Business-to-Business Marketing Communications: A Descriptive Study

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The paper aims to understand Business-to-Business (B2B) communication in international context. It's basically a literature review based on available secondary publications. The Schramm Model of Communication has been reviewed to understand the communication and promotional practices of B2B marketers in line with Hall's Low-context and High context cultural dimensions. The review finds that B2B communication is far more complex in international setting because of its unique cultural differences as well as unique behavior and role of buying center. As buying center plays an important role in decision making process, B2B marketers use rational appeal in communication and promotional messages. Salesperson is widely used in B2B communication as compared to those of other media such as advertising, sales promotion etc. With limited use of broadcast media, B2B marketers use other alternative channels, for example, internet, web sites, corporate blogging, email etc. Finally, implication and future directions have been discussed for further researches.

Key Words: Business to Business (B2B) Market, Communication, Low Context Culture, High Context Culture.

1. Introduction

Firm's international B2B marketing communications are often influenced by cultural forces which are multi-dimensional and complex in nature. Each market represents unique socio-cultural as well as economic, political & legal and technological environment within which firms operate. The development of successful communication strategies is based on understanding these unique environmental influences of which cultural elements remains vital for marketing communication strategy. Fill (2009) states that though marketing is about many things, but one of its central themes is the management of buyer behavior and development of effective marketing and communication strategies accordingly. The international context consistently introduces some additional barriers like time zone, language, lack of limited face-to-face contacts and

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cultural differences resulting in information breakdown which is so critical to relational exchanges between suppliers and buyers (Samiee &Walters, 2006).

Many scholars argue that since social and cultural influences link each other and have a great impact on buyer behavior process, marketers must understand them carefully (Doole & Lowe, 2004; Nes, Solberg & Silkoset, 2007). Hofstde (1980) described these influences have been driven by four underlying cultural dimensions, i.e., individualism vs. collectivism, large vs. small power distance, strong vs. weak uncertainty avoidance, and masculinity vs. femininity. Differences in national culture make communication difficult that impact badly on trust toward the foreign partners (Nes, Solberg & Silkoset, 2007). In addition, there are some countries where the use of foreign language in promotional activities is prohibited (Albaum, Strandskov & Duerr, 2002). Selnes (1998) stated that cultural distance negatively influence key relationship constructs such as trust, commitment and reputation and subsequently relationship performance and success. Even Buckley and Casson (2009) argue that a scientific outlook and system thinking are unlikely to develop in countries where there is a close connection between religious beliefs and attitude to nature resulting in mysticism and superstition and as a consequence, their ability to absorb technological know-how is very low.

A study conducted by Schramm-Nielsen (2001) in the context of France and Denmark reports that French managers usually aim at showing intellect and creativity and less oriented toward operation and implementation whereas Danish managers aim at being pragmatic, realistic and result-oriented including the phase of implementation. At the same time, US managers as well as some westerners are found to be 'time-bound' (Usunier & Lee, 2009) and emphasize more on free flow of accurate and relevant information because of their very basic nature toward objectivity in decision making which are opposites to Asian nations (Cateora & Graham, 2007). Even humor or jokes can be a 'double-edged sword' when parties concerned do not share the common culture (Doole & Lowe, 2004, p.85). Firms with strong ethnocentric orientation (cultural factor) may limit their search for suppliers to suppliers from their own country while for more internationally oriented firms, the country of origin effect may distort information collection and appraisal (Doole & Lowe, 2004). Furthermore, the unconscious reference to one's own cultural values. popularly known as Self- Reference Criterion (SRC), poses great problems when encountering other cultures (Lee, as cited in Nes et al., 2007). Two people from different cultures may see or hear the same message but may interpret the message differently by unconsciously ignoring or increasing the significance of different parts of the message (Rosenbloom & Larsen, 2003).

2.0 Literature Review

Although a vast number of literatures has been found in the field of consumer market with regard to international marketing communication context, very few has been found in the B2B market setting. So far the authors perceive this particular area has been overlooked by the researchers due to its less significance in B2B buying decision. The following literatures, however, explain the paramount importance of cross-cultural influence on marketing communication process in international B2B setting.

2.1 Hall's Classification of Culture: Low-Context Vs High Context

Hall's (1983) classification of cultures what he referred to as "low context cultures" (e.g. USA, UK, Canada, Germany, Australia) and "high context culture" (e.g. Japan, China, Italy, Brazil, Spain) are also used in crosscultural analysis and communication strategy. For example, in low context cultures, most of the information between sender and receiver is contained in the message and the message should be explicit and detailed because each party will rely on the information contained in the message. However, in high context cultures, instead of relying on the explicit and detailed information, both the sender and the receiver rely on the context, for example, personal relationship and mood, of the communication process to convey the message. (Rosenbloom & Larsen, 2003).

2.2 B2B Buyer Behavior

Like final consumers, an organization purchases product to fill needs but its primary need is meeting the demands of its own customers (Boone & Kurtz, 2005, p. 284). The buyer in the Business-to-Business (hereafter referred to as B2B) market is an individual or organization who gains profit from sales through the purchase of goods and services for production (Cheng, Han & Cao, 2011). Kotler and Keller (2012, p.205) define business market which "consists of all the organizations that acquire goods and service used in the production of other products or services that are sold, rented, or supplied to others".

The major characteristics of B2B market which differs from those of B2C markets are its geographical concentration, relatively fewer larger buyers, derived demand, rational buying behavior, professional purchasing, multiple sales calls, inelastic demand, fluctuating demand, direct purchasing, close supplier-buyer relationship, group decision making etc.(Lancaster & Massingham, 2011; Kotler & Keller, 2012). In addition, system buying and selling is another important feature of B2B market particularly for large government purchases that include soliciting bids from prime contractors who will provide the turnkey solution to get the job done (Kotler & Keller, 2012, p. 209).

2.3 The Role of Buying Center

The most important feature of B2B market is the role of buying center. The buying center consists of members from different department and levels in the hierarchy who play the roles of users, influencers, decider, buyers and gatekeepers (Lancaster & Massingham, 2011; Kotler & Keller, 2012). Each member of the buying center is the member of a particular department and occupies a position in the organizational hierarchy (Shashi, 2009). The variety of skill and knowledge within the buying center may be high and as more individuals are engaged in information searching, they can access a greater amount of information relating to product and service, allowing for a more objective evaluation (Homburg, Klarmann & Schmitt, 2010). However, the most troublesome job is to identify the members of buying centers (Boone & Kurtz, 2005). It is observed that in some less developed countries, line managers often make the purchase decision and sometime buying center in some foreign countries includes more participants than U.S. (Boone & Kurtz, 2005, p. 305).

2.4 Factors affecting the buyer behavior

The decision making in B2B market is affected by four different factors, for example, a) Environmental factors; b) Organizational factors such as organizational structure, policies and resources, size & composition of buying center, purchasing policies and systems etc.; c) Inter-personal or group factors such as number of individual in the buying center and relationship among them, use of power and sources of conflict etc; and d) Individual factors (Webster and Wind, 1972 as cited in Wilson and Gilligan, 2005).

Organization with similar needs but with different composition of buying center may differ in different product choice because of differences in buyer behavior (Sashi, 2009). Although the individual members of a buying center are guided by the company's objectives, they have their own motivations and objectives and evaluate the performance of the product and service according to their own reference standard (Chumpitiaz and Paparoidamis, 2004). Therefore, individuals try to reduce the level of risks they are exposed to by using multiple sources and doing extensive information search (Lancaster and Massingham, 2011).

2.5 Schramm Model of Communication

The prime aim of marketing communication is to change the attitudes and opinions of buying center's members from different cultures with the mixture of personal and non-personal communication tools aimed at firm's buying unit (Chlebisova, Kyzekova & Zajarosova, 2011). To better understand

the communication between sender and receivers, Schramm Model of communication has been used here.

In this diagram (Figure 1) we see that sender encodes the messages through signal (media or channel) to the receivers who decode the meaning of the messages under a noisy environment. Once the signals are passed through the selective filtering process, it is the "interpreter" which adds meaning to the decoded signal and places the information in an active or inactive memory (Williams, Spiro & Fines, 1990). Receiver then provides feedback about the messages to the sender. The most important thing here is the field of experience between the sender and the receivers. In addition, both the sender and receiver are the products of their own field of reference or expertise and if the field of experiences does not overlap, communication will be difficult (Rosenbloom & Larsen, 2003). Thus the task of marketing communication is to present the key messages in such a way that the meanings are relevant and comprehensible by the target audiences (Fill, 2009). When communication from both ends fails to decode the message appropriately because of their own but different field of experiences, message distortion happens despite of hearing the same message by both entities.

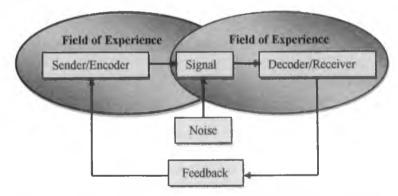


Figure 1: (Adapted from Schramm (1955) Model of Communication).

3.1 Objective of the Study

The main objective of this paper is to evaluate the role of culture on marketing communication in B2B market setting. In this connection, the study further aims:

- 1. To understand the B2B buyer behavior;
- 2. To comprehend the role of buying center in information processing regarding supplier selection and product choice;
- 3. To reveal the importance of promotional tools used by the B2B marketers;

- 4. To depict the practice of different media used in B2B marketing communication;
- 5. To recommend some policy implications of the findings.

3.2 Methodology of the Study

The paper is basically a desk study based on existing hiterature. A well-known Schramm Model of Communication (1955) has been used in this paper to understand different stages of communication process in international B2B market. To conduct this research, the authors first selected some keywords, such as, Business-to-Business Marketing, marketing communication models, cultural dimensions, communication strategy and these keywords were used to search databases like Emerald, JESTOR, Willy and Sage Journals Online. Also, search engine Scholar Google was used to find out relevant literatures from other sources. Articles were sorted out based on their names, keywords, and abstracts. The authors further searched the same keywords in the indices of scholarly books of Marketing and Consumer behavior. Data were collected from seminar and conference proceedings as well.

4.0 Analysis and Findings

4.1 Impact of Culture on Message Encoding and Decoding

Cultural values have great influences on message encoding and decoding between senders and receivers (Peltokorpi, 2010). A study of Pornpitakpan (1999) argues that when Americans deal with Thai people, it is beneficial for the Americans to behave like native Thais and to communicate in Thai but if it is not possible to communicate in Thai, then at least behave like Thai. Again he observed that if the Americans have stayed in Japan for more than 15 years but cannot speak and understand Japanese language, it is perceived negatively by Japanese and provide signal to American's lack of motivation and seriousness in doing business in Japan and lack of willingness in adapting Japanese customs and manners. Although, English is often used as a common language across the nationalities (Doole & Lowe, 2004), in Europe, an estimate shows that fewer people in France, Spain and Italy have very good command in English and most of them are very reluctant to communicate in English (Cateora & Graham, 2007). In addition, most of the challenges come from the 'salient language' spoken by different high context cultures (Ghauri & Cateora, 2010, p. 495). The meaning of time, space, color, symbol, icon have different connotations in different cultures (Kotler & Keller, 2012), for instances, for many British, it is crude to show a two-fingered peace sign when turned around, many Greek feels offensive when exposed to the hand-making a high five sign (Cateora & Graham, 2007).

Even, in Japanese and Chinese languages there is no existence of the accurate word 'no' while a word 'yes' in certain situations may actually mean 'no' (Usunier & Lee, 2009; Ma, 1996). A General Motors manager once expressed his frustration to a friend of the author's by saying, "I don't understand you Asians! You say 'no' when you are supposed to say 'yes' and say 'yes' when you are supposed to say 'no' ". Adopting a text-based encoding and decoding approach, Anglo-Americans are often confused by East Asians' 'contrary-to-face-value' verbal responses during interactions (Ma, 1996, p. 257). To avoid confrontation, a direct rejection of other's proposal is discarded in favor of an ambiguous "yes", which only means 'I understand your position' or 'I am listening to you'. Thus, Pornpitakpan (1999) suggest that the use of native language is consistent with the maxim of communication that messages are best transmitted to the receiver's language and the use of familiar symbols and cues in the message can facilitate the receiver's decoding of the message.

4.2 Promotional Tools Used in B2B Marketing Communication

B2B marketers usually use personal selling instead of mass communication and promotion because of mutual understanding and close relationship between buyers and sellers (Constantinides, 2006). Duncan and Moriarty (1998) suggested that non-personal mass communication need to be supplemented especially in B2B context by personalized communication if the relationship is objective. They also acknowledged that to reinforce and maximize interaction, both one-way and two-way communications are to be used strategically. Dyer and Chu (2000) also argue that face-to-face communication is viewed as an effective means of developing personal bonding thereby increasing the value of social interaction. A further precaution need to be taken regarding the eye-contact in face- to- face communication. Unlike Japanese and Chinese, for example, it is a general tendency of European, American and Australian to look people straight in their eyes while talking and any deviation from such conduct means unfriendly, defiant and impersonal to them (Usunier & Lee, 2009).

Under such a context, Gaunaris (2005) suggests that contact person should be selected based both on their professional expertise and on their competence to effectively manage interpersonal communication. Moreover, if the salespeople and the buyer come from different cultures, salespeople should be trained by showing video-presentation so that they can comprehend the verbal and non-verbal cues of the buyer's language (Williams et al., 1990). According to Hall as noted above, people from high context culture emphasize more on non-verbal cues such as surrounding and personal relation than verbal word.

However, some prejudices are noticed in different parts of the globe relating to face-to-face communication during different occasions and festivals. For example, some cultures do not think it appropriate for face-to face communication and negotiation especially during Ramadan in Muslim countries, summer holidays in July and August in Europe, period between Thanks-giving and New Year in USA and so on (Ghauri & Cateroa, 2010). Likewise, as personal selling is an expensive tool; many B2B marketers use it cautiously where it is very effective in closing the sale and developing the relationship. Alternatively, they utilize other tools such as advertising, trade promotion, public relation, trade fairs and exhibition etc. to create awareness, to develop interest and uproar desire (Egan, 2007).

4.3 Rational Appeal Vs Emotional Appeal

Communication should reflect suitable balance between the need for rational information to meet objective needs and expressive types of communication to meet emotional needs (Fill, 2009). It has been observed that firms in collectivist culture form ties based on personal relation such as trust instead of economic reward and strategic objectives that are found in individualistic society (Williams et. al., as cited in Doney, Barry & Abratt, 2007). Many studies find trust and commitment plays an important role in promoting the buyer-seller relationship (Doney, Barry & Abratt, 2007; Lancastre & Lages, 2006) Although, Doney, et al. fail to unveil significant relationship between national wealth (GDP per capita) and trust of the suppliers, they argue that B2B services encounter possibly increase the importance of trust irrespective of cultural norms and values.

However, as buyers, influencers are all human beings, sometimes they take decision based not on rationality but on emotion, although in most of the cases much printed communications e.g. catalogues, trade magazines, flyers etc. concentrate more on product's features and specifications rather than on emotional appeals (Egan, 2007). As Gilliland and Johnston (1997) have found that those who have a higher 'buy-task involvement' (BTI) will process information via the 'central route' and look for rational information while others who have a low BTI use 'peripheral route' and focus more on design and layout of the message but give significant input to decision making process therefore mixing both rational and emotional appeal with right proportion.

4.4 Media/Channel and Mode of B2B Marketing Communication

As advertising plays a minor role in B2B marketing communication, the use of broadcast media is restricted; of which print and a range of digital media particularly Internet, web site, email activities, corporate blogging, videoconferencing, mobile are important (Fill, 2009). Sharma and Tzokas

(2002) argue that Internet is expected to reduce the size of the sales force. But still in some cases, business people of Hong Kong, for example, prefer face—to face communication to email (Young & Graham, 2006). One study of Rosenbloom and Larsen (2003) shows that when cultural distance is large, communication between buyer and seller frequently takes place via fax and telephone instead of email and written communication. They further report that email is more likely a "low context" mode of communication because of its frequent uses by countries from low context culture.

However, Eid and Trueman (2004) opine that the area of Internet is developing and E- commerce application will certainly affect many business processes and as such the use of texts and images in the web pages require more concern because buyers use web pages for quick search. Boone and Kurtz (2005, p. 140) argue that B2B online marketing usually does not need the same glitz and glamour as the B2C segment. Recently, B2B marketers are using popular on-line social networking sites such as Facebook, QQ, WeChat, Twitter; LinkedIn, You tube etc. for promoting their business (Chlebisova, et al., 2011). However, the use of such medium is relatively high in low context cultures (Cateora & Graham, 2007).

Therefore, Fill (2009) suggests that marketing communication manager (B2B) should use customized, regularized and balanced communication in order to ensure customer loyalty and satisfaction that lead to close buyer-seller relationship.

5.0 Implication and Conclusion

From the above illustration, it can be safely said that international factor particularly culture has had a great influence on communication between buyers and sellers across the globe. Marketing communications are used extensively to inform, persuade, remind and reinforce the customers in their decision making process under different buying situations. The communication manager's first task is to identify the buying center members and their respective roles accordingly so that personalized communication message could be developed thereby helping them to make purchasing decision.

Likewise, the above findings show that both spoken language and other silent or non-spoken language remain critical for communication. In that case, it is suggested to use local salespeople who have profound cultural background and knowledge useful to better communicate with the buyers. In case of foreign salespeople, effective training program should be undertaken to make them understand about different cultural norms and values.

Moreover, marketers must blend right proportion of traditional personal and non-personal promotional tools and look for the latest but effective tool such as event marketing, sponsorship, product placement etc. so that messages can be delivered successfully and in an unified manner.

Furthermore, marketer should utilize the full potentials of internet and modern communication vehicles or modes especially social networking sites and blogs that allow the buyers third party feedback and quick access to information.

This paper has highlighted grossly on cultural phenomenon and partly on technological aspects bypassing other stringent factors like economic, political & legal etc. because of time and word limitations. However, the main limitation of this paper is that it is basically a theoretical paper not an empirical one. The paper is rather descriptive than suggestive. Future research will definitely shed the light upon the empirical study on cross-cultural influence on B2B marketing communication context which until now has received less attention from scholars.

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