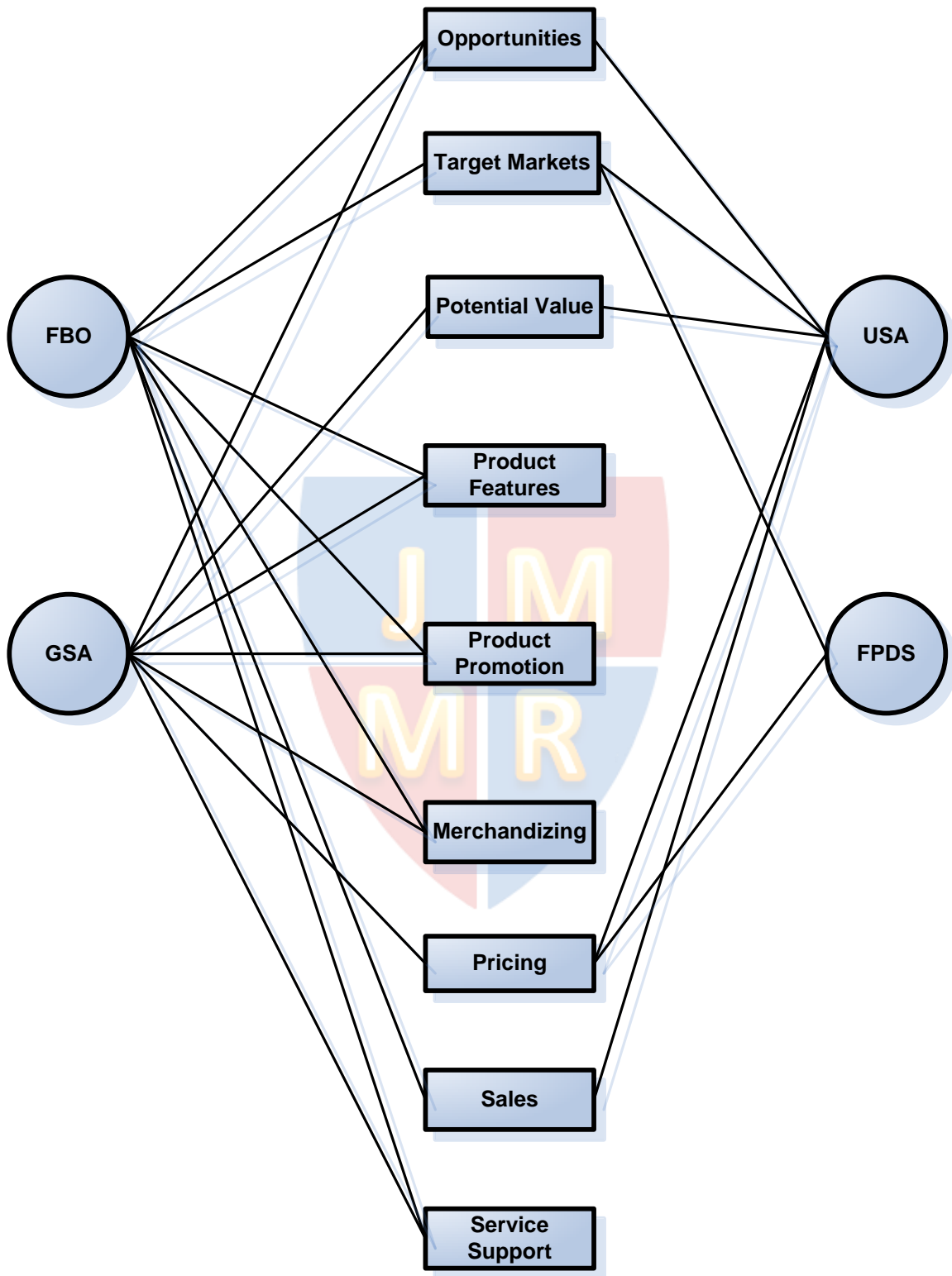


Figure 1. B2G Relationship Framework