

ISBM Research

PENNSYLVANIA STATE UNIVERSITY
Smeal College of Business

QUARTERLY

ISBM
Institute for
the Study of
Business Markets

Volume 2, Issue 1

Winter 2009

IN THIS ISSUE . . .

In This Issue	1
ISBM Data Resources Program Survey	1
Some Suggestions for Doing Social Network Research in B-to-B Marketing	2
2008 ISBM Dissertation Award Winners.....	3
From the Membership: B-to-B Marketing in Turbulent Times: Perspectives from Mplanet	4
Ph.D. Student Camp 2009	4
IPSS Update: (ISBM Ph.D. Seminar Series) . . .	5
Academic Job Market.....	5
Upcoming Events.....	5

CONTACT INFORMATION

Research Director
Gary L. Lilien, (GLilien@psu.edu)

Associate Research Director
Rajdeep Grewal, (rug2@psu.edu)

Executive Director
Ralph Oliva, (ROliva@psu.edu)

Institute for the Study of Business Markets
Smeal College of Business
The Pennsylvania State University
484 Business Building
University Park, PA 16802
USA

+1-814-863-2782 • WWW.ISBM.ORG

In This Issue. . .



Gary L. Lilien



Raj Grewal

Happy New Year and welcome to the first issue of the 2009 ISBM Academic Newsletter! Our feature this month is by Christophe Van den Bulte, who provides perspectives and suggestions for researchers interested in doing social network research in B-to-B marketing. Readers of this piece will appreciate the benefit that doctoral students, who studied this topic with Christophe in his ISBM PhD Seminar Series (IPSS) course, have enjoyed to date. Speaking of IPSS, Raj Grewal provides an update on what has turned out to be a very successful program, both in terms of academic content and community building.

In this issue, we are pleased to congratulate the three winners of the 2008 ISBM Dissertation Support Award Competition: Neil Bendle, University of Minnesota, Michael Krush, University of Nebraska - Lincoln, and Guiyang Xiong, Emory University! Ralph Oliva's "From the Membership" column reports on the recent Mplanet Marketing Summit, where the ISBM provided the B-to-B content for this important, Biennial AMA event. Ralph's remarks focus on the current, turbulent times, what marketing's response ought to be and he provides challenges for both academics and practitioners. Speaking of challenges, the current economic turmoil has forced the ISBM to postpone the 2009 ISBM PhD camp; our plan it to hold the next camp in the summer of 2010 in conjunction with our biennial academic conference.

We have two action items for readers: first, Qiong Wang invites you to provide feedback on the emerging ISBM Data Resources Program. Please take a few minutes to review the DRP and answer a brief survey. And, second, we announce a new feature, the ISBM Academic Job Market. We invite postings for B-to-B academic job openings that we will include in future editions of this newsletter.

Enjoy!

Gary and Raj

Gary L. Lilien
Research Director
Institute for the Study of Business Markets

Raj Grewal
Associate Research Director
Institute for the Study of Business Markets

ISBM Data Resources Program Survey

The fundamental mission of the ISBM Data Resources Program (DRP) is to support the ISBM mission of fostering leading edge Business-to-Business research. The specific role of the DRP is to enlarge and increase researchers' access to data and data sources on which powerful testing of innovative research questions can be based.

To better meet the goals of the DRP, we are in the process of enhancing the DRP's capabilities and its role in serving the academic research community. Your insights about your current and potential future use of the DRP are essential ingredients in this process.



Qiong Wang

Please provide your feedback on the ISBM Data Resources Program by clicking here: <http://www.zoomerang.com/Survey/?p=WEB228U5JXWBCJ>

Qiong Wang
Data Resources Program Director
Institute for the Study of Business Markets
QiongWang@psu.edu
<http://drp.smeal.psu.edu>

Some Suggestions for Doing Social Network Research in B-to-B Marketing



Christophe Van den Bulte

Social networks are receiving much attention from marketing managers and researchers nowadays. Most of the attention focuses on word-of-mouth and other dissemination processes. These are important, but

represent only a fraction of the marketing phenomena where networks are relevant. Many of those other phenomena are more pronounced in business markets than in consumer markets. So, B2B marketing researchers are uniquely positioned to generate new insights into network phenomena, i.e., into how the pattern of ties between people or organizations rather than merely the nature or quality of those ties affect these actors' beliefs, actions, and outcomes. This focus on pattern or structure is what separates network research from more established research programs focusing on ties or dyads. I would like to discuss some reasons why social network research provides B2B marketing researchers with an appealing opportunity to generate and disseminate new knowledge, provided we play our cards well.

Framing business marketing issues in terms of social networks is nothing new. Economic sociologists have been applying a network perspective on markets and industries for a long time, generating some insights on how particular types of positions in networks of commercial transactions or relations are associated not only with "soft" benefits such as higher prestige or better market intelligence but also "hard" benefits such as higher sales, higher prices, or higher profits. Management scholars have been studying network phenomena within companies for more than half a century. The famous Hawthorne studies, for instance, had an important network component to them. Many of those studies, especially those published in the more respected journals, use samples of medium to large size and use the kind of quantitative analyses common in business marketing research. True, network data sometimes present special statistical challenges that require special techniques, but many interesting problems can be

tackled using standard data analysis tools.

Within marketing, several European researchers forming a community known as the IMP Group have been studying business markets from a network perspective for two decades. Yet, their work has never broken through into the mainstream. One reason is that this research tradition relies almost exclusively on inductive case studies using qualitative rather than quantitative methods, something which many marketing researchers in Europe and elsewhere feel limits, or at the very least leaves in doubt, both the internal and external validity of the purported findings. Another reason, which I have not heard or seen given but which I think is at least as important, has been the rather insular intellectual approach. Specifically, studies in the IMP mould do not capitalize on conceptual and empirical contributions in economic sociology or show how they make positive contributions to that vibrant sub-discipline.

I believe that scholars studying networks in business marketing contexts are likely to make larger contributions, and also see their work better acknowledged by prestigious journals and peers, if they are in tune with mainstream sociological theory and have it inform their own work. Identifying an interesting problem or producing an important finding is not easy. Convincing someone that one has done so is even harder, but becomes less so when one has framed one's work in terms that are accepted in a core discipline, are at least somewhat familiar to one's target audience, and that help others connect one's work to a larger body of research or theory which fellow researchers can draw on to extend one's own work. Quantitative methods make the work even more likely to be appreciated by most of our fellow marketing academics, I agree with that gripe from IMP researchers, but the choice of methodology is only secondary. What matters most is that one has framed the research questions and answers in an interesting and productive way. In short, one should not conclude from the lack of success by the IMP research tradition that social network analysis cannot gain recognition and appreciation within mainstream marketing academia. Rather, I have argued, one should conclude that one must go about it in another way.

And it's not necessarily that hard! In many

regards, B2B marketing researchers have an advantage over their B2C brethren when it comes to identifying and studying intellectually stimulating and substantively important network phenomena. As Stefan Wuyts and I discuss in our monograph *Social Networks and Marketing*, social network theory provides ideas on how some network structures facilitate or hinder the detection of new market information and opportunities, the transfer of sensitive information and complex knowledge, the enforcement of cooperation, the emergence of social norms, and the opportunity to earn supra-normal profits by exploiting brokerage opportunities between otherwise disconnected parties, to name just the most popular topics of investigation in sociology and management. Those are well accepted research topics in business marketing as well, and anyone providing new insights into those issues in a business marketing context should not have much difficulty in convincing their audience to lend them their ears (and, more important to academics, give them some of their journal space).

Because social network research is rather new to marketing, gatekeepers like reviewers and editors need not always have the right set of skills to assess the quality of the work. This can lead to some bad work getting through and some good work not getting through in marketing journals. But here again, B2B researchers have an advantage over their B2C brethren, it seems to me. Since good sociology or management journals—who tend to have reviewers with more experience in social network research—feature much more research on organizational networks than customer networks, a B2B network research project has more option value than a B2C project provided, again, that we learn how to frame and share our work in terms that other disciplines appreciate.

In short, we have substantive issues, we have theory, we have data, and we have methods all in place. If we play our cards well when designing and communicating our endeavors, social network research provides B2B marketing researchers with an appealing opportunity to generate and disseminate new knowledge.

Suggestions for further reading

For those just getting into the field, I would suggest the following two books. The first

Some Suggestions for Doing Social Network Research in B-to-B Marketing

continued from page 2

is an introduction to social networks that offers an attractive blend of theoretical ideas and technical detail. The second offers a review of the theoretical ideas and empirical findings on social networks relevant to marketers, much of which is published in sociology and management.

Alain Degenne and Michel Forsé (1999), *Introducing Social Networks*. London: Sage Publications.

Christophe Van den Bulte and Stefan Wuyts (2007), *Social Networks and Marketing*. Cambridge, MA: Marketing Science Institute.

For those seeking applications of social network analysis in organizational settings, I suggest the following three books:

Ronald Burt (1992), *Structural Holes: The Social Structure of Competition*. Cambridge, MA: Harvard University Press.

Ronald Burt (2005), *Brokerage and*

Closure: An Introduction to Social Capital. Oxford: Oxford University Press.

Ranjay Gulati (2007), *Managing Network Resources: Alliances, Affiliations and Other Relational Assets*. Oxford: Oxford University Press.

For researchers who want to learn more about methodological and technical issues in social network analysis, here are four suggestions. The book by de Nooy, Mrvar and Batagelj is recommended to those looking for a hands-on approach combining conceptual exposition with hands-on application of techniques with computer software. The second book provides some discussions on the state of the art in several specific techniques. The last two books are advanced and quite technical.

Wouter de Nooy, Andrej Mrvar, and Vladimir Batagelj (2005), *Exploratory Social Network Analysis with Pajek*.

Cambridge: Cambridge University Press.

Peter J. Carrington, John Scott, and Stanley Wasserman, eds. (2005), *Models and Methods in Social Network Analysis*. Cambridge: Cambridge University Press.

Stanley Wasserman and Katherine Faust (1994), *Social Network Analysis: Methods and Applications*. Cambridge: Cambridge University Press.

Mark Newman, Albert-László Barabási, and Duncan J. Watts, eds. (2006), *The Structure and Dynamics of Networks*. Princeton, NJ: Princeton University Press.

Christophe Van den Bulte

Associate Professor of Marketing
The Wharton School of the University of Pennsylvania
vdbulte@wharton.upenn.edu

2008 ISBM Dissertation Award Winners Announced

The ISBM is pleased to announce three winning entries in its 2008 Dissertation support award competition, selected from a total of twenty-seven entries:



Neil Bendle

- Neil Bendle, University of Minnesota
“Marketing Management in a World with Groups of Heterogeneous Individuals.”
PhD Advisor Mark Bergen



Guiyang Xiong

- Guiyang Xiong, Emory University
“Transforming Social Capital Into Financial Value in IPOs: The Role of Absorptive Capacity in Young Technology Firms’ B2B Relationships.”
PhD Advisor Sundar Bharadwaj



Michael Krush

- Michael Krush, University of Nebraska-Lincoln,
“The Dispersion of Marketing Capabilities and Its Impact on Marketing Strategy Execution, Relational Quality and Business Unit Performance.”
PhD Advisor Ravipreet Sohi

Dissertation competition entries are judged on the rigor of the proposed work and the relevance of that work to B-to-B marketing practice. The winners will each receive grants of \$7500 to support their research.

The ISBM dissertation support award competition has supported outstanding B-to-B dissertation work since its inception in 1991. To see details on the 2009 competition and a list of past winners see <http://isbm.smeal.psu.edu/researcher/award>

Congratulations to all!

“From the Membership”

B-to-B Marketing in Turbulent Times: Perspectives from Mplanet



Ralph Oliva

The first quarter of 2009 is certainly presenting a series of mixed messages, challenges, and opportunities for ISBM Member firms.

For a few of our Members – especially those selling into the automotive or US Housing Industry – this situation is especially challenging. For most of our member firms, however, it’s a “mixed signals” environment – and very unsettling.

All of this is creating pressure on the marketing function. I’m hearing the words “ROI” more than ever before, and for many member firms “reorganization” is underway. We’re getting many requests for information on how to best reorganize the marketing function to create faster impact in down markets.

One place we create insight for our Members is at our annual ISBM Meetings, and this year our winter meeting was a special one. We joined forces with the American Marketing Association who conducts their major meeting – Mplanet – every two years. Previous Mplanet meetings have been largely business-to-consumer affairs, with only scant attention paid to business-to-business. This year, in cooperation with the CEO of the AMA, Dennis Dunlap, we participated in bringing a lot more business-to-business content to Mplanet. We conducted panels featuring ISBM fellow Abbie Griffin along with chief marketing officers from Parker Hannifin, Siemens, and Navistar; Gary Lilien, together with Dr. John Berrigan, formerly of National Analysts, and Brian Berg, General Manager, Marketing of Timken Industrial Bearings; and Ralph Oliva together with Raj Srivastava, Pat Kenny of PPG, and Kathy Hall of Microban.

The top of mind takeaways from Mplanet were difficult to interpret clearly. B-to-C CMO’s all held fast that it is time to invest in your brand. And... actually... I can see their point. Generally everyone is cutting back on advertising and market communications investments during this difficult period. Therefore, achieving leadership share of voice in any given market segment is less expensive than it ever has been before. For those who can invest, it’s a chance to build brand equity out ahead of the pack. For the business-to-business marketer, however, we see it as a time for “tough tactics for fast payback in today’s B-to-B markets”. This will be the focus of our upcoming August 2009 meeting and a new series of ISBM courses. We’re already at work assembling a star cast of players bringing the sharpest tools and new approaches to help drive growth through a down market.

Some other highlights and lessons learned from the Mplanet presentations include:

- It’s time to have the strongest process – Steve Erickson at Parker Hannifin is leading his firm with the “Winmap” process structure – broad and flexible enough to cover that diverse firm, but with enough process integrity to improve outputs immediately.
- Tom Haas of Siemens pointed out that sometimes your customers know you better than you do – and that customer engagement must be flexible – to be better enabled to deliver and harvest value.
- Brian Berg of Timken showed us what important results you can get from what I would call “killer segmentation” at this time. In a single chart he outlined the value of his customer segment – clearly identifying the “value customers” the “price buyers”, and those customers where the firm was not making money.
- Kathy Hall of Microban clearly illustrated the power of a B-to-B brand going downstream, especially when supported by research which can prove clearly the power of then ingredient brand, to gather higher price, or greater share.
- Pat Kenny of PPG illustrated the power of B-to-B brands in a variety of market situations – and cases deploying what is often an underutilized resource in B-to-B

All in all, a time of turbulence for the marketers in our firms. We look to our distinguished group of researchers and ISBM fellows to assist our members in navigating these times. It’s time to be a marketer: focused segmentation, sharper pricing, and getting projects out the door are all key. We also need to work with teams on the emotional side of today’s challenges, helping to focus on the bright spots, drive optimism, and move toward – as Jim Anderson of Kellogg always says – “To better days ahead”.

Ralph A. Oliva
Executive Director
Institute for the Study of Business Markets
ROliva@psu.edu



2009 ISBM B-TO-B PHD SUMMER RESEARCH CAMP POSTPONED

In the last issue of the ISBM Academic Newsletter, Anne Coughlan and Abbie Griffin announced plans for the 2009 ISBM B-to-B Research Camp. Unfortunately, due to circumstances beyond our control, we have had to postpone the Camp until 2010. The camp will be held, as it has in years past, just in advance of the AMA meeting in Boston, and will be held in conjunction with our biennial academic conference. We apologize for this, but we all look forward to a great event in 2010!

Gary L. Lilien
Research Director
Institute for the Study of Business Markets

IPSS Update: ISBM Ph.D. Seminar Series



Raj Grewal

This past semester (Fall 2008) the ISBM Ph.D. Seminar Series (IPSS) had full enrollment for two courses: (1) the first IPSS Pro-Seminar taught by Professors F. Robert Dwyer, Srinath Gopalakrishna, V. Kumar, Aric Rindfleisch, and Bart Weitz, and (2) Organizational Buying Behavior and Market Mechanism Design co-taught by Professors Sandy Jap and Wes Johnston. Feedback on both courses from an entirely new group of students – the second cohort at IPSS – was excellent and we hope to offer both again soon.

This semester, we will have our first repeat with Professor Bart Weitz teaching his Sales Management and Personal Selling course to a fresh batch of students. We are also offering a B2B Research Methods co-taught by Professors Srinath Gopalakrishna and Gerrit van Bruggen.

In the next issue of the newsletter, we will announce IPSS offerings for Fall, 2009; please send me feedback, comments and suggestions.

Raj Grewal

Associate Research Director
Institute for the Study of Business Markets
rug2@psu.edu
<http://www.ipss.isbm.org>

ISBM Upcoming Events:

- March 17, 2009 New Offering Realization Consortium Webinar
<http://isbm.smeal.psu.edu/professional-development/new-offering-realization-consortium>
- March 18, 2009 New Product Forecasting with Bass Model ME>XL Webinar
<http://www.mktgeng.com/webinars/index.cfm>
- April 8, 2009 Introduction/Overview First Time Instructor of ME>XL Webinar
<http://www.mktgeng.com/webinars/index.cfm>
- April 22, 2009 Conjoint Analysis with ME>XL Webinar
<http://www.mktgeng.com/webinars/index.cfm>
- May 20, 2009 Customer Lifetime Value with ME>XL Webinar
<http://www.mktgeng.com/webinars/index.cfm>
- May 26, 2009 Marketing Engineering Workshop at EMAC Conference
- June 3, 2009 Marketing Engineering Workshop at Marketing Science Conference

ACADEMIC JOB MARKET

Announcing a new feature... the ISBM Academic Job Market. We invite postings for future editions of the ISBM Quarterly Academic Newsletter. In future editions, we will be posting academic jobs for B-to-B marketing positions. The newsletter will provide links to such offerings in this space.

Please send such links to Lori Nicolini at LNicolini@psu.edu.

COMMENTS... IDEAS...

We would love to hear from you. If you wish to comment on any of the articles (or have thoughts for future articles), please pass them on. Your suggestions will make the newsletter better and more responsive to your needs. Please email your correspondence to:

Newsletter Editor
Lori Nicolini (LNicolini@psu.edu)

Institute for the Study of Business Markets
Smeal College of Business
The Pennsylvania State University
484 Business Building
University Park, PA 16802
USA

+1-814-863-2782 • WWW.ISBM.ORG