

Business Marketing Face to Face

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The Theory and Practice of B2B Marketing

Chris Fill & Scot McKee

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Design and setting by P.K. McBride

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Managing B2B Relationships

Overview

Following the exploration of the nature and characteristics of marketing channels, it is necessary to consider some of the managerial issues, processes and systems associated with maintaining and developing collaborative relationships. First, the nature, dispersion and use of power in relationships is examined, then time is spent looking at channel conflict and ways in which it can be minimised, recognising that some conflict can be constructive. Following a consideration of two important concepts, trust and commitment, which are considered to be a foundation of successful B2B relationships, the chapter concludes with a brief overview of the role of technology in managing relationships with a focus on CRM systems.

Chapter aims and objectives

The aims of this chapter are to consider some of the behavioural concepts associated with the management of interorganisational relationships in business marketing.

The objectives of this chapter are to enable readers to:

- 1 Explore the concept of power and appreciate its significance in B2B relationships.
- 2 Examine the various sources of channel power and consider the different influence strategies that organisations can use.
- 3 Introduce basic principles concerning channel conflict and examine ways in which tensions between organisations can be managed.
- 4 Appreciate the dimensions and significance of trust and commitment in relationships as a means for building cooperation and channel collaboration.
- 5 Explain the impact of technology on channel relationships.
- 6 Consider the extent to which CRM systems can assist the management of B2B relationships.

A Slice of Life – Believing in the Relationship

The intricacies of business relationships can be (and are) infinitely complex. They can be dissected, investigated and managed ad nauseam. The closer you care to look, the more complex they become. Larger companies dedicate entire workforces to the sole task of looking after the clients. And so they should because, ‘the customer is king’, almost always. The majority of business relationships however, particularly in the SME market (small/medium enterprises), will fall simply into one of two categories – direct or indirect relationships.

The labels may change, the categories can be subdivided, but essentially, your business will have a direct one-to-one relationship with a paying customer, or the relationship will be indirect – remote contact with a prospective customer through a third party. But however complex or simple a structure we try to put in place to manage customer relationships, it all comes down to one thing – do you like the brand enough to work with it? More specifically, do you like the people who represent the brand. No matter what the commercial imperative, sooner or later, for a business to deal with a business, people have to deal with people. In my old age, I’ve elected to sort those relationship issues out early...

Having received a brief for a European corporate ‘Awareness Campaign’ for a reasonably large telecoms company, the day arrived to reveal to the customer how we would approach the project. I duly presented the accumulated wisdom of my many years of awareness campaigning to Sir and a considerable flock of subordinates, (including a slightly sallow, moist and inexplicably flaking representative from a media agency...). The client expressed his “disappointment” that I hadn’t addressed their need for a “value proposition”. He worked his way around the room gathering opinion from his team who all said, “Baaaa... oooh yes Sir, you’re so right...”

I felt like a gunslinger walking into the saloon where the conversation had stopped and the piano player had taken a dive behind the bar. The safety catch was off. I now had a choice. I could back out the door slowly and hope I made it to my horse before my mouth started firing random abuse, or I could slug it out. Sometimes I wish I could just, you know, ‘not’. But there we are...

The red mist welled up and all I can really remember is that I didn’t jab my finger in anyone’s face. I saw an interview with Bill Clinton once where he said that in heated debate, it was essential not to point fingers as the gesture was overly aggressive. Clinton used his thumb which, apparently, is politically correct. So there I was, purple faced, neck vein bulging, spraying spittle across a good metre and a half of conference table as I ranted uncontrollably and all I could think of was, “It’s OK Scot, it doesn’t matter