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How the market driving approach utilizes a digital platform to enhance B2B and strengthen stakeholder relationships

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How B2B marketers can utilizes a digital platform to enhance and strengthen customer relationships

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Extended abstract

Introduction

Recently, attention has focused on how new forms of communication technology (e.g computer meditated communication, social networks, blogs), help managers to cultivate relationships with customers in both a B2B and B2C context. Research has focused on how to leverage a company's competitive advantage (Agnihotri, Dingus, Hu, and Kruch, 2016; Lenka, Parida and Wincent, 2017; and Wang, Pauleen and Zhang, 2016) and it can be argued that social media (online) technology assists marketers vis-à-vis proactively managing innovation and accelerating building the company's capability (Jaworski, Kohli and Sahay, 2000). Social media (online) technology also assists marketers in helping the company to achieve strategic continuity in the various markets within which it competes (Ghauri, Wang, Elf and Rosendo-Rios, 2016). Having said this, attention has been given to the suitability, user's capability, and benefits and the barriers of social media technology in a B2B context (Michaelidou, Siamagka and Christodoulides, 2011). According to Lacka and Chong (2016), and Leek and Christodoulides (2011), marketers are increasingly using social media sites to manage relationships with consumers and to acquire information that is used in the new product development process. Therefore, research to study B2B relationships can be used to establish how a firm creates co-value that is sustainable and how the views of customers are taken into account when developing future services (Lacoste, 2016).

The focus of the research referred to in this paper is to address how the market driving concept provides a company with the opportunity to co-create value with stakeholders through interactive communication involving a digital platform. We identify which aspects marketers need to pay attention to in order to establish a trustworthy reputation and contribute to

stakeholder well being. We take into account B2B and B2C and B2B2C relationship building and how the intelligence gained supports innovative, product development that results in a service provision that supports end-users. We add to the existing body of knowledge by explaining how high technology companies embrace online business activities through communication technology, in a proactive and planned manner. We link the theory of market driving with SDL and explain how companies take CSR into consideration. As a consequence, we explain how marketers can develop strategic capabilities that satisfy customers (Hamilton, 2016).

Synopsis of literature review

Research carried out by Nguyen, Yu, Melewar and Chen, (2015) into to why companies should utilize social media technologies such as Facebook, Instegram and LinkedIn for example, suggests that social media technology allows firms to enhance either their strategic capability and/or brand innovation strategy(ies). The authors make reference to how a company acquires knowledge and is able to be more market oriented. For example, online technology allows marketers to identify customers' needs (both expressed and latent) by analysing mass data and thus produce new products at speed that meet potential target customer characteristics. The speed of innovation coupled with the introduction of a new product onto the market are characteristics associated with a firm's social media strategic capability (as opposed to a traditional marketing approach), and underlines a company's capability as regards knowledge transfer through learning and implementing information gained from its (potential) target markets. However, Kumar (2014) challenges existing views and suggests that marketers deploy social media interactive communication marketing to form relationships with customers, and adds that social media marketing is used in emerging economies but has a limited reach. This

brings to our attention issues such as a potential audience's technical capability and/or usage behaviour).

Competition results in innovation and uniqueness and the following example reinforces the company-customer relationship. Amazon's success is partly attributed to its use of mass data and how management have re-organized the company's business activities – such as vertically integrating their delivery system with partner organizations (e.g. Royal Mail in the UK) as well as backward integration, and establishing a new technology team, which is charged with developing a new approach to appeal to the potential target audience(s). Amazon has successfully deployed the market-driving concept and customer-centred approach, and is not prepared to be apathetic. Amazon is now searching for a high street location in London (Donnellan and Duke, 2017, p.1), which means that the company wants to establish a physical presence in a main retail area and target new markets. Such an expansion may raise concerns about Amazon becoming a monopolist and people might start to question how their individual data might be used to increase market opportunity. From this example, it can be seen that social media technology can enable a company to be proactive and use intelligence to enhance its connectivity and provide a high level of customer service. Questions do arise however. Does social medial technology lower the barrier between B2B and B2C network users? In addition, how can a company use interconnectivity to collect marketing intelligence and share it with its channel partners? Also, how can companies adhere to the concept of privacy? How can the company ensure that customer data is secure? There are other points of concern such as where the data is stored and how the data is protected.
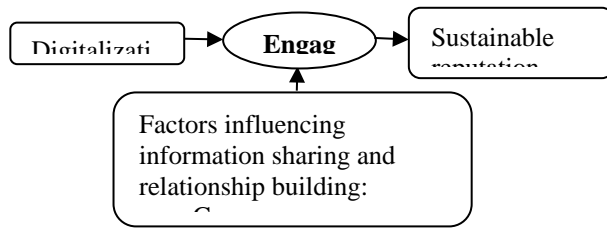
What the above highlights is that marketers need to think in terms of using social media technology as an engagement strategy and working with colleagues in other business functions

to put in place an infrastructure that ensures that interactivity takes into consideration the needs of different user groups. As regards the latter, it is envisaged that the research will highlight the motivations and capabilities of marketing staff as well as explain how they plan for information security and control (Wang, Pauleen and Zhang, 2016). It is our view that further investigation is required to explain how a B2B and B2B2C business model can be placed in a wider context, namely how organizations adapt to an ever increasing complex environment (Garcia-Morales, Llorens-Montes and Verdu-Jover, 2008).

As regards nurturing trustworthy relationships that are developed through the digital platform, it is important that marketers need to implement an up-to-date governance mechanism (Hatch and Schults, 2010) due to the fact that regulations change through time. By developing an up-to-date governance mechanism in consultation with external stakeholders, issues such as compliance (in relation to individual privacy as well as preventing intentional miss-use of information for example) can be addressed in both the context of the firm's legal responsibility, the ethical information sharing policy and protection of customer records, and the improvement of the standards that govern the industry in which the company competes.

In this paper, we focus on how an engagement platform can be developed through social media technology that facilitates knowledge capability transfer between different organizations and results in new product development and service provision. We also place value creation in the context of information supply chain management. The main research question to be addressed is: How can companies ensure that information sharing and relationship building result in co-value creation and a unique product offerings? Please consult Diagram 1 below.

Diagram 1: Conceptual model: Factors influencing information sharing and relationship building in the context of co-value creation

Digitalizati → **Engag** → Sustainable reputation

Factors influencing information sharing and relationship building:

Methodology

As the research involves establishing a firm's attitude towards how and why social media technology is used regarding strategy (re)formulation and (re)implementation, we adopted a qualitative research strategy involving a group interview. The group interview methods was used. Eighteen selected experts from industry and government, familiar with the issues covered in relation to technology embeddedness, attended the group interview and discussed a number of questions. A strict ethical code of practice was followed. At no time were the participants referred to by name or associated with their organization. The constructs that emerged from the group interview were listed together with the emerging themes.

The reason why a group interview was used was because it allowed the experts to discuss points in depth and to exchange views. Patton (1990) acknowledges that the group interview method is appropriate for establishing insights into a topic and it has the added advantage of people challenging the comments of others and adding further depth and insights as the discussions progress. An important aspect of qualitative research is that participants are confident enough to provide in-depth answers to the questions posed. The participants
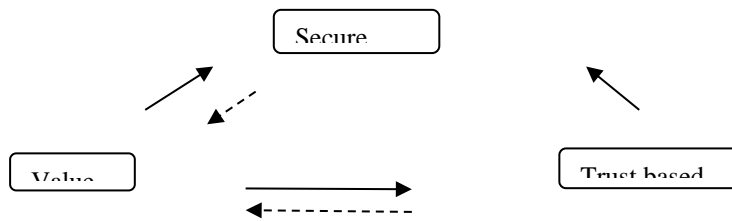
represented influential decision-makers and although the sample size is limited, the group interview provided a rare opportunity to understand insights in-depth and understand better how companies develop new business models that are focused on the technology enabled competitive environment. The group interview was tape recorded and the transcript was analyzed in a systematic manner. Although several insights were provided, the researchers remained focused during the group interview and all the subtopics were covered in detail. By following the guidelines provided by Patton (1990), we adapted the approach of Strauss and Corbin (1998) to analyze the data. We used the open labelling process, followed by axial coding and then selective coding, which allowed us to add density and validation (Strauss and Corbin, 1998).The analysis of the transcript was done manually and although this was time consuming, it had several advantages including the checking and rechecking of facts.

It is envisaged that **phase two** of the data collection process will be composed of a number of de-depth personal interviews with senior managers in a number of UK organizations.

Synopsis of research findings and discussion from group interview

The research findings were placed in the context of a Digital Stakeholder Communication Platform (DSCP). The constructs that emerged from the group discussions fell into a specific knowledge base and are concerned with organizational issues that directly relate to the consumer. They can be grouped accordingly so that they appear as subtopics of the main topic, Digital Stakeholder Communication Platform (DSCP). The framework adopted is outlined in Diagram 2.

Diagram 2: Digital Stakeholder Communication Platform (DSCP)

Secure

Value

Trust based

It appears that social media technology enhances a company's market driving strategy as it enables company personnel to acquire valuable information from its stakeholders and share the information with staff in partner organization(s) in order to deliver uniqueness to its stakeholders. It appears that the company puts their customers at the centre of their business activities. In doing so, companies appear to pay attention to building a trustworthy environment that shares ideas and views without concern. In order to maintain a positive reputation marketing managers need to think carefully about how they build a digital platform that is secure, and in addition, pay attention to how value systems are created within the organization.

The essence of the DSCP framework is to show how co-creation in the digital environment can be managed from a learning perspective and how it results in a customer centred-company partnership (Payne, Storbacka, Frow and Knox, 2009) in the context of a market driving company. Diagram 2 summarizes the interactive process. The main constructs of the DSCP include the company's "value system", which needs to be viewed as flexible as it embraces change in the market place and provides guidance to individuals so that they can adjust their behaviour. In order for the "digital platform" to be seen as "secure" it is important that the platform is designed and managed by reflecting on the values and characteristics of

the market place. Hence trust based relationships can be achieved, which embrace online community involvement.

We argue that this represents a new dimension that can be used to expand the market driving concept. One of the key reasons as to why consumer centred-company partnerships are gaining attention is because such partnerships allow a company to create added value from direct involvement with the potential target audience. Marketers do we feel have a clearer view as to how they devise their potential new products in relation to their potential target audiences' characteristics and behaviours. In addition, marketers can receive market intelligence from their target audience (at least in the short-term) and establish how the company can develop its reputation through trustworthy relationships at both a firm level and brand level in the long-term. The DSCP framework we propose will allow marketing managers to develop a flexible and all embracing communication strategy that takes into account and incorporate change in societal values and how needs are transformed into competitive products and services.

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