



## Digital Marketing Strategy within Manufacturing Industries - A qualitative case study



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# Abstract

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<b>Title:</b>	<b><i>Digital Marketing Strategy within Manufacturing Industry – A qualitative case study</i></b>
<b>Keywords:</b>	Digital marketing strategy, relationship, branding, profit/performance, social media, social commerce, service quality, digital channels, the Internet, digital development, importance of digital channels
<b>Background:</b>	The climate in B2B is very competitive and the need for a marketing strategy is vital for a company to stay competitive. Relationship, branding and profit/performance are three parts that are argued to be central in a marketing strategy. The Internet and digital marketing strategy is an area that lacks research in the context of the manufacturing industry. Therefore it could be of importance to identify how companies use the Internet and digital channels in their digital marketing strategy.
<b>Research questions:</b>	RQ 1. How do small and medium sized companies in B2B sectors use the Internet and digital channels in their marketing strategy?  RQ 2. Why do small and medium sized companies in B2B use the Internet and digital channels in their marketing?  RQ 3. How do small and medium sized companies in B2B see at future development of the use of the Internet and digital channels?
<b>Purpose:</b>	The purpose of this study is to identify how small and medium sized companies in B2B use the Internet as a tool for digital marketing strategy.
<b>Methodology:</b>	Qualitative approach, multi case study, semi-structured interviews
<b>Conclusion:</b>	Most used digital channel is the homepage. The more competition a company has results in a higher adoption of digital channels. Relationships can be enhanced through digital channels.

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# 1 Introduction

*This chapter provides a broader background about the changing environment with new technology for companies. It also describes the problematic issues for companies coming up against evolving technology and how the Internet is affecting the marketing strategy. Lastly, the purpose and research questions for the study are presented together with the topics.*

## 1.1 Background

Today's business climate is a competitive environment where companies are competing for market shares and higher profit (Armstrong et al., 2009; Magnusson & Forssblad, 2009). When the competition becomes global it allows more players to compete, this also creates a pressure on companies to be competitive in their markets and more efficient and effective (D'Aveni, 1998). Today's business-to-business (B2B) market is often very complex. It is faster evolving and the environment is under constant change, depending in which environment a company is operating. To be able to stay competitive a strategy is vital for a company's long-term prospects and growth, where different strategies are more suitable than others (Johnson et al., 2011). Companies nowadays have a common factor in information technology (IT). It is fast evolving and changing the business environment and the possibilities to communicate. The need for transporting more information at a higher speed at a lower cost has never been greater (Gunther, 2013). Being on the forefront of technology is facilitating the ability to use IT internally (Sarkees, 2011; Wu et al., 2006), but also to use it in marketing and sales to reach customers through new channels (Yoo et al., 2011).

Marketing is a process of investigating the market needs and present a solution to satisfy them (Lundén & Svensson, 2008). It aims to create value, strong long-term relationships and communicate the value of its products and services (Armstrong et al., 2009). Marketing has evolved from focusing on product to more value oriented messages of how it can create value for the customer (Magnusson & Forssblad, 2009). Marketing is an effective way, and an important part of a company since it is a necessity for its survival (Armstrong et al., 2009). Sales and marketing are closely connected and should align and cooperate with each other (Biemans et al., 2010). Joshi and Hanssens

(2010) argue that marketing can have a positive long-term effect on a firm's market-value and revenue. Magnusson and Forssblad (2009) further describe the importance of implementing the business vision and goals into the marketing strategy.

Marketing strategies in the 1990s focused on the changing environment and the need for awareness in the market, this because the globalisation had a strong impact on the changing environments (Mahin, 1991). The globalisation is creating new market opportunities, which in turn is creating a need for new and innovative marketing strategies to be able to stay competitive. One marketing strategy that is under strong development is the digital marketing strategy (Chaffey et al., 2009). The Internet is providing a changing competitive environment that affects the marketing strategy (Sultan & Rohm, 2004). Digital marketing could be defined as achieving the objectives one has set out with the help of digital technologies (Chaffey et al., 2009). It is important that the digital strategy is integrated together with the company's overall business objectives, this could in turn lead to necessary changes, as redesign the business processes which could lead to cost reductions and efficiencies (Chaffey et al. 2009; Sultan & Rohm, 2004). The digital business climate is continuously developing, the playfield is constantly changing and there is a need to stay up to date (Chaffey et al., 2009). Leeflang et al. (2014) argues the value of the Internet and points out the importance for companies to adopt the digital channels in both business-to-consumer (B2C) and B2B context to use it as a source of competitive advantages. The Internet era brings many challenges to companies such as how to create customer insight and the threat or opportunity of social media effect that enables customer-to-customer interaction about the brand. Lidman (2010) further argues that to be able to create success online there are three strategies, these are community creation, relationship building and trademark establishment. These three strategies combined are essential to be able to work in an ever-changing environment. Digital strategies for companies overall seem to be highly important for the competitive advantages and today's technological environment.

## 1.2 Problematisation

While the environments are changing for selling companies in B2B it is also changing for the buyers. More information is available and the lack of responsiveness and relevant data from suppliers are making the purchasing process more difficult which

lead to less satisfied customers (Hidalgo, 2013). Regardless of which sector a company operates in they need to focus on digital channels (Leeflang et al., 2014). Hidalgo (2013) describes that B2B marketing is still focusing on generating leads instead of demand generation. Taylor (2014) further explains that companies in B2B context need to understand why, how and when a buyer decision is made.

The B2B markets differ from the consumer markets. They are heterogeneous, the purchase process is complex and involves experts and are also more complex in technology and product development. When doing business in B2B the process can last for years before a deal is closed, therefore strong long-term relationships are especially important in the B2B sector (Cheverton, 2012). The B2B market is a group centric purchase process matter for a whole organisation rather than an individual decision (Latusek, 2010; Mahin, 1991). The need for demand-focused information based on the customer is described by Hidalgo (2013) as important to keep customers satisfied in their search process.

Customers in B2B context are changing, they are in larger extent searching for information through the Internet and in a wide range of channels, the search has also become mobile (Taylor, 2014; Zambito, 2013). They put more time and effort to evaluate the choice of supplier for new procurements. The sources of information are increasing and customers use several sources to find information before they complete the purchase (Demandgenreport, 2014; Staunstrup, 2013). Companies have for a long time focused on using the Internet and information systems to gain cost reductions and higher efficiency in their organisations and in the supply chain (Motiwalla & Thompson, 2012; Harrison-Walker & Neeley, 2004). Customer relationship management (CRM) systems are also implemented to strengthen relationship with customers and customer understanding (Harrison-Walker & Neeley 2004). It seems to be a common way for companies to use this kind of vendor brought systems to gather information and enhance the efficiency in processes internal and within the supply chain. Harrison-Walker and Neeley (2004) describes that shaping structural bonds has been in focus in B2B, further they argues that also social bonds should be focused on to gain most favourable competitive advantages and to generate new customers and maintain existing.

B2B customers adapt to new channels and new technology. For marketers to succeed with acquisition and retention of customers (Zambito, 2013) and for companies to provide relevant content at specific times to view the firm in right search context may be a challenge and an issue for many companies (Taylor, 2014; Staunstrup, 2013; Zambito, 2013). The importance of providing the right content of information in the right channels is substantial for the company's ability to acquire customers before they start the contact with the supplier (Staunstrup, 2013). Research by IDG Connect (2014) shows that social media networks are becoming more frequently used in a purchase decision, so are also professional networks, video sharing, reviews and recommendations from others shared on the web. Companies need to understand social media and use it in their marketing planning to generate leads and demand generation. Another research from Laundon (2010) shows that the most common marketing channels today are the company's homepage, events/exhibitions/seminars, other sources on the Internet, and digital newsletters. The expectations for future use of channels could be seen as growth within the field of the Internet and many companies believe that social networks, web pages and personalised marketing would be even more important in the future.

With the technological development new marketing channels has expanded (Mathiesen, 1997; Fox, 2010). There are different marketing channels for companies to choose between depending on which area the company is operating in and in which sector the company is pertaining to (Bowersox & Cooper, 1992). Fox (2010) mean that buying companies are generally increasing the use of the web to search for information and global options (Fox, 2010). By using digital marketing channels companies can create a competitive asset and the channel decision could be important for company's success (Coughlan et al., 2006). Companies in the B2B sector may have to focus on new channels and digital marketing and use a broader assortment when it comes to marketing channels. Despite all the advantages that a channel decision could bring there is a difficulty for companies, especially in the B2B sector to know how to evolve their business channels to gain the best advantages (Fox, 2010). The changing buyer behaviour and the evolving technology may have come faster than the industrial businesses have been able to adopt.

## 1.3 Purpose

The purpose of this study is to identify how small and medium sized companies in B2B use the Internet as a tool for digital marketing strategy.

## 1.4 Research questions

RQ 1. How do small and medium sized companies in B2B sectors use the Internet and digital channels in their marketing strategy?

RQ 2. Why do small and medium sized companies in B2B use the Internet and digital channels in their marketing?

RQ 3. How do small and medium sized companies in B2B see future development of the use of the Internet and digital channels?

## 2 Literature Review

*The literature review presents a theoretical framework that provides an input to the research area. It should provide theoretical platform about marketing strategy, relationships, branding, profit/performance and digital marketing strategy. The literature review is summarised in table 2.1 and the conceptualisation from the theoretical framework is presented in figure 2.1.*

### 2.1 Marketing strategy

Strategy is an organisations long-term goal, one make a plan for a desired future. Different strategies can and should be found on different levels in the organisation (Johnson et al., 2011). When taking the perspective of the American marketing association (AMA), their definition of marketing is; “Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large” (AMA Publishing, 2013). The marketing strategy often consists of five parts; market positioning, product positioning, market mix, market entry and timing. Marketing strategy is a part of the overall strategy of the organisation and with it, the organisation hopes to fulfil the organisations goals and objectives and through this create profitable relationships (Armstrong et al., 2009). A company’s goals with marketing can have numerous directions, Dahlén and Lange (2009) mention higher profit from either reduced costs, higher margins or higher sales volumes from customers responds on the marketing activities. However, the market boundaries are changing and so is the marketing strategy. The reason is new technology and new competition that uses a new form of business design that create new opportunities (Cravens et al., 2009). Communication is another side of marketing where awareness creation to inform and shape an attitude about the company and the brand (Senn et al., 2013; Glynn, 2012). Dahlén and Lange (2009) further describe marketing communication as a challenge because of broader marketing channels, information overload and customer exigent information need. The communication must be creative, provided both with advertising and information in the contact with environment. They point out the necessity of a structured plan for the communication to be aligned. Communications in all channels should be in the same direction. Three questions should be asked; who do

we want to reach, what do we want to tell, how shall we tell it, it identifies target group, message and channel choice. Branding is a subcategory of marketing strategy and the two are tightly intertwined. In the B2C sector the companies benefit from the psychology of their brand perceived by their customers and usually only have short business contacts, meanwhile the B2B sector the long-term relationships is at focus and where the actual psychology of the perceived brand plays a minor role (Senn et al., 2013). Glynn (2012) further argues that branding is a significant resource for the industrial organisations. The B2B companies strengthen and tighten the relationships with the customers through being active and working with customer asset management (Senn et al., 2013; Glynn, 2012).

## 2.2 Relationship

Relationship marketing is about attracting, maintaining and enhancing relationships, and creating long-term relationships between parties that are exchanging value. Relationship marketing consists and concerns three areas; customer service, quality assurance and marketing activity. One of the largest motivators to working with relationship marketing is that it emphasises the customer retention. Well established marketing is focused on gaining market shares, nevertheless relationship marketing is aiming more focus at the actual customer (Baines et al., 2013).

Long-term relationships have become more important for companies and building better relationships is something that can be seen in relationships marketing. Relationships value that is perceived important for customers can shape satisfaction, commitment and trust that can gain loyalty. If the relationship is gaining a high perceived value for the customer it is more likely to continue the co-operation for future purchase instead of searching for new options before each procurement. Both supplier and customer benefit from valuable long-term relationship that lead to increased sales and profit, better communication and opportunities for innovation (Gil-Saura et al., 2009). Lambert and Enz (2012) further argues that relationships creates a dialogue between customer and supplier with cooperation and joint development of value for both parties. This also could gain better adaption to changes and conjoint learning. Relationships structured to facilitate the communication with both customers and other contacts can have financial effects (Lambert & Enz, 2012).

By knowing the customer and their demands on different relationship levels a firm can focus their marketing effort on the right customer, through right channels at the right time and gain a higher return on marketing investment (Luo & Kumar, 2013). Latusek (2010) further points out the importance of knowing the customers' needs in building relationships and that firms require some kind of model or analytical program to understand and predict customer behaviour. Loyal relationships can be achieved by communicating the right services and messages that the customer find valuable and satisfying, however also to learn when a customer does not want to be communicated with.

Relationship marketing would not automatically be an effective way to increase performance and sales. The buyers wants for relationship orientation and the value that is achieved from a relationship determines what effort that should be put on relationship marketing and what effect it would have. The relationship must be built as the customer determines it. An effective exchange and communication can enhance the relationship (Palmatier et al., 2008). Just as Luo and Kumar (2013) and Latusek (2010) suggest, Palmatier et al. (2008) means that efforts in relationship marketing is only worth for those customers that appreciate it and in the extent they require. Depending on where in the relationship lifecycle the relationship is, different activities suits better than others. In the beginning there is an interdependent relationship and a need for trust building which require a high degree of activities from both sides to build up a long-term relationship. In the maturity phase of the relationship trust, commitments and cooperative norms that was developed in the early stage is here increasing and companies may work against mutual goals. Value-engaging activities and a stable atmosphere enhance the relationship satisfaction. At the end the partners will not find any value in the relationship and it will then decline and end (Terawatanavong et al., 2007).

Kumar et al. (2003) argues that relationship marketing could be a good tool, but that the relationship intention from the customer and their interest in creation a relationship, is the main factor that should determine the efforts that shall be placed on a customer within relationship marketing. Customers with a high relationship intention are those who can gain profit in the long run. Customers with low relationship intention are not worth building long-term relationships with. Here the company should focus on short-

term relationship and transaction marketing rather than waste resources that they will not gain anything back from. Transaction marketing will use minimum resources to gain quick return in cash. The intention of relationship is also affected positively by brand equity where brand awareness, quality perception and image build brand equity which in turn can give firm equity.

In the sector of B2B Baines et al. (2013) is describing the service marketing mix. It is constructed of the regular 4 Ps; product, price, place and promotion. In the beginning the 4Ps were constructed to suit the product marketing and not at all the service marketing. To fill this gap the 4 P:s has been added with additional 3 P:s; people, physical evidence and processes. This is to support the service side of relationship marketing. People in the new marketing mix of the 7Ps stands for the service that a staff is executing. This must maintain a certain standard if a strong relationship is to be created and the physical evidence is an important part of the intangibility of a service. It consist of one major part; essential evidence. The essential evidence represents the criteria when customers decide on a purchase. One example of essential evidence is the quality of the service and how it is perceived. The definition of processes could be defined as all the processes that are related to the service, which include all the activities that is executed outside the actual product (Baines et al., 2013).

Yim et al. (2008) argues that for service companies the quality of service plays a major role in creating relationships. The bond between customer and firm can create loyalty and satisfaction, however the bond between customer and service staff through interaction can also create intimate bonds. Further Bolton et al. (2003) argues that service exchanges of social and financial resources through service staff and firm service structures affects satisfaction. High quality service operations provided to the customer enhance B2B relationship. Structural bonds between the firms transaction and service staff plays an important role in the perceived value and satisfaction of customers. Palmatier et al. (2007) further strengthen that relationships must be built both at a firm level and personal level with sellers and buyers. To build quality in a relationship positively affects the financial outcome to the firm. Bolton (1998) describes that customers that is satisfied with the service, have positive experience and has not experienced any losses from transactions will stay in the relationship longer. A positive experience from earlier cooperation also reduces the probability of customer to search

for new information to evaluate the service quality. Lages et al. (2008) argues that the five factors; relationship orientation, relationship commitment, trust, mutual cooperation and relationship satisfaction affects the loyalty positively which in turn lead to repeated purchase and positive word of mouth.

## 2.3 Branding

The brand can be the most valuable and powerful asset in a company. Brands must be carefully developed and managed. The brand has the function to communicate the company's image and affect customers' perception and feelings about the company and their products through a symbol. The symbol must find a place in the customers' mind that is favourable for the company and that make them different and special. It should plant beliefs and values for customers that are important for them (Armstrong et al., 2009). Focus in branding has been on B2C markets and is highly important also in B2B context (Glynn, 2012; Leek & Christodoulides, 2011; Benedixen, 2004). In B2B marketing the functional qualities have been in focus, however today the emotional qualities are also important in relationship building and trust. Customers should not only see the functionality in the brand, they should also get positive feelings (Andersen & Kumar, 2006). Leek and Christodoulides (2012) means that the functional qualities such as technology, quality and after sales are affecting the attitude to the brand. Benedixen et al. (2004) further describes reliability, performance, smooth operations and maintenance of relationship, price, reputation and relationship with personnel as the most important factors when selecting a brand. The functional features seem to be most important (Benedixen, 2004) and after that the emotional quality in the brand can enhance the purchase decision. How the customer perceive the risk of purchasing a brand is affecting the decision making in purchase. A well-known brand creates trust and trust creates lower risk. Also stability of the company as time on market and company size affects the brand equity (Leek & Christodoulides, 2012).

Purchasers are more likely to buy a brand with high awareness and good reputation than an unknown brand because of the risk of failing and the outcome of a failure (Leek & Christodoulides, 2012). Michell et al. (2001) also argue that branded industrial products generate better confidence in purchase decision.

Even though the purchase process differs largely between B2B and B2C the brand awareness creation to consumers can also be important for B2B brands. Brand activities should focus its efforts to create awareness and positive attitude in business markets (Glynn, 2012). Strong brand can create loyalty and customers often select brands they feel familiar with. It can also make the product less price sensitive, which helps in price competition and builds strong customer relationships (Glynn, 2012; Armstrong et al., 2009). For B2B the focus of brand should be on the corporate brand and the value of the firm and its processes (Glynn, 2012). A strong brand provides the product with an image and identity that enables the company to be selected before competitors this shapes entry barriers. The brand is an competitive advantage that should be seen as an intangible asset that can generate recognition, perceived quality, market performance which is associated to brand loyalty and therefore be carefully managed (Michell et al., 2001). A purchase decision in B2B is both based on rational and emotional decisions. A company must focus on both the functional quality to perform what they are promising and on the emotional quality to decrease the perceived risk for the buyer when selecting the brand (Leek & Christodoulides, 2012).

Managing brands is difficult, the whole company must understand what the brand stands for and work accordingly to deliver to customers what the brand is promising (Leek & Christodoulides, 2012; Armstrong et al., 2009). A brand and its position must be communicated continuously to customers through different channels. It can be communicated through advertising and campaigns to create recognition, knowledge and preferences and also through the continuous contact with personnel, web pages, and word-of-mouth. The brand experience is built up through communication and contact with the customer (Armstrong et al., 2009).

## 2.4 Profit and performance

Profit is one of the largest and most important key performance indicators (KPI). The definition of profit is when all the expenditures are subtracted from the revenues, what is left is pure profit. Profit could be increased if expenses are lowered (Baines et al., 2013). This could be done through several ways for example choosing digital marketing in front of regular marketing (Baines et al., 2013). Often the digital marketing is much more cost effective than regular marketing since companies can reach more of the correct customers faster than with regular marketing (Berthon et al., 2003). Since the

B2B industry is a heterogeneous and complex industry the web could facilitate and increase the profit in at least one way, reducing the transaction cost. Transaction cost is all the costs that are not included in the price of the product or service, such as the cost of finding the best price, quality, and durability of a product or service. The web could facilitate this through reduced search costs with for example, search engines and comparison sites (Berthon et al., 2003).

Meanwhile Berthon et al. (2003) argues that one of the largest benefits with embracing the digital world is to keep the costs down. On the contrary Rust and Kannan (2003) argues that there are a new paradigm evolving where there is less focus on cutting costs and increased efficiency. The focus instead lies in improving service and building profitable long-term relationships. The authors explains that the electronic way of doing business has gone from goods based to service based, this in turn has led to the e-service, where the actual relationship is in total focus. E-service is an excellent way of becoming more profitable and creating competitive advantages (Rust & Kannan, 2003). E-service may sound complicated, but everything comes down to customer care, it can and should be implemented into all electronic environments. A large benefit with E-service is that it is applicable in both B2B and B2C, however the B2B sector has more to win since they are surviving on long-term relationships. This way of thinking is striving for revenue expansion and not cost reductions. The systems are actually enhancing the service, not by replacing people with automation systems, instead by focusing on delivering quality in the service that is offered. In e-service quality is the lead word (Rust & Kannan, 2003). With e-service in the new digital world there are several strategic benefits in building customer equity which create a competitive advantage and increase the value to the customers. Another is the customisation, which enables reduced costs for customers, increasing the satisfaction, loyalty and trust (Rust & Kannan, 2003).

## 2.5 Digital marketing strategy

The new technology is not a *new* area for research, however it is fast evolving. Already Porter and Millar (1985) mention the strategic importance of new technology as an opportunity to gain competitive advantages. A more efficient organisation both internally and in interaction with customers, suppliers and competitors, links them together. The Internet has created a large opportunity to share and communicate data

through electronic movement of information. Companies use it both internally in organisation and externally with suppliers, customers and other people outside the organisation to facilitate business purposes (Bandyo-padhyay, 2002). Sharma and Sheth (2004) further explain that the Internet revolution changed the behaviour of customers and sellers since it provides new exchange platforms and communication channels. The level of adoption of the Internet, channels and technology vary from company to company. Mobile, the Internet, e-mail, and video are just a few channels that will increase in the future and suppliers need to have knowledge about these techniques since buyers use the Internet as a source to find suppliers on a global level (Leek et al., 2003). Homepages are something that almost every business is using. However, according to Bonson-Ponte et al. (2008) and Schmidt et al. (2009) far from all companies fully utilize the homepage and all the features that it could bring. Bonson-Ponte et al. (2008) argues that there is a positive relationship between the navigation capability and the content presented. Further Schmidt et al. (2009) argues that the homepage design is mutually important for the performance and overall effectiveness of a webpage.

Depending on which type of products or services the Internet can be used more or less, for example software companies could do all their selling process and delivery online, while physical products require some form of transportation (Bandyo-padhyay, 2002). Further manufacturing has changed from initially producing products before receiving an order to producing after the order has been placed. The Internet has changed the focus in marketing to a customer view rather than supplier perspective. Marketers must create the marketing from the point of customers, known as reversed marketing (Sharma & Sheth, 2004).

The Internet is an information platform providing users with information, transaction, connectivity and community. Web-based marketing is described as using the Internet to provide information, communicate and perform transactions (Sharma & Sheth, 2004). Marketers that use the Internet in their marketing strategy to affect the efficiency and effectiveness in the companies' processes also gain an advantage compared to companies using the traditional transactional approaches (Sharma, 2002). Further Avlonitis and Karayanni (2000) argue that the Internet usage in the marketing channels has a positive effect on the sales performance, sales efficiency and product management

with better understanding of the market orientation. They found that the budget is not a major factor that affects how frequently companies can use the Internet. Both small and large sized actors can compete on more equal terms through the Internet. Sales and marketing plays a central role in the implementation of marketing concepts in new media.

“Top executives should embrace the Internet into their strategic marketing plans, since, organisations that lag behind, will soon face rigorous challenges from those who make a commitment to this new communication tool, as it has been shown in this study” (Avlonitis & Karayanni, 2000 p.457).

Web-based marketing is expected to continue to grow and so is the development of communities where the companies can interact with users. A few factors seem to affect the speed of growth such as cost advantage, sustainability, trust, privacy and security on the Internet (Sharma & Sheth, 2004). Information technology gives a higher power to customers since it enables them to easily compare different options before the purchase decision (Porter & Millar, 1985). Sharma (2002) describes five stages on the Internet that start with customers finding information. The second is the company gathers knowledge about the customer in CRM system, the third is that the Internet is used by marketers to create a two-way communication with customers, the fourth is to build relationship with customers through communication and build interaction platforms and the fifth is to create e-commerce business platforms that link all together in a shared system.

By using the Internet companies will have a better opportunity to serve their customers, the marketing process will change and be affected in the following areas, market, cost structures, location, time and competition (Sharma, 2002).

The creation of relationships is a building block in marketing, the Internet can be used as a tool for marketers in the building of new and existing relationships. Market research can be more easily done by collecting information about customers and their behaviour. CRM systems are just one of the tools to gather information about customers to be more focused in the marketing messages. Further, the Internet is used for advertising for example the spread of information by e-mail, banners (an image that

brings the customer to the company's website), splash display (message display when the customer enter a webpage for instance), and viral marketing or partnership advertising (firms making a deal to show the each others advertising on their homepages) (Bandyo-padhyay, 2002). The building and evolving of brand and brand awareness can also be improved when done right on the Internet and customer relationships can be established and evolved by information gathering about customers that can allow the company to understand customer behaviour (Bandyo-padhyay, 2002).

Two types of contacts are described by Leek et al. (2003), the impersonal contact channels that are suitable for information and commercial messages while personal channels becomes more social important and deliver personal information exchange. Personal contacts are found to create, enhance and maintain long-term relationships and the Internet as an increasing channel is important to understand and adapt in communication even though the adaption level seem to vary a lot between companies in business markets. The Internet was predicted to replace the old communication channels but is more impersonal than face-to-face and telephone communication. The Internet has rather created more channels that can be used in combinations with traditional channels in the interaction with customers and enhance interactions between companies. The Internet will decrease the traditional channels rather than eliminate them.

The importance of communication online is increasing and websites are to a larger extent offering customers the opportunity to generate the content. Blogs, photos and video sharing in social networks are available for users and companies are adapting the trends as well (Hinz et al., 2011).

Buyers on the Internet follow a buying process just as for offline purchases. They search for information, evaluate options and make a buying decision. Companies are required to put more effort to develop an e-business to gain continuously updated knowledge and provide the right content as a way to deal with a fast evolving environment. E-commerce is dependent on the ability to provide depth and wide information to relevant parties (Bandyo-padhyay, 2002).

### **2.5.1 Channel strategies**

In today's competitive business landscape organisations are trying to reach their customers in the best possible way. This has led the organisations to try new channel

strategies to especially create customer satisfaction, value and loyalty (Hugh & Elizabeth, 2006). Channels should be used to increase brand and firm equity. The channel equity can make the customer willing to pay more and their opinion about the channel affect how the brand and firm is perceived. The channel choice is therefore an important factor when building brand and relationships as well (Kumar et al., 2003). Hugh and Elizabeth (2006) further argue that organisations need to find new channels and integrate them into their business and make them a standard, especially when adopting new marketing channels. They further argue that organisations needs to possess dynamic capabilities; with this Hugh and Elizabeth (2006) mean that the organisations must be able to innovate new channel strategies to be able to be competitive. On the other hand organisations must also possess the capability to communicate as one entity and not give mixed messages during the innovation process.

The study of Merrilees and Fenech (2007) found that the catalogue buyers are relatively restrictive when it comes to changing channels and the main reason for this is that they do not trust the new channels and need to be shown that it is as reliable as the catalogue channel. What they could conclude from their study is that a multi-channel strategy would be optimal, this means that an organisation uses more than one channel. Merrilees & Fenech (2007); Hibbard et al., (2001) further argue that switching to just web-interface would implicate large switching costs. The authors could also conclude that the single and most important parameter when switching from one channel to another was from the buyer perspective is trust. When assessing which strategy to use and apply one must first identify which channel that produces the highest return on investment (ROI) (Asare et al., 2011; Jukes & Zilling, 2012). Asare et al. (2011) further argue that depending on which orientation the organisations have the easier they apply the new technology for the purpose of channel strategy. Geyskens et al. (2002) argue in their article that companies that are investing in channels on the Internet show positive net-present-value investments. The authors also state from their conclusion that the size of the firm has no significance when it comes to the success of implementing a new Internet channel. When it comes to determining how fast a firm should be when implementing a new Internet channel, Geyskens et al. (2002) argues that the firm should be fast, however they conclude in their study that firms should rather be early followers than pioneers. The success of an implementation depends on the strength of a firms' publicity, the higher the publicity the more chance of success. Geyskens et al. (2002)

could therefore, based on their study conclude that the publicity and the implementation does affect the market expansion, brand switching and profit margins. Lee and Grewal (2004) argue in their study that by adopting the Internet firms, both in their sales and communication channels, could enhance the firms performance indirectly. Channel strategies are developing fast and new channels are evolving. Those companies that have a long-term IT-strategy combined with a more tactical approach for the short-term perspective will probably be those who succeed in creating a competitive advantage in the world of channel strategies (Fredholm, 2002).

### **2.5.2 Electronic commerce**

The common definition of electronic commerce (EC) is a process of buying, selling, and exchanging products and services online. It also includes information exchange via the Internet (Turban et al., 2008). In addition to electronic commerce there are e-business. This is a broader definition of electronic commerce and does not just include the process of buying and selling. It includes collaborating with business partners and using the e-business to do transaction within the organisation (Turban et al., 2008).

Within B2B the electronic commerce are relatively spread. In B2B electronic commerce is, according to (Turban et al., 2008), mostly interested in creating platforms to save money, reduce delays and improve collaboration. In 2006 the B2B online sales stood for one trillion USD, which then corresponded to ten percent of the total B2B sales in the United States of America according to and is expected to rise (Turban et al., 2008), Lee et al. 2003). Lee et al. (2003) further argues that EDI (Electronic Data Interchange) is a very common feature when it comes to electronic commerce. EDI is mostly used in the B2B sector and is a communication system that enables computers to talk to each other without any human interference. This creates efficiency and keeps the costs down (Motiwalla & Thompson 2012; Lee et al., 2003). There are several benefits with electronic commerce within B2B; it creates new sales and purchase opportunities, it reduces the cost through higher efficiency of marketing and sales (Motiwalla & Thompson, 2012; Lee et al., 2003; Fredholm, 2002). Meanwhile the purchase process is made more efficient with electronic commerce, the creation of long-term relationship management and customer service are amongst the largest benefits with electronic commerce (Chen et al., 2013; Motiwalla & Thompson 2012; Turban et al., 2008). Chen et al. (2013) further argues that when improving the service quality and collaboration of

electronic commerce the long-term relationships can grow stronger and go further. One function within electronic commerce that is relatively important is electronic procurement, it aims to make the procurement process as efficient as possible through minimizing paper work.

Alongside electronic commerce there is social commerce that is a part of electronic commerce but is more focused on the social and marketing aspects. This is mostly applied in the B2C sector but the B2B sector has seen the light and is beginning to integrate it into the electronic commerce of B2B. While electronic commerce is focusing on efficiency and business goals the social commerce is focusing on networking, collaborating and information sharing. Social commerce contains several useful disciplines; like marketing, computer science and sociology (Huang & Benyoucef, 2013). When social commerce is successfully integrated in the electronic commerce even tighter long-term relationships could be created and maintained. According to (Lee et al., 2003) a drawback with electronic commerce is that some companies still do not trust the safety of electronic and social commerce. Lee et al. (2003) further argues that for this companies who doubt the safety should accept the new way since the benefits are larger than the drawbacks.

### **2.5.3 Social Media**

Hennig-Thurau et al. (2010 s.312) describes *new media* as:

*“Websites and other digital communication and information channels in which active consumers engage in behaviours that can be consumed by others both in real time and long afterwards regardless of their spatial location.”*

They mean that companies are mixing the traditional with new media and the new channels provide less control over how a message will be spread and which direction it will take (Hennig-Thurau et al., 2010).

The new techniques in media channels require a new marketing thinking since customers have become much more active and acts as producers and informants in networking with other customers. The company has decreasing control of messages sent out (Hennig-Thurau et al., 2010).

The digital era has opened up the door for consumers to communicate back with the company and to communicate with each other. They can publish their own material and be co-operators in the information distribution. Channels such as Facebook, Youtube, Wikipedia, Twitter, different blogs and Instagram makes it possible for users to both create, publish, comment and spread information. The new technique threatens the traditional business models and marketing channels, however it create new opportunities for companies to reach customers, communicate, and collect behavioural information that is valuable both in marketing and CRM (Hennig-Thurau et al., 2010).

Hennig-Thurau et al. (2010) points out the importance to understanding and integrating this new technology into the business concept and marketing activities. Further on they highlight ten media phenomenon that affect the marketing instruments and how those phenomenon affects consumer behaviour, management of customer interaction and measuring customer activities and relationship outcomes. Those are new multimedia services, digital consumer articulation, as retailers, online social communities, search bots, shopping bots, mobile technologies, recommendation systems, peer-to-peer networks and piracy and online auctions.

A way to create loyal customers is to embrace the social marketing, social marketing is a useful way for companies to offer more value. Many companies have entered into social media such Facebook and twitter to show their human side. B2B marketing has a central focus on value, rather than experience, as is the case in the B2C sector (Hennig-Thurau et al., 2010).

#### **2.5.4 Viral marketing**

Viral marketing, buzz or online word-of-mouth is a technique that is becoming increasingly used by marketers (Hinz et al., 2011; Kozinets et al., 2010; Lebai et al., 2010). The Internet has empowered marketers to reach customers through consumer-to-consumer communication. For instance marketing efforts in seeding information into customers personal blogs allows marketers to seed messages through private persons and specific communities. This could be done for instance by offering the customer a free product to test in return of writing about it in their forum. From the marketers it is required to investigate which type of forum that is suitable for their type of product or

service (Kozinets et al., 2010). Customers that has been referred by others about products or services are more loyal and offers longer relationships and higher value than non-referred customers. To get customers to spread the product or service by word of mouth online referral programs can be used to affect customer value. A tool to reach new customers through this strategy could be to work with online communities and make it easy for new customers to connect to the company directly after being referred (Schmitt et al., 2011). Libai et al. (2010) suggest three outcomes of customer-to-customer interaction that can influence profitability by reducing costs, starting a chain reaction of communication where customers affect each other and lead to customer acquisition.

Innovators or opinion leaders help to increase market success and speed of market growth, followers are affecting the market size. By introducing new products or spreading information through innovators or early adopters the marketers can achieve both (Goldenberg et al., 2009). Viral marketing is about information being spread to a large number of people by the consumers themselves. A company can plant the message in a network or to people that in their turn forward the message to others. Normally it is used to spread information and create brand awareness and image but also for sales campaigns. Social networks offer a high potential for sharing (Hinz et al., 2011).

## 2.6 Analyse literature review

*This section presents a summary of the literature review used in the theoretical framework. The authors and findings are presented within each area of the theory; marketing strategy, relationship, branding, profit/performance and digital marketing strategy.*

**Table 2.1 Summary of literature review**

Authors	Theory	Findings
AMA Publishing (2013) Armstrong et al. (2009) Cravens et al. (2009) Dahlén and Lange (2009) Glynn (2012) Johnson et al. (2011) Senn et al. (2013)	<b>Marketing strategy</b>	Marketing strategy shall create value for stakeholders and often contains market positioning, product positioning, market mix, market entry and timing. It aims to help in fulfilling a company's goals. Higher profit, long-term relationships and brand performance or image are important goals for companies in B2B, which all affects each other. The marketing boundaries and marketing strategies are changing because of new technology and new competition. Communication is important and becomes a larger challenge with new technology and require well structured plans.
Bolton et al. (2003) Bolton (1998) Gil-Saura et al. (2009) Kumar et al. (2003) Lages et al. (2008) Lambert and Enz (2012) Latusek (2010) Luo and Kumar (2013) Palmatier et al. (2008)	<b>Relationship</b>	Long-term relationships are beneficial for the suppliers and customers since it could create both profit and market shares. By creating relationships that learn the customers behaviour companies could create marketing efforts to the right customers which lead to higher return on marketing investments. The relationship lifecycle decides which activities that suits

Authors	Theory	Findings
Terawatanavong et al. (2007) Yim et al. (2008)		<p>best to each customer. The lifecycle always starts with trust. Those companies that aim on creating long-term relationships are those that get profitable in the long run. The industry of B2B is working with the traditional marketing mix, the 4Ps. To be more competitive within the service sector the B2B industry has added additional 3Ps that is aiming at increasing the level of service. The quality of a relationship is affecting the financial outcome. Five factors that could lead to repeated purchase and positive word of mouth.</p>
Andersen and Kumar (2006) Armstrong et al. (2009) Benedixen (2004) Glynn (2012) Leek and Christodoulides (2011) Michell et al. (2001)	<b>Branding</b>	<p>Brand is highly important in B2B. It should communicate identity and image, market positioning to customers perception and emotions. Functional qualities have been in focus, however today also emotional qualities are important in relationship building and trust. Functional features seem to be most important and after that, the emotional quality in the brand can enhance the purchase decision. Technology, quality, after sales, reliability, performance, smooth operations and maintenance of relationship, price, reputation, and relationship with personnel are all described as important factors for the brand selection. Perceived risk is affecting the purchase decision, a high awareness, good reputation and well-known brand create trust and lower perceived risk</p>

Authors	Theory	Findings
		<p>just as time on market and company size decrease risk. Strong brand can create loyalty, make the product less price sensitive and build strong customer relationships. The brand is an intangible asset, competitive advantage to be chosen before competitors, it shapes entry barriers. It must be managed carefully and appropriately, perform what is promised in functional qualities and decrease perceived risk by emotional qualities. Brand position and experience is built up through communication and contact with the customer, continuously through different channels.</p>
<p>Baines et al. (2013) Berthon et al. (2003) Rust and Kannan (2003)</p>	<p><b>Profit and performance</b></p>	<p>Profit is one of the most important goals for companies and can be increased by lower costs, higher margins and larger volumes. Digital marketing can be more cost effective than regular marketing; it can reach more and right customers faster. It can also reduce transaction costs for customers by reducing the search costs with for example search engines and comparison sites. Digital marketing can also facilitate improved service and profitable long-term relationships, which can give revenue expansion by E-service. It will not replace personal service but enhance the service, increase profitability, customer value and competitive advantage. The quality of e-service is important to reach the benefits and customisation of service, which enables</p>

Authors	Theory	Findings
		reduced costs for customers, increase satisfaction, loyalty and trust.
<p>Asare et al. (2011)</p> <p>Avlonitis and Karayanni (2000)</p> <p>Bandyo-padhyay (2002)</p> <p>Chen et al. (2013)</p> <p>Fredholm (2002)</p> <p>Geyskens et al. (2002)</p> <p>Goldenberg et al. (2009)</p> <p>Hennig-Thurau et al. (2010)</p> <p>Hibbard et al. (2001)</p> <p>Hinz et al. (2011)</p> <p>Huang and Benyoucef (2013)</p> <p>Hugh and Elizabeth (2006)</p> <p>Jukes and Zilling (2012)</p> <p>Kozinets et al. (2010)</p>	<p><b>Digital marketing strategy</b></p>	<p>New technology is a key to competitive advantages, both in efficiency and in interaction with customers. The Internet provides new exchange platforms that include information sharing and communication channels for companies. Almost all companies use homepages. The competitiveness of the homepage lies in the navigation capability and simplicity in using the homepage. Marketers that use the Internet could gain efficiency compared to using traditional channels. The Internet could also have a positive effect on sales performance. The size of a company does not affect how well a company use and implements the Internet in the organisation. Communities are something that is expected to grow where customers and companies can interact with each other. The Internet is a good tool to create and maintain relationships. The choice of <b>channel strategies</b> could enhance how the brand is perceived. Companies should create new channels to interact and communicate with their customers and try to make the new channels a standard. This will create a competitive advantage long-term. If a company only works with catalogue sales, the company should use the Internet together with the catalogue to learn the customers. Companies who aim at having a long-term approach of IT-strategy with short-term tactical approach are those who will be able to create a</p>

Authors	Theory	Findings
<p>Kumar et al. (2003)</p> <p>Lebai et al. (2010)</p> <p>Lee and Grewal (2004)</p> <p>Lee et al. (2003)</p> <p>Leek et al. (2003)</p> <p>Merrilees and Fenech (2007)</p> <p>Motiwalla and Thompson (2012)</p> <p>Porter and Millar (1985)</p> <p>Schmitt et al. (2011)</p> <p>Sharma and Sheth (2004)</p> <p>Sharma (2002)</p> <p>Turban et al. (2008)</p>		<p>competitive advantage.</p> <p><b>Electronic commerce</b> is the process of buying and selling products and services online. It's an effective way of enhancing the efficiency and reduces costs through higher efficiency of marketing and sales. Another discipline within electronic commerce is the collaboration with social commerce. When implanted right it could create tighter and long-term relationships.</p> <p><b>Social media</b> is websites and other digital communication, which active consumers engage in behaviours that can be consumed by others. It gives companies a new way of communicating with their customers and builds brand awareness. Common channels are; Facebook, Youtube, Wikipedia, Twitter, different blogs and Instagram.</p> <p><b>Viral marketing</b> is a technique that is using online word-of-mouth and buzz to spread a message. Companies can use the phenomenon of viral marketing when introducing a new product and let customers spread the opinion through blogs, social media and other interactive forums.</p>

## 2.7 Conceptualisation of theoretical framework

To visualize the use of theoretical framework and the connection between the different theoretical concepts, figure 2.1 demonstrates the conceptualisation of the theories to provide a holistic overview of the theoretical framework.

The marketing strategy is the activities that should help the company to achieve the goals and objectives with the help of marketing activities (Armstrong et al., 2009). The theory mentions three important parts for companies; profit/performance, relationships and branding that can be enhanced with the right utilization of the marketing strategy. These three objectives affect each other and are highly important for companies. Figure 2.1 describes marketing strategy connected to the three objectives of profit/performance, relationships and branding which in turn are connected and can be strengthened by the use of the digital marketing strategy. The possibility of enhanced performance in all objectives is achievable with the use of digital marketing if it is done appropriately (Leek et al., 2003; Bandyo-padhyay, 2002; Avlonitis & Karayanni 2000). Digital marketing could be used to complement the traditional channels to better achieve success in reaching different objectives (Leek et al., 2003). The choices of how to use digital marketing and why it is used are the research topics for this study and the model will evolve with new findings.



**Figure 2.1 Conceptualisation of theoretical framework**

# 3 Methodological chapter

*This chapter will present a description of the research methodology used to conduct the research. It highlights the selected research method, discuss and motivate the choice of appropriate methods in accordance with the subject of the research. Further it describes the approach for data collection and brings up quality criteria for the research.*

## 3.1 Research approach

### 3.1.1 Inductive vs Deductive and Abductive research

Deductive and inductive are two different views of the relationship between theory and research (Bryman & Bell, 2011), which both deals with conclusions concerning the truth (Evans & Over, 2013). Deductive approach starts with a platform from theory to determine hypothesis to be researched through different research methods to gain findings that can approve or reject the hypothesis (Bryman & Bell, 2011). It is used to examine relationships in theories and collected data through testing in a mathematical way (Ormerod, 2010). Evans and Over (2013) describes deduction as an intent to present evidence of what is already believed that makes it true.

Inductive approach means that theory is something that is formed from the research and data collection and develops during the research process by learning and recognizing new things and seeking for the truth (Oghazi, 2009; Bryman & Bell, 2011; Evans & Over, 2013). A deductive approach contains some inductive implications and the inductive approach often entails a deductive part. Neither of the approached is seldom pure used in a research (Bryman & Bell, 2011). Abduction is the combination of induction and deduction which formulate a problem within an area in an inductive way and then search for data with the help of theories in a deductive way to see how it looks in other cases (Patel & Davidson, 2011). Birkler (2008) describes the flexibility of abduction and a less structured and freer approach for researches.

Abduction is used for this study, according to Patel and Davidson (2011) social science as research in business administration often uses a mixed approach of deduction and

induction. The aim of this study is to generate new information using an inductive approach, however the theoretical platform is based on a literature review of scientific articles to build it up and strengthen the study as in a deductive approach. Data was collected from cases to provide primary data within the research area and to be able to conclude how and why and provide researchers with further research topics. The research area for this study is formulated from scientific articles and literature within the technological development of digital marketing from earlier research in the area, which was collected in a deductive way to provide a theoretical framework. Evans and Over (2013) means that if research relies on only deduction nothing new can be learned that has not already been believed and assumed, only test if it is true. On the other hand if the study only use induction one can never be sure of the actual truth in the conclusion since it is not logically valid. One can only give the conclusion a degree of confidence or a subjective probability. The researchers assess that the study needs both a theoretical platform to strengthen the findings and primary data collection that can provide the study with new influences and findings for manager implications and further research. This is one of the major findings why the study is taking the abductive research approach.

### **3.1.2 Quantitative vs Qualitative research**

Depending on what one is going to investigate there are mainly two approaches, quantitative and qualitative (Bryman & Bell, 2011). There are distinctive features for the two different approaches. In the quantitative approach the researcher are trying to get a good reflection of the variation, meanwhile qualitative approach is searching for a variation that matches the reality as good as possible (Bryman & Bell, 2011). Quantitative research can in a broad sense be described as a collection of numerical data and taking a deductive approach with hypothesis. It is based on a large number of respondents but gives a small amount of information from each (Bryman & Bell, 2011). Qualitative research is a research strategy that focuses more on words than numbers both in the collection of data and during the analysis. It has a connection to inductive approach and has as a goal to describe phenomenon qualities. A qualitative method is not interested in setting a value on something, instead describing why something has a connection to other parts (Oghazi et al., 2012; Patton, 2002). It is based on a small

number of respondents or objects but provides rich and large information from each of them (Bryman & Bell, 2011).

The purpose of this study is to identify how small and medium sized companies in B2B use the Internet as a tool for digital marketing strategy. The research questions that are supposed to answer the purpose are connected to this study based on how and why a company uses the Internet in their marketing and their future plans for developing in the area. To be able to answer this, the researchers of this study assess that a qualitative approach is to prefer above a quantitative approach. The reason is that the qualitative research approach digs much deeper and is able to answer the how and why questions of this study. To strengthen the choice of method even further, Patton (2002) describes that a qualitative approach provides richer and deeper information from less respondents and is generally interested to investigate why and how things are.

## 3.2 Research design

The research design outlays a working scheme of what is to be done and why it should be done, an action plan for the researcher (Sontakki, 2010). The research design represents the method and the procedure for collecting all the necessary data and how to analyse it to come up with a conclusion in the end of the study (Ghauri & Grønhaug, 2005). There are three classes of research design; casual, exploratory and descriptive research design.

*Causal research design* is handling the cause and effect problems. The main objective is to narrow down the causes and figure out to what extent the causal variables actually affect the results (Ghauri & Grønhaug, 2005).

*Exploratory research designs'* main objectives are to search for new relationships, ideas and insights (Oghazi et al., 2012; Sontakki, 2010). New information that arises during the research could change the direction of the research. Flexibility is characterising this type of research (Ghauri & Grønhaug, 2005).

*Descriptive research design* is about describing something. A descriptive research design aims at researching the dimensions of who, what, when, where, why and how (Oghazi, 2014; Sontakki, 2010; Ghauri & Grønhaug, 2005). The problem definition in descriptive design is structured and very well understood (Oghazi, 2013; Ghauri & Grønhaug, 2005).

In this study the descriptive research design was used since the purpose of this study is to identify how small and medium sized companies in B2B use the Internet as a tool for digital marketing strategy. As Sontakki (2010) describes descriptive design does not aim to produce any cause and effect relationships between variables. This study is not describing any causes between variables, it aims to identify why and how small and medium sized companies use the Internet in their marketing. The research questions in this study acts as a factor when deciding on which research design to choose, in this study the questions regarding why and how and therefore the descriptive approach is favourable for this study. Dimensions of why and how is also mentioned by both Sontakki (2010) and Ghauri and Grønhaug (2005) as questions that can be answered through a descriptive research design. Bordens and Abbot (2005) argue that the research design should reflect the problematisation and research questions.

### 3.3 Data sources

Sources are used to find and gain information in the field of research area. Defining three types of sources; actors that can be observed, respondents that inform their understanding and opinion in questions and documents which is a secondary source of information.

#### 3.3.1 Primary data

Primary data is the empirical material that is collected by the researcher (Alvehus, 2013). The norm for primary data is that the researcher has collected the new data with data collection methods as for example observations, interviews and questionnaires (Kothari & Garg, 2014). The empirical data gathered from different methods can then be interconnected to the secondary data in the theoretical framework when analysing and writing out a discussion about the problem area researched (Grønmo, 2006).

### **3.3.2 Secondary data**

Secondary data is data collected for other research that can be used again in current studies (Alvehus, 2013). The most common sources of knowledge in documents are books, scientific articles and reports (Patel & Davidsson, 2011). To ensure high quality of the documents a critical inspection is needed of the document, including accessibility, relevance, authenticity and credibility (Grönmo, 2006). One analyse method is meta-analysis that collect a large amount of information from the research area to analyse what earlier research has said about the topic (Bryman & Bell, 2011).

Secondary data was used to get a pre-knowledge in the field of the research into specific areas within digital marketing strategy. The secondary data contains sources from scientific articles and books that are used to achieve a high quality and trustworthiness of the data. Patel and Davidson (2011) mention that the quality and choice of literature could be estimated by how important it is for the study, if the publishing date is relevant, if it is published in a scientific journal and if it refers to other sources. Keywords relating to the problematisation were found to be important for the study, thus to help answer the research questions, theory chapters were created and headlines based on those keywords. To search for the secondary data, several search engines have been used; Google scholar, Web of science, Science Direct. Ulrichweb were utilized to secure that the secondary data is published in referred journals.

To strengthen the scientific approach and get a higher degree of scientific trustworthiness the researches also where to collect primary data. Grönmo (2006) emphasis that primary data gives the empirical platform that is needed to do an interpretation and analyse. The collection of primary data must be relevant for the problematisation (Grönmo, 2006). Therefore the researches were using the problematisation and the research questions to formulate an interview guide from the categories that are formulated in the theoretical platform and collect the primary data.

Just as mentioned by Evans and Over (2013), a study based on only theoretical material proves difficult to gain anything new, while a study based on only empirical material could have difficulties in reaching a high degree of trustworthiness in the conclusion. Therefore both primary and secondary data was used. Primary data was used to get influence from the researches collected data and the possibility to find new interesting

parameters. Secondary data was used to get a higher trustworthiness of the study and strengthen the findings and conclusions by previous research and understandings within the field. The combination of methods for data collection was done to support each other in the findings and to get a more reliable result.

### 3.4 Research strategy

Research strategy highlights the decision of how to form the research. There are different strategies that could be applied in research, such as *experimental*, *cross-sectional*, *longitudinal*, *comparative*, and *case study strategy* (Bryman & Bell, 2011). There is especially one factor that decides which type of strategy that is to be used; the type of research questions (Yin, 2009). Case study is focused on one or more cases and is very commonly used in social science and business research (Bryman & Bell, 2011). A case can be an organisation, a situation, a location or a person (Bryman & Bell, 2011; Patel & Davidsson, 2011).

According to Yin (2013) resources and time available for the study also play a part in the choice of method used. The problematisation creates a problem that is grounded in where the organisations are today and how they work with digital marketing included in the marketing strategy. There is no need for any implemented causal factors as described by Patel and Davidson (2011) in the experimental strategy or longitudinal strategy on different occasions as Grönmo (2006) mention. A case study strategy is favourable with a holistic view and is common when studying processes and changes (Patel & Davidson, 2011). The aim is to use several cases to research the field and a case study strategy allows the researcher to get a deeper understanding that is often used in qualitative research. According to Patel and Davidson (2011) the opportunity for studying more than one case is also available in this strategy but is then called a multi-case study which likely can give better covering information in the research area. This has affected the choice of collecting data with a multi-case study strategy to get a rich data and better covering information for the specific research area with influences from more than one company attending. Bryman and Bell (2011) describes representative cases that exemplifies a normal situation of a company and that cases often are selected from those who are supposed to give the greatest level of learning within the field. For this study cases that are seen as strategically suitable for the study was used and people

within those companies that have a large amount of understanding and knowledge in how they work was responding. Bryman and Bell (2011) describe that a multi-case study builds a better opportunity for the researcher to establish the situations a theory would hold for.

This study was based on a multi-case study strategy since the purpose is to research a specific area within several cases. Several cases are used to get the primary data more reliable and trustworthy. The research questions require rich information, which is possible to get from this research strategy. The study's aim is to survey the situation within the field at this moment and how they today see the digital marketing strategy and the future development. The researches have chosen five cases, in manufacturing industries to do research on, this is to get a wider collection of information and also the possibility to increase the external validity.

### 3.5 Data collection method

Data collection methods are how the researcher gathers the empirical data. Some methods are more suitable than others to the different research methods (Bell, 2000). The appropriate data collection methods for qualitative research are suggested by Bryman and Bell (2013) as *focus groups, interviews, ethnography, language analysis and documents as a source of data*. Yin (2013) further mentions *tactile impressions* as another data collection method.

A researcher can decide to use one or several methods for gathering data. It is the research questions that decide what method to use when collecting data. The researcher requires to know which information the research need before selecting the data collecting method. The researcher should select the method that can best provide the type of information that is critical to answer the research question (Oghazi & Österberg, 2003; Bell, 2000). Qualitative interviews can be unstructured or semi-structured and aim to give flexibility and a deeper discussion in the subject area (Bryman & Bell, 2011). Qualitative interviews also contain open questions that ask the respondent to answer in greater detail and with their own words (Yin, 2013). Qualitative interviews aim to understand the respondents' view of the topic (Yin, 2013; Bryman & Bell, 2011; Oghazi et al., 2009). As mentioned earlier qualitative method is a method used in a

research that has a problematisation and research questions that require richer information, this can be provided with semi-structured interviews.

For a qualitative unstructured interview there is no strict manuscript to follow and questions can evolve during the interview, it only has topics that should be discussed during the interview (Yin, 2013; Bryman & Bell, 2011). A semi-structured interview on the other hand has an interview guide and some structured questions that can extend and change during the interview (Bryman & Bell, 2011).

A semi-structured method is preferred if the focus of the interview is relatively clear, when more than one interviewer is involved or if a multi-case study is used. It gives a clearer structure and enables easier comparison if the interviews have followed a similar structure (Bryman & Bell, 2011; Patton, 2002).

For this study a qualitative semi-structured interview was selected since a deeper knowledge is preferable in this type of study. Interviews was held with several manufacturing companies and with two interviewees. The researches want to have a structure to avoid or miss areas that might be important. The researchers are searching for answers on the research questions regarding how and why. It is closely connected to the descriptive research design and it takes the respondents view of the topic and enables the questions how and why that are asked in this study to be answered more deeply. To get the respondents to answer more accurately the researches where creating and signing a confidential agreement with the respondents which can be found appendix 1.

### 3.6 Data collection instrument

This chapter justifies the selection of theories and describe how the interview questions have developed from the theoretical framework to enable the answering of research questions. The creation of an interview guide is examined, as is the pre-test for this.

### 3.6.1 Operationalisation

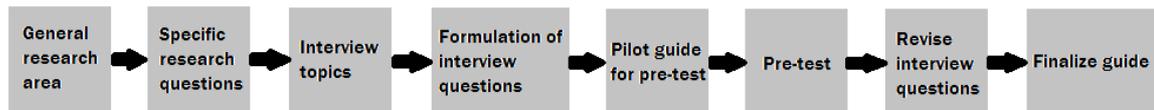
Operationalisation describes how the questions for data collection have evolved from a theoretical framework into research purpose and interview topics. Operationalisation describes the connection between the theoretical framework and research question (Bryman & Bell, 2011). The questions are structured after the theoretical concepts, it provides an overview of questions and a movable structure to follow the interviews development. Figure 3.1 demonstrates the theoretical areas used for evolving the interview guide. The key concepts found in the theory are also used in the interview guide to ensure that all necessary areas are discussed during the interviews. Since the structure aims to be flexible and have the possibility to change during the interview, topics from the theory; *marketing strategy*, *relationship*, *branding*, *profit and performance* and *digital marketing* have been used to operationalise for the empirical data collection.



**Figure 3.1 Operationalisation**

### 3.6.2 Interview guide

When conducting semi-structured interviews an interview guide should be created to give the interviewer an overview of the areas or questions that are supposed to be discussed. The researcher was creating an interview guide that is formulated from the theories and research questions, which were to help the interviewer. It can also be a framework to picture what the conversation ought to include and to ensure that important areas not were forgotten (Yin, 2013; Bryman & Bell, 2011; Patton, 2002). To start with a broad description of a company's overall marketing strategies and their view of relationships, branding and profit/performance is thought to build a structured base of how the situation is in large for the companies within the marketing, this is also to get the respondent to be more comfortable with the interview situation. This was followed by more detailed information related to the research questions about the Internet, digital channels and how they are used in the company and why they are using those channels and why others are not used. In figure 3.1 the operationalisation of this study demonstrates the connection of areas and related questions.



**Figure 3.2 Operationalisation of interview guide**

Inspired by Bryman and Bell 2011, p.477

The researchers have formulated an interview guide with inspiration from Bryman and Bell (2011) figure 3.2. The researchers have followed a process of eight steps when creating a final interview guide. Step 1, general research area. In this step the general research area focuses on the problematisation which constitutes the study and gives meaning to it. This is the reason why the problematisation is so important when formulating the interview guide. Step 2, specific research questions. In this step the research questions are looked at. It is very important that one has the research questions in mind when formulating an interview guide since they are what researchers want to answer with help of the questions in the interview guide. For this study, the research questions are; How do small and medium sized companies in B2B sectors use the

Internet and digital channels in their marketing strategy? Why do small and medium sized companies in B2B use the Internet and digital channels in their marketing? How do small and medium sized companies in B2B see future development of the use of the Internet and digital channels?

Step 3, interview topics. In this step the researchers are formulating interview topics where the theory acts as inspiration. Step 4, formulation of interview questions. Here the researches are formulating interview questions with previous steps in mind to be sure that the interview questions are as valid as possible. Step 5, pilot guide for pre-test. Under this step the researches has formulated a pilot guide with interview questions that was tested during a pre-test. The researches formulated a pilot guide, which then was revised and a second pilot guide was then created and used during the pre-tests. Step 6, pre-test. The researches conducted eight pre-tests of the pilot guide. The pre-test where conducted on people with large knowledge in business administration and people with expert knowledge within the area of marketing strategy. Step 7, revise of interview questions. After the pre-tests the questions where revised and reformulated to better suit the research area and research questions. Step 8, finalise guide. The last step in the process of formulating an interview guide is to finalise the guide.

According to Bryman and Bell (2011) further questions can evolve during the interview. The interview guide in this research shall be a guideline for the interviewees to ensure the important areas was covered. During the interview further questions are supposed to evolve within the conversation, this to get as deep and rich answers as possible.

The guide starts with a few simple demographic questions and follows with area specific questions. To give the depth that this research requires, open questions were mostly used, with the possibility for follow up questions. This was done, as qualitative interviews should offer the respondent the ability to talk and feel free to discuss around the area.

In appendix 2 the interview guide for this study can be found. It is created according to recommendations with questions for each area to get a rich data from each interview.

### **3.6.3 Pre-test**

A pre-testing process is implemented in this study to ensure the quality of the questions. Pre-testing is an important factor to determine if the questions that are to be used in an interview are able to answer the research questions for the study. Doing a pre-test gives the researcher the benefit to test the questions before they are used in an interview. The pre-test is also a way for the researchers to value the interview situation together with the interview guideline. The interview guideline was developed first by the researchers that created a framework for the interview guide. To implement a qualitative interview is a challenge, the respondent and interviewer might not use the same language and listening becomes highly important to understand and learn. Behaviours that should be considered by the interviewer is to speak as little as possible to encourage the respondent to provide well-developed answers (Yin, 2013). The interview guide was acting as a support for the researchers, since the researchers want that the respondents should speak as freely as possible.

Pre-tests were done with a total of eight test respondents, six people with large knowledge in business administration and two people which have expert knowledge within the area of marketing strategy. The supervisors of this study, who have long experience within marketing strategy did review the interview guide twice. After this review the interview guide was reformulated. After the reformulation of the interview guide another pre-test was executed to value the interview situation, this time only on the two persons with high knowledge in marketing, this led to further revision and the formulation of the final interview guide. The interviews were held in Swedish since the respondents are from Sweden and this is the most comfortable language for them. After the interviews the researchers were translating the empirical material to English.

## **3.7 Sampling**

A sample is the objects that are selected to be included in the research (Yin, 2011). Strategic sampling is frequently used in qualitative studies to ensure that the sample was able to generate the information that is required for the study (Alvehus, 2013). This is a sample method that selects respondents or objects that is believed to give the most relevant and the richest information within the research area (Bryman & Bell, 2011; Yin, 2011). It requires actively choosing cases that are as dissimilar as possible to

maximize the possibility to get as many perspectives of the phenomenon as possible (Patton, 2002). To use cases and persons that are thought to have different opinions helps to avoid distorted results (Yin, 2011).

Strategic sampling is not cases found by chance based on availability, they are selected by fulfilling the established criteria for inclusion with their characteristics and their relevance for the study (Bryman & Bell, 2011). The number of respondents is dependent on the purpose of the study. The aim can be to research a broader context such as an organisation, or take a narrower focus on more individual persons. A broad context can collect data from only one case, it can also include more cases to give richer information and the possibility to compare the data. (Yin, 2011).

### **3.7.1 Sample frame**

A strategic sampling method has been used to find relevant cases that could be suitable to help answer the research questions. Also more than one case was preferred, as deep and rich information from different opinions is wanted. Since the research area is within digital marketing strategy in B2B context the first criteria for cases to include were that they must be operating in a B2B context. Another criterion was that cases must go under medium sized companies that according to Europa (2006) are organisations with up to 250 employees. The criteria of the amount of employees is only used, the turnover criteria have not been used in the sample frame. The objects were also required to be a manufacturing company with products offered to other companies and to operate in different product areas. If one product area had been covered a similar company in the same business could not be included in the sample. This was done to get a high variety of cases. To find those companies, Allabolag.se was used to find out more about number of employees to see which of them fulfilled the criteria of small and medium sized companies. The sample frame includes two criteria: geographical convenience and the access to information.

**Table 3.1 Sample criteria: Respondents and companies**

Criteria	
Company size	Small and medium sized companies. 50-250 employees
Industry	Manufacturing companies within different industries
Location	Sweden (south)
Geographical representation	National
Title of respondent	Sales and marketing managers

### **3.7.2 Sample selection**

Ten companies were selected upon the sample criteria in table 3.1 and an e-mail was sent with a pre-notice letter about the research area and their attendance (appendix 3). A few of the requested companies declined the invitation at this early stage. After a week the remaining companies were called for a further explanation of the research and asked for an interview with the person responsible for their Internet marketing. Five companies agreed to participate in the research and interviews were booked in their office to ease the procedure for them and to make them feel comfortable in their natural environment.

## **3.8 Data analysis method**

This study is based on a qualitative approach and a qualitative analysis going to be used. This study contains five in-depth interviews from five different manufacturing companies in Sweden. When analysing a qualitative data there are according to Bryman and Bell (2011) two main strategies that act as a framework, analytic induction and grounded theory analysis. The analytic induction method has an iterative approach which is pending between collecting and analysing data. This means that one starts to analyse the first data that one has collected, the results of this shape the next step of the process for collecting more data. The grounded theory could be used like this, it could also be used to analyse the data against collected theory from case studies (Bryman &

Bell, 2011). The grounded theory is based on a process called coding. This means that the data is broken down into smaller parts or categories that the researches names.

This study was using a grounded theory approach when analysing the collected data. The reason for using grounded theory is that the researches have already collected the theory that they want to investigate through the five case studies. To collect the data in-depth interviews was used. To analyse the collected empirical data four steps was conducted. First when the data is collected, the researches was beginning to transcribe the data. The transcribation was executed by transferring the data from tapes to text. When this is completed the researches was most likely to have a large amount of data. As always when conducting qualitative research (Bryman & Bell, 2011), the researches was reducing the data through data reduction. When this step is conducted the researches was coding the data from the five in-depth interviews and create different categories and sub-categories. After the coding is done the fourth step was to make pattern making. The researches where trying to find different patterns from the categories that the coding resulted in and try to match these patterns into the existing theory to try to answer the research questions that were set out in the beginning of the study.

The collected primary data was coded into categories that construct the empirical material. These categories was preferably followed the same structure as the theory but include more sub-categories to facilitate the analyses. After the categorisation the empirical material is analysed against the theory to answer the research questions.

## 3.9 Quality criteria

In this chapter the four quality criteria are presented with the aim to give the research as high quality as possible. The criteria that are being discussed are; credibility, transferability, dependability and conformability.

### 3.9.1 Credibility

Credibility is the qualitative equivalent to internal validity, which looks at the content and construct validity and how well the measurements are measuring what is ought to

be researched. When a researcher constructs a new interview guide the researcher should make sure that it has credibility. This is ensuring that the questions in the interview guide corresponds to the content and reflects the concept in the research questions (Bryman & Bell, 2011).

One could establish credibility through asking people who are experts in a field and ask them if the measure is reflecting the concept (Bryman & Bell, 2011). This study has completed several actions to enhance the credibility. The interview guide was constructed with the help of the supervisor of this study and pre-tested on two persons with high knowledge in marketing strategy and also a total of six other persons with large knowledge in business administration. This study has developed from the problematisation, purpose and research questions set to be researched. From the problematisation theory concepts important for the field were constructed and from this measurements for the data collection evolved to ensure the collection of relevant data for the topics. To ensure that the secondary data holds as high quality as possible the data were checked to be referred in good journals.

When selecting a test to conduct in a research study one must be very careful to select one that precisely measures the design of interest. Experts should execute the selection of the right measure. Construct validity is needed in addition to experts to ensure there is a proof that an instrument actually works in the intended environment where it is going to operate (Powell & Connaway, 2004). For this study the construct validity was tested both on two persons with expert knowledge in both business administration and marketing strategy, also with the supervisor of this paper and the supervisor of methodology, that have gone through the interview guide. By doing this the researches claims that the construct validity is reasonably high. The researches was also recording all the five interviews, which gave the researches a more precise picture when analysing the data.

### **3.9.2 Transferability**

Transferability has to do with the question; if the results of the study could be generalised outside the context of the study (Bryman & Bell, 2011). To increase the external validity of this research five respondents from different manufacturing

companies were selected to represent as many areas as possible. The same interview guide was used during all the interviews to be confident that the theories were applied for all companies involved.

### **3.9.3 Dependability**

The dependability is very important in a research process. Basically it is interested and concerned with the consistency of the measures. A good example of dependability is if it is possible to reproduce the results of a study conducted today at an different point of time. The results should not change or the variation should at least be very small (Bryman & Bell, 2011). Normally when conducting semi-structured interviews it is fairly impossible to get a really high dependability however one can strengthen it to be as strong as possible. To increase the reliability in this study the researches was using the same interview guide when executing the interviews. Also making sure that there is a clear structure on the interview guide. The researches was dressed in the same clothes during the visit to the companies so that the respondents were getting the same impression of the researches, since different clothing could affect the reliability when conducting semi-structured interviews (Bryman & Bell, 2011). The researches were conducting all the interviews in the same way with the help of the interview guide, which increased the reliability of the research. By following the interview guide as far as possible to avoid affecting the respondents and to enable them to answer freely and without affection from the interviewee. By letting respondent talk as much as possible without interruption and asking questions that can detect the interviewees' opinion in the area and thereby encourage biased answers was also to be positive for the dependability. By interviewing five companies within the research area, the study can be more general where the answers are the same in all cases.

### **3.9.4 Conformability**

Since this study is researching a phenomena and is based on a qualitative approach, it is a part of a social science, Bryman and Bell (2011) argue that the objectivity is important when conducting qualitative research, but it is nearly impossible to gain a hundred percent objectivity, although one can conduct measures to enhance it. The researches of this study has tried to be as objective as possible by making the interview guide as

thorough as possible and making several pre-tests to check the objectivity of the interview guide. The researches tried to interview all the respondents in the same way to minimize contamination of the results, meanwhile one can never exclude contamination in semi-structured interviews. The respondents could have been affected by age, colour of the skin or the choice of clothes of the interviewees, which could have affected the conformability.

# 4 Empirical chapter

*This chapter present the empirical material that has been collected through five semi-structured interviews from different manufacturing companies in different sectors, this to enhance the transferability.*

## 4.1 Preamble

The empirical chapter gives an summarised description of the primary data collected for this study. Five semi-structured interviews were conducted with small and medium sized companies operating in the B2B-sector. The area of product category differed between the companies to get a broader picture within the field and enabled the study to be more generalisable. The aim was to get deep and rich information about digital marketing usage in companies working in B2B.

The concepts inquired for an interview were open-ended and followed a flexible structure for the respondents to freely tell their story about the topics and questions within the field. Each interview lasted about one and a half hours and was transcribed shortly after the execution. For the companies' integrity and protection of trade secrets companies are described as company A, B, C, D and E. The empirical description follows the headlines *marketing strategy, relationships, branding, profit and performance* and *digital marketing*. Those are the key concepts that are building the theoretical framework.

The persons answering for the responding companies were four men and one woman working as marketing managers or sales & marketing managers. Three of the respondents were 40-60 years old and the other two respondents were between 20-40 years old. The experience in the profession was between 3-35 years. More explicit information could be found in table 4.1.

**Table 4.1 Summarise of responding companies**

Facts	Company A	Company B	Company C	Company D	Company E
Founded	1949	1945	1906	1957	1967
Turnover SEK (million)	230	230	345	588	539
Number of employees	68	116	208	202	191
Title of respondent	Marketing manager	Sales and marketing manager	Marketing manager	Sales and marketing manager	Sales and marketing manager
Age	24	62	53	50	40
Time in profession	3	31	15	25	7
Manufacturing Industry	Floor	Surface applications	Plumbing-products	Industry interior	Rubber
Target groups	Designers, architects and installer.	OEM Customers	OEM, wholesalers and installer.	End user of industry interior	OEM customers
Market competition	Medium and high	Low and high depending on customer sector	High	Medium and high	Low and medium

## 4.2 Themes

### 4.2.1 Marketing strategy

The interviewed companies work both within Sweden and the Scandinavian markets, but also with a lot of trade to rest of the world. On the global market they act through own departments, subsidiaries/daughter companies, sister companies, agents and partners to reach the customers. The relationships with those are for all responding companies very close and they interact with each other and help them with marketing activities to control the message and picture presented about the company. Company C expresses,

*“We help our partners when they want to do some kind of campaign.”*

Company A says,

*“We work with partners all around the world as we see it, they are actually distributors, but we work very close with them so for us they are partners and we produce a lot of communication material and sales tools for them. An overall strategy with the marketing could be to facilitate for our partners.”*

The marketing strategy described by all the responding companies, is explained to be structured after the target groups interesting for each company.

The target groups are original equipment manufacturers (OEM), wholesalers, installers, designers, architects and media. Company A, B and C describes target groups not only as the customers they have, however also other interest groups that can be important for the company's strategic goals as end users and media.

The marketing strategies aim to generate sales and profit. Sales is important for all companies and the largest goal is to generate more sales and profit. Other goals that are mentioned are relationships, brand building, brand value, brand performance, product launching and company positioning on the market as well as trying to be the first choice on the market. Long-term relationships and brand related goals are explained as important for all participating companies.

Company A describes the overall goal with the strategy as,

*“The goal with the marketing strategy is always to generate business. There is of course short-term goals such as creating awareness with a lot of media time, we want to create Buzz among the target group architects/designers and capture a position for the brand as a ventured, cheeky and cool brand that stands out. Those are more short-term goals and the end goal is that the combination of market located activities shall help the sales department to sell more.”*

Company E says that,

*“The strategy is to grow with existing customers and niche markets. Niche is one of our most important strategies. We should be number one or number two and we should have*

*a position where we can control what is happening and not be affected by actions from everyone else.”*

Company D describes the strategy as a way to build trust with the customer and relationships, and by this generate orders and sales in long-term perspective.

Traditional channels were almost the same for all responding companies. Exhibitions, ads in journals, press releases, sales meetings, events, campaigns, personal contact, sponsoring, brochures, samples and factory visits were all used in the traditional marketing activities. Company D use sales force activities and events to build relationships. Ads and sponsoring are mostly used to strengthen the brand.

Marketing activities plays different roles in the company. Exhibitions are mainly used to integrate with old customers. A way to meet them in a collective place to share new information and build on existing relationships. Also to find new potential customers even if this was not seen to be a place where a lot of new sales is generated, however some leads are established. The attendances of exhibitions are selected based on the relevance of the target groups that wanted to be reached. Company A for example attended exhibitions which focused on architects and design, while company C attended exhibitions where they could reach OEM-customers, wholesalers and installers. Company D explains that exhibitions are an important channel, but over the last years the number of attendance has decreased for them.

The power of a sales meeting and personal contact face to face with the customer is described as a strong tool. Company A describes,

*“The personal meeting is absolutely the most important we have.”*

#### **4.2.2 Relationship**

Relationships are highly important for all responding companies. Focus is on long-term relations and to create a close and strong relationship with customers. On a scale from one to ten where one is completely unimportant and ten is extremely important the answers lies between eight and ten. Company D mention,

*“We work only with long-term relationships, the short-terms are also there, but are nothing we invest in. We put everything on long-term relationships.”*

All companies describe the building of relationship as highly important in all segments, however the process of creating and maintaining relationships differ depending on which customer it is. Company C describes,

*“With our OEM-customers, which are fewer, we have a close customer relationship where we meet a couple of times per year to close a yearly deal and follow up business continuously to make sure it works in a proper way.”*

They have co-operations in development and problem solutions which are also described by company B, D and E when working with OEM-customers. In those customer segments teams are involved with different parts of the company to serve and help the customer. Further company C describes,

*“With wholesalers of course you get a relationship with store managers since you have contact with them relatively often, but we do not have the capacity to visit them all, even once per year, you must be selective.”*

They say that in these cases the store is not the one you make business with, this is made central for all stores included in the network and the work is to be in the assortment and close long-term deals. The person that takes the decision of using the product is the installer and company C says,

*“Strategically we want to come closer to the installer. We think that the choice of product lies with the installer. It may be that we even start to get closer to the consumer influence on the choice.”*

*“We try to get closer to the installers and teach them how to use our products, and closer to the consumers. I would still say that We today are not directing our marketing to consumers, in some ways we direct it against installers but it is still a fact that where we make businesses is not against those target groups.”*

The same goes for company A and B who also try to focus efforts on both decision makers which are the architect and designers and the installer who will install the product. Company D has their own installers and focus only on the actual customer, and the same focus is for company E who only focus on the buyer and the relationship with those, which is the key to create long-term relationships.

Relationships are built with contact and services for the customer. The behaviour in relationship building is adapted to how the customer wants it. Company B says,

*“We work with half or whole year prices for our customers even if our raw material suppliers change prices each month. Our customers want stability since they in their turn offer prices to their customers.”*

Company A expresses,

*“We are trying to process each target group and build relationship with respective target group. Of course there are differences in processing an installer versus processing a journalist, completely different.”*

To have features that help to keep the customer satisfied, well served and that makes the company a customer's first choice when it comes to their markets is important for all companies. Some of them are market leaders in one or more segments and have a good reputation there. Others are not the largest on the market but offer features that give the customer satisfaction. Company C mentions close relationship, service quality, product quality, technical support, fast and smooth logistics, price level, education and tools, high level of product development and innovation and fast acting with problems are important factors in the relationship building and maintenance, to make it smooth and easy for the customer to access the products and the service they require.

Company B makes customer attitude surveys to see what customers think about their quality, service, technical knowledge, reclamation handling, treatment and if they are keeping their promises. The personnel also take this survey and previous results have shown that they are pretty close to the customer's opinion and well aware of what their

customers think about them. It gives the possibility to recognize strengths and weaknesses from the customers' side. Company B says,

*"We are seen as a serious company."*

The ability to invite customers or target groups to visit the factory is utilized to build relationships, to make the customer closer to the company and be open. It is experienced as a way to get a personal relationship and show the company from inside. Company A mentions,

*"We are often inviting target groups to different activities and events, the possibility to come here and sense the product and the company and be well treated, it creates close relationships."*

Companies also mean that businesses are not made with all requests or opportunities showing up on the market. They are very selective in the choice of operations. Customer B has selected which segments to work within and which not to enter depending on which is suitable to their strategy. Company E will not do business with companies that are too small since the return will be too low relative to the effort they must put into the business. Company A has chosen their area to work within just like company C and D has chosen where to act and where to step aside. The relationship is with the customers that generate business, and also many of the companies build relationships with influencers.

Company B describe,

*"If we do not suit each other in requirements we tell them to search for another supplier, it will only irritate both them and us and create problems and costs. Then it is better that each one focus on their part instead."*

Company C mention,

*"Relationship marketing in general is highly important in all segments but we are not capable of keeping the level we want in all segments as we would need to do."*

Company A argue,

*“If we did not have the personal relationship to our target group or not invite them to this closeness to us, they would probably not even know about our company. It becomes very difficult for us to be remembered if they have only seen us in some ad they scroll past. They might expose our brand and might have a little knowledge about us, but if they do not have any relationship to us or any feeling for us, they will never choose us.”*

Company A stress that,

*“Everything is about relationship in B2B”*

Company B further mean that,

*“Trade has existed since time immemorial, you will prefer to make business with people you know, that you have trust in.”*

The role of the Internet when used as a tool in relationship building differs a bit between the companies in the extent they are using the Internet. Company E tries to strengthen relationship with its customers by automating their processes such as automatic e-mails with statistics and reports and a customer web portal where they can easily log on and access their order status, stock level, delivery time and invoices. To simplify the process for both customer and the company and to save time and money, the personal conversation could then focus more on relationship and help customers with more difficult questions and problems.

E-mail is used as a daily tool for dialogue in all companies. Company B explains that most of their customers require documents to be sent by e-mail, however they still have some old fashion customers that only accept fax or letter in the post. The channel is decided based on the customers wishes.

Company C offers support functions and instructions with mobile applications, e-mail dialogue, video instructions and information as a service for customers as a part of

building the relationship. Some form of e-learning or education is discussed, they want to be there for the customer to help and serve but still feel that they could use the Internet for relationships more, Facebook and blogs have been discussed but with lack of resources and maybe also company culture they are not there today.

Company A on the other hand describes the Internet in relationships as,

*“An extension of the personal meeting, it is difficult to mediate the same feelings digitally so we try to make it a platform for dialogue.”*

Here is the aim to enable the customers to integrate with the company and the other way around.

*“If you are not digital today you do not exist”* is expressed by company A.

Service is a cornerstone and their customers can get support via e-mail, FAQ, installation guides in text and movies, as well as video interviews with installers. It should be an information and communication platform that invites open dialogue.

Company A express,

*“By providing answers to simple questions on the webpage, more effort can be spent on after sales or other things.”*

*“We have made an huge journey digitally over the last year, everything has developed very fast, the whole company has made a large journey and therefore we lagged behind digitally at first.”*

Company D does not use the Internet for more than e-mail and the homepage with their existing key customers where they can get support, service and download information. The homepage is mainly directed at new customers. Company B is not either involved in digital channels for more than e-mail in their relationship building, however they are hoping to change this and search for new inspiration and ideas with the generational change.

Generational change and close personal relationships are also seen as a problem by some of the companies. Strong relationships on a personal level are achieved as a difficult to replace with new relationships when only one person is responsible for the contact. Company C means that this can be a problem in a initial phase of relationship, but later on more people are involved and the relationship becomes between the companies. Company B describes the problem with long-term relationship on a personal level as a problem when changing people and need to start the trust building all over again.

Company A express,

*“Personal meeting is the most important we have.”*

Company B says,

*“Our most important tool today is the direct market processing with customer visits and exhibitions. They are relationship building channels.”*

### **4.2.3 Brand**

For three of the responding companies brand is one of the most important things. In a scale from one to ten they rank it as ten. The other two responding companies also mention the brand to be highly important. A seven is numbered for this. Company E says that they mostly work with brand to promote themselves as an employer. Their market has relatively small competition and they are well known, therefore they do not need to put a lot of effort to appear in this context, they are a very strong brand already. However the fact that they have kept the brand is evidence of the importance according to themselves, on the other hand they also state that,

*“For us it is more about the product and service. As long as we keep the same high quality I think we could change brand.”*

Some of the channels company E use to build brand against prospective employees are sponsoring of local sport clubs, inviting students to company visits, branch journals, job

advertisements and also trying to start a new channel for recruitment via short movie presentations of employments. Company A also use some channels to reach prospective employees.

A characteristic that is described as important for all companies is trustworthiness. By being true and honest, keeping what is promised, not to say something and do another and have a high degree of service. They mean that this is an important thing to connect to the brand and to get trust by their customers and if promises are not held it will lead to short-term relationships and problems which affect trust according to the companies. Company A says,

*“If we are not trustworthy in the meeting or trustworthy in our communication or trustworthy with our products we will lose everything. If we can not stand for or perform what we promise, the trust for us will be eroded.”*

They build trust by being honest and being available to answer questions, respond to criticism and present the company with transparency.

The history of company and company culture is important for all companies and that the whole organisation breathes the key values and understands the brand.

*“In our company presentation we work a lot with building in our historical heritage”* says company E.

Company A mention,

*“The company rests on the story of the company and so does the brand”*

And company C says,

*“The history, culture and values are in the walls, we have connected the history with an innovative CEO to our own mantra and with continuous development we have made a combination of this that gives us a storytelling brand.”*

Other characteristics that are mentioned for the brand identity by company E are tradition, quality and technical knowledge. Quality is a feature that is also mentioned by company A, B and C. The technical knowledge is also a feature that is mentioned as very important by company B and C. Company D wants the brand to stand for values as robust, rustic, freshness and reliability while company A mention features such as attitude, movement, challengers, cool, design, passion, innovation and rock n' roll. Company A says,

*“We work a lot with branding, when you see our products the aim is that you will associate which company that stands behind it.”*

Except for quality and technical knowledge, which were the two most important features company B wants to express themselves as serious, promise keeping, interested in the customers and a supporting company. Company C express values such as simplicity, smartness, adaptability, environmentally friendly, premium products, comfort, safety and energy savings. They point out that,

*“We always communicate with features and values, step away from showing too much product and talks about other values instead, this is done because our products are pretty similar with others, they are easy to copy and product specific features are not so unique. Therefore we have said that we want to build another position around the products, they might be hard to touch but should shape the last push to choose our product rather than a competitors”*

They also promote features such as long time in the branch, own production, innovativeness, experience, knowledge, premium products, certifications, industry design and try to stand out from the crowd.

One aim of brand efforts that are mentioned from all responding companies is to strengthen the brand position on the markets where the company wants to act. Company B describes their brand as very strong and market leading in one of their segments, but that they have a lot of work to do to get there in all segments. This is something they strive for.

*“We are not totally satisfied here, we want company B to be the customers first choice in all our segments. Internal we have discussions about how to strengthen the brand”,* says company B.

First choice in markets is what all attending companies strive for, a few of them experience that they are the first choice in some of their markets. The goal is to be the first name in mind in all markets they operate in.

Three of the responding companies that work with agents, daughter companies and sister companies say that they use those external links to build brand, provide them with material for events and refer to them as references. Company A also use earlier projects to refer to as samples of what they have done before and to inspire. The question of how, when and in what channels to appear is something that is discussed in these companies. Company C has a very well structured and methodical approach that builds on the company’s values and history, a brand book that explains how the company wants to be. There are descriptions and templates for graphical brand. Company C argue,

*“Actually we have full control when it comes to external communication that occur central. We build it on graphical templates, fundamental values, the position we want, that we are a premium product. We never communicate with price, we communicate with features and benefits.”*

The same is for company A who have a structured plan for the company and brand to appear. They want to be seen in each market in right shape and offer tools for partners to use in their marketing. This is done to keep the brand together on a platform of the company’s core values and cornerstones. Company B is in a discussion about the brand and how and where they will express themselves in the future to establish a first choice brand in all markets.

All the responding companies work with their cornerstones and features in the brand. The channels used for presenting and building the brands are similar in some instance and different in others between the companies. Exhibitions and company visits ,are used by all companies to present their brands. Company B and D does not use the Internet to

any large extent to promote their brand, they can be found via search engines and have webpages, but does not put so much effort into them. Company B express they are very dissatisfied with how they use the digital tools today and with branding overall, they are planning to put more effort into this and have a project underway. Company E tries to use the webpage as a portal for branding and newsletters to existing customers, stadium advertising for sport events, giveaways and prints on clothes and cars are used to display the brand. In company A and C more channels are used both digitally and traditionally to promote the brand. Company A invite customers to events, are visible in the media and branch journals, website, personal meetings and more. On the question which channels are most important for brand building company A answers,

*“The personal meeting is absolutely the most important channel, after that I would say the webpage.”*

The discussion of how to develop the brand building, the choice of channels to use are up for discussion in some companies. What they stand for is clearer but how to express it is developing. Company C mention,

*“There are many that have realized, even if we are product oriented, it is the brand that actually makes the customer finally choose our products.”*

Company B also mention that they have evolved, but are still a little bit stuck in the old product oriented approach and need to go more against a market oriented approach. He believes that many of these kinds of companies are still stuck in old habits. They want to develop into new channels but the resources have been too few and the focus on cost reduction in tough times has been priority one.

Company A says,

*“Everything is about perception. How your brand is perceived affects which projects you will get. If you have a good brand you can get a higher price.”*

#### 4.2.4 Profit

Profit and results are what all companies see as the main goals with the business. During the last year two companies have tried to reach cost reduction and efficiency in the organisation. Company B says that the digital technology has sped up the information flow and made information exchange and problem solving faster and that this has played a part in lowering costs by saving time. Company C can also see that digital tools have helped in thier processes. They describe a cost and efficiency focus in times when market are bad and a focus on investments and increased turnover when the market is doing well. For a long time they were only focusing on production and logistics, the orders came automatically by word-of-mouth, however when they started to use marketing the turnover increased fast. Company C express,

*“The company is pretty much digital in all corners, independent if it is about the production part or concerns the invoicing and enterprise systems. This company as many others has just followed the IT-eras development. Of course, our webpages, campaign sites, Youtube movies and everything have had a large impact too.”*

Company A, B and C believes that their marketing and the use of digital channels contribute to higher profit and increased performance by decreased costs, faster processes and in higher turnover.

Company C mean that the brand is important for long-term business and if the company has a clear picture of what they want, where they want to be positioned and in which way to appear then the profits comes to. A strong brand allows premium prices according to both A and C. Company C describes,

*“The B2B industry is quite heavily industrial, of course the Internet and digital tools have affected, however I think we have it more ahead of us than behind us. The digitalisation is our world, it will be a supporting part in how one can build brand and reach a larger target group than we can today.”*

Company A can see that more customers find them through the Internet, it might not generate new business directly, but provides them with new leads and contacts to follow

up. In the long-term perspective they mean that it affects the turnover, all their businesses takes time.

Company E on the other hand can not say that they have seen any effect from the Internet on profit or cost reductions, they mean that they are too niche to gain customers through the webpage, the only thing that might have an effect are their customer web portal that smooth the process for customers finding customer specific information. Company D can not say if the digital tools have affected their profit, but they hope so otherwise they would not use it. They believe that stability and good results affect the relationship and brand building.

#### **4.2.5 Digital marketing strategy**

All companies have a marketing strategy for digital marketing or are in the planning phase of implementing digital marketing within the marketing strategy. Company A and C have a well-outlined digital strategy and company A express,

*“We should exist on every market and look the same on every market with small differences depending on which culture we operate in.”*

Company B, D and E are at the moment not actively implementing digital marketing in their strategy but working with a homepage on the Internet. All three companies B, D and E are taking active decisions in the planning phase for implementing digital marketing in their strategy for the future.

All the responding companies work with homepages, however they use it to a different extent. The homepages are used to spread information about the company and the products. Company D expresses,

*“The homepage is our most important digital channel.”*

Company A says,

*“It should be simple for the customers to find and it is all about finding the triggers for every target group.”*

Company C says,

*“We have chosen to have our homepage in 12 languages, it is an important part to get closer to the customer and the information you can take note of is in your native language, or very close.”*

Company A also thinks it is very important to offer its homepage in multiple languages.

Company E says,

*“If one is a professional company one has to be able to show a stylish and professional homepage, it is a part of the total picture of the company.”*

All the responding companies use the homepage as a branding tool. Company B express,

*“The homepage is partly pure information, then it works as contact creation tool and will in the future act as a sales tool where we can present our products.”*

None of the responding companies work with e-commerce today, but company C says,

*“I think that we will approach some type of e-commerce, I am totally convinced that we will be there, there is no other way to go.”*

Company A thinks that there is a possibility to implement e-commerce in the future and says,

*“It is a question that is very up to date.”*

Company D says,

*“We have chosen to not work with e-commerce because we want to have the traditional contact and the relationship creation with the customer.”*

And company E means that they are too niche and will not be able to offer a product online since it is too specific for each customer, they must have the personal meeting to be able to produce the right product and same is for company B.

All of the responding companies work with enterprise systems, some to a larger extent than others. Four of the companies work with EDI, company E express it like this,

*“One avoid the manual work, that is what it is about.”*

When it comes to sending newsletters all companies use e-mail as digital channel.

Company D says,

*“It is difficult to reach out with newsletters, on the other hand the costs are very small.”*

Company C use the e-mail to send out newsletters with news of products and other information that could be useful for the customer.

Three of the responding companies, A,C and D use social media today. Company A says,

*“When it comes to social media it is about creating an interest. Everything is about content today, content marketing. It should be a value for everyone, if there is no value it is not interesting.”*

Company B and E do not work with social media but are working with plans of how to appear in social media. Company E says,

*“We have a project group where the task is to work up a plan of how the company will appear in social media in five years.”*

Of the companies that use social media, Facebook is the most common, Company A use Facebook, Instagram and LinkedIn. Company A says,

*“We use social media foremost to build the brand and then create leads.”*

The companies A and C who use social media are also improving and renewing their approach to social media. Two of the companies use communities, company A says,

*“We do operate there but it is dependent on market to market.”*

Company E do not work with communities, their reason is that they are too niche.

Company C uses journal portals and in this case it is often the product launches that are the topic. When it comes to video material on the Internet three companies use it. Company A says,

*“We use Youtube a lot, especially for instructions.”*

Company A is also using Vimeo to spread their brand. Company C is starting up a new type of e-learning functionality that will be available to watch on Youtube.

Company C says,

*“I can see that we will work with Youtube in the future as an integrated part of all marketing regardless of what we are doing.”*

One company has experienced a viral effect as a result from one of their movies that have been published on the company's homepage and Youtube, the other responding companies have no experience of this.

None of the responding companies work with social commerce, however company C has started a VIP club. It is a club for both communication and loyalty. Company C says,

*“Its main purpose is a portal for communication that should be more interactive with the social part and that the customer has an VIP possibility to get direct contact with someone who is responsible for technical service or questions regarding delivery.”*

Company A is working with a sort of social commerce, thoroughly inviting customers from all over the world to meet and discuss. Company A says:

*“We invite customers from different parts of the world to our company where we create a platform to discuss and create collaborations.”*

Search optimisation is used by all of the responding companies except for company E who are working up a strategy for this in the future.

When taking the perspective of the significance of the digital channels that the companies have, all the responding companies think that the homepage is the absolute most important channel. For company A, Facebook, Twitter and Instagram also have a large importance. When looking at what emphasis the responding companies placed on different channels, all companies use webpages for information and sales, meanwhile Facebook is a pure communication channel. Company A is the only one of the interviewed respondents that has a blog and the emphasis for this is communication, relationship improvement and closeness with transparency.

Two of the responding companies, A and C, work with e-service. The rest of the companies do not have this kind of service on the Internet and do not think it is important. Company A and C think that the Internet and the digital channels have a large importance for the customers. Company C says,

*“An additional channel has to exist for customers to fast and effectively get access to information.”*

All the responding companies have the possibility to measure the traffic in digital media but it is only company A and C that actually use this ability. Still they, just as the rest of the responding companies think that they could use it more to better understand the effect and performance of channels, and also to improve their activities and communication. Measuring traffic is a way to see how the communication is performing. Measurements are taken by measuring the amount of viewers on a homepage. Both companies, A and C are measure their Youtube channels. Company A

measures all the information that is available on the homepage and Facebook. Company A says,

*“On Facebook we measure the amount of followers in relation to the amount of posts and then the amount of comments per month in relation to the amount of posts.”*

Company A and C think it is important to exist on the Internet and sees the Internet and digital marketing as a competitive advantage if it is used in the right way, company A says,

*“Companies that do not exist online today practically do not exist and if you are good online you automatically get a competitive advantage.”*

Meanwhile company E thinks that they could be without a homepage without anyone noticing, company E express,

*“I think that if our homepage were to be closed down we would not get one call regarding this issue.”*

When looking at the future development of the Internet and digital channels all the responding companies think that the presence of the Internet will increase. Company A believes that social commerce will increase within B2B and says,

*“We go from being an information to communication society and now we are going over to a recommendation society. It will be extremely important to make sure that you are on the right side of the critique, it will be important to be on a digital platform to meet the critique and to be able to give customers the service they demand.”*

Company B believes that the future channels will be even more advanced enterprise systems and that the social media will grow even further within B2B. Company C believes that their presence on social media is the future for B2B and that the companies could gain a competitive advantage through working with e-learning, where the companies educate the customers through digital channels. Company C thinks that the future will bring more service on the Internet to its customers and says,

*“We try to create social arenas for discussions, but it is still a question of resources to be able to handle it.”*

Company D and E think that the social media within B2B will increase, both with communities such as Facebook but also regular branch communities. Company E believes that social media will be a much greater influencer when it comes to recruiting new staff.

Company A describes how digital media is becoming more mobile, certainly in the B2B industry and says,

*“Today your site should work irrespective of which unit the customer is using.”*

Company A further describes that the business will begin to aim their message more to each target group of their customers and says,

*“Facebook is losing followers, it is not interesting to see all the advertising. Customers want to have it unadorned, even more when it comes to websites, where the information that is not interesting for the specific customers is filtered.”*

# 5 Analysis

*In this chapter an interpretation of theoretical and empirical material are presented. The chapter begins with a data display table 5.1 that summarise the theoretical concepts towards the empirical findings. The chapter continues with an analyse that aims to answer the research questions that subsequently were a foundation for the conclusion and implications.*

## 5.1 Data display

**Table 5.1 Empirical findings connected to theoretical concepts**

Theoretical concept	Empirical codes	Empirical findings
Marketing strategy	Goals Profit Relationship Branding Facilitate for partners	Largest goal is to generate sales and profit. Other important goals: Long-term relationships, brand building, brand value, brand performance, company positioning. Build trust by the customer and relationships. The end goal is to help the sales department to sell more.
Marketing strategy	Target groups	Target groups are OEM, wholesalers, installers, designers, architects and media. Working close to our partners to facilitate for them. Niche markets.
Marketing strategy	Traditional channels	Same for all companies; exhibitions, ads in journals, press releases, sales meetings, events, campaigns, personal contacts face to face, sponsoring, brochures, samples and factory visits.
Marketing strategy	Activities	Sales force activities and events to build relationships, ads and sponsoring to build brand.

Theoretical concept	Empirical codes	Empirical findings
Marketing strategy	Purpose of activities	Create a stronger and tighter relationship with customers.
Relationship	Relationship importance	One of the most important factors in B2B. All companies describe it as highly important. Without relationships they would not be chosen as supplier since closeness creates long-term business and people prefer to do businesses with people they know and trust.
Relationship	Long-term focus	All companies describe long-term relationships as preferable. They do not put any effort into short-term business. Long-term focus is to build close and strong relationships with customers and influencers.
Relationship	Selective choices	Business is not made with all requests or opportunities. All companies are selective in the choice of who to do business with. Customers must suit the strategy; too small business generates no return and is deselected. Relationship is with customers that generate business and suit each other in requirements. Some of the companies mention that they do not have the capacity to keep the level of relationship building in all segments as they would like to.
Relationship	Segment treatment	Companies build relationships differently depending on the customer type. Different activities are used depending on customer. Larger customers like OEM are close and cooperate in development and problem solving with teams building a relationship. With

Theoretical concept	Empirical codes	Empirical findings
		wholesalers the business is done centrally and relationships built both central and with store managers. Decision makers are reached through education, support and service. They build relationships with respective target group and treat them accordingly.
Relationship	Customer requirement	Relationships are built in the way customers wants it and what they require. Channels for communication are also selected after customer request in some companies.
Relationship	Customer valued features	Valued features keep customers satisfied. Smooth processes for customers with products and service. Product and service quality, technical support etc. must be on a satisfying level to build strong relationship.
Relationship	Activities and events for close relationships	Exhibitions, customer visits and invitations to company visit are the most important activities for relationship building. The Internet is an extension to this.
Relationship	Personal relationships	Personal relationships are important, they creates close ties. It can be a problem when people are replaced. Relationship with the company must be strong too. Personal meetings are the most important in relationship building.
Relationship	The Internets part in relationship	The Internet is used in different extent. The digital channels in relationship building are used as a platform for dialogue, time

Theoretical concept	Empirical codes	Empirical findings
		<p>and cost saving by simplifying processes, give service and support, and provide information.</p> <p>Digital channels are an extension of traditional channels as personal meetings and a relationship building tool that enable customer to integrate with the company.</p>
Relationship	Digital channels used	<p>E-mail is used by all companies for dialogue. Automation channels such as customer web and electronic document handling are used by some companies and the more evolved companies with digital channels use social media, video tools and blogs to interact and communicate with customer as a part of building relationships.</p>
Branding	Brand importance	<p>Brand is one of the most important things for companies. The brand can be the final influencer in the customers choice.</p>
Branding	Brand function	<p>The brand should communicate which company that stands behind it to target groups. It should strengthen the market position and enable to be the customers first choice. It shall shape the perception of the company and products. A strong brand allows higher prices. It is also a way to attract future employees.</p> <p>Most important is to create a positive attitude and perception for the brand by having features that are valued and to keep promises.</p>

Theoretical concept	Empirical codes	Empirical findings
Branding	Brand characteristics	The brand must stand for the companies' key values and what it will give the customer. Historical heritage and company culture is important, so is trustworthiness, quality and technical knowledge. Characteristics about the products, the company and the emotional features are expressed to build brand.
Branding	Channels for brand building	Both traditional and digital channels are used for brand building. Ads, sponsoring, visits, movies, events, meetings, exhibitions, external links, references and digital channels. Personal meeting is important, so is the webpage.
Branding	Digital impact	The digital channels help in brand building. Webpages, newsletters, search engines are frequently used. For some companies other channels are also used in brand building.
Branding	Brand communication control	Companies that have a clear picture of how they want to be perceived have well-structured manuals and procedures for brand building and graphical use.
Branding	Develop branding	In some companies the development of brand building is discussed. How, where and with what they shall express the brand. They want to develop more digital. Stuck in old habits.
Profit/Performance	Profit increase	Profit is the main objective for all companies.

Theoretical concept	Empirical codes	Empirical findings
Profit/Performance	Digital impact	Most companies believed that their digital channels can increase the turnover by marketing and improved processes and information exchange that save time and costs reduction. It can provide new leads when found online.
Profit/Performance	Marketing impact	Overall marketing is mentioned to increase turnover.
Profit/Performance	Digital development	The digital era has helped, however is expressed by one company to have a large part in front of them rather than behind.
Relationship Branding Profit/performance	Affect each other	The factors relationship, branding and profit/performance affect each other. It is described as profit affect the brand perception and brand perception affects the relationship building which in turn by strong brand and relationships affect the profit.
Digital marketing strategy	Homepage	All companies work with homepages and use them to spread information about the company and their products.
Digital marketing strategy	Language	The companies think it is important to offer the homepage in multiple languages.
Digital marketing strategy	E-commerce	None of the companies work with E-commerce today.
Digital marketing strategy	Enterprise systems	All companies work with enterprise systems.

Theoretical concept	Empirical codes	Empirical findings
Digital marketing strategy	Newsletters	All the companies use newsletters and sending them via e-mail.
Digital marketing strategy	Social media	Two companies use social media today. The social medias that are used include; Facebook, Instagram and LinkedIn.
Digital marketing strategy	Communities	Two responding companies are appearing or utilizing communities today. Some companies are appearing on several, depending on the market.
Digital marketing strategy	Youtube	Video material is something that the companies are utilizing, such as Youtube and Vimeo. It is mostly used for instructions but also to spread the brand.
Digital marketing strategy	Viral effect	One of the companies had a viral spread from one of their movies.
Digital marketing strategy	Social commerce	None of the companies utilize pure social commerce. Company C has started a VIP club that is a step closer to the definition social commerce.
Digital marketing strategy	Search optimisation	This is utilized by almost all companies.
Digital marketing strategy	Digital channels	The absolute most important channel with highest significance to the companies is the homepage. Other digital channels used by the responding companies include; Facebook, Twitter, Instagram and LinkedIn.
Digital marketing strategy	E-service	Some of the companies do work with e-service and some

Theoretical concept	Empirical codes	Empirical findings
		do not think it is important.
Digital marketing strategy	Importance	Company A and C value the Internet and digital channels highly.
Digital marketing strategy	Measurement	All the responding companies have the ability to measure their digital channels, however only A and C are utilizing this feature.
Digital marketing strategy	Competitive advantage	Companies A and C think the Internet and digital channels are good for their business. Meanwhile company E does not think it matters.
Digital marketing strategy	Future development	All the companies think that their presence on the Internet will increase. Some of the responding companies think the social commerce will increase.
Digital marketing strategy	Advanced enterprise systems	Company B believes in more sophisticated enterprise systems.
Digital marketing strategy	Mobility of digital channels	More mobile solutions in the future.
Digital marketing strategy	Specific target groups	B2B customers are more discerning and will have more information adjusted to suit them and not information that are mixed with commercial messages.

## 5.2 Analysis of data

### 5.2.1 Analyse of marketing strategy

Armstrong et al. (2009) describes the aim of marketing strategy to be a tool with activities that should facilitate for the company, to reach their goals of the overall strategy. Three highly important achievements are described for marketing strategy; profit, branding and relationship. Profit is mentioned by Dahlén and Lange (2009), which can be reached through marketing activities. All the responding companies mean that this is the most important goal in all businesses. Other activities and goals can be strived for, however profit and sales are the most important and in the end what it is all about. It is also described by company D that good results and stability in the company is believed to help in relationship building and strengthen the brand, which intertwine the goals together.

Brand is another goal described by Senn et al. (2013) and Glynn (2012) to be highly important in B2C context, but also for B2B. They mean that B2B has focused on long-term relationship and put the role of the brand aside. The research shows that relationship is described as extremely important for all companies, however the brand is just behind and perceived almost as important as the relationships but in another way. The brand is described to be the tool to communicate the company, the products, and the value both emotional and functional to the customer. The functional and emotional qualities of a brand are described by Andersen and Kumar (2006) to be needed since the functional describes what the customer get and the emotional qualities should provide customers with a good feeling about the brand and enhance purchase decisions. The responding companies history is woven into the brand and it is described to be important that the whole company breaths the brand and understands it. Armstrong et al. (2009) means that the brand should communicate the company's image and identity, affect the customers' perception and feelings about the company and the products through a symbol. It makes the company different, special and helps the customer to select them before competitors.

That the companies build valued features into the brand that is wanted by the customers indicates that the brand is a tool in their wishes to be first choice in the markets they operate in. This is desirable by all responding companies. Relationship is the third goal

described by Senn et al. (2013 and Glynn (2012) as highly important and focused in B2B contexts. As mentioned all the responding companies describes relationships as extremely important. Business is rather done with people that customer knows, feels comfortable and secure with.

These concepts (profit, branding and relationship) are tightly connected to the marketing strategy and affect each other. Building relationship becomes more important and could increase the sales and profit. The companies are selective in relationships. They avoid customers in wrong markets and only make business where the relationship is value creating for both parts. As described by Kumar et al. (2003) short-term relationships are important as well to provide quick return in cash. This is not described by the responding companies, they avoid short-term relations and focus all their business on long-term relationships. This indicates that cash would come in a consistent flow from the long-term relationships and that the companies are uninterested in short-term.

Brand can affect the perceived risk and enhance the possibility to more businesses and more profit (Leek and Christodoulides, 2012). Customers are also described to choose brands that they feel familiar with according to Glynn (2012) and Armstrong et al. (2009). Kumar et al. (2003) describes that a strong brand is increasing the intention to create relationship. The features in the brand are described to be the part that makes the final decision in purchase and can lead to long-term relationships and turnover. By Glynn (2012) and Armstrong et al. (2009) is also describing strong brands as a creation of loyalty, which is a part in long-term relationships. Long-term relationships could lead to increased sales and profit (Lambert & Enz, 2012; Gil-Saura et al., (2009); Kumar et al., 2003). Some of the companies say that a strong brand allows premium prices, which is the market they are acting in. It is also mentioned that the relationship makes the customers loyal and by striving to place the brand in a desired position, they would be selected by customer repeatedly when the need for their product emerge. So by having a strong brand, increased prices can be charged and the emotional features are described to be a final part that enhances the ability to be selected in the purchase situation. By keeping promises and having a high quality, the companies fulfill the brand promises and enhance the relationship by providing valued features. This in turn creates an increased sales and profit.

These three areas; profit, brand and relationships are described to be facilitated through the use of the Internet and digital channels in an appropriate way according to the company's overall strategy (Baines et al., 2013; Berthon et al., 2003; Bandyo-padhyay, 2002).

### **5.2.2 Analyse of companies use of the Internet and digital channels**

The Internet has created large opportunities to share and communicate data through electronic movement of information (Bandyo-padhyay, 2002). The level of adoption of the Internet channels varies from company to company (Leek et al., 2003). The adoption of digital channels varies in this study of the responding companies too. A reason to this could be that the companies are operating in such different sectors and that the target groups are different from each other, which could affect the adoption of digital channels in the marketing strategy. Three of the responding companies are working towards OEM customers. Two of these, company B and D, are competing on a market where the competition is relatively low, this indicates that the adoption of digital channels is not of priority for companies who are working only towards OEM customers on a market where they have low competition. Business with the OEM customers also requires a high level of relationship and personal meetings with teams is frequently used. On the contrary, it can be seen in the study that companies that work with other target groups than just OEM customers, where there is higher competition, is adopting digital channels more frequently. This indicates that the level of competition is a factor of which degree a company is adopting digital channels.

As described, strategy is the company's path to achieve long-term goals (Johnson et al., 2011). The main objectives are described to be profit (Dahlén & Lange, 2009), brand and relationship (Senn et al., 2013; Glynn, 2012). Companies use the Internet in their marketing as an extension of the personal meetings and traditional channels. It is used by companies to enhance the ability to work towards these objectives. The structured way of working with how to express the company is important since they want to keep the brand and company together and express it the same way in all channels. This is also important internally while the employees must communicate with the customers and have the company's culture and history inbound in the brand. Armstrong et al. (2009) express that the brand must be managed carefully. The companies shows that this is important for them to express the brand in the right manner by having a structured way

to work with it, how to use it and communicate it. The companies use the Internet in the same way as traditional channels to express the company in a united way. Those companies that have a long-term IT-strategy combined with a more tactical approach, for the short-term perspective would probably be those who succeed in creating a competitive advantage in the world of channel strategies (Fredholm, 2002).

Three of the companies that being on the Internet thinks it is highly important and use it in large extent or wants to use it in large extent. Company A means that if you are good online you automatically get a competitive advantage. Company E do not sees any extra advantage of digital channels. The reason according to the company itself is that they are too niche to utilize it fully and therefore is not using digital channels in any larger extent. But company B believes that many B2B companies are stuck in old habits and the companies that lags behind in digital channels wants to use it more, but lack the resources and knowledge for it. This is also strengthened by the fact that all companies are developing their digital channels right now. The perceived usefulness of digital channels is high from almost all companies. Avlonitis and Karayanni (2000) means that companies should embrace the Internet into their strategic marketing plans, because organisations that lag behind would face rigorous challenges from those who make a commitment to this new communication tool. It is expressed by some of the companies that it is a competitive advantage for them that provide extra value to the customers.

Customers often select a brand they feel familiar with according to Glynn (2012) and Armstrong et al. (2009). The brand is important to the most of the companies because it is seemed to enhance the purchase decision for customers and one company express that if they would not communicate the brand the customer would never select them. The Internet, and especially visibility in search engines and the homepage is expressed to be a part in awareness creation. The responding companies are united in the believe of the Internet to enhance the possibility for customers to find them online. This correspond to the statement by Leek et al. (2003) that companies need to have knowledge about different techniques in the future since buyers would use the Internet as a source to find suppliers, even on a global level. Even if the responding companies do not believe that finding them on the Internet directly creates sales company A means that customers find them through the Internet and it provides the company with new leads and contacts to follow up. This can be done by providing them with information or samples where they

have to fill in contact information and the visitor statistic shows that customer visit the digital channels. In long-term perspective they mean that it affects the turnover. The companies are also describing that the use of this information could be utilized much better than they do today. This could indicate a deficiency of the use of information available about digital channel visitors.

One company express that if you are not online, you do not exist. However company E means that customers would not even recognize the absence of their homepage and that branding is something that not is so important to them since they are the largest actor in their market and already have a strong reputation in the brand, what can be seen is that the change of symbol is not perceived as a problem because it is the name and the quality that is recognized by customers. Companies with a leading market position in low competition as company E and company B, in some sectors, describes that they do not need the brand building in same extent as the companies acting in high competition with the aim to reach a leading market position. They do already have a strong brand with good reputation and the market are well aware of them. For them the building and maintaining of relationships are much more important and they put a lot of effort in this. According to Armstrong et al. (2009) a brand and its position must be communicated continuously to customers through different channels. It can be communicated through advertising and campaigns to create recognition, knowledge and preferences and also through the continuous contact with personnel, webpages, and word-of-mouth.

The brand experience is built up through communication and contact with the customer. Company E and B do not put so much effort on digital channels for brand building, but the other responding companies do. This is done because they want to be the first brand appearing when a customer has the need for their products. This can be reached through a thorough work with search engines. The digitalisation and use of the Internet is described to be a supporting part in how companies can build brand and reach a larger target group than without. It is also described by Michell et al. (2001) that a strong brand has the possibility to drive competitors out of competition and build entry barriers. Leek and Christodoulides (2012) mean that a strong brand provides companies with competitive advantage and improves the possibility to be selected by customers and build relationships with them. Most of the responding companies see their digital channels as a competitive advantage where they can build brand.

Long-term relationships are described to be highly important for all the responding companies. Company B means that people prefer to do business with people they know. Relationship and trust decrease the perceived risk of purchase. The companies focus much on providing features for the customers that add values. A high value created for the customer can shape satisfaction, commitment, trust and loyalty according to Gil-Saura et al. (2009) and increase the likelihood of long-term relationships. Service and support is described by the responding companies to be highly important for the relationship building and required by the customers. Customer service is in the same manner one of the areas described by Baines et al. (2013) as important for relationship marketing and the quality of service plays a major role in building relationship. The Internet is used to provide value to customers. Company E provides a customer web to enhance the accessibility to customer specific information any time. The Internet allows accessibility to information 24 hours a day. By improving service in an electronic way companies can be more profitable and create competitive advantages and help in building long-term relationships.

Increased efficiency is another part that can be achieved by the Internet (Rust & Kannan, 2003). Most of the responding companies describes that digital channels has created faster processes for both them and their customers. The companies tries by their digital channels and tools to make the process for customers as smooth as possible provide them with information available online, contact information and ensure that the service is satisfying customers. It enables them to communicate and solving problems faster. Even if the companies do not have an exactly measurement of how digital channels and usage of the Internet has affected the profit they are expressing that it has contributed to higher profit and performance through decreased costs, faster processes and higher turnover. In line with this Berthon et al. (2003) describe that digital marketing can enhance the efficiency by cost effectiveness and companies can reach more customers faster. Only company E express that they have not seen any effect on profit, however this is also a company that is not using the Internet in any larger extent. Those who use the Internet through several digital channels express that it is extremely useful for them and the companies developing the digital channels right now believes it would enhance their businesses and therefor they want to expand the usage.

Knowing customers demand and needs does according to Luo and Kumar (2013) and Latusek (2010) simplify the ability to provide right information and service through right channels at right time, which can be valuable and satisfying for customers and create loyalty. Bolton et al. (2003) arguing that high quality of service enhance B2B relationships and the responding companies means that service is a cornerstone and digital channels enhance the possibility to better service, communication and information exchange which is described by responding companies as factors increasing the satisfaction of relationship.

Many of the responding companies shows that by providing self-service through digital channels more time would be available for other operations. Even if the extent of usage differs they use digital channels to simplify processes for customers, it provides a faster and smoother information exchange and is used as a platform for dialogue. This has enabled integration between customer and company and provides a better communication. According to Palmatier et al. (2008) an effective exchange and communication can enhance the relationship. Lambert and Enz (2012) describes that relationships would create a dialogue between customer and supplier and the Internet enhance this dialogue and smooth the process and communication.

Leek et al. (2003) argues that companies need to have knowledge about different online channels because buyers would use the Internet as a source to find suppliers. The most common digital channel that is used by the responding companies is the homepage. The homepage is used by the companies to provide information about the company, the products, branding and sales. It has the aim to provide a large amount and variety of information. All responding companies find homepage important and work with it, some more actively than others. However, according to Bonson-Ponte et al. (2008) and Schmidt et al. (2009) there are far from all companies that fully utilize the homepage and all the features that it could bring. Those companies who are working only against OEM customers where those who was less active with their homepages, the reason could be that they are working on a target market that is very niched is more into personal meetings and that the market competition for these companies are low. Despite this, both B and E wants to be more active with their homepages. That is also expressed by company B that means that they are not satisfied with their way of working on the homepage and the information presented there. They mean that homepage shall provide

updated, relevant and current information and the lack of competence in the company is preventing a frequently updated homepage. In some extent also company E describes that they want to develop their homepage more.

The homepage is also described to be a part of the total picture of the company and the most important digital channel. Bonson-Ponte et al. (2008) argues that there is a positive relationship between the navigability and the content presented. Further Schmidt et al. (2009) argues that the homepage design is mutually important for the performance and overall effectiveness of a webpage. That some of the companies are displeased with their homepages and the content, indicates that the design and content is important. It is expressed by some of the companies that the homepage shall express the company and that simplicity and user-friendliness could give higher visitor rates.

Communication and information sharing through electronic movement have provided new opportunities (Bandyo-padhyay, 2002). The Internet revolution changed the behaviour of customers and sellers since it provides new exchange platforms and communication channels (Leek et al., 2003). The responding companies describes that email is used to be able to communicate with customers fast and smooth but also to send out news and information about that can be relevant for the customers. All companies are working with newsletters, company D thinks that it is difficult to reach out to customers, but are at the same time mentioning that the costs are very low. This indicates that the digital newsletters are a cost effective way of reaching its customers, however possibly not the most effective way of reaching its customers. Even if newsletters are not perceived as a channel that give an enormous response the cost is so low and the distribution would always reach some of the recipients.

The common definition of electronic commerce (EC) is a process of buying, selling, exchanging products and services online (Turban et al., 2008). There are several benefits with electronic commerce within B2B; it creates new sales and purchase opportunities, it reduces the cost through the higher efficiency of marketing and sales (Motiwalla & Thompson, 2012; Lee et al., 2003; Fredholm, 2002). Meanwhile the purchase process is made more efficient with electronic commerce the creation of long-term relationship management and customer service is one of the largest benefits with electronic commerce (Chen et al., 2013; Motiwalla & Thompson 2012; Turban et al.,

2008). None of the responding companies is utilizing e-commerce today, however company C is convinced that they will implement it in the future. Company A and C believes that implementing some form of e-commerce in future is the only way to go. These companies also work with products that are the same for all customers. The products are not customer specific. However the companies that having a very high degree of customer specific products show another side, they mean that e-commerce do not apply with their products. They are to niche and product specific to be able to sell their products online. This indicates that the type of product is highly critical in the choice or possibility to implement e-commerce. Another reason described by company D to influence is that e-commerce is believed to decrease the personal contact and the personal relationship with customers. They have actively chosen not to work with e-commerce since they want to have a traditional contact and maintain the personal relationship creation with customer, despite that the theory is arguing that the e-commerce is strengthening long-term relationship. This indicates that some companies are ready to implement e-commerce and sees the benefits, however it also strengthen the statement that the personal meeting when creating relationship is the most central in doing business within B2B. It also shows that there are other aspects that could intervene in the decision of implementing e-commerce, such as the different target groups and products.

Another digital tool is social commerce that is focusing on networking, collaborating and information sharing. When social commerce is successfully integrated in the electronic commerce even tighter long-term relationships could be created and maintained (Huang & Benyoucef, 2013). None on the responding companies work with pure social commerce, however company C has something that is very similar, a VIP club that works with both communication and loyalty. It is a portal that is interactive and focus on the social part, where the customer has, as a member of the club more benefits than someone who is not. Company A is also working with a sort of social commerce, but more in real life, through inviting customers to its facility to meet and discuss. This indicates that some companies in B2B in manufacturing industries do work with social commerce in one form or another.

The development of communities where the companies can interact with users are expected to grow. Online social media is also a form of communities (Hennig-Thurau et

al., 2010). Two of the responding companies use branch communities that suit their business. Company E on the other hand means that they are too niched to be able to work with communities and that there is no suitable ones for them. From the marketers it is required to investigate which type of forum that is suitable for their type of product or service (Kozinets et al., 2010).

Social media channels are more positively perceived by the responding companies. According to Hennig-Thurau et al. (2010) a way to create loyal customers is to embrace the social marketing, it is a useful way for companies to offer more value. Three of the responding companies are using social media today and this is done to publish information of interest for the target groups and has opened up the door for customers to communicate back with the company and to communicate with each other. Customers can publish their own material and be cooperators in the information distribution. Channels as Facebook, Youtube, Wikipedia, Twitter, different blogs and Instagram makes it possible for users to both create, publish, comment and spread information (Hennig-Thurau et al., 2010). Company A, who are the company in the study that is utilizing the social media the most of the responding companies is pointing out how important it is to create an interest, value and how all marketing on the Internet is about content and content marketing.

Social media is described to be used to build brand and create leads, but also to reach people that can be interested in future employee in the company. Even company B and E that does not have come so far in the development and use of digital channels describes that they are working out plans for the usage of social media channels and how to appear suitable for their business and thinks that it is important channels. The responding companies that use social media today, uses Facebook, Instagram, LinkedIn and Twitter. This indicates that companies are aware of the new social medias and are able to utilize them. It also indicates that even if they not are utilizing social media today they are aware of its importance and benefits.

According to Hennig-Thurau et al. (2010), the new technique threatens new business models and marketing channels, however it also creates new opportunities for companies to reach customers in a totally new ways. When companies entering social media they are aiming at delivering some kind of value (Hennig-Thurau et al., 2010).

By company A mentioning that the right content interesting for customers can enhance the interaction. They are also using a blog with content that should bring the customer closer to the company. The measured rates of reaction indicates if a message was interesting and company A has seen some viral effect in one video published which also indicates that the message was interesting for the receiver.

The responding companies are using Youtube and Vimeo to spread their brands and give instructions to the customers of how to install a specific product. Both company A and C use digital video channels to provide target groups with information, service and education in a simple way accessible in real time. The channels shall provide extra value to customers outside the actual product. The companies use it to bring extra value to customers and it also indicates that companies are not afraid of using new methods to reach and facilitate for its customers. Viral marketing is information that is spread to a large number of people by customers by themselves. Social networks offer a high potential for sharing (Hinz et al., 2011). Customers that has been referred by others about their products or services are more loyal and offers a longer relationship and higher value than non referred customers (Libai et al., 2010). One of the responding companies has experienced a viral effect from one of their movies that were published at the companies' homepage. This indicates that viral marketing do exist within B2B.

Company A describes that without the continuously communication, within both branding and relationship, customers would not get the feeling for the company and may not even know about it. Then they would never be selected as supplier either. Company C describe,

*“The B2B industry is quite heavily industrial, of course the Internet and digital tools have affected, however I think we have it more ahead of us than behind us.”*

### **5.2.3 Analyse future development of the Internet and digital channels**

Even the companies that says that the Internet is not important for them they are actually developing and discussing how to evolve the use of digital channels and which channels to use. All the responding companies irrespective of how much they adopt digital channels today are concerned with adopting and improving the digital channels

in the future. This indicates that irrespective of which competing situation the company is in, the adoption and implementation of the Internet channels is on the agenda.

Development is discussed in both companies with low and high adaption of digital channels. The companies with high adaption and some of the low adoption companies points the importance of digital channels while it seems that the environments pressure to use channels also affect the development. When taking the perspective of the future development of the Internet and digital channels all responding companies think that the presence on the Internet will increase. Mobile, the Internet, e-mail, and video are just a few channels that should increase in the future and suppliers need to have knowledge about these techniques since buyers use the Internet as a source to find suppliers on a global level (Leek et al., 2003).

Company A believes that social commerce within B2B will increase. They believe that the B2B industry goes from information to communication and even further to a recommendation society. Company A further explains that it would be extremely important to be on the digital platforms and the right side of the critique and be able to give the customers the service they demand. Company B believes that the social media will grow even further in the B2B sector. Company C thinks that the future for B2B is in the social media that can create social arenas for discussions and that companies could gain competitive advantage through working with e-learning and e-service. Company C also mentions that they will have Youtube as an integrated part of all marketing in the future and to start up an e-learning function through Youtube.

Mostly of the development goals is closely connected to enhanced integration, communication and service quality. With e-service in the new digital world there are several strategic benefits in building customer equity, which create a competitive advantage and increase the value to the customers (Rust & Kannan, 2003). Communication is described to enhance brand experience, relationship, profit and innovation opportunities, which both supplier and customer can benefit from (Lambert & Enz, 2012; Armstrong et al., 2009; Gil-Saura et al., 2009). The Internet revolution changes the behaviour of customers and sellers since it provides new exchange platforms and communication channels (Leek et al., 2003).

Personal contact is found to create, enhance and maintain long-term relationships. The Internet is as an increasing channel important to understand and adapt in communication even though the adaption level seem to vary a lot between companies in business markets (Leek et al., 2003). Company A explains that the business will begin to direct their message to each target group of their customers and believes that customers want to have their information unadorned, even more when it comes to websites, where information not interested for the specific customer is filtered. Customisation is described by Rust and Kannan (2003) to enable reduced costs for customers, increasing the satisfaction, loyalty and trust. As company C already use several language to provide information in the customers local language also company B discuss which languages that shall be used for the webpage to provide closeness to customers in future.

This indicates that all companies believes in a future where B2B will be more present on the Internet, and that it could bring a competitive advantage if it is utilized correct. The largest barrier seem to be the question of resources both financial and in time for how much effort the companies actually is able to put on the digital development, one company express that since the Internet and digital channels not have been the most important to put resources into it has lagged behind during the economic crisis and have started to be discussed now. Many of the companies also lack the knowledge about different channels and how to handle them which also is described as a matter of generation. Company B describes that with the generation exchange more new ideas for digital marketing channels has appeared.

Hennig-Thurau et al. (2010) points out the importance to understand and integrate this new technology into the business concept and marketing activities. Further on they highlight media phenomenon that affect the marketing instruments and how those phenomenon affects consumer behaviour, management of customer interaction and measuring customer activities and relationship outcomes. Those are new multimedia services, digital consumer articulation, as retailers, online social communities, search bots, shopping bots, mobile technologies, recommendation systems, peer-to-peer networks and piracy and online auctions. Responding company A says that the digital media is becoming more mobile, certainly in B2B industry and explains how a company's site shall work irrespective of which unit the customers is using. This

indicates that B2B companies do realize that the mobility is of large significance for customers today and that the manufacturing companies are beginning to embrace the new technology and use it to their advantage. They also point the importance to be available online to fast meet criticism since the believe is that we move against a recommendation society. To be on a digital platform and meet the critique and be able to give customers the service they demand. Company A would also like to find a great idea to develop mobile application, which is already used by company C but who also want to develop this area more.

# 6 Conclusion and Implications

*This chapter presents four areas; conclusion, manager implications, theoretical insight and further research. The managerial implications are addressed to managers in manufacturing companies that could find these implications useful. The theoretical insight is new theory that the researches are contributing through this research. Further research is addressed to other researchers and includes areas that could be interesting to research.*

## 6.1 Conclusion

To utilize the Internet and digital channels is important for most of the companies in the study, it is even seen as a competitive advantage if it is utilized correctly. It can be concluded that the higher competition that a company is exposed for the higher adoption of digital channels. One can also conclude that companies that are working exclusively towards OEM customers has a low adoption of digital channels and are less active on the Internet overall.

The digital channel that is most utilized by the responding companies are the e-mail and homepage. From the empirical investigation it is clear that none of the responding companies work with e-commerce. Pure social commerce does not exist within the responding companies, however one company has started VIP club on the Internet that are similar to social commerce. Social media is a common digital channel of manufacturing companies in this study. Social media channels that are foremost used; Facebook, Instagram, LinkedIn and Twitter. The reason why companies use social media is to create leads and develop the brand. The whole idea of using social media is to deliver an extra value for the customers. Social media channels are also believed to develop even more in the future and this is the channel discussed to be implemented more by all companies. Viral marketing do exist within B2B, this is proven by the fact that a company in the study has experienced a viral effect from one of the companies movies.

Internet and digital channels are used to strengthen the concepts of relationship, branding and profit. Digital channels are enhancing awareness creation of the brand

through both homepage and search engines. Internet do not lead to direct sales, instead it creates sales indirectly through providing new leads and new contacts, which is leading to an increased turnover in the long-term perspective. The companies that use digital channels in a larger extent also do that to facilitate for the customers and the channels are used to provide customers and company with value, information, leads and communication. Being active with digital medias is increasing the chance of reaching a larger target group.

Profit and performance has increased through decreased cost and more effective processes through the Internet and the digital channels that facilitates both for customers and companies. It can be concluded that relationships can be enhanced through digital channels. Social commerce will increase in the future and the direction is at a recommendation society. It can also be concluded that it will be important to be on the digital mobile platforms. Social media will increase so is also the e-learning and e-service. Companies use digital channels to provide services that customers find valuable and it provides platforms for information exchange, integration and communication.

Internet is important to companies. The research shows that all companies independent of the level of digital usage today are developing their digital marketing strategy right now to improve it and adopt new channels. Manufacturing companies are beginning to embrace the new technology and use it to their advantage. The largest barriers are knowledge and resources in time and costs.

## 6.2 Managerial implications

For companies acting in B2B markets the research shows that relationships should be carefully selected to suit the business and to really provide a value to both parts in the relationship. It is of great importance to use the Internet and digital channels in markets with high competition. Companies should use the Internet as an extension of traditional channels not as a replacing of those. Personal meetings are still described as the best channel for relationship. Relationships require communication and contacts, which can be enhanced by the use of digital channels. Internet should also be used for brand building, by building a strong brand companies can take premium prices and strive for leading market position by adding extra value to the customers. Communication should be done in a structured way that keep the brand together and express it uniformed in all channels, both internally and externally.

By being on the Internet, and especially high rated on search engines, the customers has a larger opportunity to find the company online. Another advantage of the Internet is that companies can achieve contact information about customers and create new leads. The research shows that companies are not good enough to utilize this advantage and must work more on how to collect the information and how to follow it up.

The most important digital channel for companies are described to be their homepages, it is of high importance for companies to carefully develop this channel and make sure that it provides current and relevant content for the target groups. Service and support is described as one of the most important parts because it increases extra value to customers. Internet provides large opportunities to faster processes and simplifying for customers and companies to provide service, information and communication online. This saves time for both parts that can be used in other operations and enhance the ability to have information available for customers all time and decrease the time for problem solving. Therefor companies should consider their possibilities of digital channels and implement them suitable to the company to reach those advantages.

Digital channels also increase the customer satisfaction. The Internet is also a platform for dialogue and should be utilized by companies for this. Social media are platforms

enable integration with customers and should be considered by companies because it is perceived as highly important. However channels must also be chosen with care and suit the business strategy. The content published on interactive digital channels must be interesting for the receiver and provide them with value to open up for a dialogue.

Lack of knowledge and resources in time and money seem to impede the development of the Internet usage. Since the presence of the Internet seems to increase in B2B, companies with low attendance must consider to put more effort in the development through these channels. One of the reasons to increase the usage of the Internet and digital channels is to give the customers the service they want. Another reason is to enhance communication and integration. This must be done strategically with the right channels and offering the right content, because if the digital channels are used properly it can create competitive advantage for companies and companies must be open for new opportunities online.

### 6.3 Theoretical implications

This study has resulted in a literature review of marketing strategy and three concepts within marketing strategy; relationship, branding, profit/performance and how digital marketing strategy affect these.

In line Senn et al. (2013) and Glynn (2012) has a description relationship and branding as important goals. From the research was found that branding is important for manufacturing companies and should describe the company and their values. In businesses working with OEM customers' relationship and personal meetings are the most important part and branding comes secondary and is not so important when the competition is low and market leading position is already reached. When a strong brand and a good reputation within companies in the manufacturing industry already are achieved in low competition situation, the brand building becomes less important. For companies within manufacturing industries in a more competitive market, branding is highly important. Internet and digital channels can enhance brand building within manufacturing industries and the ability to find the company in online search.

Kumar et al. (2003) mention that short-term relationships are important to provide quick return in cash. This study does not go in line with this theory. All the responding companies mean that they avoid short-term relationships. They do not reject them directly, however they are not interested in this type of relationships and avoid putting any effort into it. They are very careful with who they build relationships with and the selection of markets and customers must be suitable to their organisations.

This study shows that the companies with low competition acting against OEM customers are those who use homepage and digital channels in general in the lowest extent.

## 6.4 Directions for further research

The study indicates that the level of competition is a factor of which degree a company is adopting digital channels. Further, quantitative research is suggested for this matter to be able to see the dependency between these variables.

This research has focused on the view of companies as suppliers. Since service is such an important part in customer satisfaction and building relationship, it would be interesting to research what digital channels that is preferred from the customer point of view to facilitate the relationship building and service providing. This could include researches within customers opinion about how customised content is increasing satisfaction, loyalty and trust. Investigations in how the Internet affects profit is also preferable because of the lack of knowledge about this in the research indicates that companies should implement systems to measure the result more proper.

Further research could be interesting for some of the digital channels. For example how companies can utilize homepages more effectively and which variables that can affect the success of companies homepages and how the variable of which type of product affects the selection of implementation of e-commerce. Longitudinal research on how companies use digital channels in the future to compare with the believed development found in this research.

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# Attachments

## Appendix 1 Confidentiality Agreement

### Confidentiality Agreement

#### Company name

**Adress:**

**Location:**

**Country:**

#### **Cajsa Roos**

**Adress:**

Frejgatan 3, 332 36

**Location:**

Gislaved

**Telephone:**

073-962 84 06

#### **Andreas Bång**

**Adress:**

Framtidsvägen 4, 352 52

**Location:**

Växjö

**Telephone:**

076-391 81 41

Cajsa Roos and Andreas Bång sign a confidentiality agreement with reason to that the semi-structured interview will result in information of a confidential nature that may be disclosed.

#### **1. Confidential Information**

Confidential information is information about the company, of whatever nature, that might be disclosed during the interview concerning knowledge, trade secrets or other information that may be linked to the company.

#### **2. Privacy terms**

This agreement of confidentiality means that Cajsa Roos and Andreas Bång are NOT allowed to disclose such confidential information from the company above to a third party, such as individuals, businesses, governments and organizations.

#### **3. Presentation of Bachelor Thesis**

The company above will be designated with a letter or number in the finished essay to provide their complete anonymity.

**Cajsa Roos**

**Andreas Bång**

Date and location: \_\_\_\_\_

Date and location: \_\_\_\_\_

.....  
Signature

.....  
Signature

\_\_\_\_\_  
Printed name

\_\_\_\_\_  
Printed name

## Appendix 2 Interview guideline

### **Demographical**

Gender?

Age?

Position at company?

Years working in the position?

### **Marketing strategy**

- Tell us more about the company's overall marketing strategy.
  - o Channels
  - o Goals
  - o Activities
  - o Planning

### **Relationships**

- Which kind of relationships do you have with your customers?
- Describe how you building up and maintaining relationships. How is the process and how do you handle them?
- Is there any difference in the treatment and activities for new customers and old customers?
- On a scale 1-10 where 1 is totally unimportant and 10 is extremely high important where would you place relationships importance according to your company?
- How is the Internet used in the building of relationships and why is it used or not used?
- Your key customers vs short-terms customers, how does the Internet affects here? Do you have any service on the Internet available for customers?

### **Branding**

- How do you work with your brand, the brand building and awareness creation?
- Which properties, values and feelings does the company want to build into the brand? Trustworthiness?

- How does the company work to mediate the brand? Digital/regular/print? Which channels are perceived as most favorable for you and why?
- On a scale 1-10 where 1 is totally unimportant and 10 is extremely high important where would you place the brand?
- Why is the brand important for the company?

### **Profit and performance**

- How would you describes the creation of profit in the company? Costs, processes, turn over, efficiency, higher margins etc.
- Describe how the use of the Internet have affected the profit and performance in the company.

How do you think the factors relationships, brand and profit and performance affects each other?

### **Digital marketing strategy**

- Explain how the company uses the Internet in the marketing strategy.
  - o Channels and the importance of them:
    - Social media
    - Communities and branch networks
    - Viral marketing
    - EDI-electronic data interchange
    - E-commerce
    - Social commerce
    - E-service
- Which digital channels are the company using?
- Why are you working with those channels? What significance does each and one of the channels have for the company?
- How important is the Internet channels for you?
- How do you work today and which areas and channels do you see as future development areas for the company?
- Which effects can you see from the different digital channels used? Goals, measurements and results of the different channels.

- Purposes and the meaning of the channels.

Communication

Sales

Information

Advertisement

- Where is the focus for each channel? Which channel is used for what?
- How does the company decide which information to publish in which channel?
  
- How do you believe that the Internet has affected the customers' possibility to find and seek for your products? (Transaction costs)
  
- The cooperation between departments sales/market/service, how does it work to enable to have coordinated information to the customer?
  
- How has processes and communication changed with the Internet?
  
- Which have the motives been to use the Internet and the channels that you are using?  
Why has other channels been deselected? Internal and external motives.
  
- Why do you use the Internet in your marketing?  
What does it add?  
Competitive advantages? How?  
Effect on strategic goals? Measures and results.

How does the Internet affect the overall marketing strategy and the fulfillment of strategic goals?

How are the Internet and the digital channels linked to the overall marketing strategy?

How is the interaction between traditional channels and digital channels?

Is there anything else you want to tell that is important and that you feel that we have missed asking you about?

- Thank you for your time and the cooperation, we will return with the finished work and let you take part of the result.

## Appendix 3 Pre-letter

Hi \_\_\_\_\_!

Digital marketing is used increasingly by businesses to communicate and build relationships with their customers. Through our programme at Linnaeus University in Växjö we conduct our bachelor thesis in the field of digital marketing strategy. The purpose of this study is to identify how small and medium sized companies in B2B use the Internet as a tool for digital marketing strategy.

We have made a strategic choice where you have been selected to participate in this study because of **YOUR** work with marketing strategy in digital channels at \_\_\_\_\_. Through your participation, you can help us gain a deeper understanding of digital marketing strategy and help developing its future. Data collection for the study is conducted through interviews. All responses will of course remain anonymous.

You are offered to take note of the results and we hope it can be of interest for you in the future development of the digital marketing strategy in your organization.

Interviews are scheduled to be held during week 16 and 17. We will contact you in week 14 by phone to arrange a date and time for the interview.

Do you have any questions about the study and your participation, you are warmly welcome to contact us.

Best regards,

**Andreas Bång**

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