EXPLORING HOW BUSINESSES USE SOCIAL MEDIA IN B2B RELATIONSHIP MARKETING

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Abstract- Although companies have started to utilise social media as one of their value-adding strategies, research into social media is limited and focuses more on the business-to-consumer (B2C) rather than on the business-to-business (B2B) relationships. This paper seeks to understand how social media play a role in the B2B relationship marketing. 26 in-depth interviews were performed with employees who work in relationship marketing fields in Malaysia. The findings indicate that Facebook is the most commonly used social media and that company's website is often linked with its social media presence. The findings also indicate that companies most commonly used smartphone, followed by desktop, when interacting with other businesses via social media. This research also indicates that although companies encourage training for staff development, there is no direct relationship between staff training and how companies utilise social media.

Keywords- Social Media, Business-to-business (B2B), Relationship Marketing, and Web 2.0

I. INTRODUCTION

The main objective of relationship marketing is to develop and maintain committed buyers who are profitable for sellers [1] and, concurrently, to reduce the effort and time on buyers who are less profitable. Relationship marketing can be conceptualized from a number of different perspectives including from the perspectives of philosophy, strategy, and technological tool. From the technological tool and practitioner's viewpoint, relationship marketing enables sellers to use technology [2] as one of key strategic resources to improve relationships with buyers [3]. This perspective of relationship marketing also recognises that loyal buyers can only be satisfied if the seller-buyer interactions are viewed within the context of ongoing relationship instead of one transaction [4].

For the purpose of this research, relationship marketing is defined as "an ongoing process which involves the development and leveraging of market in intelligence for the purpose of building and maintaining a profit-maximizing portfolio of customer relationships" [5].

When viewed as an ongoing process, relationship marketing can be defined in two levels which include macro and micro elements. The macro level of relationship marketing includes business activities undertaken for the purpose of developing durable, mutually-beneficial, and profitable buyer relationships [e.g. 6, 7, 8].

From a micro level perspective, relationship marketing is viewed as an ongoing process relating to managing specific interactions for the purpose of developing and maintaining long-term yet profitable relationships [e.g. 9, 10, 11].

II. LITERATURE REVIEW

A. Relationship Marketing

Despite various levels, relationship marketing also exists in many forms including in the form of 1) business-to-consumer (B2C), and 2) business-to-business (B2B)[12]. Relationship marketing in the form of B2C are often associated with consumer goods and services whereas relationship marketing in the form of B2B are related to the supply chain [12]. Consistently, M□ller and Halinen (2000) suggest that relationship marketing theories can be divided into two areas which are 1) market-based relationship marketing and 2) network-based relationship marketing.

The major difference between market-based relationship and network-based relationship is that market-based relationship marketing involves comparatively simple exchange relationships and presumes a consumer market context (B2C); whereas network-based relationship marketing concerns complex relationships and presumes a network-like business context (B2B). This research focuses on relationship marketing in the context of business-to-business (B2B). Therefore, for the purpose of this research, a network-based relationship marketing perspective is utilised. The fundamental differences between these two types of perspectives are detailed in Table I.

Table I
Assumptions Concerning the Context of Relationships in Consumer Relationship versus Interorganisational Relationship – Focused Research Traditions

Consumer Relationships: Market Perspective	Interorganisational Relationships: Network/Systemic

	Perspective
There are many potential customers who form a market of potential 'relationships'.	There is a limited number of potential partners. Interdependence based on resource heterogeneity forces the actors to cooperate; network environments emerge.
Many customers / marketers and relatively homogeneous resources lead to atomised markets characterised by low interdependence.	Relationships are embedded in networks and the channel system.
The S-O-R* view emphasising customers' response profiles; how they react to marketers' activities.	Mutuality and history are essential in understanding episodes, relationships and the network context
Markets can be segmented based on response profiles; the ultimate level is individual segments'.	There are several 'levels' in network relationships (supplier, supplier's supplier, buyer, buyer's buyer).
The market is generally taken as a given model of competition and it forms the context of exchange relationships.	Competition and cooperation are the primary forces shaping relationships and networks.
The market is a resource allocation mechanism.	Relationships are important in coordinating and creating resources; not only in allocation.
Relational exchanges of working partnerships as in channels of distribution	Relationships shape networks, network dynamism is relevant

*Summary of Response (S-O-R).
Source: Adopted from [13].

When it comes to relationships among businesses, companies have started to utilise the web as one of the value-adding strategies [14, 15]. For instance, companies use social media, such as Facebook and LinkedIn, to develop relationships with other businesses and to identify prospective partners [16]. Even though companies have now begun to leverage social media as one of their relationship marketing tools, studies into social media are very limited and focus more on the B2C relationship rather on the B2B relationship (Michaelidou, Siamagka, & Christodoulides, 2011). Previous research shows that the role of social media in the B2B relationship marketing includes for communicating, information sharing, meeting perceived needs, time saving and for developing, maintaining, and enhancing relationships [17]. However, studies into how companies use social media for B2B relationship marketing remain in their infancy. There are, and have always been, huge differences in how social media have been leveraged in a business environment [18] when compared to the public environment. The utilisation of social media in a business setting may not merely conform to the utilisation of social media in the public setting. Therefore, the objective of this study is to explore how companies use social media for the purpose of B2B relationship marketing. The following research question is then developed.

RQ1: How do businesses use social media in B2B relationship marketing?

B. Web 2.0 and Social Media

Social media signifies an evolution of the web technologies from Web 1.0 to Web 2.0. The Web 2.0 refers to the new generation of web which has become known as a more social, participative, and open environment [19]. Web 1.0 is usually described as a controlled environment with only few administrators who understand or have knowledge about the web mechanism, and many others who have limited roles in its management or creation [20]. Web 2.0, on the other hand, is defined as having architecture of participation [21]. The term Web 2.0 was introduced to illustrate the new approach or platform for consumers and software developers in which its applications and contents are not created or published by selected individuals but are continuously modified by everyone in a self-participatory and collaborative manner [21, 22]. Web 2.0 comprises social networking, tagging, virtual worlds, wikis, and many other applications [23]. These various types of social media can be further classified depending on 1) social presence or media richness and 2) self-presentation or self-disclosure [22], as visualised in Table II.

Table II
Classification of Social Media
by Social Presence / Media Richness
and Self-presentation / Self-disclosure

		Social Presence / Media Richness		
		Low	Medium	High
Self-Presentation / Self-disclosure	High	Blogs	Social Networking Sites (e.g., Facebook)	Virtual Social Worlds (e.g., Secon

				d Life)
	Low	Collaborative Projects (e.g., Wikipedia, Feedback Dedicated Sites)	Content Communities (e.g., YouTube)	Virtual Game Worlds (e.g., World of Warcraft)

Source: Adapted from [22].

With respect to social presence and media richness, social media such as blogs and collaborative projects score the least, as these types of social media are often text-based and thus allow for a comparatively simple exchange. At the next level are social networking sites and content communities. These types of social media enable the sharing of pictures, videos, and other forms of media in addition to text-based communication. On the highest level are virtual game worlds and virtual social worlds, social media which replicating all three dimensional face-to-face interactions in a virtual environment [22]. From the perspective of self-presentation and self-disclosure, blogs often score higher than collaborative projects, as collaborative projects tend to be focused more on specific content domains. In the same vein, social networking sites allow for more self-disclosure compare to content communities. Finally, virtual social worlds require a higher level of self-disclosure than that of virtual game worlds, as virtual game worlds are bound by strict guidelines restraining users from behaving in a certain way [22].

As of 2009, social networking alone consists of more than 150 sites [24], and among all of the social media users, more than 80% of the users believe that companies should interact with their consumers through social networking sites [25]. Although companies have now began to penetrate the online social networks and offer direct links from corporate websites to social networking sites like Twitter and Facebook [22], there is dearth of knowledge on what social media do companies use for the purpose of B2B relationship marketing. Hence, the following research sub-question is presented.

RSQ1: What social media do businesses use in B2B relationship marketing?

There are many devices which are associated with the utilisation of social media including desktop, mobile phone, laptop, and tablet. The numbers of users utilising these devices for social media purposes vary depending on the device. Research shows that although the numbers of mobile subscribers versus desktop users vary across countries, mobile phone penetration rate is generally high for many countries including for some developed as well as developing countries [26, 27] . The numbers of desktop users versus mobile subscribers, and mobile phone penetration rate are illustrated in Table III.

Table III
Desktop Users versus Mobile Subscribers and Mobile Phone Penetration based on the Selected Countries

Countries	Desktop Users versus Mobile Phone Subscribers	Mobile Phone Penetration Rate
United States	Almost equal	90 %
Brazil, Russia, India, and China (Emerging countries)	Nearly 4 times as many mobile phone subscribers as desktops in use	70 %
Hong Kong, Italy, and Germany (Other countries)	Many have at least 2 mobile devices	Exceeds 100%

Source: Adapted from [22, 27].

Even though previous studies show that there is a high mobile phone penetration rate in many countries and that the usage of mobile-based social media are relatively very small, to date, there is little know on how companies use social media in the B2B relationship marketing specifically in which social media devices do companies use. Hence, the following research sub-question is presented.

RSQ2: Which social media devices do businesses use in B2B relationship marketing?

III. METHODOLOGY

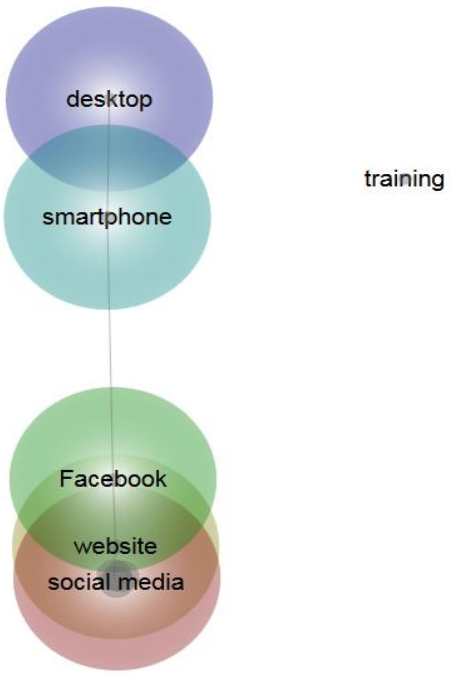
In order to achieve the objective of this study, which is to explore how companies use social media in B2B relationship marketing, an in-depth interviewing technique was chosen. The reasons why an in-depth interviewing technique was chosen is because this method allows the researcher to collect broad information from the interviewees and to tap into the experts' specific points-of-view [28]. 26 interviews, each with approximately 30 to 60 minutes length, were undertaken. The interviewees consist of employees of aged between 24 to 64 years old who work in the relationship marketing fields in Malaysia.

Interviewees were chosen from different organisation types (private or government linked company), different sizes (small, medium, or large organisation), and from 20 different industries because investigating responses from a range of organisation types, sizes and industries will add depth to the investigation. The industries include sales and marketing, financial, broadcasting, fashion, information technology, electrical, oil and gas, food and beverages, health, and agricultural industries. The face-to-face interviews were conducted in the interviewees' companies in Malaysia. Malaysia was chosen as the context for this research because Malaysia has shown a high interest growth in relationship marketing and social media [29], and a considerable growth in social media usage [30]. Malaysia also has a high number of internet users [31], and a high rate in internet penetration [32]. As such, Malaysia is an appropriate country of context for this study.

In order to achieve the quality of data, the interviews were executed either in Malay or English languages, depending on the interviewees' language of preference. All interviews in Malay language were subsequently translated into English. The interview transcriptions in English language were then analysed using software called Leximancer Version 4.0. Leximancer automatically maps out themes, concepts and associated relationships from the body of interview transcripts into visually compelling concept maps [33, 34]. The software provides researchers with objective and unbiased automatic discovery while retaining the researcher's control over data exploration [35].

IV. FINDINGS AND DISCUSSION

Based on the content analysis of the interview transcriptions, a concept map was automatically generated using Leximancer Version 4.0. As illustrated in Fig. 1, the concept map yielded one concept which is training, and five themes which are social media, website, Facebook, smartphone, and desktop. The findings suggest that Facebook is the most commonly used social media in the B2B environment and that company's social media is often linked to its corporate website. The findings also suggest that the most commonly used devices by companies for the purpose of B2B relationship marketing are smartphone, and followed by desktop. Even though companies encourage training for their staff development, there is no direct relationship between training and how companies utilise social media.



Source: Developed for this Research.
Fig. 1: Concept Map of How Businesses Use Social Media.

The concept map can best be divided into three categories. The first category includes the themes of social media, website and Facebook. The second category consists of smartphone and desktop themes whereas the third category involves the concept of training. In comparison to the theme of the first category, the themes of the second category are relatively distanced away from the social media theme. The close proximity of these themes toward the social media theme, indicate their level of importance as to how companies use social media for the purpose of B2B relationship marketing. As such, in exploring how companies use social media in B2B relationship marketing, the themes of website and Facebook appear to be relatively more prominent themes than the themes of smartphone and desktop.

As illustrated in the first category, the website theme is located the nearest to social media theme, implying that website is the most prominent theme in explaining how companies use social media for B2B relationship marketing. The close proximity of all themes in the first category, which are Facebook, website and social media themes, illustrate their level of connectivity with each other. For instance, an employee of photography industry uttered that "we use Facebook, but I would say [that] the objective of Facebook is to get people to eventually visit our website" Another example was given by an employee of financial industry who explained that "on our [corporate] website, we [link] emails, Twitter, [and] Instagram. [These reasons are] for the clients to communicate with us [and] to meet the requirement of the modern world right now".

Other than website and social media, another theme which appears in the first category is Facebook. This means that for the purpose of B2B relationship marketing, Facebook is the most commonly used social media when compared to any other social media. The following comment indicates how Facebook is often used by a company for B2B relationship marketing:

[We use Twitter] but not much because it is more [suitable for] an individual basis. [Twitter] is a bit different because it is very general and very huge. For example, if you want to communicate via Twitter, [that is more like] a marketing or promotion plan [where] you just give one tagline. [For activities related to] terms and conditions, you still need to go through Facebook or the [corporate] website, to see what are the terms and conditions (Employee of Financial Industry).

In the second category, there are two themes which exist. The themes are smartphone and desktop. When compared to the desktop theme, the position of smartphone theme is nearer to the theme of social media. This implies that smartphone is a more prominent device than desktop when it comes to what devices do companies use for B2B relationship marketing. The following comment explains that smartphone is an important device for B2B relationship marketing:

[Now], not all have computer, but most [people] have smartphones. The telecommunication company has made [smartphones] more convenient by creating applications that are easier to access compared to [when] using Internet Explorer. We just need to [utilise] the applications and we [can] get notifications immediately (Employee of Event Industry).

Despite smartphone, desktop appear to be one of devices that company uses for B2B relationship marketing. An employee of paint industry uttered that "for now, [the company] only use desktop for social media". Another example is explained by an employee of fashion industry, "smart phones is only for Instagram, Facebook, and mass emails. Other [activities] are based on desktops".

As illustrated in the concept map (Fig. 1), there is no theme but a concept that exists in the third category. The concept is the training concept. The difference between a theme and a concept is that a theme consists of a cluster of similar concepts whereas a concept is the name of main concept which occurs within the text [36]. The concept of training appears on the concept map in Fig. 1, illustrating that companies realise the importance of training. However, the concept of training is not connected to the social media theme. This means that although companies encourage training for staff development, there is no relationship between staff training and how companies use social media. The following comment illustrate that a financial company provides training development for its staff to better aware of the current issue relating to social media. The company however does not provide specific training on how to use social media for B2B relationship marketing.

Of course we have [many] trainings. The moment [we] start [joining] the company, [the company will] give [us] one month training of [bank] guidelines [which include] guideline for social media. And on the yearly basis, I think [the company] also has all these [trainings] because social media is very new, [thus have] many regulations that [are] changing. So, [when we] work in the company, [the company] will provide us [with] the correct trainings so that we are aware of the environment and the law of social media (Employee of Financial Industry).

CONCLUSION

The research indicates that Facebook is the most commonly used social media and that corporate website is often linked with company's social media. The research also suggests that smartphone, followed by desktop, are the most commonly used devices by companies when interacting with other businesses via social media. The findings of the research also indicate that even though companies encourage training for staff development, there is no direct relationship between staff training and how companies utilise social media. The findings of this study should be interpreted in light of its research limitations. This study is exploratory in nature, and therefore utilising a qualitative approach. Unlike quantitative studies, qualitative studies do not allow generalisations to be made to the whole population. Additionally, the findings of qualitative studies rely on the subjectivity and interpretation of the researchers. Therefore, in order to confirm the findings of this research, future studies should consider using a quantitative approach.

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