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How Business Relational Attributes contribute to marketing strategy development

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Abstract

The study explains how mutually beneficial relationships are developed and how business relational attributes contribute to marketing strategy development. Attention is given to how senior B2B marketing managers in Korean companies create a culture of cooperation within the buyer-seller dyadic relationship. The study adds to the existing relationship marketing body of knowledge and outlines the antecedents of a relationship oriented business culture. More specifically, it explains how a cultural value system gives rise to a set of relational attributes which in turn reinforce the relationship marketing approach and the marketing planning process. A qualitative research strategy was adopted that incorporated an open ended, structured questionnaire. Fifteen senior B2B marketing managers based in three Korean firms participated in the study. Senior B2B marketing managers in Korean companies adopt the ‘market-based’ generative learning approach and place emphasis on marketing intelligence, marketing education and devising and implementing “innovative” marketing strategies. The sharing of information is considered important and occurs within a collectivist decision-making context that gives rise to trust based relationships among partner organizations. The relationships developed are viewed as sustainable and require that individual employees are committed to the concept of mutuality. The paper has a B2B marketing management focus but draws on and is underpinned by management theory. Evidence of this can be found in the linkage between management culture theory and B2B marketing policy.

Keywords – Organizational culture, Marketing intelligence, Marketing strategy, Relational attributes
Introduction

Researchers connected with the Industrial Marketing and Purchasing (IMP) group have over the years contributed much to our understanding of how B2B marketers interact with their counterparts throughout the supply chain in order to facilitate business between organizations (Fonfara, Ratajczak-Mrozek and Leszczynski, 2018). At the heart of the interaction between B2B marketers is an adherence to relationship quality as it is a central concern of B2B marketers and is still the focus of debate among various researchers. Leuthesser (1997) has contributed to our understanding of this topic by suggesting that the interactions between individuals in companies are influential in terms of the type and quality of the relationship that evolves between parties, and ultimately, this rests with senior management and the investment that marketing staff are prepared to put into the interactive process itself. At the heart of the interaction process, is how relational behaviour results in improvements in relationship quality (Leuthesser, 1997). Bearing this in mind, the work undertaken by Graca, Barry and Doney (2015) is worthy of attention as it draws on and highlights the need for B2B marketers to think in terms of building relationships that imbue commitment, trust, communication, cooperation and which avoids conflict. These themes all have relevance in terms of stand alone marketing theory or subthemes of marketing theory, and are all worthy of attention.

The study referred to in this paper does not replicate the work of Ivens (2004) who researched the impact of relational behaviours on relationship quality taking into account commitment, satisfaction and trust, and nor does it set out to corroborate the findings of Dyer and Chu (2000) and Fitzgerald and Kim (2004) because we do not include in our work reference to the actions or influence of government. We study the context within which mutually beneficial relationships develop and are maintained, and argue that business relational attributes contribute to marketing strategy development. This is achieved by explaining how senior B2B marketing managers in Korean companies create a culture of cooperation within the buyer-seller dyadic
relationship. The study adds to the existing body of knowledge relating to relationship marketing and provides a backdrop to the various insights offered by researchers such as Woo and Ennew (2004) into how customer service can be improved as it outlines the antecedents of a relationship-oriented business culture.

By ensuring that the organization’s existing and potential capability are aligned, B2B marketers, through the implementation of marketing strategy, can create value for existing and future customers (Narver and Slater, 1990; Hunt and Morgan, 1995; Zhou, Li, Zhou and Su, 2008) and in so doing develop relationships with customers (Morgan and Hunt, 1994; Godson, 2009) that are viewed as ongoing. In order to explain how business relational attributes facilitate marketing strategy development and the development of customer relationships, the authors of this paper undertook a study involving fifteen senior B2B marketing managers, equally apportioned in three Korean companies. The participating senior B2B marketing managers were from the automobile, construction and electronics industries. The companies that participated in the research adhere to strict legislation and regulatory conditions, and operate industry norms (Ungson, Steers and Park, 1997). The companies selected for the study were based in Seoul, South Korea, and can be considered highly successful as they each had a global business network. The success of each of these companies can be attributed to a number of factors but mostly to the way in which senior managers utilized technology and upgraded the company’s production facilities through time (Nakata, Im, Park and Ha, 2006). It can also be suggested that each company had a clearly defined organizational and business culture that was marketing oriented, and they had well established B2B marketing practices in place.
Theoretical background and conceptual model

Knowledge exchange, normally occurs between small groups of individuals in a number of firms (Barney and Hansen, 1994), hence, the concept of in-group activity is viewed as important and influential. Reflecting on the term ‘value’. It can be deduced that the term value is not just associated with people developing and utilizing specialized knowledge, it is also associated with “social networks that enable sharing of that knowledge” (Bartlett and Ghoshal, 2002, p.38). Relational behaviour is therefore, an important and contributing factor in determining the quality of a buyer-supplier relationship. A relationship can for example be viewed from the perspective of value creation (Grönroos and Helle, 2012) and would give rise to mutuality. For the purpose of this study, we adopt the definition of mutuality provided by Paswan and Young (1999, p.446): “Mutuality reflects the importance accorded to long-term payoffs in contrast to the results of individual transactions which are characteristically low resulting in close monitoring of exchange partners”. We adhere to the view that mutuality is linked with commitment (Rajamma, Zolfagharian and Pelton, 2011) and resonate with the view of Lee, Kim, Kim, Lee and Lim (2015) who argue that relationships are developed through time and influenced by a number of factors including the duration of the relationship. In addition, it is we feel relevant for B2B marketers to think in terms of stakeholder relationships that are underpinned by a personalized style of management, draw on personal engagement and result in differentiation (Jamali, Zanhour and Keshishian, 2009), and a unique product and service offering. This is an important observation because as Christopoulos (2006, p.758) argues, it leads to the formation of networks that are composed of relational ties and in addition, companies exhibit a unique form of structural integration.

The conceptual framework outlined in Figure 1, has been developed from the extant literature and outlines how B2B marketers contribute to the marketing strategy process within an organization and how they utilize organizational learning and customer intelligence. It also
outlines how business relational attributes give rise to a distinct marketing strategy, which evolves from a culture of cooperation. The research question we address, is how can B2B marketers help develop a sustainable business culture that improves the strategic decision-making process of the organization? Of key importance is how B2B marketers embrace cooperation, utilize organizational learning and engage in the marketing intelligence planning process.

**Figure 1: Conceptual Framework: Buyer-seller interaction**

![Conceptual Framework](image)

**Literature review**

**Placing organizational learning in context**

Paladino (2007) postulated that organizational learning influences both resource orientation and market orientation. Indeed, organizational learning can be divided into two different types of learning: adaptive learning and generative (double-loop) learning (Senge, 1990; Morgan, Katsikeas and Appiah-Adu, 1998). Adaptive learning is about utilizing the knowledge gained and improving quality and efficiency *vis-à-vis* existing operations. Generative learning is more concerned with creating and developing new ways of thinking and has an impact on exploitative innovative strategy (Morgan and Berthon, 2008). Bearing this in mind, it can be suggested that organizational ‘market’ based learning requires that B2B marketing managers
“undertake both exploratory and exploitative learning processes in parallel when conducting product development projects” because “the two market learning dimensions affect different aspects of new product advantage along different paths” (Kim and Atuahene-Gima, 2010, p.532). There are implications for cross-functional collaboration, typified by intra-firm knowledge exchanges that are embedded in an organizational context (De Clercq, Thongpapanl and Dimov, 2011)

The quality-knowledge dynamic

Quality in marketing terms is essentially about the ability of a product to perform to the required level of customer expectation (Swart and Kinnie, 2010). B2B marketing managers do, therefore, need to think in terms of how marketing staff can provide a satisfactory level of service that allows the organization to achieve success. By adhering to a known quality standard, an organization can create value and build a platform from which to develop a positive relationship with its customers. Transforming information into knowledge is a key aspect of the knowledge management process and should be placed in a learning culture context, which can be defined as “an integrated system of ideologies, values, and beliefs that provide behavioural norms for KM activities” (Hult, 2003, p.189 and p.192).

Insights into relationship marketing

Ravald and Grönroos (1996, p.19) support the view that relationship marketing is focused on taking care of customers in order that they remain loyal to the organization and underpinning this is a commitment to total quality management (Palmer, 1997). We can assume therefore, that B2B marketers in supplier companies are charged with improving relationship quality and this is done through the development of trust based relationships that are viewed as beneficial to the parties concerned (Leuthesser, 1997, p.246). By enhancing customer-perceived value and building trust between the buyer and supplier, it is possible to achieve a mutually profitable
relationship between the parties involved. Bearing in mind that an organization has a number of internal and external customers, and relationships are established and ongoing, we adopt the relationship marketing view offered by Morgan and Hunt (1994, p.22) who state: “Relationship marketing refers to all marketing activities directed toward establishing, developing, and maintaining successful relational exchanges”. In addition, we concur with Morgan and Hunt (1994, pp.24-25) who maintain that trustworthy relationships are built on confidence and commitment, and give rise to shared values. Commitment is viewed as central to relationship building as it manifests in social bonding (Conway and Swift, 2000, p.1393) and takes into account the ability of individual partner organizations to be held accountable for how they perform (e.g., achieving quality standards and meeting targets).

Marketing intelligence does make clear how competing companies organize their marketing operations. B2B marketers need to be aware that cultural distance can be placed in and related to different operational contexts (Yamin and Golesorkhi, 2010). The key point being that marketers need, if they are to devise sustainable marketing strategies, to reflect on the role played by employees (as evidenced through their commitment, motivation and performance outcomes). This approach has the advantage of allowing marketers to identify knowledge and performance gaps that need to be filled (Hooley, Greenly, Cadogan and Fahy, 2005) and should set in motion a communication process that supports peer group decision-making that results in solutions being found to solve recurring marketing problems. As a consequence, B2B marketers need to think in terms of relationship marketing being associated with organizational design, overall business strategy and organizational performance (Vorhies and Morgan, 2003).
Methodological approach

The research method selected was deemed appropriate for obtaining insights into how business relational attributes could be identified and having taken advice from three gatekeepers, based at each of the Korean firms that participated in the study, the senior B2B marketing managers identified as most knowledgeable in terms of how to improve marketing performance were identified and after consultation, agreed to participate in the research. The three participating companies were: an automobile company; a construction company; and an electronics company. Each of the companies that participated in the research was well known in Korea and the insights provided by the senior B2B marketing managers were used to explain how marketing staff within Korean companies make marketing decisions, engage in relationship building, and how they implement the relationship marketing approach.

An open ended, structured questionnaire was developed from an extensive literature review. The questionnaire was piloted prior to the collection of the data, and discussions were held with the individual gatekeepers. Following the discussions with the gatekeepers, it was decided that the questionnaire would be limited to eleven questions only and translated from English into Korean. One of the researchers was fluent in Korean and undertook the task. By limiting the questionnaire to eleven questions, it was agreed that the senior B2B marketing managers identified to complete the questionnaire would be prepared to spend upwards of two hours each providing written answers. The following themes and sub-themes were identified: open communication and information exchange; marketing strategy and organizational culture; promoting organizational learning; developing a high level of resilience; risk assessment and various threats; a governance mechanism and marketing orientation; innovative strategic marketing; trustworthy partnership arrangements; innovate product and service strategies; a hybrid organizational culture; and a learning organizational culture and new knowledge.
By following the guidelines provided by Patton (1990), and Strauss and Corbin (1998), it was possible to analyse the data using open labelling, axial coding and selective coding in order to add density and validation (Strauss and Corbin, 1998). Each of the senior B2B marketing managers that participated in the research had been with their organization for over twenty years and it was agreed that the names of the individual managers as well as the companies would not be made public. The researchers ensured that the back-translation of the questionnaire, from English into Korean, and the back-translation of the completed questionnaires, from Korean into English, were undertaken in an appropriate manner. In total, 15 fully completed questionnaires were returned by the senior B2B marketing managers. The analysis of the data was undertaken manually as this was considered most acceptable bearing in mind the volume of the material and the complexity of the subject matter.

**Research findings and discussion**

The senior B2B marketing managers in all three companies adhered to the three component elements related to psychic distance outlined by Hallen and Wiedersheim-Paul (Conway and Swift, 2000, p.1400): the degree of cultural affinity; the level of mutual trust; and the level of experience of the individuals concerned. If there are high levels of affinity, trust and experience, then it is likely that there will be a high level of psychic closeness and thus a constructive business relationship that is commitment oriented. Because the degree of cultural affinity is associated with the national level, attention needs to be given to the role that cultural value systems play in the formation of international marketing relationships.

It is clear that the senior B2B marketing managers in each of the companies that participated in the study adopt the ‘market-based’ generative learning approach (Morgan and Berthon, 2008), however, the senior B2B marketing managers in the automobile company are more proficient at this than the senior B2B marketing managers based in the other companies. The
senior B2B marketing managers in all three companies place emphasis on marketing intelligence, marketing education and devising and implementing “innovative” marketing strategies. The sharing of information is considered important with regards to building trust (Park, 2011) and establishing mutuality.

The overall learning process within Korean firms is facilitated by knowledge creation and development, and what is important to note is that an individual’s uniqueness is viewed as providing learning sources for the company. It can be argued that learning sources are viewed as industry specific and the outcome of the ‘generative learning’ approach helps to build and maintain trust based relationships with managers within the company, with managers in partner organizations and with customers.

The senior B2B marketing managers in all three Korean companies possess an adequate understanding of what a technical product represents (Rubera, Ordanini and Calantone, 2012) and manage and organize marketing intelligence operations in order to utilize information and knowledge from outside the organization (Henard and McFadyen, 2005). This approach ensures that market orientation is viewed as pro-active and continual (Narver, Slater and MacLachlan, 2004).

It would appear that the senior B2B marketing managers in all three companies are keen to implement a customer service policy and this is another way in which the concept of ‘mutuality’ is promoted. They aim also to provide an enriched customer experience (Ramaswamy, 2011) and in order to do this they pay specific attention to how partner organizations use marketing planning and set marketing objectives in terms of providing a high level customer service policy. Hence senior B2B marketing managers in Korean companies adopt an ‘outward looking’ and ‘market-based’ generative learning approach
(Morgan and Berthon, 2008) and deploy ‘adaptive learning’ in order to elevate the learning process within the organization and within partner organizations so that the skill base of employees is improved through time.

Conclusions and further research

On reflection, it can be suggested that senior B2B marketing managers in Korean companies place emphasis on acquiring and developing knowledge from a range of sources and the knowledge enhancement process itself is strengthened through continual communication between the parties involved. Various mechanisms are put in place to ensure that the knowledge generated is documented, and allows those making decisions to ensure that the company operates within industry regulations. Technical knowledge and knowledge about the product is shared and is used to influence behaviour (Hult, Ketchen and Nichols, 2003) and improve the marketing planning process. The learning process is enhanced continually (Contu and Wilmott, 2003) and it can be argued that Senior B2B marketing managers in Korean companies are meticulous in terms of specifying what organizational learning is to achieve, and how partner companies are to be integrated into the company’s organizational learning model.
References


