

# Marketing communication in a B2B market

- a case study of the store interior industry

Paper within Business AdministrationAuthor:HALLIN IDAJOHANSSON MARIALARSSON CAMILLATutor:Anette JohanssonElena RaviolaJönköpingDecember 2006

Title:	Marketing communication in a B2B market
	- a case study of the store interior industry
Author:	HALLIN IDA
	JOHANSSON MARIA
	LARSSON CAMILLA
Tutor:	Anette Johansson
	Elena Raviola
Date:	2006-12-12
Subject terms:	Marketing communication, marketing tools, B2B markets, brand awareness.

- **Background:** Today firms are facing increased global competition, and it results in shorter product life cycles. The present situation demand firms to focus more on marketing and how to communicate with the customers. In the marketing field there has always existed a perceived dichotomy between B2B and B2C markets. It is said that B2B markets must be handled differently than B2C markets. Recently the perceptions have changed and it is said that B2B and B2C markets have more similarities than previously assumed, and this might affect the decision about which marketing tools to implement. This could even change the old way of thinking, which states that B2C marketing tools cannot be used effectively in a B2B market. Theories show that brand awareness is of crucial importance in B2C markets. Will the change of market structure make brand awareness equally important in a B2B market?
- **Purpose:** The purpose of this thesis is to critically analyze the attitudes towards different B2B marketing tools and the possible appropriateness of using B2C marketing tools in a B2B market in order to achieve brand awareness.
- Method: A qualitative approach has been used in order answer the purpose of the thesis. ROL AB has been used as a case study, and 13 open phone interviews have been conducted with existing and potential customers of ROL AB. Furthermore, two interviews have been conducted with firms that successfully use B2C marketing tools in B2B markets.
- **Conclusions:** The typical characteristics of B2B markets show a tendency to blur. This insinuates that brands are gaining importance in the B2B market. In order to react to this change, B2B firms need to increase their brand awareness. The traditional relational (B2B) marketing tools seems no longer to be sufficient to be used alone but now need to be accompanied with transactional (B2C) marketing tools.

# **Table of Contents**

	oduction	1
1.1	Background	.1
1.2	Problem discussion	
1.2.1	Problem specification	
1.3	Purpose	
1.4	Delimitation	
1.5	Definitions	
1.6	Disposition	
1.0		.0
2 The	eoretical Framework	5
2.1	Principal B2B market theory	.5
2.1.1	B2B marketing	
2.1.2	Business buying behavior process	
2.2	Branding	
2.2.1	Brand equity	
2.2.2	Brand awareness	
2.2.2	B2B branding	
2.2.3	6	
-	Marketing communication1	
2.3.1	Transaction marketing	
2.3.2	Relational marketing	
2.3.2.1 2.3.2.2	Database marketing	
2.3.2.2	Network marketing	
2.4	Research questions1	
	•	
3 Me	thodology1	
3.1	Research methods1	6
3.1.1		
0.1.1	Conditions for choosing method1	6
3.1.1.1	The course of action	6 16
3.1.1.1 3.1.1.2	The course of action Problem statement	16 16
3.1.1.1 3.1.1.2 3.1.1.3	The course of action Problem statement Prerequisites and resources	16 16 16 17
3.1.1.1 3.1.1.2 3.1.1.3 3.1.2	The course of action Problem statement Prerequisites and resources Quantitative vs. Qualitative	16 16 17 17
3.1.1.1 3.1.1.2 3.1.1.3 3.1.2 3.1.2.1	The course of action Problem statement Prerequisites and resources Quantitative vs. Qualitative	6 16 17 7
3.1.1.1 3.1.1.2 3.1.1.3 3.1.2 3.1.2.1 3.2	The course of action Problem statement Prerequisites and resources Quantitative vs. Qualitative	6 16 17 7 17
3.1.1.1 3.1.1.2 3.1.1.3 3.1.2 3.1.2 3.1.2.1 3.2 3.3	The course of action Problem statement Prerequisites and resources Quantitative vs. Qualitative Method chosen Case study Interview selection	6 16 17 7 17 8
3.1.1.1 3.1.1.2 3.1.1.3 3.1.2 3.1.2.1 3.2 3.3 3.3 3.4	The course of action Problem statement Prerequisites and resources Quantitative vs. Qualitative	6  16  17  7  8  8
3.1.1.1 3.1.1.2 3.1.1.3 3.1.2 3.1.2.1 3.2 3.3 3.4 3.4 3.4.1	The course of action Problem statement Prerequisites and resources Quantitative vs. Qualitative Method chosen Case study	6  16  17  7  8  8  9
3.1.1.1 3.1.1.2 3.1.1.3 3.1.2 3.1.2.1 3.2 3.3 3.4 3.4.1 3.4.2	The course of action Problem statement Prerequisites and resources Quantitative vs. Qualitative Method chosen Case study	6  16  17  7  7  8  9  9
3.1.1.1 3.1.1.2 3.1.1.3 3.1.2 3.1.2.1 3.2 3.3 3.4 3.4.1 3.4.2 3.5	The course of action       Problem statement.         Prerequisites and resources       Prerequisites and resources         Quantitative vs. Qualitative       1         Method chosen       1         Case study       1         Interview selection       1         Data collection       1         Primary data       1         Secondary data       2         Data Analyzing       2	16 16 17 17 17 18 19 19 20 20
3.1.1.1 3.1.1.2 3.1.1.3 3.1.2 3.1.2.1 3.2 3.3 3.4 3.4.1 3.4.2	The course of action Problem statement Prerequisites and resources Quantitative vs. Qualitative Method chosen Case study	16 16 17 17 17 18 19 19 20 20
3.1.1.1 3.1.1.2 3.1.1.3 3.1.2 3.1.2.1 3.2 3.3 3.4 3.4.1 3.4.2 3.5 3.5.1	The course of action       Problem statement.         Prerequisites and resources       Prerequisites and resources         Quantitative vs. Qualitative       1         Method chosen       1         Case study       1         Interview selection       1         Data collection       1         Primary data       1         Secondary data       2         Data Analyzing       2         Validity and reliability       2	16 16 17 17 17 18 19 19 20 20
3.1.1.1 3.1.1.2 3.1.1.3 3.1.2 3.1.2.1 3.2 3.3 3.4 3.4.1 3.4.2 3.5 3.5.1 <b>4 Em</b>	The course of action	16 16 17 17 17 18 19 19 20 20 20 20
3.1.1.1 3.1.1.2 3.1.1.3 3.1.2 3.1.2.1 3.2 3.3 3.4 3.4.1 3.4.2 3.5 3.5.1 <b>4</b> Em 4.1	The course of action	16 16 17 17 17 18 19 19 20 20 20 20 20 20 20 20 20 20 20 20 20
3.1.1.1 3.1.1.2 3.1.1.3 3.1.2 3.1.2.1 3.2 3.3 3.4 3.4.1 3.4.2 3.5 3.5.1 <b>4 Em</b> 4.1 4.1.1	The course of actionProblem statementPrerequisites and resourcesQuantitative vs. Qualitative1 Method chosen	16 16 16 17 17 17 18 19 19 20 20 20 20 20 20 20 20 20 20 20 20 20
3.1.1.1 3.1.1.2 3.1.1.3 3.1.2 3.1.2.1 3.2 3.3 3.4 3.4.1 3.4.2 3.5 3.5.1 <b>4 Em</b> 4.1 4.1.1 4.1.2	The course of actionProblem statementPrerequisites and resourcesQuantitative vs. Qualitative1 Method chosenCase study1 Interview selection	16         16         16         17         17         18         19         20         22         23
3.1.1.1 3.1.1.2 3.1.1.3 3.1.2 3.1.2.1 3.2 3.3 3.4 3.4.1 3.4.2 3.5 3.5.1 <b>4 Em</b> 4.1 4.1.1 4.1.2 4.1.2	The course of actionProblem statementPrerequisites and resourcesQuantitative vs. Qualitative1 Method chosen	6       16       16         16       16       17         17       17       18         19       19       10         20       20       20         22       23       23
3.1.1.1 3.1.1.2 3.1.1.3 3.1.2 3.1.2.1 3.2 3.3 3.4 3.4.1 3.4.2 3.5 3.5.1 <b>4 Em</b> 4.1 4.1.1 4.1.2 4.1.2.1 4.1.3	The course of actionProblem statementPrerequisites and resourcesQuantitative vs. Qualitative	6       16       16         16       16       17         17       18       19         18       19       10         19       10       10         10       17       18         10       17       18         11       17       18         12       12       12         13       19       10         14       19       10         15       10       10         16       10       10         17       18       19       10         18       19       10       10         19       10       10       10         10       10       10       10         10       10       10       10         10       10       10       10         10       10       10       10         10       10       10       10         10       10       10       10         10       10       10       10         10       10       10       10         10       10       10       10
3.1.1.1 3.1.1.2 3.1.1.3 3.1.2 3.1.2.1 3.2 3.3 3.4 3.4.1 3.4.2 3.5 3.5.1 <b>4 Em</b> 4.1 4.1.1 4.1.2 4.1.2	The course of action	6       16       16       17         16       16       17       17       18       19       10 <td< td=""></td<>
3.1.1.1 3.1.1.2 3.1.1.3 3.1.2 3.1.2.1 3.2 3.3 3.4 3.4.1 3.4.2 3.5 3.5.1 <b>4 Em</b> 4.1 4.1.1 4.1.2 4.1.2.1 4.1.3 4.1.3.1	The course of actionProblem statementPrerequisites and resourcesQuantitative vs. Qualitative	16       16       16       17       17       18       19       10 <td< td=""></td<>

4.2.1	Abecita	26
4.2.2	Design House Stockholm	27
4.2.3	Philip Morris	
4.2.4	Posten	
4.2.5	Systembolaget	31
4.3	Interview with potential customers	
4.3.1	Company A.	
4.3.2	Company B	
4.3.3	Company C	34
4.3.4	Duracell	35
4.3.5	Gina Tricot	36
4.3.6	Hemtex AB	37
4.3.7	Zeta	38
4.3.8	Åhléns AB	39
4.4	Firms operating in a B2B market using B2C tools	41
4.4.1	Ahlsell	41
4.4.2	Ramirent	42
	Ramirent	
	Ramirent	45
5 An	Ramirent alysis Why is there a dichotomy between B2B and B2C markets?	<b>45</b> 45
<b>5 An</b> 5.1	Ramirent alysis Why is there a dichotomy between B2B and B2C markets? How is brand awareness affecting B2B and B2C markets?	<b>45</b> 45 48
<b>5 An</b> 5.1 5.2	Ramirent alysis Why is there a dichotomy between B2B and B2C markets? How is brand awareness affecting B2B and B2C markets? Which marketing tools are preferable in a B2B market?	<b>45</b> 45 48 51
<b>5 An</b> 5.1 5.2 5.3	Ramirent alysis	<b>45</b> 45 51 51
<b>5 An</b> 5.1 5.2 5.3 5.3.1 5.3.2	Ramirent	<b>45</b> 45 51 51 54
<b>5 An</b> 5.1 5.2 5.3 5.3.1 5.3.2	Ramirent alysis	45 51 51 54 54
<b>5 An</b> 5.1 5.2 5.3 5.3.1 5.3.2 <b>6 Co</b> 6.1	Ramirent	45 51 51 54 54 56
<b>5 An</b> 5.1 5.2 5.3 5.3.1 5.3.2 <b>6 Co</b> 6.1	Ramirent	45 51 51 54 56 56 59
<ul> <li>5 An</li> <li>5.1</li> <li>5.2</li> <li>5.3</li> <li>5.3.1</li> <li>5.3.2</li> <li>6 Co</li> <li>6.1</li> <li>7 Dis</li> </ul>	Ramirent	45 48 51 51 54 56 56 59
5 Ani 5.1 5.2 5.3 5.3.1 5.3.2 6 Co 6.1 7 Dis 7.1 7.2	Ramirent	45 48 51 54 54 56 56 59 59 59

# **Appendices**

Appendix 1 Interview guide for existing/potential customers. Appendix 2 Interview guide for B2B firms that use B2C marketing tools. Appendix 3 The ROL process for partners. Appendix 4 Approval of interview with Monica Gustafsson, Philip Morris

# Figures

Figure 2.1 - Theoretical Framework	5
Figure 2.2 - The value of brand awareness (Aaker, 1991, p.63).	9
Figure 3.1 - Degrees of structure in interview (Jacobsen, 2002).	19
Figure 3.2 - Data analyzing	20
Figure 4.1 - ROL AB's customer segments (ROL group, 2006d)	

# 1 Introduction

This section has the purpose to give the reader an introduction to the subject in matter. Further, the first chapter contains the background and problem discussion that will introduce previous and contemporary research within the field of B2B markets and marketing. The chapter will proceed with a problem specification resulting in the purpose of the study.

# 1.1 Background

In early history it might have been enough with innovative products, great engineering, or great salesmanship solely to close a business deal. However, today's firms are facing a different situation with shorter product life cycles and the intensity of global competition, which no longer provides the luxury of "*build it and they will come*" thinking. Therefore, in the present day situation firms need to focus more on marketing, and how to communicate with the customers. (Olivia, n.d.)

Within the marketing field there has always existed a perceived dichotomy between Business-to-Business (B2B) and Business-to-Consumer (B2C) markets. This is a general perception in the theory of marketing. The aspects that differ between B2B markets and B2C markets according to Coviello and Brodie (2001) are the influences, buyer decision processes, and buyer-seller relationships.

It is said that B2B markets must be handled differently than B2C markets because of their uniqueness due to a derived demand, long purchase cycles, and a market structure that is shifting and fragmented (Lilien, 1987). A distinction is made on B2B marketing by concentrating on the attributes of product complexity, and buying process complexity (Webster, 1978). This is also supported by Håkansson and Snehota (1995) who adds to the assumption of the dichotomy by claiming that B2B marketing is driven by relationships, which are to be considered different from those in B2C markets. This is supposedly due to a continuity, complexity, symmetry, and informality of the relationship (Coviello and Brodie, 2001).

Although, the question stands: Is there in fact a difference between B2B and B2C markets and why do firms need to separate the marketing approaches towards the two? Are the previous recognized differences between B2C and B2B marketing practices just a historical artifact rather than a current reality? (Coviello, Brodie, Danaher and Johnston, 2002)

# 1.2 Problem discussion

Even though there are some differences between B2B and B2C markets, the process of making a purchase seem to be the same in both markets. The process starts with gathering information about alternatives, processing that information, followed by learning about available products and determining which alternative matches the perceived needs most closely. Finally, the process ends by the action of purchasing. (Brown and Fern, 1984) Thus, it is said that the complexity of the decision itself makes a difference no matter what kind of environment a purchaser is in.

Wilson (2000) asks "Why should we assume that separate theories are necessary to explain the exchange behavior adopted by the same individual when placed in different contexts?" (p.780–781). People in a business environment are not suddenly transformed from a human being into a robot

when acting in a business situation, but are in fact still humans (Pickton and Broderick, 2001). This implies that these people should be affected not only by traditional B2B marketing tools such as direct marketing and personal selling, but also B2C marketing tools such as emotional advertising (Blombäck, 2005).

Shipley and Howard (1993) conclude that the context of B2B and B2C buying behavior is not broadly similar, but that specific elements are comparable such as the impact of branding (cited in Ede, Nairin and Naudé, 2004). Can human beings be affected by typical B2C marketing tools when making a business decision in a B2B market environment? Consequently, how does this affect a firm's methods to generate brand awareness?

According to Keller (2003, p.2) can a brand be defined as a "name, sign, symbol, design, or a combination of them, intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competition". It is stated that a brand in a B2C market is important for a firm as a source for sustainable competitive advantage and to capture consumer preferences and loyalty. Therefore, firms need to build awareness and knowledge about their brand. (Kotler and Armstrong, 2004; Aaker and Biel, 1993) A question that arouse is whether it is becoming equally important in the B2B market?

Recently the perceptions has changed and it is said that B2B and B2C markets have more similarities than previously assumed and this might affect the decision about which marketing tools to implement. This could even change the old way of thinking which states that B2C marketing tools cannot be effectively used in a B2B market. Given that fact, it is interesting to see whether B2C marketing tools could be successfully used in a B2B market in order to achieve brand awareness.

### 1.2.1 Problem specification

The Swedish firm ROL AB will be used as a case study for this thesis. It is one of the leading store interior suppliers in the world delivering innovative retail solutions to its customers. Presently, ROL AB is a firm relatively unknown in its home market of Sweden. ROL AB supplies many strong branded firms such as Disney, Chanel and Diesel. Thus, its goods and services are seen by many, but still with no recognition of its work. ROL AB won a marketing award five years ago. It won this award even though ROL AB was not marketing at the time, but because it managed to sell through excellent performance. ROL AB is performing similarly presently but are continuously loosing market share due to a competition intense situation. This is evidence that it was just recently that the market of store interior experienced a change and being visible became crucial for the survival of a firm.

ROL AB's goal is to be the market's most respectable supplier of store interior and to be the absolute number one in Europe. Given the new market situation, in order to achieve these goals, ROL AB needs to start marketing itself and its brand remarkably more than it does today. Using the research done for this thesis, a course of action will be suggested for ROL AB in order to lead it in the right direction.

# 1.3 Purpose

The purpose of this thesis is to critically analyze the attitudes towards different B2B marketing tools and the possible appropriateness of using B2C marketing tools in a B2B market in order to achieve brand awareness.

# 1.4 Delimitation

This thesis will only focus on the store interior industry, since we do not have resources to analyze more then one market. B2B markets differ a lot and it is therefore important to evaluate each market carefully.

ROL AB is operating in several countries, with manufacturing operations, sales force and service partners all over the world. However, due to lack of time and resources to include more countries, this thesis will focus only on the Swedish market.

# 1.5 Definitions

**B2C:** Business-to-Consumer.

**B2B:** Business-to-Business.

**B2B markets:** Markets where the customers are firms and not private persons, hence different characteristics.

**B2C markets:** Markets where the customers are private persons.

**B2B marketing tools:** Marketing tools that are commonly used in B2B markets. For example direct marketing (mail and e-mail) and personal selling (phone calls, personal meetings and trade fairs).

**B2C marketing tools:** Marketing tools that are mostly used in B2C markets such as mass communication (advertising).

# 1.6 **Disposition**

The following disposition outlines the structure of the thesis:

Chapter	Title	Content
1	Introduction	This section has the purpose to give the reader an introduction to the subject in matter. Further, the first chapter contains the background and problem discussion that will introduce previous and contemporary research within the field of B2B markets and marketing. The chapter will proceed with a problem specification resulting in the purpose of the study.
2	Theoretical Framework	The theoretical framework first introduces the reader to the typical characteristics of a Business-to-Business market, incorporating a comparison to the Business-to-Consumer market. Thereafter a description of business buying decision behavior will be outlined. The purpose is to determine whether or not people in a business buying situation can be influenced by a firm's corporate image, thus the importance of strong brand awareness. Consequently, the relevance of a strong brand in a B2B context will be presented and the different marketing tools to achieve higher brand awareness. Both business and consumer marketing tools will be examined in order to create a foundation for our empirical study.

3	Methodology	This section will provide the reader with an understanding for the course of action taken by the authors of the thesis in order to achieve a result of relevance. First, different research methods will be presented followed by a theory and motivation of how methods were chosen. Secondly, the case study of the firm ROL AB will be explained. Finally, the methods of how to collect and analyze the data will be discussed ending with discussing the validity and reliability of the results.
4	Empirical findings	This chapter presents the results from the empirical findings. It starts with a presentation of ROL AB, the firm that is used as a case study. It continues with interviews made with ROL AB's potential and existing customers. It is done in order to investigate their thoughts regarding their supplier relationships, different marketing tools, and some personal opinions about B2B markets. The chapter ends with two interviews with firms that today use B2C marketing tools in B2B markets.
5	Analysis	This section has the intention to connect presented theory with em- pirical findings. The focus is on the research questions in order to answer the purpose of the thesis and they will work as headings to provide a structure. First it will be determined whether the perceived dichotomy is true or not by an analysis of B2B and B2C markets, and continues with the importance of brand awareness in B2B mar- kets. Lastly, an analysis with an evaluation of different marketing tools will be conducted with the purpose to find the sufficiency of rela- tional marketing, and the appropriateness of using transactional marketing.
6	Conclusion	In this section we will present the final conclusions which answer the purpose. Further, the analysis resulted in a number of suggestions regarding marketing strategies for ROL AB which will be presented as a course of action to achieve higher brand awareness.
7	Discussion	This chapter discusses the outcome of the thesis. It presents some limitations of the study which are important to be aware of in order to get the correct interpretation of the result. The chapter continues with some criticism of the chosen method and how it could have af- fected the result. Furthermore, some areas for further studies are pre- sented.

# 2 Theoretical Framework

In order to provide an appropriate overview of this thesis a model has been constructed (Figure 1). Purchases of store interior takes place in a Business-to-Business market. The theory will therefore first introduce the reader to the typical characteristics of such a market, incorporating a comparison to the Business-to-Consumer market. Thereafter a description of business buying decision behavior will be outlined. The intention is to determine whether or not people in a business buying situation can be influenced by a firm's corporate image, thus the importance of strong brand awareness. Consequently, the relevance of a strong brand in a B2B context will be presented and the different marketing tools to achieve higher brand awareness. Both business and consumer marketing tools will be examined in order to create a foundation for our empirical study.

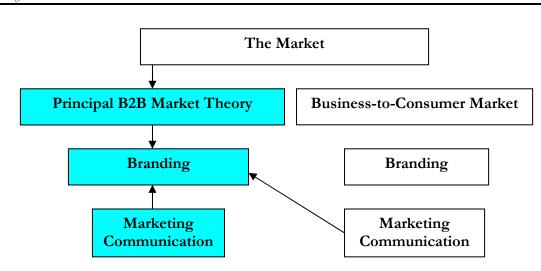


Figure 2.1 - Theoretical Framework

# 2.1 Principal B2B market theory

In order to facilitate for the reader, a short presentation to the B2B market will be introduced so also the concept of B2B marketing. To create a better understanding these two concepts will be compared to a more known concept within Marketing Principles i.e. B2C.

The main difference between B2B and B2C markets is that firms in B2B markets are buying from other firms instead of private consumers buying from firms, which is the case in B2C markets (Ford, Berthon, Brown, Gadde, Håkansson, Naude, Ritter, and Snehota 2002).

Anderson and Narus (2004, p.4) define business markets as "firms, institutions, or governments that acquire goods and services either for their own use, to incorporate into the products or services that they produce, or for resale along with other products or services to other firms, institutions, or governments."

Further assumed differences between consumer markets and business markets is that customers in consumer markets mainly focus on aesthetics or taste whereas customers in a business market are focusing more on functionality or performance (Anderson and Narus, 2004). Additionally, purchasing in B2B markets are mainly performed by professional buyers. The relationships between buyers and sellers are very important and never exist in isolation. Each transaction can take a very long time and often requires lots of money. Involving many people in most of the business market transactions, the supply chain is often both long and complex. (Ford et al, 2002)

## 2.1.1 B2B marketing

As marketing has evolved in the two markets it has broken up into two main sectors, logically B2B and B2C marketing. Most attention has been paid to B2C marketing, but in recent years the importance of B2B marketing has also been recognized. Although, the perception of what the B2B Marketing concept really is varies. One can find many different views by reading a range of literature. Ford et al. (2002) for example argues that the most important aspect in a B2B world is that of relationships, while Anderson and Narus (2004) argue for the sake of value creation.

Traditionally, marketing has had its focus on the last step in the value chain, i.e. when the private customer buys something. However, before the customer acquires the goods, it has been refined and resold many times. These steps that are taken place before the goods actually reach the end consumer are called Business Marketing. Business marketing is the task of selecting, developing and managing customer relationships for the advantage of both the supplier and the customer, with regard to their respective skills, resources, strategies, objectives and technologies. (Ford et al, 2002)

Marketing in a B2C world is one-way communication to a passive buyer whereas in a B2B context the buyer is active and interactions take place. When it comes to pricing the B2B marketer need to prove the difference between their product and the competitor's product to the buyer based on hard facts. Marketers in B2C can often rely solely on the brand, advertising and consumers' emotions and the consumers buying decisions is dominated by the initial purchase price. (Ford et al, 2002)

B2B marketing relies deeply on direct sales and marketers and sales people need to work closely together. A good advertisement can single-handedly create a buyer in B2C, whereas advertisement in B2B has a different role and due to the smaller amount of customers in B2B, word-of-mouth has a greater effect than what it has in B2C. In B2B the brand tends to have a smaller influence on the buyers whereas in B2C, the power of brands can be a tremendous tool for influencing the buyers. (Ford et al, 2002)

### 2.1.2 Business buying behavior process

According to Webster and Wind (1972) the B2B decision process is "by which formal organizations establish the need for purchased products and services and identify, evaluate and choose among alternative brands and suppliers" (cited in Fill, 2006, p.166). This is important to comprehend so that the firm can deliver a suitable and effective marketing communication mix. A B2C buying process is relatively simple, usually it is a one-step process with one or two individuals involved. Buyers in B2C are often driven by feelings and emotions and they do not always have a great understanding of the products they buy. Whereas B2B buyers are more specific oriented and they tend to have a good understanding of the products they want. Additionally, B2C buyers are not facing any particular risk more than the loss of money they pay for the product or service. (Ford et al., 2002; Anderson & Narus, 2004). Other special characteristics associated with B2B buying behavior are for example larger and more complex orders.

A purchase is made by a number of people which see the importance of the task, since it concerns the whole firm, in addition its own career. It is further explained that the purchase decision process concerns many, not only a few representatives. This group of people is referred to as the decision making unit (DMU) and will differ in size depending on

the complexity of the problem being solved. In accordance with individual consumers, every member of the DMU is active problem solvers and processes information so that personal and organizational goals are accomplished. (Fill, 2006) This is an indication that purchases on impulse are fairly rare in the business market context, and that the buying process is more time consuming than what is known in the B2C market. Additionally Blombäck (2005) notes that business buyers are active and want to interact, build relationships and be a part of business networks rather than being passive which is more common to see in a B2C context. Different people in the centre of decision making will have different need of information depending on their responsibilities. Moreover they say that if one looks behind these roles, the individual will have their own perceptions, expectations and objectives based on their personalities and backgrounds. (Ford et al, 2002)

In the end of Fill's (2006) theory discussion about the decision making process in a B2B context he mentions something of real interest for this thesis. He brings up Simon's (1976, cited in Fill, 2006) view of the environment which claims that the environment is too complex and dynamic for the decision maker to comprehend and create an objective view. Hence the member of the DMU will rather rely on knowledge and experience as a basis of there decision. Further Brand (1972) established that "It is clear that industrial purchasing decisions are not solely governed by a rational review of the problem posed if 'rational' is to be interpreted as a long fully considered view of all possible alternatives in order to obtain maximum company profitability" (cited in Blombäck, 2005, p. 49).

Due to the outlined characteristics of the market and its buyers, B2B marketing theory consequently has focused on rational information, long-term contracts and personal relationships. In turn this has shaped assumptions of how marketing communications should be handled and what communication tools that is realistic in a B2B market.

It is suggested by Blombäck's (2005) research that promotion in B2B markets is focused upon "rational and economic issues", and similarly Anderson and Narus (2004) states that it is focused upon "on performance and functionality". The research further claims that personal sales are the leading sales tool. Nevertheless, marketing communications towards business customers does not announce any limitations for what tools that is usable. Because, for effectively communicating messages one first learn how business buyers make decisions. Once these processes are understood, it is possible to select a suitable message, media, and tools to reach these vital market segments. (Clow & Baack, 2002, cited in Blombäck, 2005)

# 2.2 Branding

A brand is a "name, sign, symbol, design, or a combination of them, intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competition" (Keller, 2003, p.2). According to Kotler and Armstrong (2004) a brand outlasts the firms' specific products and facilities and is a powerful asset that must be carefully developed and managed. They further claim that a brand can deliver up to four levels of meaning; attributes, values, benefits and personality.

The brand is important for the firm as a source for sustainable competitive advantage. Strong brands are often one of the firm's most valuable assets, thus managing and developing them is of crucial importance for the long-term profitability of a company (Keller 2003). Strong brands reside in the minds of consumers and have power to capture consumer preferences and loyalty (Kotler and Armstrong, 2004).

### 2.2.1 Brand equity

An important area for firms is brand equity, which is the positive differential effect that knowing the brand name has on consumer response to the product or service (Kotler and Armstrong, 2004). Keller (2003, p.60) gives a formal definition of Customer-based brand equity as *"the differential effect that brand knowledge has on consumer response to the marketing of that brand"*. He further discuss that brand equity occurs when the customer has a high level of awareness and familiarity with the brand and that it holds some strong, unique and favorable associations in memory.

There are several aspects that need to be fulfilled in order to reach brand equity. One of them is brand awareness.

#### 2.2.2 Brand awareness

According to Kapferer (1992, p.88) "a brand without awareness is but a blob on a product – voiceless and devoid of meaning"

Firms need to build awareness and knowledge about their brand in order for it to be powerful and increase customer loyalty. People must be familiar with the brand and must also feel good about it. (Aaker and Biel, 1993)

The concept of brand awareness is a common measure of marketing communication effectiveness and is related to the strength of the brand presence in the mind of the consumer. Brand awareness is reflected by consumer's ability to identify and remember the brand under different conditions ranging from *recognition* (i.e. have the customer been exposed to this brand before), to *recall* (i.e. what brands of this product class can the customer remember), to *"top of the mind"* (i.e. whether the brand is the first to spring to mind when mentioning a certain category of products) and finally to *dominance* (i.e. the brand is the only one in that product class). (Aaker, 1996)

The power of a brand lies in what resides in the minds of customers. The challenge for marketers in building a strong brand is ensuring that customers have the right type of experiences with products and services and their accompanying marketing programs so that the desired thoughts, feelings, images, beliefs, perceptions, opinions, and so one become linked to the brand (Keller 2003). This is further highlighted by Aaker (1991) when he claims that brand awareness is the potential buyer's ability to recall and/or recognize that the brand is a member of a certain product category and that there is a link between the brand and the product class. There are two key dimensions that distinguish brand awareness, depth and breadth. The depth of brand awareness refers to how easy it is for customers to recall or recognize the brand. Breadth of brand awareness refers to the range of consumptions and purchase situations where the brands come to the customer's mind. A highly salient brand is a brand with both breadth and depth of brand awareness. Not only has the brand to be "top of mind", but also do so at the right place at the right time. Many products and brands are unnoticed and forgotten in possible usage situations and increasing the salience of the brand in those settings can be a help in driving consumption and increase sales volume. (Keller, 2001) Aaker (1996) further states that awareness reflects both the salience and the knowledge of the brand in the customers' minds. Salience is about the depth of brand awareness, recognition and recall.

Aaker (1991) then explains how awareness works to help the brand. According to him brand awareness creates value in the following four ways.

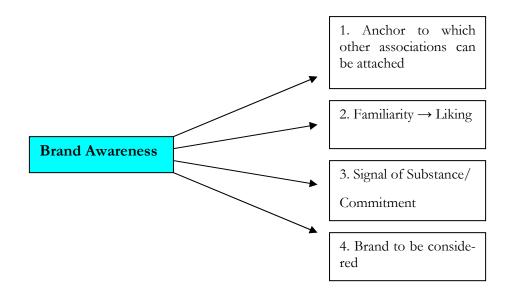


Figure 2.2 - The value of brand awareness (Aaker, 1991, p.63)

- 1. The brand recognition is the first and most basic step in the communication task. In most cases it is no use and a waste of time to attempt to communicate a brand's attributes until a name is established with which the attributes can be associated.
- 2. Brand recognition provides the brand with a sense of familiarity, and people tend to like the familiar. In some cases it is the familiarity that drives the buying behavior.
- 3. Awareness of the brand name can be a signal of commitment, presence, and substance, attributes which can be important to industrial buyers as well as consumer buyers.
- 4. One of the first things to do in the buying process is often to select a group of brands to be considered. Usually, the buyer will not be exposed to several brand names during the process, except from happenstance. The first supplier that comes to customer's mind will then have an advantage.

### 2.2.3 B2B branding

The increased competition in many markets today puts a lot of pressure on companies to differentiate themselves in order to be competitive. One way to do that is through branding. Marketing theories often state that companies with a strong brand often get a competitive advantage in comparison with those companies with weaker brands.

According to Anderson and Narus (2004) business market managers are always striving to establish and build their brands. They further state that the managers believe that they, by adapting concepts and practices of their counterparts in the consumer markets to the B2B settings, can build brand equity and also benefit from it.

In order to build brands in business markets, Keller (cited in Anderson and Narus, 2004, p.159) propose some guidelines.

- Create a well-defined brand hierarchy by adopting a corporate or family branding strategy.
- Link non-product-related image associations (i.e. social benefits as "peace of mind" or "ease of doing business").

- Use a full range of marketing communication options.
- Leverage equity of other companies who are customers.
- Segment markets cautiously and develop tailor-made branding and marketing programs.

# 2.3 Marketing communication

Marketing communication is of significant importance in both B2B and B2C markets. It is essential for all firms to communicate its message to customers in order to increase their sale. To be able to communicate efficiently with the customers, firms need to decide which marketing communication concepts they will use.

Research made by Coviello and Brodie (2001), shows that B2B firms are more relational in their approach to the market, whereas consumer firms are somewhat more transactional. However, the overall patterns of marketing practice are similar across firm type. Furthermore research has shown that both the transactional and the relational paradigms are relevant in contemporary marketing, regardless of what type of market that is served (Coviello and Brodie, 2001).

Grönroos (1997) confirms that it is the marketing mix management paradigm, with the 4 P's, that has dominated the thought of marketing since it was first introduced in the 1960s. According to Kotler et al. (2005), the four P's include:

- *Product*: the actual product or service being produced.
- *Price*: the price that is charged and terms associated with the sale of the product.
- *Promotion:* promotion and other communication activities associated with marketing the product.
- *Place*: the distribution and the logistics function that is needed to be considered in making the service or product available.

However, in recent years this paradigm has begun to lose its position and new approaches have emerged in marketing research. One of the new leading approaches that have entered into the marketing literature is an approach called relationship marketing. (Grönroos, 1997)

Another marketing researcher named Frederick Webster (1992, p.14) also came up with the conclusion in his analysis of the developments in businesses and marketing that *"there has been a shift from a transaction to a relationship focus"*.

Furthermore, Coviello et al. (2002) argues that it is appropriate to broaden the understanding of relational and transactional exchange and beyond the view of a two-way classification. Therefore, a more pluralistic conceptualization of marketing is needed. Coviello, Brodie and Munro, 1997) developed a framework that does not see relational and transactional marketing as two separate paradigms. Their framework suggests that there are two general marketing perspectives, comprising four distinct types of marketing, specifically:

- Transactional marketing
  - *Transaction marketing*: that is to managing the marketing mix, i.e. the 4Ps, in order to attract and satisfy customers.

- Relational marketing
  - *Database marketing*: where technology-based tools are used in order to target and maintain customers.
  - *Interaction marketing*: includes the development of interpersonal relationships in order to create cooperative interactions between sellers and buyers for reciprocal benefits.
  - *Network marketing*: that is about the development of relationships between the firms within the network in order to be able to coordinate activities among several parties for mutual benefit, exchange of resources and so forth.

These four marketing aspects will be further explained below, and connected to specific marketing tools.

# 2.3.1 Transaction marketing

The traditional way of marketing is also referred to as transaction marketing or the marketing-mix management. The reason for this is due to the focus on managing the marketing mix variables of the 4 P's, i.e. Product, Price, Place and Promotion, in order to make a transaction, i.e. attract the customers. This approach is involving discrete economic transactions, generally treated in isolation at arms-length and in a formal and impersonal process. (Coviello, Brodie and Munro, 2000)

According to Christopher et al. (2000), transactional marketing is focused on a single sale in the short term. They further state that transaction marketing is oriented towards product features and has little emphasis on customer service involving limited customer commitment and moderate customer contact. In contrast to relationship marketing, the view of quality is primarily a concern of production.

Grönroos (1997), states that there is not much more than the core product, and sometimes the firm's brand, that keeps the customer attached to the seller in transaction marketing.

#### Advertising

Advertising is an important part in transaction marketing. This marketing tool is mostly used in the B2C context (Kotler, Wong, Saunders and Armstrong, 2002). It is defined as any paid form of impersonal one-way promotion of goods and services by a firm, and the aim is to deliver the message to customers in order to make an offer more attractive to them (Tellis, 2004). It includes radio, print media, television and display marketing. This is a useful marketing tool because it can reach many people at different locations. It enables the firm to repeat its message many times, which is important to do in order for the marketing to be efficient. Advertising could be useful when a firm wants to build up an image for a product or service. However, it is important to know that this is a channel with no personal contact or feedback. (Kotler et al, 2002)

### 2.3.2 Relational marketing

According to Grönroos (1996) relationship marketing has not been used as a term before late 1980s. Grönroos further defines in his article "Relationship Marketing: Strategic and tactical implication" that "Relationship marketing is to identify and establish, maintain, and enhance

relationships with customers and other stakeholders, at a profit, so that the objectives of all parties involved are met. This is done by a mutual exchange and fulfillment of promises" (p. 7).

Another relationship marketing definition is made by Gummesson (2002) and according to him relationship marketing is marketing that has its focus on relationships, networks and interactions. The concept of relationship marketing has emerged within the fields of industrial marketing and service marketing (Grönroos, 1997).

Grönroos (1996) further states that there are three important strategic issues of the typical relationship marketing approach.

- 1. defining the firm as a service business.
- 2. managing the firm from a process management perspective.
- 3. developing partnerships and networks.

Additionally, he explains three typical tactical elements of a relationship marketing strategy; seeking direct contacts with customers, building a database, and developing a customeroriented service system.

Relationship marketing is based on a belief of trusting cooperation with known customers. The firm has to; in order to pursue a relationship marketing strategy, create a database consisting of customer information so that, for example, sales contacts and advertising campaigns can be made as relationship-oriented as possible. (Grönroos, 1996)

In contrast to transaction marketing, relationship marketing focuses on customer relation over a long term period. Another difference between the two approaches is that relationship marketing has an orientation on product benefits and emphasizes high customer service, customer commitment, and customer contact. (Christopher et al., 2000). The view of quality is the concern of all. This is further confirmed by Grönroos (1997, p.330) as he says that *"In relationship marketing the functional quality dimension grows in importance and often becomes the dominating one"*.

Another dissimilarity that Grönroos (1997) discusses is that in transaction marketing it is through the core product that the customers is attach to the supplier, whereas in relationship marketing the firm has created more value for its customers than that provided by the core product alone. These firms develop more and tighter ties with its customers, e.g. through technology, information, and knowledge related ties. In relationship marketing the view of price differs from transaction marketing. Price is not unimportant but "relationship marketing makes customers less price sensitive" (Grönroos, 1997, p.330).

According to Coviello et al. (1997) relational marketing can be divided into three different types of marketing, which will be described and connected to different marketing tools below.

#### 2.3.2.1 Database marketing

Database marketing is used both in B2B and B2C markets. It uses the information that different databases provide in order to employ direct marketing to communicate with customers. The main reason for firms to use databases is to get information about individual customers, in order to create and develop relationships. This type of marketing is also a cost-effective way to stay in touch with the customers. (Drozdenko and Drake, 2002) Information and technology-based tools is used to target and maintain customers (Coviello et al, 2002). Database marketing can be defined as "one-to-one" marketing since the advanced technology make it possible for firms to develop individual relationships with customers. It uses individual addressable and interactive media in order to reach the customer. (Coviello et al, 1997) A database is a file including information about potential customers. Firms use it to gain a better understanding of the customers and try to create some kind of relationship with them, often through direct marketing (Drozdenko and Drake, 2002). It is important that at least some part of the communication from firms to their customers is directed to named consumers (Stone, Bond and Foss, 2004).

This marketing type is according to Coviello et al, (1997) more "to" the customer than "with" the customer, and the formal communication is driven and managed by the firm. The relationship is distant and do not involve personal interaction, and the focus is more on information gathered through technology-based tools. Information from internet and databases are examples of information technology, which help firms to create a relationship with its customers. The information that the firms acquire helps them to make the mass marketing more personal and thereby creates a type of relationship with the customers. (Coviello et al, 1997)

Coviello et al. (1997) further states that the main objective with database marketing is to build up a long-term relationship with the customer, and not see the marketing effort as a short time investment. The firms want to differentiate messages to the customers based on their specific characteristics and preferences.

#### Direct marketing

Direct marketing is the preferred marketing tool in database marketing. It is direct communication with specific targeted individual customers through telephone, mail, fax, e-mail, and internet, with the purpose to create lasting customer relationships. This is a tool that is non-public, since the message is normally addressed to a specific customer. It can be customized in order to attract a specific customer, and build a one to one customer relationship. It is an impersonal tool with no personal contact. Kotler et al (2002) does not define this marketing tool as being particularly used in either a B2B or a B2C context, and we therefore assume that this marketing tool is used in both contexts. (Kotler et al, 2002)

Important factors that are focused upon are concentration, personalization, and immediacy. The advantage of concentration is that a firm can focus and concentrate its marketing efforts on segmented markets and customers in order to make the marketing efficient. Personalization is another cornerstone since a firm can address the marketing to specific customers and thereby make the marketing specified. Immediacy is important due to the fact that direct marketing can establish a desire and often also lead to action. (Nash, 2000)

#### 2.3.2.2 Interaction marketing

Interaction marketing is mainly used in B2B markets, and defined as face-to-face interaction within relationships (Coviello et al, 1997). It includes interpersonal relationships which create cooperative interaction between buyers and sellers of equal benefit (Coviello et al, 2002). Personal selling through personal meetings and phone calls are preferred marketing tools in this type of marketing. The focus is on persons instead of the company, and important factors are personal contacts, bargaining, information exchange and establishment of individual relationships. Coviello et al (1997) defines interaction marketing as a process that engages individuals, who take initiatives to complex relationships and handle personal interactions. These relationships are based on trust, dependence, commitment, adaptation and satisfaction between the persons involved in the interaction. Well functioning relationships are the main objective in this type of marketing. These relationships can be both formal and informal, with the actors being equally adaptive and active. (Coviello and Brodie, 2001)

Coviello et al (1997) further states that interaction marketing is truly "with" the customer, since the individuals and organizations invest resources to develop commonly valuable interpersonal relationships. The focus is on negotiation and joint planning, and involves value creation for all actors included in the process.

#### Personal selling

Personal selling is a marketing tool that is mainly used in B2B markets, and especially in interaction marketing and network marketing. In interaction marketing the focus is on the personal communication channel, which is when two or more people who directly communicate with each other. This could be done face-to-face, by telephone and mail, and also over the internet. It is an effective way to communicate the marketing messages, since it allow for personal discussion and feedback. (Kotler et al, 2002)

#### 2.3.2.3 Network marketing

Network marketing is mainly used in B2B markets, and personal selling including trade fairs and sale presentations are the preferred marketing tools in this type of marketing. It develops relationships between firms and coordinate activities among several parties for common benefit, resource exchange, market access and trust. (Coviello et al, 2002) It focuses on multiple network relationships between firms and has a significant interest in the "connectedness" of these relationships. The coordination of the network is through interaction between firms within the network, and relationships are established between firms. (Coviello et al, 1997) A network can be defined as a set of different connected relationships between firms. The relationships are established through interaction marketing, but focus more on the network as a whole rather then on one specific interaction and relationship. According to Coviello et al (1997) are creation, utilization and maintenance important parts of the network. Grönroos (1997) states that the different interactions and exchanges within the network have impact on the firms' position in the network.

Each firm in a network has both direct and indirect relationships with customers and suppliers, which can be both formal and informal. These relationships are part of a larger network and can be both interpersonal and impersonal, which mean both close and distant. The level of power, dependence, and communication differs between different relationships. The networks are constructed through social relationships overtime, and has therefore a strategic orientation. (Coviello and Brodie, 2001)

#### Personal selling

Personal selling is the marketing tool that best fits with this kind of marketing. It is a tool that is mostly used in a B2B context and especially in markets with fewer and larger sellers. The firm's sales force does personal presentation in order to marketing and sell products, and also to build customer relationships. This marketing tool includes trade fairs, trade shows, incentive programs and sales presentations. Personal selling is important when building up customers' preferences, convictions and actions. It involves personal interaction, and can thereby make adjustments to the customers' specific characteristics. The main objective is to build a long term relationship with the customer. It is the firms' most expensive promotion tool, and requires a good and well educated sales force. (Kotler et al, 2002)

# 2.4 Research questions

The research questions will be used for discussion in the analysis in order to come to a conclusion of our purpose. The different questions are structured as headings in the analysis which in turn is connected to the theoretical framework.

- Why is there a dichotomy between B2B and B2C markets?
  - What differences in behavior are there in B2B and B2C markets?
  - Is there a need to separate the marketing approaches towards the different markets?
- How is brand awareness affecting B2B and B2C markets?
  - How important is brand awareness in a B2B market compared to a B2C market?
  - How can or does a brand affect a person in a business decision situation?
- Which marketing tools are preferable in a B2B market?
  - Which marketing tools are most efficient to use in B2B markets, especially in the area of store interiors?
  - In what way, if possible, can professional buyers be influenced when making a purchase decision by marketing tools they are exposed to outside of work?

# 3 Methodology

This section will provide the reader with an understanding for the course of action taken by the authors in order to achieve a result of relevance. First, different research methods will be presented followed by a theory and motivation of how methods were chosen. Secondly, the case study of the firm ROL AB will be explained. Finally, the methods of how to collect and analyze the data will be discussed ending with discussing the validity and reliability of the results.

# 3.1 Research methods

For the empirical findings a number of qualitative interviews will be conducted. The interviews will be carried through with ROL AB and some of its existing customers as well as some of its potential customers. The interview will focus on how these customer's supplier relationships are structured, how they perceive B2B markets, different marketing tools and how they prefer to be approached. Additionally, two B2B firms that today use B2C marketing tools will be interviewed in order to understand why they have chosen to use these tools and what they gain from it.

# 3.1.1 Conditions for choosing method

The decision of what kind of method to use depends on several conditions, i.e. the course of action, the problem statement, the intention of the purpose (not discussed), prerequisites, and resources (Halvorsen, 1992).

## 3.1.1.1 The course of action

Inductive measurement is when the reality seems ambiguous. Reality is therefore met without any clear hypothesis, hardly without any conditions, and with a vague problem statement. The purpose is to not test the theories through hypothesis but to evolve an overall picture of the phenomena. The arrangement is flexible and the researcher does not in advance get restricted to a specific method of data collection. The deductive course of action on the other hand has the purpose of assessing the trustworthiness in theories through the testing of hypothesis. This requires a precise problem statement and to know what is meaningful to investigate and collect information about. An inductive course of action is often associated with qualitative methods which for example concerns the participation of an observation, whereas the deductive course of action are often associated with quantitative methods which for example concerns surveys. The course of action is dependent on whether to use inductive or deductive measurements. (Halvorsen, 1992) This thesis will have an inductive course of action and have the underlying principle to expound theories regarding the existing dichotomy between the two markets (B2B and B2C). Further the marketing tools attached to them will be discussed.

### 3.1.1.2 Problem statement

A researcher should not decide upon research methods until the problem statement is created, since as stated, the inductive course of action does not need a precise problem statement. Although this thesis will use the inductive course of action, a clear as possible problem has been stated. This has been done in order to receive results that are relevant for the study. Halvorsen (1992) suggest that one should ask questions like; which methods will provide us with data that is of highest relevance for our problem statement? Often it is in favor to combine several methods of data collection, not least because most social phenomena both have quantitative and qualitative attributes.

### 3.1.1.3 Prerequisites and resources

The choice of research method cannot only be based on the course of action, the problem statement and the intention of the purpose. The most suitable methods are not always possible because of restraints when it comes to knowledge, time and money; hence, a second best alternative might be adapted. (Halvorsen, 1992) This aspect is to be seen as highly relevant for this case study. Time is scarce and money is limited if even existing, therefore the thesis will be dependent on the authors' knowledge and interpreting ability.

# 3.1.2 Quantitative vs. Qualitative

Research methods are tools to achieve the goals of the surveys for a specific research, i.e. a way to solve a problem and reach new knowledge (Tranoy, 1986). According to Riley, in Holme and Solvang (1996, p.13), the concept of method is specified as "Social scientific method concerns both the organizing and interpretation of information that enable us to gain better comprehension about the society". Halvorsen (1992) elaborates in the subject by adding that the method is more than just a research technique. He claims that it is the whole science of how you collect, organize, work, analyze, and interpret the social facts in such a systematic way that others can understand what is being put across.

Within the field of research methods two methodical ways of conducting a research are defined; qualitative and quantitative (Holme and Solvang, 1996). *Qualitative* methods are more fundamentally descriptive and focus on the processes and facts that will enable you to comprehend the meaning of what is going on (Denzin and Lincoln, 2000; Holme and Solvang, 1996; Gillham, 2001). The goal with a qualitative approach is to find unique and characteristic details about the subject that is analyzed and not trying to generalize as the goal is in a quantitative approach. It concerns the creation of examples and through them try to draw conclusions. A qualitative research can be conducted in several different ways. However, it is commonly done through in-depth interviews and observations. (Svenning, 2003) The advantage with using a qualitative research method is that it provides the researcher with a complete picture and coherence of the field of interest. This approach creates a better view since the interviews provides in-depth information about the studied subjects. (Holme and Solvang (1996)

Quantitative methods are those which involve counting, measuring, and analysis of casual relationships between variables; trying to explain the phenomenon (Denzin and Lincoln, 2000; Holme and Solvang, 1996; Gillham, 2001). The researches own ideas about how to interpret the data and which variables to use will highly affect the analyzed phenomenon (Alvesson and Sköldberg, 1994). The Quantitative research is statistical and require interpretation in order to gain meaning, hence Gillhams (2001, p.10) statement "Facts do not speak for themselves – someone has to speak for them."

### 3.1.2.1 Method chosen

As stated earlier, the choice of which method to use is dependent on the purpose of the thesis (Tranøy, 1986). The purpose of this thesis is to critically analyze the attitudes towards different B2B marketing tools and the possible appropriateness of using B2C marketing tools in a B2B market in order to achieve brand awareness. A qualitative method is there-

fore found to be more appropriate since it will create a better clarity of the somewhat obscure phenomena. The use of qualitative research will enhance the interpretation and the understanding of the topic. (Jacobsen, 2002) In order for us to be able to answer our purpose we need to go on a deeper level in the analysis of the firms and therefore we have chosen a qualitative approach.

Not to forget, there are also some disadvantages that one has to keep in mind when using a qualitative approach. The analysis of the gathered data will be biased by the writers own experience and knowledge (Holme and Solvang, 1996). There can also be an interpretation problem when dealing with interviews since words are more difficult to analyze than figures. It can be hard to understand and grasp the exact meaning that the interviewed people want to communicate (Svenning, 2003).

# 3.2 Case study

A case study has been chosen for this thesis in order to obtain some of the empirical data. We have chosen to make a case study of the B2B firm ROL AB and its customers in order to analyze attitudes towards different B2B marketing tools and the possible appropriateness of using B2C marketing tools in a B2B market in order to achieve brand awareness.

This kind of method is a general strategy that has it attention on complex interactions of multiple data-collection methods. It examines a real-life event in its natural situation and the goal is to capture both a phenomenon and its context. Case studies have different goals in different situations, such as finding explanations, exploring a topic, or just describing what is going on. (David, 2006)

There are several reasons for choosing a case study approach. First of all, a case study is the study of a specific case and its complexity in order to understand its activities within important circumstances. It looks for details of the interaction with its context. The purpose of studying a case is to maximize the learning from it. One can choose to have one or several case studies. (Stake, 1995) However, due to limited time for writing this thesis and by a great opportunity to cooperate with a firm, ROL AB, our focus has been on solely one case study.

A case study suits well for our purpose since it is an in-depth study of a specific case in order to get a deeper understanding of the particular subject of the case. It can include observations, field studies and interviews. (Hamel, Dufour and Fortin, 1993) This case study will be undertaken in order to answer our specific research questions. We seek different evidence for the case and we are trying to gain the best possible answer to the research questions in regards to the purpose. The main objective is to create new knowledge through the evidence and the research materials which then have to be analyzed in order to make sense. (Gillham, 2001)

# 3.3 Interview selection

This thesis delimits its research to the store interior industry in Sweden. In regards to the case study of ROL AB, a supplier of store interior, existing and potential customers of the firm will be interviewed. The existing customers were contacted by us through ROL AB. Potential customers were suggestions from ROL AB but contacted straight by us without ROL AB's involvement. The interviewed customers were chosen from the different areas in order to receive a spread of the different kind of businesses, e.g. convenience retail,

health and beauty, retail stores. Two additionally firms was interviewed which successfully conduct B2C marketing in a B2B context. These will have the purpose to provide a professional opinion in the matter of the thesis. All the contacted firms were interested and were content to participate. The limited time for the writing and the recurrence of answers are reasons why 15 firms were finally interviewed for the report.

# 3.4 Data collection

Two types of data were collected for this thesis; primary and secondary data. The collection of primary data can be done in various ways such as questionnaires and surveys or as in this case, by interviews. The secondary data is already existing data that was gathered for other intentions than for this specific thesis. It is collected by numerous sources such as academic reports, books, statistics et cetera.

## 3.4.1 Primary data

One part of the primary data was collected during three face-to-face interviews with Lars-Owe Kron at ROL AB. The purpose with these different interviews was, for the first one to do a preliminary study and to get to know the company. The second interview focused on ROL AB's marketing strategies, and during the third interview the same questions that were used for the potential and existing customers were discussed. It was open interviews that took approximately two hours each. Furthermore individual open interviews was conducted with people in charge of purchasing decisions at some of the existing and potential customers of ROL AB. Additionally, interviews with two representatives of firms that have successfully exploited B2C marketing tools in a B2B market was conducted. The collection of data was in the form of words, sentences and stories told by that person. The interview could either have been conducted face-to-face or as in this case by telephone. The interviews were recorded and thereafter printed and analyzed. Each interview took approximately 20 minutes. The reason for choosing a telephone interview is to keep costs of travel down, but also access information quicker, thus more efficiency.

The interviews can be more or less open as shown in figure 3.1, this depending on the result that wants to be achieved (Jacobsen, 2002). The rationale was to have the interview semi-structured with a guide presenting the theme and in what order. The answers were completely opened in order for the person interviewed to answer without any frame.

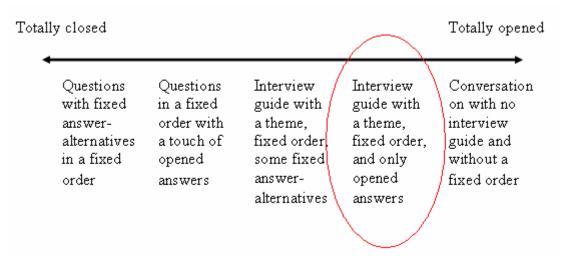


Figure 3.1 - Degrees of structure in interview (Jacobsen, 2002)

# 3.4.2 Secondary data

The secondary data is found mainly in the theoretical framework. This thesis has used academic reports, books and Internet sources to find suitable information concerning theories and concepts presented. Search engines such as Google Scholar, E-journals, and databases such as DiVA have been used. Books and academic reports used are listed in the reference list and throughout the report.

# 3.5 Data Analyzing

In the analysis of the collected data the authors have compared the theories with the empirical findings. The research questions are structured as headings in the analysis which in turn is connected to the theoretical framework in order to facilitate for the reader to follow. Each section will cover and analyze the different research questions and the purpose of the thesis will pass through the analysis as a consistent structure. This information will then be compiled in the conclusion to give an overall view and result of the thesis.

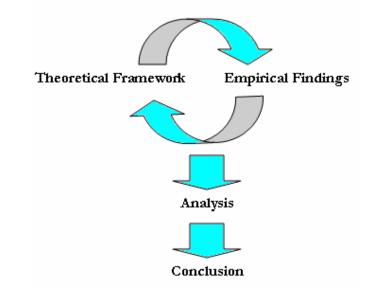


Figure 3.2 - Data analyzing

### 3.5.1 Validity and reliability

When working with empirical data and in this case personal interviews, the validity and reliability of the research are important aspects to discuss. The problem with validity is the same whether one conduct a qualitative or a quantitative research. According to Svenning (2003) the problem with validity is smaller in qualitative research because that kind of research stays closer to the empirical world. Validity concerns the fact that the collected and measured data actually is the data that the researcher is expected to measure. It is also about the connection between the theories and the empirical findings, i.e. if the collected data are relevant for the study. The collected data has to be in accordance with the purpose of the study and the theories. It also has to match the reality so that the researcher is able to make the right interpretations of the data. (Svenning, 2003)

The reliability problem differs between the qualitative and the quantitative research approach. Reliability of the research has to do with the trustworthiness and the interpretations of the collected data. The result is reliable if a repeated research with the same meth-

ods and purpose would yield the same result again. (Patel and Tebelius, 1987) Reliability is more important when doing a quantitative analysis than a qualitative analysis. This is due to that quantitative analysis tries to generalize whereas qualitative provides examples. (Svenning, 2003)

There are many aspects that have to be considered when dealing with interviews and the researcher has to be aware of possible problems and how to reduce them. There are many factors that can affect the interview and have an impact on the reliability of the research, e.g. the respondent, the interviewer and other circumstances. It is also easy that misunder-standings will occur. (Svenning, 2003)

In order to try to minimize possible misunderstandings all the interviews have been recorded in order to capture the complete conversation with all words, phrases and quotes. The interviews in the empirical findings sections have been written word by word in accordance with what the people have answered. They have not been summarized, construed or reinterpreted by the authors. Additionally, to minimize and avoid possible misunderstandings and misinterpretations in the empirical findings, a written form of the interviews has been sent back to the interviewees by e-mail for approval. These measurements have contributed to more validity and reliability to the thesis work.

# 4 Empirical Findings

This chapter presents the results from the empirical findings. It starts with a presentation of ROL AB, the firm that is used as a case study. It continues with interviews made with ROL AB's potential and existing customers. It is done in order to investigate their thoughts regarding their supplier relationships, different marketing tools, and some personal opinions about B2B markets. The chapter ends with two interviews with firms that today use B2C marketing tools in B2B markets.

# 4.1 Case study- ROL AB

The following chapters are written in order to give the reader some facts about ROL AB, its customers and its products.

ROL was from the beginning an abbreviation for Robert Olle Larsson, a father-and-son owned firm. ROL AB has had a fast growing development. The firm started off by being a product supplier to the convenience store industry. But the time for internationalization was short; already in 1986 they won their first international turnkey supplier tender. As Kaj Hjelm acquired the firm it has developed into a supplier of complete and complex solutions to the retail industry - integrating design, manufacturing, sales, and installation functions to meet the global requirements of the largest retail customers in existence today. (ROL group, 2006c) In 1985 ROL AB was a small firm with an annual turnover of EUR 2 million and had only 11 employees. Today, ROL AB has an annual turnover of EUR 100 million and over 500 employees worldwide. (L-O Kron, personal communication, 2006-09-14)

# 4.1.1 The company

ROL AB is a global manufacturing firm with headquarters and main production located in Jönköping. The firm designs, develops, produces, and delivers a great assortment of innovative retail solutions to leading retail stores across the world. ROL AB undertakes more than 5000 installations across all continents every year. The firm is one of the leading store fixture suppliers, providing store interior solutions in the world. It comprises of a number of solid operating companies, where each of these are established in its local market. (L-O Kron, personal communication, 2006-09-14)

The ROL group today is structured as follows:

- 8 manufacturing operations located in Europe, Asia, and South America.
- 13 sales operations in; Europe, North America, South America, Middle East, and Asia
- 22 service partners located in Europe, North America, South America, Middle East, Asia, and Australia. (ROL group, 2006a)

Its business concept is: ROL offers their partners access to concept and design skills, up to date productions facilities and enlarged business relations through a close co-operation. (L-O Kron, personal communication, 2006-09-14) ROL AB – Innovative Retail Solutions. Its brand communicates that its key strengths are that is takes total responsibility; a "one-stop-shop" for the retail industry. Further it is a turnkey supplier and it has everything under one roof. Thus, ROL AB can provide its customers with a quick response to any request and can always promise to deliver and install a complete and ready-to-use product. Lastly, ROL AB states another key strength is that it is a global supplier with local knowledge, and that it knows how to do businesses across boarders. The combination of global expertise and local knowledge is a winning concept. (ROL group, 2006b)

Its vision is to be the most admired supplier of interior design solutions on the market and the absolute number one in Europe, with hope of a turnover of 2,5 billion SEK. This in order to be able to achieve greater production volumes, thus a lower marginal cost. (L-O Kron, personal communication, 2006-09-14)

# 4.1.2 Customers

ROL AB is a B2B firm working with customers who are in the B2C market. Its mission has always been to maximize its client's retail performance. The firm believes that more than 60 percent of purchase decisions are made only a couple of meters from where a product is situated. ROL AB claims that well designed in-store equipment is vital for the successful sale of a product. This is an argument that ROL AB is using when trying to attract, and gain new customers. (L-O Kron, personal communication, 2006-09-14)

	BP, Shell, Q8, Statoil, Esso, Caltex, Hemmakväll, 7-
Convenience retail	Eleven, Pressbyrån
	Posten, University libraries, i.e. Library of Jönköping Uni-
	versity, Design House Stockholm, Ittala, IKEA, Philip Mor-
Miscellany	ris
Airports and Port terminals	HK, Heathrow, JFK, Los Angeles
	MaxMara, Diesel, Disney Store, NAF NAF, Craft, Sport
International chains/fashion	2000, LAGERFELD, Chevignon, Morgan
Pharmacies	All over Sweden
Retail Stores	ICA, Coop, Systembolaget
Health and Beauty	Chanel, No.7, Boots
Telecom/Electronics	Telenor, PC World/PC City

ROL AB is working with retail customers in several different areas:

Figure 4.1 - ROL AB's customer segments (ROL group, 2006d)

An example of one of ROL AB's major order in recent year was when Posten, the Swedish government owned mail service, where to change its concept and needed new store fixtures to all their stores in Sweden. ROL AB was one of many suppliers who submitted a tender. In the end, ROL AB was the winner due to its reliable offering of in-time delivery. ROL AB did 4000 installations within 10 weeks in time, all of them very successful. (L-O Kron, personal communication, 2006-09-14)

### 4.1.2.1 Process for customer firms

According to Lars-Owe Kron, there are three cases of how ROL AB is dealing with its customers and where in the operating process ROL AB starts to be involved (see appendix 3). The first case is that ROL AB leads and participates in all steps in the process and in that way provides a total solution for the customer. It takes care of the whole process, from design to production. The second case is when a third party delivers the need phase and the creative design works. ROL AB only makes the technical design, value engineer, prototype, and fulfill the remaining process steps. The third and last case is when a third party delivers the need phase, the design work, and the prototype. ROL AB then only makes the value engineering of the product in order to reduce the product and logistic costs. (L-O Kron, personal communication, 2006-09-14)

### 4.1.3 ROL AB's current situation

Presently, ROL AB is relatively unknown firm in its home market of Sweden. Although ROL AB supplies many strong branded and mainstream firms, such as Disney, Chanel, and Diesel. People have seen its products in one way or another, but they are paramount to invisible since no one associates the products with the ROL brand. Its products are seen in grocery stores, convenience stores, petrol stations, and airports all over Sweden and many parts of the world. One major example of this unawareness is that very few know that ROL AB provides retail solutions to many of the largest grocery stores in Sweden. It is virtually unknown that all the shelves and store fixtures in ICA stores in Sweden are made by ROL AB. Until today, ROL AB has been satisfied with being unknown and paid little attention on marketing. However, a loss in market share has forced the firm to re-evaluate firm policy. (L-O Kron, personal communication, 2006-09-14)

The market ROL AB operates within is tough and it has become more and more competitive throughout the recent years. There are many large, competent, and proficient firms competing for the existing customers. Today, there are 160 companies on the Yellow pages who market themselves as being in the store interior industry. In order to cope with this increased competition, retain old customer relations and gain new ones, ROL AB needs to develop its current brand into a strong and highly recognized one. (L-O Kron, personal communication, 2006-09-14)

When the sales director of ROL AB, Lars-Owe Kron, was asked; 'If I, as a customer, want to invest in new store fixture, how do I know that ROL is an existing supplier with a solution to my problem? He replied with "As it is today, you cannot know that".

#### 4.1.3.1 ROL AB's current marketing strategy

ROL AB is in the unusual situation of being a large, mature and successful business but facing the problem of having a non-existent brand. Changes in the market and the increased competition, ROL AB has recently come under the realization that a strong brand is necessary for their continued growth and success. Previously ROL AB did business and sold products without any specific marketing strategy. However, it has come to the conclusion that it needs to start marketing and to communicate its brand in order to meet the increased competition. (L-O Kron, personal communication, 2006-10-20)

The firm has recently developed a competitor analysis in order to see how their competitors are working and developing. It wanted to see who the competitors are, how big they are and where in the market they are operating. ROL AB believes that, to have knowledge about its competitors and understand their actions, it will enhance the development of the firms own marketing strategies. (L-O Kron, personal communication, 2006-10-20)

ROL AB has started to develop its marketing strategy by conducting segmentation, in order to see in which segment it should focus its recourses on. It has decided to focus on grocery stores, fashion stores, health and beauty stores, electronic stores and convenient stores. In these segments ROL AB will focus mainly on product development and diversification. The firm believes that the growth potential and attractiveness is highest in fashion, health and beauty and electronic segments. (L-O Kron, personal communication, 2006-10-20)

The firm has recently started to visit and exhibit different trade fairs around the world. It believes that this might be a good way for the firm to find new customers and develop new relationships. ROL AB has also developed brochures about its products, which is mainly used at the trade fairs. However, except from the trade fairs and the brochures ROL AB has not worked much with any other marketing activities. (L-O Kron, personal communication, 2006-10-20)

### 4.1.3.2 Mr. Kron's personal reflections

In this section we have discussed the same questions as posed to ROL AB's existing and potential customers in order to receive Mr. Kron's personal reflection in the subject.

November 21<sup>st</sup> 2006. Personal interview with Lars-Owe Kron. Engineer, courses in electronics, marketing and international marketing, 25 years of working life experience; five of them at ROL AB.

#### Marketing tools

Mr. Kron believes that trade fairs are a good way to reach and attract new prospects. However, they do not show any products on the fairs. This is due to the fact that if it is something that people think is really good, it will be copied directly. There are many people who are going to different fairs just to grasp new ideas and then they take them with them back to their old suppliers for production.

Another marketing tool that ROL AB has started to use is advertisements in newspapers. Presently ROL AB makes a deliberate investment in the newspaper Habit, a pure fashion paper showing how the fashion branch will look like a year from now. Habit was chosen because it is only reached through subscription and has a very high reading frequency. For that reason ROL AB is of the belief that the right customer segment will be reached. ROL AB also considers advertisements in other branch papers such as Svenska Dagbladet and Dagens Nyheter. One paper made a report about ROL AB some months ago which ROL AB experienced a great and positive result from. Sending out brochures at a venture, so-called "shotgun method", is a waste of money and of no use according to Mr. Kron.

#### **Personal opinions**

Mr. Kron characterizes a B2B market by professional buyers. It is a more sensitive market and the relative strengths in a B2B market is on a completely different level than in a B2C market. Talking about B2B marketing he is of the belief that personal relations are the most important tool. TV-commercials can be of interest if it is used in the right way he further claims. Further Mr. Kron believes that it would have an impact on the people who do not already know about ROL AB since it increases the awareness. Sitting at home watching TV one's protective barrier is down and one will be surprised and influenced by the unexpected. However, in a B2B context it should be used as a complement to other tools.

He further states; "The most important marketing is the daily work; to deliver in time and to always keep one's promise"

His final remark; "Of all things, the best defense you can get is continuous renewal and innovation"

# 4.2 Interview with existing customers

Interviews have been conducted with some of ROL AB's existing customer. This has been done in order to analyze their opinion about their supplier relationships, different marketing tools, and B2B markets. The firms businesses with ROL AB have also been discussed. The people interviewed have all different titles, varying from purchasers to marketing managers, depending on the organization and size of the firms. However, they have all in common that they are responsible for the purchase of store interior. This counts also for the interviews with potential customers. The interview guide can been found in Appendix 1.

## 4.2.1 Abecita

Abecita was founded in Sweden in 1932 by Joel Åkerlund as he started a major corset factory in Borås; AB Corsettindusti. He started manufacturing traditional ladies lingerie such as corsets, girdles, and bras and these products were and are still today the company's primary focus. Today the Scandinavian brand is Abecita found in over 1200 fine lingerie shops all through Northern Europe.

November 13<sup>th</sup> 2006. Telephone interview with Monica Sjösvärd, academic education at university in USA, brand management courses at IHM, and several years of experience within the company.

#### Supplier relationship

Abecita is a B2B firm with almost no own stores. Therefore, its products are sold through retailers. ROL AB was involved when Abecita decided to have new interior the exhibition at Stockholm's fashion house and to the new stores in Oslo. The exhibition focuses on retailers and if they like the interior they see they will have the possibility to buy it to their stores. This possibility is done since Abecita wants that its products should be presented in the right way and also a way for Abecita to increase and strengthen the awareness of its brand.

#### Marketing tools

The marketing director at Abecita, Mrs. Sjösvärd, prefers that suppliers contact her by telephone. The second best alternative is that the supplier sends some kind of circular or brochure where the company presents its products or services. If the suppliers send catalogues or brochures it has to be accompanied by a telephone call, either before or after. If the material is of interest, a meeting can be arranged. Abecita also seeks suppliers itself via the Internet. Through e-mail is the worst alternative for the supplier to contact her via. An email is too easy to delete and ignore. In today's working environment you receive a lot of emails every day and it is easy to miss some of them.

Mrs. Sjösvärd is of the belief that there is no reason for ROL AB to do mass communication as it is a B2B company. She thinks that nice brochures and personal sellers out on the market are the most important tools for ROL AB to use in order to attract new customers.

#### **Personal opinions**

Mrs. Sjösvärd sees some differences between B2B and B2C when it comes to marketing. B2B marketing requires a smaller advertising budget than B2C marketing. She further thinks that in a B2B environment one needs not to put much effort on creating an image, but instead should work more with facts about the product, price and quality. In B2C you have to embed image and feelings so that the customer can see that through the product. Price and quality is always embedded in some way anyway, so one does not have to work specifically with that.

Mrs. Sjösvärd believes that one acts in two different ways when doing a business purchase or a private purchase because it is not "your own" money you are spending at work. She thinks that one is affected in some ways of what one hears and sees if it is through the right channels. If the companies choose the correct media for traditional B2C advertisement, the advertising can create an interest even in a B2B context. As an example Mrs. Sjösvärd says that if she sees an advertisement in Dagens Industri, it can create interest and affect her in her work. If the same company should make an advertisement in a gossip magazine she would not be affected in the same way, even though it is the same advertisement, since it would make the suppliers less credible and serious.

When it comes to the impact of the brand, she believes that brands in B2B markets do not have the same significant impact as it has in B2C markets, or it depends on the branch. Clothes are highly brand sensitive, but in this case with interior, she believes it is of less importance. However, it has some impact. Having awareness of a company or its brand can influence, facilitate, and speed up a business decision since you already have gained a preknowledge.

### 4.2.2 Design House Stockholm

Design House Stockholm offers a wide range of Scandinavian design objects that symbolize Nordic simplicity. Its Flagship stores are found at NK in Stockholm and Gothenburg, Selfridges in London, Magasin in Copenhagen, and Steen & Ström in Oslo. They are represented in 300 boutiques in Europe, 100 boutiques in Japan and over 200 boutiques in USA. Design House Stockholm (DHS) has four of their own stores in Sweden and eight in total, with plans to expand with six to eight new stores for next year.

November 14<sup>th</sup> 2006. Telephone interview with Bo Schött, Bachelor of Business Administration with a major in Marketing.

#### Supplier relationship

ROL AB has been providing DHS with new store interior since April 2006. This new relation was a result of a successful participation by ROL AB in a trade fair earlier this year. DHS found ROL AB and another supplier to be of interest, and began to consider which of them to start cooperation with. ROL AB won the deal thanks to its partner's around the globe which was in line with DHS's thoughts of internationalization. Another factor was that ROL AB provided installation of the goods in Sweden as well as abroad. They also offered a reasonable price level. DHS did not know of ROL AB before the trade fair, therefore the fair was very successful for both parties.

#### Marketing tools

Most often, DHS is contacted by phone since the suppliers have a hunger to sell and if they believe that they can offer what we need, they contact us. The telephone call is often followed-up with a brochure or a presentation later on. If DHS contact the suppliers themselves the first thing to do is that they check their own sources, talk with friends and branch organization first. Then Internet is used as a source of information. The reputation is of greatest importance since a good reputation helps whereas a bad reputation hinders.

If DHS could choose a method of being contacted they would choose by phone even though *"it can be a pain in the ass"*, as Mr. Schött express himself. E-mail is seen as being too personal and not a good way to go if you have not been in contact with each other before. If a company presentation is sent it should be directed to a specific and the right person at the company. Then DHS thinks that the supplier has put some effort in finding the right person for the offer and shown its capabilities, therefore it will create an interest.

According to DHS, trade fairs are providing an excellent way of finding suppliers. "If it was not for trade fairs we had not found ROL AB", Mr. Schött says. Mass communication in general is a waste of time and money according to DHS, at least when it comes to interior. There are too few people out there that are really of interest for your products. It can be profitable if you have a broad customer segment and products that can be directed towards both companies and private consumers. Communicating shampoo or a chocolate bar will give you a customer base of nine million people in Sweden, whereas there are much fewer buyers of store interior.

#### Personal opinions

Mr. Schött claims that there is a huge difference between B2B and B2C since it concerns widely separate target groups with widely separated needs; they are two different worlds. As an example he says that using TV as a medium for selling copy machines is a waste of money. Even though it will have an affect, it will cost much more than what you will get in return. Some mass communication tools are useful in a B2B context, but only when it concerns a broader product category.

Mr. Schött believes that you are definitely the same person at the job as you are at home and that one is 100 percent impressionable. He says that *"advertising is all about creating an imprint in you brain"*. However, today there is sometimes too much commercial for the human mind to comprehend. It is of greatest importance to be visible where the firm's target customer group exists as it is not interested of the 99 percent who are not interested. As an example he explains how sponsoring and advertisement at an ice hockey game might concern only about four persons out of an audience of 7000. A firm also needs to find channels that work and help it to find the ones it is aiming to reach. According to Mr. Schött, direct advertising is the most appropriate way for that.

Talking about the impact of a well-known brand, Mr. Schött thinks that it depends on the branch a firm is operating in if a strong brand is important or not. In general, the brand is extremely important, but not particularly important in store interior industry. The similarity between B2B and B2C marketing according to Mr. Schött is that it is still a person you shall reach out to and arouse that person's interest. Another similarity is that clever and innovative advertising is essential. Thus, the goal is to have no wastage in marketing. The greatest dissimilarity is that B2B is a more focused business whereas B2C is a more mass oriented.

### 4.2.3 Philip Morris

Philip Morris International has since 1970 increased their operating income from \$54 million to \$7.8 billion, and is producing some 600 billion more cigarettes than 30 years ago. Philip Morris International's Swedish subsidiary, Philip Morris AB ("Philip Morris"), has approximately 30% of the cigarette market in Sweden and is competing with mainly two other manufacturers for the total cigarette market share. Philip Morris AB is since 1988/89 dealing with ROL AB. Philip Morris distributes its products via Swedish Match Distribution but is also working towards retailers, meaning that their market is very fragmented. Since most of its customers are small retail shops this demand a lot of resources by the Philip Morris sales force who are constantly in personal contact with its customers.

November 16<sup>th</sup> 2006. Telephone interview with Monica Gustafsson, Market Economic degree and educated within purchasing. (The approved version of the interview are attached in appendix 4)

#### Supplier relationship

Philip Morris has five suppliers that they regularly deal with. Philip Morris has different store interior depending on whether it should be in a grocery, tobacco or convenience store. Every purchase process is very complicated and it takes time. This process is usually in cooperation with a supplier or an architect. They have chosen to use architects or experts in the field who design and than they ask suppliers to provide cost calculation for the production.

Philip Morris collaboration with ROL AB started in 1988 and had initially common projects, worked together and developed together. In later days Philip Morris has decided to develop the design in-house and only let ROL AB be the manufacturer. This, Mrs. Gustafsson says is due to its internationalization which made them want to separate development and manufacturing.

#### Marketing tools

To find a supplier, Philip Morris AB conducts research of the Swedish market and internationally. Additionally, Philip Morris AB has the advantage of being a large group of companies, which gives access to the entire worlds' suppliers. Suppliers are also found by recommendation from Philip Morris's companions within its network. Many suppliers phone Philip Morris with the intension to get a meeting, which they normally do not provide. Instead Philip Morris uses its wide network to find a suitable supplier. Trade fairs are used as a mean for inspiration and in order to stay updated in any possible developments.

Philip Morris AB Purchasing Department prefers to be contacted via e-mail rather than over phone, even though Mrs. Gustafsson realizes that it is easier to hear if something is of interest over the phone and that e-mails might not be read. Something for suppliers to keep in mind is, according to Mrs. Gustafsson, not to send spontaneous e-mails to random people. They must make sure that the e-mail is a fine company presentation and what they are promoting really is presented and sent to the right person. The e-mails could preferably be accompanied with a phone call.

#### Personal opinions

Most of Philip Morris's customers are individuals shop owners not belonging to Trade Groups, who demand a lot of resources as personal contact. Mrs. Gustafsson is of the belief that the most important aspect in doing business is to fulfill commitments. Further she claims that relations are not a crucial factor, instead one should disregard emotional feelings when judging a supplier and see if it still is credible. Mrs. Gustafsson is of the opinion that communicating credibility through a brand is of greatest importance as one rather buys a brand that is known. In a private situation she would rather buy a stronger brand that is more expensive, especially if it regards a more complex purchase like a computer.

Mrs. Gustafsson is convinced that one is influenced outside work and that one can, to a certain point, use B2C tools such as TV and cinema commercials in a B2B market (for example Compaq). If it is successful depends on what kind of product it is, and how many in a company that is involved with the purchase of that product. The negative aspect of using

this method is the cost of advertising, so Mrs. Gustafsson rather believes in one-on-one marketing. Finally, Mrs. Gustafsson says that strong brand awareness is good if it is positive, but one must also remember that there are many small suppliers that are good to, but not shown. Therefore you should not only rely upon that when searching for new suppliers.

## 4.2.4 Posten

Posten has about 30 000 employees and a turn over of above 25 billion SKR and constitutes one of Sweden's largest concerns. The customers to Posten are both small and large companies, organisations, the public administrator, municipalities, county council and private persons. Companies are by far the largest customer group, standing for 90 % of the revenues.

November 13<sup>th</sup> 2006. Telephone interview with the purchase director (chose to be anonymous), Psychology and Philosophy degree, 10 years of experience within purchasing.

#### Supplier relationship

How often Posten purchase store interior vary a great deal. Last time it purchased store interior was three years ago, but they are not sure when the next purchase will take place since they do not have any continuity in its purchase of store interior. Continuous purchase of supplementary goods for the current interior is ordered from the existing supplier, but for new solutions they go out and search every time. The collaboration with ROL AB started as Posten where to change its concept and needed new store fixtures to all their stores in Sweden. Posten designed the modules, whereas ROL AB solved the practical aspects of the design, the production and the delivery.

#### Marketing tools

Posten prefers to be contacted by suppliers, instead of contact themselves, and every supplier is collected in a supplier file. The contacting is normally done by phone, but also by e-mail. If Posten decides to contact a supplier they believe they have sufficient knowledge of the existing suppliers and their services, that company research is not necessary. On occasions when research is needed, Internet is used as a tool for information search. According to Posten, trade fairs are sometimes beneficial, although the most efficient way for a supplier to contact the firm is for them to make a call first then a meeting can be arranged.

A strong supplier brand does not strongly influence the decision when Posten is selecting a new supplier. A weak brand only requires a higher amount of presentation from a supplier. Posten makes sure that they review and give every supplier out there a chance, not caring about strong or weak brands.

#### Personal opinions

The purchase director defines B2B marketing as something a firm develops together with a partner. This cooperation creates creativity and a higher problem solving ability.

The Posten representative does not believe a business decision maker is affected by advertising after working hours. She reasons that in the evenings you are more relaxed and that makes a purchaser less open for contact than at work. She does not believe that one will be affected by mass communication, but rather that direct adverting works. However, the purchase director believes that one is affected by what one sees and hears privately for work, but not as easily as one is affected by private interests.

## 4.2.5 Systembolaget

Systembolaget, the Swedish Alcohol Retail Monopoly, exists for one reason only; to minimize alcohol-related problems by selling alcohol in a responsible way without any profit motive. Systembolaget has about 410 stores across the country, 250 of those are self service stores. In the smaller places and sparsely populated areas where there is no Systembolaget store they have a local agent, often a country shop or other shops. They have about 580 agents in Sweden.

Telephone interview November 20<sup>th</sup> 2006 with Erik Oldgren. Engineer and education in project management. Chief in construction and real estate management.

#### Supplier relationship

The firm usually rebuilds 50 stores every year and from 2001 it uses a new concept for interior design. Systembolaget does not see itself as loyal to one supplier since it only has contracts for about three years with a supplier. After these three years it looks for new suppliers and may then chose to work with another supplier instead.

Systembolaget started to use ROL AB as a supplier in 2001. The reason for choosing ROL AB was that they could deliver the best alternative, regarding both price and quality. Other important aspects that Systembolaget considers when choosing a supplier is the capability to deliver on time, but also if the company can deliver to all parts of Sweden. Systembolaget also mentioned that it is important to have one contact person at the supplier to talk with and that this person can solve and deal with all different problems and questions.

#### Marketing tools

Systembolaget contact a lot of suppliers by themselves and it often uses the yellow pages or Internet. A well-developed and interesting webpage is therefore very important to have. The firm also visits fairs in order to see which suppliers who are interesting and have new ideas. However, the problem with fairs is that you easily miss the small suppliers since they are often not there. The firm also receives phone calls from suppliers that want to arrange personal meetings with Systembolaget, but these are asked to send in a company presentation as a first step. Systembolaget then keeps these different company presentations in a 'supplier box' until it is time to buy new store interior. Systembolaget believes that it is not a known brand is not that important, instead it values in-time delivery, competence etc.

#### **Personal opinions**

Mr. Oldgren thinks that B2B markets are based on business relations, and these relationships are a way to develop each other. However, Systembolaget only work with shorter contracts and are not loyal to one supplier, meaning that it does not focus much on longterm relationship. Although Mr. Oldgren believes it is important to have good relations with these suppliers even if Systembolaget has shorter contracts. Mr. Oldgren also believes that the use of TV as a marketing tool for a B2B company can be beneficial since it creates an interest for the company and shows its products. He says that even though we do not think that we get influenced at home we are human beings and we will be affected of what we see and hear, in some way or another, and take that with us back to work.

# 4.3 Interview with potential customers

Interviews have been conducted with some of ROL AB's potential customer. This has been done in order to analyze their opinion regarding their supplier relationships, different marketing tools, and B2B markets. The people interviewed have all different titles, varying from purchasers to marketing managers, depending on the organization and size of the firms. However, they have all in common that they are responsible for the purchase of store interior. Three of ROL AB's potential customers insisted on being anonymous, and those firms are therefore called Company A, Company B, and Company C. The persons interviewed at these firms will therefore be called Mr. or Mrs. A, B and C. The interview guide can be found in Appendix 1.

# 4.3.1 Company A

Company A is one of the leading grocery companies in Scandinavia with about 2000 employees, five factories and a turnover of approximately 800 million USD. The firm has chosen to be anonymous, hence no further company description.

November 7<sup>th</sup> 2006. Telephone interview with Mr. A, purchasing manager. Master of Engineering with Economic alignment.

#### Supplier relationship

The company mainly uses the shops' own interiors for their products, but they also buy corrugated cardboard displays. The company does approximately 400 orders a year for the four Scandinavian countries, of them about 150-200 is for Sweden. They use the same interior for all stores. Some years ago, Company A worked with three or four suppliers in every country but today it has reduced the number and works only with two suppliers in Scandinavia. The two suppliers that they work with today have great knowledge and production to reasonable and good prices.

#### Marketing tools

Company A does not actively search for new suppliers itself; the suppliers take contact with them. There are new suppliers calling every week. Company A also works with creative offices that in its turn have contacts and relationships with suppliers that Company A get to know.

Mr. A believes that telephone is the best and most satisfying way of being contacted with. After that the supplier may send material by e-mail or mail, and if it arouses the company's interest they arrange a meeting for further negotiations. The company dislike suppliers that only sends e-mails since as the working climate is today with a bombardment of e-mail it is easy to miss e-mails.

The firm also participates in some trade fairs, but since it has a stabile base of suppliers, the company does not actively search for new suppliers. The trade fairs are more used for gathering inspiration and new ideas.

#### **Personal opinions**

Mr. A characterize a B2B market by saying that it is about relationships; strongly person, and relationship dependent. In Company A, B2B and B2C marketing is two different units. In B2C they use the traditional advertisement in cinemas, newspapers, magazines, and TV; with focus on visibility. In B2B, the company market itself towards the big chain of stores and here it is more focus on profit margins, annual negotiations, private conversations and to strengthen and develop relationships.

For the similarities between B2B and B2C, Mr. A thinks of price and quality. These two aspects are seen to be of equal importance in both B2B and B2C. It should be good quality to a reasonable price. When it comes to brands he believes that it is extremely important with a known brand in both B2B and B2C.

Mr. A is confident that you are influenced of what you are exposed to when you are not on the job since people acting in a B2B environment also is a private consumer. You bring what you see and hear in your leisure time to work, consciously or unconsciously, therefore can B2C marketing and its tools also benefit the B2B market. He says that it is all about breaking through the mass medial wall. He ends the interview by saying; *"If you are visible you will be contacted but if you are not visible, you do not exist"*.

# 4.3.2 Company B

Company B sells home electronic products such as radio, TV, kitchen and laundry products. It sells its products to both companies and private consumers. It has about 60 departmental stores in Sweden, Norway, and Denmark. During the 1990s it opened numerous new stores in Sweden and continued to expand during 2000. The firm has chosen to be anonymous, hence no further company description.

November 8<sup>th</sup> 2006. Telephone interview with Mr. B, electrician, building constructor.

# Supplier relationship

Company B buys new interior design when it opens a new store and it opens about four to eight new stores per year. The company uses similar interior design in all of its different stores. Approximately every other year Company B looks around among different suppliers and their offerings in order to update itself about the market and search for the best prices. Presently, Company B works with three different suppliers for the interior to its stores. The first one is a supplier that the company has worked with for 10 years and has a close relationship with. This is a small company with only 10 employees and Company B feels that it can have a personal relationship with this firm since it knows the employees well and gets great service from them. The other two suppliers have been chosen because they offer a low price level. When Company B evaluates potential suppliers it values quality and price, but also the supplier's ability to come up with new ideas, innovativeness, and its ability to come up with solutions to Company B's problems and needs.

# Marketing tools

Company B is well-known in Sweden and because of that it does not need to contact any suppliers; instead suppliers try to get in contact with them. Generally, suppliers use phone calls as a first attempt to reach the company and to try to get a personal meeting with them. The firm prefers to be contacted by telephone since it is easy to get information about the products during a telephone conversation. A good webpage is also something that is preferable to have, though Company B believes that it is only a compliment to other marketing tools.

Company B sometimes visit fairs, but only occasionally. However, it sees trade fairs as a place where you can establish new and good contacts. Additionally, the firm often uses new workers "old relationships". For example if Company B employs a new assistant purchaser

he or she often knows and has developed relationships with some suppliers from previous jobs. Company B can then use and develop these relationships and by that find new suppliers and solutions to problems and needs. Word-of-mouth is something that Company B finds very important. If a supplier has problems with its products and deliveries it will soon get a bad reputation in the industry and rumors are something that spread rapidly, especially the negative ones.

# Personal opinions

The person that was interviewed at Company B had no academic education in the field of marketing and was not familiar with the concepts B2C and B2B. Therefore he had some problems to answer the questions in this section. Mr. B did not know if interior design firms used advertising at all but he did not believe that it would be efficient to do either. However, Mr. B at the same time believes that people can be affected of adverting outside work, but not enough to make a difference. According to Mr. B, the most important aspect of a brand is the brand name. He believes that it is of greatest importance to have a name that is easy to remember so that potential customers easily can remember and find the company, for example on the Internet.

# 4.3.3 Company C

Company C is one of the leading automotive spare parts chain in Scandinavia, offering workshops and car-owners a wide range of spare parts and accessories. As stated the company deals with both companies and private consumers. However, other companies constitute the greatest customer segment, especially car workshops. The workshops generate approximately 85 percent of the total spare parts sales volume. The company has approximately 200 stores in Scandinavia of which 120 are located in Sweden. The company sells all its products via its store network.

November 7<sup>th</sup> 2006. Telephone interview with Mr. C, 15 years of experience and genuine interest. Responsible for store developments.

# Supplier relationship

Company C's store structure is in continuous development and it orders interior for about 10-12 stores a year, either for new establishments, move, or remaking. Company C works with two different kinds of interior but it only deals with one supplier to which they are loyal and has a strong relationship with. This is due to the fact that the supplier provides a good price, quality and service and always is there for them.

### Marketing tools

Since Company C is very happy with their supplier they find no need to search for new suppliers. They are although continuously contacted by suppliers who want to sell their products/services. The only time Company C deals with these suppliers is a couple of times a year to do price controls in order to check that its supplier is in line with what others are offering. The first contact is always done by phone. Mr. C argues that this is the only way to do it since brochures go straight to the bin and randomly sent e-mail should be banned because they are not sanctioned from the top management in any way.

Trade fairs are beneficial though, since they provide a source of inspiration and new ideas. These ideas are later developed with the already existing supplier, rather then dealing with new suppliers.

### Personal opinions

Mr. C claims that there is a large difference between a B2B and a B2C market and their marketing techniques. To consumers, companies use TV, radio and magazines as marketing channels. With businesses the company wants to create relationships which make it more personal. The reason for why brochures often are thrown away before being read is that they are not personal enough. Another difference between the two markets as Mr. C sees it is that the private consumer is more interested on special deals and price whereas businesses are looking for good service. In important business deals relationships are essential. Firms do not want to fight about the price; instead it should focus on creating trust.

Further the interviewee argues that a strong brand is of greater importance in a B2B market than in a B2C market. This because it is more important that the partner is reliable, which is something the brand communicates.

Mr. C claims that you are the same person in private as at work. A manager does not step out of its role when leaving work. One continuously brings experience and everyday impressions back to work.

# 4.3.4 Duracell

Duracell is since 2006 a part of the company Procter & Gamble. Duracell is the world's leading producer of high-performance alkaline batteries. The firm does not regularly sell to consumers as private persons. However, there are some exceptions. They sell directly to end-users when it comes to the Defense and to the medical service. Duracell is also selling on purchase tenders for county council where certain requirements need to be fulfilled. Another customer group is distributors who are selling the batteries to end consumers.

November 7<sup>th</sup> 2006. Telephone interview with Kjell Engelmark, no academic education but 15 years of experience.

# Supplier relationship

When it comes to interior design, Duracell buys metal displays for its products. The company uses standardized products and the purchasing process is centralized and controlled from Geneva, so the local companies are not involved in the process, hence no further information about the purchasing process.

# Marketing tools

When it comes to contacts with suppliers, Duracell do not often contact the suppliers themselves; the suppliers contact them. Duracell prefers to take contact or be contacted by telephone and if the first call is of interest they arrange some kind of meeting for further business. They also participate and go to trade fairs to gather information and ideas about new potential suppliers.

### **Personal opinions**

The person interviewed, Mr. Engelmark, has no academic education but has 15 years of experience within the field. For him B2B is about relationships and personal contacts. In a B2B environment a purchaser needs greater product knowledge than in a B2C context. Mr. Engelmark sees this as the largest difference between B2B and B2C.

Mr. Engelmark is convinced that you are affected by everyday impressions that influence you in your work since a purchaser also is a consumer. You are daily exposed to different kind of advertisements and purchasers are ordinary people who will be influenced by what they see and hear like everyone else. Usually you obtain knowledge and awareness through consumer advertisement. The brand is also important and companies can derive great advantages and benefit from a well-known brand since a seller does not need to waste time on explaining what the firm is selling when contacting customers. He thinks that the benefits and importance of a strong brand are similar in both B2B and B2C environments.

# 4.3.5 Gina Tricot

Gina Tricot has had great success since the start up in 1997 and is one of the fastest growing fashion companies in Sweden. Presently it has 60 stores in the country but is continuously rapidly expanding. Every year Gina Tricot has over 18 million visitors in all age groups. In the year 2005 Gina Tricot had a turnover of about 625 million SEK and this year it will have a turnover of over 800 million SEK. The store surface is from 300 square meters and up. In many of the existing stores there is a need for expansion. (Gina Tricot, 2006)

### November 9<sup>th</sup> 2006. Telephone interview with Adam Johnsson, head hunted from store interior.

### Supplier relationship

The number of times that Gina Tricot buys new interior design to its different stores is based on how many new openings and redesigns that are made during a year. The firm always uses the same supplier for its interior design, Nässjö Inredningar, and has worked with them for about ten years. The reason for working with Nässjö Inredningar is, according to Gina Tricot, that the company is the best in the business. They have a great relationship, work close together, discuss problems and find solutions together. The supplier is very flexible and that is something that Gina Tricot values highly.

### Marketing tools

Gina Tricot never contact its suppliers, instead the suppliers try to get in contact with them. Usually it receives telephone calls from sellers who want to arrange a meeting and do a presentation about their products and show some brochures. However, being very loyal to its current supplier, Gina Tricot does not agree to this kind of offers very often. If it could chose, Gina Tricot prefers to be contacted through e-mail instead of phone calls since you can then take a look at it when you have time and you do not need to be disrupted in you work.

Fairs are something that the firm hardly visits at all. Gina Tricot believes that it knows what is new and popular in the business since it often visits for example New York and Milan to look at new trends. Gina Tricot also believes that, since it does not search for new suppliers, fairs are not efficient for them to visit. The firm feels that word-of-mouth and a wellknown brand are not relevant since they know what it wants and does not care what products other firms use and like.

### **Personal opinions**

Mr. Johnsson only works with the design of the stores and was not involved in the marketing at all. He had been headhunted to Gina Tricot in order to work with the designs of the stores. So when we ask him about specific marketing questions, he shared his reflection about it without any real academic knowledge.

Mr. Johnsson believes that you are two different persons at work and at home and therefore advertising in a B2C context is inefficient to use in B2B market. Especially when it comes to complicated and complex products as interior design is. Products like that requires a more "in depth marketing tool" in order to reach out to the customers. Mr. Johnsson thought that B2B and B2C are two different things and that is why he believes that B2C advertising is inefficient in a B2B context.

# 4.3.6 Hemtex AB

Hemtex AB is a retail chain that sells home furnishing products, especially different curtain fabrics. By the end of the year Hemtex AB will have 183 stores; 136 in Sweden, 32 in Finland, nine in Denmark, and six in Norway. It had a turnover of 1159 million SEK in 2005.

November 13<sup>th</sup> 2006. Telephone interview with Ing-Marie Edvardsson, several years of experience, no particular academic education.

### Supplier relationship

During the last years has Hemtex AB opened around 20 to 25 new stores per year and due to that there is a constant need for new interiors to its stores. Hemtex AB has today two different versions of interior in its stores, one new and one old. The firm does its purchasing of interior continuously during the year and they always use the same supplier. However, it is nothing that says that Hemtex AB will use the same supplier in the future. Approximately every fifth year, Hemtex AB search the market and looks at different suppliers and make price inquiries.

### Marketing tools

Hemtex AB sometimes searches for and contacts different suppliers by itself and when it does that, it usually uses Internet and different web page. However, word-of-mouth, relationships and reputation are also important when deciding which supplier to contact. The firm prefers that suppliers contacts them through e-mail and fairs. E-mail since it is easy and comfortable to get a written presentation about a company and its products that you can take a look at in peace and quiet. Fairs are efficient marketing tools since they provide good opportunities to get in contact with interesting companies, build relationships and a possibility to get a picture of how companies market themselves and their interior.

### **Personal** opinions

The woman interviewed at Hemtex AB, Mrs. Edvardsson, has no academic education and was not familiar with the concept of B2B and B2C. She believes that contacts are important but then primarily for the exchange of experience and to get information. Mrs. Edvardsson is of the opinion that a well-known brand is important but it is often not the determining factor when deciding which supplier to work with or not. Good references and reputation on the other hand is always important. Mrs. Edvardsson believes that it is no actual difference between a person at work and at home. A person's personality often mirrors how one is as a person in the professional life as well. However, at the same time it is important to be able to make a distinction between what is private and what is work. Mrs. Edvardsson believes that you can be influenced from different things that you have seen and heard when taking a purchasing decision. But you are more affected by colleagues within the branch and not that much from other channels as advertising.

# 4.3.7 Zeta

Zeta is a firm that sells Italian food to grocery stores, for example oils, vinegars, pasta etc. For 2006 the firm will have a turnover of 360 million Swedish crowns. Zeta sells its products to about 3000 different stores and the firm has the possibility to expose and/or change the standard shelves in approximately 1500 of those stores. The firm experience a growth of about 25 percent during 2006.

November 7th 2006. Telephone interview with Mathias Jordevik, experience within Zeta.

# Supplier relationship

Zeta works a lot with its buying and selling processes. It works continuously and actively in the stores with shelf strips and labels etc. The firm generally buys new store fittings every third month and it always uses the same supplier. This is due to that Zeta has a very well-developed relationship with that supplier since 25 to 30 years back in time and they work close together. The supplier does not only supply Zeta with store fittings but also with envelope, business cards etc, i.e. the supplier provides Zeta with an overall solution. Although Zeta is loyal to this supplier they sometimes search the markets and look around among other suppliers in order to find new ideas and to see that the prices that its supplier is offering is in line with the market in general.

### Marketing tools

Although Zeta always search and update itself about the market and potential suppliers the firm almost never tries to contact suppliers itself. In almost every case it is the suppliers that contact Zeta and want to show their ideas and products. Usually these contacts are made by telephone calls from sellers that want to arrange a personal meeting with the company. If the seller makes a good impression and manages to create an interest, Zeta often agrees to a meeting. In most cases, and preferably, are these meeting often followed-up by an e-mail. The firm does not think that trade fairs are an efficient way to do business; instead Zeta sees them as a way to gather inspiration. The firm has a lot of own ideas about how it wants to display its products in the store and most of these ideas it receives from its own sellers at Sale support.

Mr. Jordevik believes a strong brand can be important although it is not what the firm itself look at when it chose suppliers. He is of the opinion that new and inspiring ideas and well-developed store solutions are more important than a strong brand.

Zeta prefers to be approached in the traditional way of marketing that the supplier first sends a brochure where the products clearly are explained and showed and that this is followed-up with a telephone call. E-mail is a marketing tool that Mr. Jordevik finds very inefficient since a purchaser gets to many e-mails every day that he or she hardly read them.

### **Personal opinions**

Mr. Jordevik sees B2B and B2C markets as *"two different worlds"*. In B2C markets customers have no requirements on the interior design in the stores; they just want Zeta's products at good prices. The relationship ends when the consumer pays for the product and leaves the

store. However, in B2B markets there is a need of teamwork and collaboration between the customer and Zeta and long-term relationships are very important.

Mr. Jordevik is of the belief that B2C marketing tools, for example advertising, are not efficient in a B2B environment. He rather believes that relationships and personal meetings are the preferred tools. However, in the same time he says that "one lives with ones' work"; a purchaser is always a purchaser and can get inspired 24 hours a day. You are always creating impressions and one is constantly influenced, consciously or unconsciously, no matter where you are. For example when one visits an ICA, OnOff or a Siba store you gather inspiration and ideas for solutions to problems and needs.

# 4.3.8 Åhléns AB

Åhléns is a well-known retail chain in Sweden. It focuses on four different areas: fashion, beauty, home and media products. Åhléns AB presently has 79 department stores, 20 so-called "home stores" of which 17 is located in Norway. It is also the owner of Kicks, a chain with 95 stores that sells beauty products, and Lagerhaus which is a chain with 17 stores that sells home and design products. In 2005, Åhléns AB had a turnover of approximately 5 billion Swedish crowns.

November 9<sup>th</sup> 2006. Telephone interview with Peter Rönnebjär, 30 years of experience within Åhléns, and 8 years of experience within store interior.

# Supplier relationship

Åhléns keep a continuous and everyday maintenance of its store interiors. All stores have a standardized setting but are adapted to the specific need of each and every store. Åhléns AB has about three to four larger suppliers that it works with when it comes to shelves and store fixtures. It collaborates also with many smaller suppliers providing them with interior such as Plexiglas, cubes, and carpets.

The main departmental stores usually experience a growth rate of three to six stores a year. The smaller stores, Kicks and Lagerhaus, experience an even higher growth rate than that. Åhléns ensures that its suppliers are aware of the fact that if they do not stay competitive, Åhléns will find a different supplier which is. The suppliers must continuously prove that they are the best supplier for Åhléns when it comes to price, quality, service and good knowledge.

# Marketing tools

Suppliers are usually in a line up, to get a deal with Åhléns. Albeit it is believed that if suppliers manage to get its foot into the company they can expect large orders in the future, Åhléns makes sure to look at many suppliers in order to keep updated.

When Åhléns search for potential suppliers they see the Internet as a very important source of information. Trade fairs are another preferable tool because they provide inspiration and new ideas. Receiving brochures from is a third way that is good. When suppliers contact Åhléns, it is mostly done by phone calls, which the interviewee argued was not preferably since it was time consuming. Instead he prefers that suppliers show that they exist by advertising in branch magazines, on the web and to be present at trade fairs. Then Åhléns has the possibility itself to contact the suppliers of interest.

#### **Personal opinions**

According to Mr. Rönnebjär, a strong brand is important although not as important as providing a good quality and price. Further he argues that he is affected similarly by mass communication personally and professionally; an advertisement only catches his interest if it is of relevance to him. He believes that the best advertising a store interior company can make is through innovative products and presentation of the products in a store. He claims that he has a constant presence of curiosity; if he sees something of taste he will find out who is responsible for that interior so that he can contact that supplier.

Mr. Rönnebjär believes that there is no actual difference between B2B and B2C. He warns against relations, and speaks for openness. He argues that strong relationships hamper innovativeness. Åhléns find it therefore important not to stick to one supplier if they do not live up to the expectations, but rather incorporate new suppliers several times a year.

# 4.4 Firms operating in a B2B market using B2C tools

Interviews have been conducted with Ramirent and Ahlsell. This has been done in order to understand their opinion about marketing in B2B markets. It is interesting since both firms use B2C marketing tools even though they are seen as traditional B2B firms. This in order to indirectly reach the business person through its role as a private consumer. The people interviewed are responsible for the marketing within the firms. The interview guide can be found in Appendix 2.

# 4.4.1 Ahlsell

The Ahlsell group has an annual turnover of about 20 billion SEK, whence approximately 9 billion in Sweden. The group has around 4000 employees and about 2000 of those is working in Sweden. They have sellers in over 200 places in Scandinavia, of which 80 stores are situated in Sweden, and the main office is located in Stockholm.

The company supplies goods and associated services for professional users within the product areas of heating & plumbing, electrical, tools & machinery as well as refrigeration. Ahlsell is today Sweden's only trading company that has a one-stop range of installation products and that enjoys a strong position in all product segments. Ahlsell is both market, - and branch leader. In other Nordic countries, Ahlsell is one of the leaders in several product segments.

Ahlsell has about 500 strategic suppliers. In order for the supplier to be classified as a strategic supplier, it needs to fulfill some requirements. The supplier has to offer strong brands, have a Scandinavian presence, and that the sales takes place through the wholesaler link. Most of those suppliers are big, internationally working actors with sales organizations in several countries. (Ahlsell, 2006)

November 16<sup>th</sup> 2006. Telephone interview with Camilla Weiner, chief information officer. Bachelor of Business Administration, several courses in law, marketing, informatics and equity market.

# Marketing tools

Ahlsell is working with different segments and the company uses a communication model that search for the different segments and their needs. Then an analysis is done in order to see which segments that are of interest and to find out about the customers', within the segment, specific needs.

The stores are a very important channel, and specific customer meetings in the store are of special importance. Ahlsell also uses direct marketing and offerings to the specific segments and they often differs between the segments. Another tool that Ahlsell uses is advertisement in business press and other specific branch organs for B2B. E-mail is a tool that the marketing directors work a lot with and uses as a mean to provide entrepreneurs with knowledge about the industry. Providing this superior competence to its speaking partners, the company creates added value.

A great part of Ahlsell's marketing is put on sponsoring. The greatest sponsoring event is harness racings. For example, Ahlsell is sponsoring Stig H Johansson and his team. The reason for sponsoring harness racing is that many of Ahlsell's customers are businessmen and wholesalers and there is a strong tradition that those people also have an interest in horses. Many of them are horse owners or are playing on horses. These sponsoring events are also a good way for Ahlsell to spend time with its customers and suppliers. It is a fun and much-appreciated event, where they can have dinner, business talks and playing on horses at the same time. This is creating a win-win-situation for all parties.

They have special Ahlsell races and these generate a great pay-off. TV4 is, since a couple of years, marketing harness racings and Ahlsell has got a real upswing and profit from this. This do not only generate in real money, it also helps to put Ahlsell on the map for the public that do not know about the company. These evenings also help Ahlsell to spread information about the company, pick up new ideas and viewpoints from customers and suppliers. They are also contributing to the creation of close relationship with its customers.

The working per segment and direct marketing are the tools that Mrs. Weiner sees generates the greatest pay-off. However, the VIP-evenings connected to the harness racings have become a big tradition and hard to beat.

### **Personal opinions**

Mrs. Weiner is of the belief that we are all affected in our roles outside work. She is convinced that we fetch private impressions when we act at work. She also thinks that firms in B2B markets can do typical B2C advertisements since the degree of recognition one of the most important variables.

When she talks about the differences between B2B and B2C she mentions that a company in B2B is working with constant relations in more organized forms. The relations are long-term and often you reach long-term agreements with each other. In B2C markets you as a supplier more or less ends the relationship with the customer after a purchase.

If it should be profitable for Ahlsell to work with TV commercials, it should be done at local channels. This since Ahlsell is locally organized and operates at local markets. So if the company should create business through advertisement in TV, it has to be at local market, as Malmö and Mora where it is strongly anchored. Mrs. Weiner thinks that the only way that TV-commercial can generate pay-off is that it creates an increased awareness of Ahlsell for the common man. She further argues that less well-known firms would probably benefit more from TV-commercials than what Ahlsell would do, since a company has to start with creating a platform to start from and in that work, advertisement at TV can help.

Mrs. Weiner thinks that brands are of greatest importance. She says that the whole business starts with the brand. The brand communicates your core values and attitudes are embedded within the brand. The firm's co-workers functions and works as ambassadors for the brand. It is also of great importance that you as a firm knows and is aware of what your brand stands for. She takes an example of IKEA and that they have switched the theory the other way around. IKEA says that *this is the way we live, and this is how we learn* and they act after what the brand stands for. A person that drives a Jaguar and wears a Rolex can not work at IKEA, since it is not in line with what the brand wants to communicate.

According to Mrs. Weiner "it is important to practice what one preaches, and to be an example of what your brand communicates".

# 4.4.2 Ramirent

Ramirent is a young and strong addition on the Swedish market for letting of machines. The company has been on the Swedish market since the autumn of 2004, as a result of the fusion of Stavdal Byggmaskiner and Altima. Ramirent has 46 customer centres all over Sweden.

November 13<sup>th</sup> 2006. Telephone interview with Kenth Sturesson, Marketing Director, Master of Engineering.

Ramirent is a pure B2B company. However, it sells to private consumer in some cases. But that sale only represent less than one percent of total sales. The reason for also selling to private consumers is that, according to Mr. Sturesson, you never know who enters the door. The person that wants to hire a machine for doing something with his/her summerhouse in the weekend may be the same person that next week places a large order for his/her firm. Ramirent can never exclude private consumers completely, but it is not a segment that the firm is focusing on. Ramirent's customers are mainly in the constructing sector.

Competence and service are the company's keywords. Its strategy is to have as high service as possible so that there is no other alternative for the customer. With Ramirent, they are now three big actors that compete on the market and in order to survive the company always strive to be on the toes, be better, and one step ahead of its competitors.

### Marketing tools

The long-term goal with all marketing is to increase the sales. Additionally people need to know that Ramirent exists in order for us to increase our sales says Mr. Sturesson, marketing director at Ramirent. Therefore, he believes that the brand is of great importance, and one has to create awareness for the common man in order to reach brand equity. This also eases the sellers work. The goal is that the customer already shall have knowledge about Ramirent when the seller calls. In that way the call will be more efficient and the sellers do not need to put effort on explaining the firm's history. Although, the most important marketing tool is still the sellers' work. Mr. Sturesson further states that the brand is much more than a logotype, one also has to embed feelings and values in the brand.

For Ramirent the most commonly used way of reaching its customer is when sales people call customers and book meetings. However, Ramirent also do a lot of sponsoring. For example, they sponsor all ice hockey clubs in Elitserien, the highest hockey league in Sweden. The company has its logo in the face off circle in all arenas. As its main customer group is in the constructing sector Ramirent did a thorough market research to see where to find this segment. They found out that it was an overrepresentation of people within this sector who was interested in ice hockey. This is the reason for why Ramirent has chosen this certain sponsoring. The company also sponsor rally competitions and equestrian sports.

Ramirent also do some advertising in trade and branch press as Dagens Industri, and direct marketing with direct circulars. They have also done some radio commercial. Ramirent has not tested TV commercial yet but they are not foreign for doing so in the future if they find the right channels to reach its customers. However, in order to do TV commercials Mr. Sturesson is of the belief that a thorough research need to be done to see what kind of people is watching what programs, gender, age, branch distribution and so on. There is a need of accurate measurements from TV and Radio and Print Medias.

In order to reach out to its customers, Mr. Sturesson believes that the personal meeting still is the most effective and efficient way in a B2B market. At second place comes the sponsoring. However, it is not only through the old way of just putting up a signboard with your logotype. The sign is only 50% of the total invested money. Ramirent uses the sponsoring in order to arrange customer events. The company let players, coaches and other active members lecture about leadership, team spirit/work and other things, and in that way Ramirent buys some fame. An example that Mr. Sturesson gave of such an event was when they let a famous rally driver talk about traffic safety.

### Personal opinions

Mr. Sturesson thinks that you certainly can use B2C marketing tools to reach your B2B customers. This is due to that the world is changeable. The old way of thinking was a norm until four to five years ago. If you are of the belief that B2B and B2C markets are two separate worlds and that you cannot use B2C tools in a B2B market, you live in an obsolete world.

Mr. Sturesson is today the marketing director of Ramirent, but has an engineering education from the beginning. The reason for why he chose to switch track was that he was tired of the technical branch, and how bad the technological companies were at marketing themselves. So he thought he had to do something with his ideas.

He is convinced that people are affected by what they are exposed to during everyday happenings and that you are not two different persons at job and at home. He says that he can sit at work and worry about his sick kids and he can sit at the dinner table at home and worry about the work. He undoubtedly thinks that you are affected by things you have seen and heard in your spare time when you are going to take decisions at work.

# 5 Analysis

This section has the intention to connect presented theory with empirical findings. The focus is on the research questions in order to answer the purpose of the thesis and they will work as headings to provide a structure. First it will be determined whether the perceived dichotomy is true or not by an analysis of B2B and B2C markets, and continues with the importance of brand awareness in B2B markets. Lastly, an analysis with an evaluation of different marketing tools will be conducted with the purpose to find the sufficiency of relational marketing, and the appropriateness of using transactional marketing.

# 5.1 Why is there a dichotomy between B2B and B2C markets?

We will investigate whether the dichotomy and the previous recognized differences between B2C and B2B markets just are a historical artifact rather than a current reality. This will be done in order to establish if there is an actual need to apply different marketing approaches towards the two markets.

Ramirent claims that the old way of believing in a dichotomy of the two worlds of B2B and B2C was a norm until four to five years ago and that the world has now changed. The firm further argues that if one still is of that belief and thinks that firms cannot use B2C marketing tools in a B2B market, one live in an obsolete world. Today's firms are facing a different situation with shorter product life cycles and the intensity of global competition, which no longer provides the luxury of "*build it and they will come*" thinking (Olivia, n.d.). If these statement are to be true, can we then assume that the key account manager at ROL AB Mr. Kron's conjecture was correct regarding the award the firm won within marketing five years ago? ROL AB won a marketing award without any marketing activities what so ever, it was solely based on good sales due to good performance. Mr. Kron further claimed that such a prize would not have been possible to win without any marketing strategy these days. As in present time, the market has changed in terms of a stringent competition in the store interior industry.

From presented theories we have shown some of the perceived characteristics of differences and similarities between B2B and B2C markets. Thereafter we tested these theories by interviewing 15 firms in order to receive professional input from people who are actually involved with purchases in a B2B environment. Together with the theory and the empirical findings we will distinguish whether or not these perceived characteristics are true and accurate in today's practical market. The analysis will keep a focus on issues that has emerged through our research concerning theories and empirical findings of being the most common characteristics of a B2B market. These characteristics are product knowledge, risk, size, complexity of orders, and involvement in relationships.

# What differences in behavior are there in B2B and B2C markets?

B2B buyers tend to be more specific oriented and they tend to have a good understanding of the products they want (Ford et al., 2002; Anderson and Narus, 2004). This is also something that Duracell, Company A and Company C all proclaimed. Duracell claimed that the greatest difference between a B2B and a B2C environment is that the B2B purchaser needs better *product knowledge*. Company A's and Company C's perceptions of the similarities and differences between the two markets differed. Company A claimed that the similarity between the two markets is price and quality. Customers in both B2C and B2B markets demand a product with good quality to a reasonable price. Company C on the

other hand claimed that customers in B2C markets are more interested in special deals and price whereas customers in B2B markets are looking for good service. Thus, fighting for the price would undermine a firm in a B2B market and the firm should instead focus on creating trust. Ford et al. (2002) argue that when it comes to pricing the B2B marketer need to prove the difference between their product and the competitor's product to the buyer based on hard facts.

Two things can be concluded from the observations above, when one is contemplating if there really is a difference between the two markets. First, the purchasers in a B2B market are perceived to have greater knowledge and understanding of a product compared with a B2C purchaser. This is indicating that they are less likely of being deceived or making a foolish purchase. Second, one should keep in mind that any product, whether it is sold in a B2B or a B2C market, which has the intention of communicating quality and good service should not compete with price.

B2C buyers are said not to face any particular *risk* more than the loss of money they pay for the product or service (Anderson and Narus, 2004; Ford et al., 2002). Abecita is of the same belief. A person acts in two different ways when doing a business purchase compared with a private purchase, as it is not your "own" money you are spending at work. Furthermore, B2B purchases are made by a number of people who all see the importance of their task since it concerns the whole firm, as well as the persons' own career (Fill, 2006). Purchases in a B2B market become more important since if failure occurs on your cost, it is the firm's problem. This implies that purchases of impulse are rarely occurring in B2B markets; instead evaluation of different alternatives is a commonly used procedure.

One could generalize and say that there is more *risk* connected to purchases in B2B contexts than in B2C since it often involves complex purchases and in connection with that, more money. B2B purchases are often associated with large investments, as in this case store interior, which is something that has a major affect on the firm's sales. Therefore, the purchase decision needs a thorough analysis before it is taken. This is not the case in the everyday purchases by a consumer, and decisions are often taken on impulse. We believe the reason is that when less money is involved, the purchase feels less risky. However, risk can be great in a B2C context such as when buying a house, car or computer since these are is all big investments. Therefore, we are of the opinion that risk is generally higher in a B2B context but recognize that there are situations in a B2C context where risk can be equally high. Although there are additional consequences attached to a B2B purchase than the actual purchase, such as default of revenues, complaints, bad will and internal conflicts.

Another characteristic associated with B2B buying behavior is for example *larger and more complex orders* (Anderson and Narus, 2004; Fill, 2006; Ford et al., 2002). Gina Tricot states the same and especially gives the example of store interior. The firm argues that complex products demand a more "in depth marketing tool", in order to reach out to the customer. An in depth marketing tool communicates the benefits more thoroughly, that is, contains more information. Another general perception is that people in business environments know what they want. Furthermore, people in a business buying situation are professionals whereas private persons are more seen as amateurs. It should be taken into consideration that complex purchases also take place outside the business world and that a consumer normally knows what it wants as well. Although, this kind of behavior might not be seen as general on a day-to-day basis as it is in a firm. Gina Tricot's "in-depth marketing" suggestion is a method that should be used in every situation where larger purchases are done, both in businesses and for private consumers. From this we gather that there is no special need to separate the two approaches of B2B and B2C, rather create two approaches of

how to tackle complex purchases vs. purchases of daily consumption goods. Thus, it is said that the complexity of the decision itself makes a difference no matter what kind of environment a purchaser is in (Brown and Fern, 1984).

*Relationships* have long been seen as the foremost trait of B2B markets (Ford et al., 2002). This is further a major difference that Ahlsell sees when comparing B2B and B2C markets. A firm in a B2B environment is working with constant *relations* in more organized forms. Ahlsell further argues that relations are long-term and firms often reach long-term agreements with each other. This is reality since firms often sign long-term contracts which demand a higher involvement than what can be seen in a B2C market. In B2C markets a supplier generally ends the relationship with the customer after a purchase. Hence, B2B marketing concerns the interactions between two parts to a greater extend then in a B2C context (Ford et al., 2002).

What can be seen from the empirical findings is a 50 percent split between those who make new-buys and those who rather carry out a re-buy from a past supplier partner. The results blatantly show that there exists a dichotomy between whether strong *relationships* are beneficial or not. On one side, Systembolaget has as a standard to only sign maximum three-year contracts and if possible even shorter. Further Åhléns argues that strong relationships hamper innovativeness. On the other side we can find Company B which nurtures its relationship and believes that it is beneficial to get to know each other. This thought is shared by Posten that defines B2B marketing as something firms develop together with a partner and that its cooperation can generate creativity and a higher problem solving ability. Because of the 50 percent split between those who never change and those who continually change, one can claim that the theory that relationships are the foundation of B2B characteristics is somewhat true. What can be argued is whether long-term *relationships* are beneficial or not. If close relationships enable greater results or hamper innovation? Resourcedependent industries are known to create better opportunities through cooperation and relationships whereas in fast developing and constantly changing industries, such as store interior, close relationships could possible hamper innovativeness. The reason for why it can hamper innovativeness is that firms can miss opportunities, new ideas and a new way of thinking that other and new suppliers could contribute with. Åhléns and Systembolaget therefore speak for more competition and not to stay in a relation just because of friendship tactics.

*In conclusion* we will say that although many of the past perceived ideas still hold true today, there exists area's that have changed. Purchasers in a B2B market are perceived to have greater knowledge and understanding of a product compared to a B2C purchaser. Although, one should keep in mind that any product, whether it is sold in a B2B or a B2C market, and has the intention of communicating quality and good service should not compete with price. We claim that it is the amount of money spent on a purchase that constitutes the perceived risk, not whether it is in a B2B or B2C context. Further, there is no special need to separate the two approaches of B2B and B2C, rather create two approaches of how to tackle complex purchases vs. purchases of daily consumption goods. The theory that relationships are the foundation of B2B characteristics have somewhat remained accurate. Although, in fast developing and constantly changing industries, such as store interior, relationships could possible hinder innovativeness.

Can it possibly be as Ramirent states that the world has changed and that the importance of relationships, which has been seen as a characteristic for a B2B environment, may start to

blur out? We saw significant changes from the perceived idea indicating that possible marketing techniques need to be updated.

Is there a need to separate the marketing approaches towards the different markets?

The traditionally characteristics in B2B markets; specific oriented, high risk decisions, larger and more complex orders, and relations have made B2B marketing theory to focus on rational information, long-term contracts and personal relationships. Consequently, this has shaped assumptions of how marketing communications should be handled and what communication tools should be used in a B2B market. Although, what is trying to be said is that Simon's (1976, cited in Fill, 2006) view of the environment makes it too complex and dynamic for the decision maker to comprehend and create an objective view. Hence, the person in charge for a purchase decision will rather rely on knowledge and experience as a basis of its decision. After conducting the first part of the analysis there seems to be no special need to separate the two approaches of B2B and B2C. This implies that brand awareness could contribute to increased sales in B2B markets just as in B2C markets.

# 5.2 How is brand awareness affecting B2B and B2C markets?

The analysis above shows that there is no special need to separate the two approaches of B2B and B2C and this can imply that brand awareness could contribute to increased sale even in a B2B context. We will in this section therefore compare the attitudes towards branding in B2B and B2C markets and focus on investigating the importance of brand awareness in a B2B market. A comparison of the theories with the empirical findings will be conducted to find similarities and differences between branding in the two markets. Secondly, we will try to answer the question if the brand affects a person in a business decision situation.

# How important is brand awareness in a B2B market compared to a B2C market?

When assessing the differences and similarities between the collected empirical data and theory about brands and branding, it gave the impression that theory and reality are not always in line with each other. This is especially true when reflecting about the importance of brands in a B2B market compared to a B2C market. As stated in the theory section, a formal definition of a brand is that a brand is a "name, sign, symbol, design, or a combination of them, intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competition" (Keller, 2003, p.2). The fact that a brand can be seen from different perspectives and be associated with numerous things may be one of the reasons for the inconsistency in people's opinions. People tend to have different perceptions about how things are and the implications of the importance of the brand can differ if it is associated with a name, logo or symbol.

The increased competition that prevails today in many markets, both B2B and B2C, creates pressure for firms to differentiate in order to become and stay competitive. One way to differentiate is through branding. Several marketing theories state that firms in B2C markets with a strong brand often get a competitive advantage in comparison with those firms with weaker brands. It is further proved by many authors that strong brands in B2C markets are one of the firms' most valuable assets, and in order for the firm to reach a long-term profitability it is of crucial importance to manage and develop them with great care. (Keller, 2003) This theory amounts to the fact that brands are very important in B2C markets the power of brands can be a tremendous tool for influencing the buyers. However, in B2B the brand tends to have a smaller influence on the buyers. (Ford et al, 2002)

The responses from the interviewees portray a message surprisingly similar to the B2C theory. Ahléns and Systembolaget state that brands in B2B markets, especially within store interior, are important but not as crucial as other aspects such as quality, knowledge and service when choosing a supplier. Zeta and Åhléns additionally value innovative and welldeveloped ideas more highly. It could be noted that all these crucial aspects are something that a brand can communicate. Abecita and Design House Stockholm further believe that good references and reputation are always of importance. Combining a good reputation regarding the presented crucial aspects with a brand will create a competitive advantage. Because communicating good quality of a brand does not mechanically make people believe it is true, hence the importance of creating a good reputation for the brand. Ahlsell and Ramirent claim that a brand in B2B markets is much more than a logotype, that a brand communicates a firm's core values and that the firm's attitudes are embedded within the brand. Company C would go as far as saying that it is even more important with a strong brand in a B2B context than in B2C. They justify this by claiming that it is more important that a partner is reliable in a B2B environment. Reliability is supposedly communicated through the brand and is said to be, both empirically and theoretically, typically important for a B2B market.

Theory by Aaker (1996) states that brand awareness is reflected by the consumer's ability to identify and remember the brand under different conditions from recognition to recall, to "top of the mind" and finally to dominance. This is in line with what several of the respondents believe of a B2B environment. They argue that as the purchaser has high awareness of a supplier or its brand this can influence, facilitate and speed up a business decision. Since the purchaser already has knowledge about a firm less research is required before making a decision. Further benefits for the supplier of having a strong and well-known brand is that it will save time and facilitate for the sellers. They will not need to waste time and effort on explaining the firm's history and what is sold.

Company A is very clear in their opinion that having a known brand is extremely important both in B2B and B2C markets. The company states that; *"if you are visible on the market you will be contacted. However, if you are not visible you do not exist"*. This opinion is shared by Ramirent as they claim *"People need to know of Ramirent's existence, how could we possibly increase our sales if our customers do not know that we exists?* Ramirent therefore believes that a brand and creating awareness for the general public is of great importance in order to reach brand equity.

Although the respondents presented above thought brands in B2B markets, and within the store interior, are somewhat important it was not a consensus with all of the respondents. Gina Tricot claims a well-known brand is not relevant at all. The firm knows what it wants and does not care about what brands other firms use and like. According to Abecita and Design House Stockholm, the importance of the brand is dependent on which branch you are operating in. As Abecita, answered; *"Clothes are highly brand sensitive, but in this case with store interior the brand is of less importance"*. Continuing, Design House Stockholm says that brands are in general extremely important but not particularly important in the store interior industry. Philip Morris is of the same opinion and believes high brand awareness is beneficial in many aspects. Although, Philip Morris further state that it is important that one as a purchaser keeps in mind that there are many small suppliers that exist on the market with great competence, but perhaps not have the monetary capabilities to gain brand equity. Following this line of thought, Posten states that a strong brand does not considerably influence its selection of new suppliers. It makes sure that every supplier is reviewed and given equal opportunity, with or without a strong brand. This is an implication that

branding in B2B markets might not be a crucial factor for all firms purchasing store interior. Further, this is something that differentiates from the B2C market. Thus, purchasers of store interior do not always rely upon brand awareness when searching for new suppliers. What can be questioned though is if Philip Morris and Posten put in the extra effort to find these small, unknown suppliers? And further if small unknown suppliers actually procure these big customers?

The two firms who practice B2C tools in B2B context, Ahlsell and Ramirent, are also the two firms that are the most favorable for the importance of brands in B2B markets. If it is acknowledged that brands are of highest importance, how can a person in a business decision situation be affected?

#### How can or does a brand affect a person in a business decision situation?

The discussion above tells that brand awareness is an important aspect both to industrial buyers as well as to consumer buyers. Recognition of the brand name gives the brand a sense of familiarity, which can drive the buying behavior. (Aaker, 1991) For larger investments people tend to be more careful. Therefore, creating awareness of one's brand should be of greatest importance. Philip Morris is of the opinion that communicating credibility through a brand is of great importance since people rather buys a brand that is known. Thus, people like the familiarity and are more likely to buy products which they recognize rather than products with unknown brands. If the brand is not recognized, the purchaser does not know what to expect in return for the money they spend. Additionally, we are of the opinion that having a brand name that is easy to remember will generate that more people know about the brand. Company B shares this opinion and believes that the brand name is the most important aspect of a brand.

According to theory this familiarity drives the buying behavior, which strengthens our belief that a strong and well-known brand can affect the purchaser when taking a decision. One of the first things a purchaser will do in the buying process is to select a group of brands to consider for the purchase. In most cases, the supplier that first comes to the customer's mind will have an advantage. ROL AB is also of the belief that if its work would be more recognized and if more people knew about its work, it could easily gain more customers and sales. It is a major loss in the opportunity of free advertising not to have a sign on the products saying; *Made by ROL AB – Innovative Retail Solutions*.

Conclusively, factors that our respondents found more crucial than a strong brand when choosing a supplier were presented. It was factors such as quality, knowledge, service, and innovative and well-developed ideas. However, how will a supplier communicate these aspects if not through its brand, especially one with a good reputation? Some argued that the importance of the brand is dependent on which branch a firm is operating in. It has been said that the brand is generally extremely important but not particularly important in the store interior industry. Purchasers of store interior have to keep in mind that there are many small suppliers that exist on the market with great competence, but perhaps not have the monetary capabilities to gain brand equity. What can be questioned is if firms put in the extra effort to find these small and unknown suppliers? And further if small and unknown suppliers actually procure these big customers?

We have the opinion that brand awareness is important in B2B markets since as said, "If you are not visible, you do not exist". Additionally, high awareness of a supplier and its brand in a purchaser's mind can influence, facilitate and speed up a business decision. Further benefits for the supplier of having a strong and well-known brand is that it will save time and facili-

tate for the sellers. We are convinced that higher brand awareness can help the firm to increase its sales since it is seen and recognized by more people who can generate business for the firm. Further, a strong and recognized brand is good and vital for the people who work at the firm and represent it daily. Additionally, a brand that communicates credibility and are visible will attract competent personnel. The question that now arises is; how can all this be communicated through the brand? The following section will investigate if traditional B2B marketing tools (relational) are sufficient alone to reach brand awareness, and whether a supplier can use B2C marketing tools (transactional) in order to achieve brand awareness.

# 5.3 Which marketing tools are preferable in a B2B market?

The traditionally characteristics of B2B markets; product knowledge, high risk decisions, large and complex orders and interactive relations have made B2B marketing theory focus on rational information, long-term contracts and personal relationships. Consequently, this has shaped assumptions of how marketing communications should be handled and what communication tools that should be used in a B2B market. We have discussed branding and have concluded that higher brand awareness can help a firm in a B2B market to increase its sales. We are stating that the typical characteristics of B2B markets tend to blur out in a changing market and that brand awareness is more important now than ever. In order to find out how to achieve higher brand awareness, we have looked into the reactions of buyers towards different types of marketing. Research has shown that both transactional and relational paradigms are relevant in contemporary marketing, regardless the type of market. The two types of marketing approaches will be discussed below in order to answer following research question.

Which marketing tools are most efficient to use in B2B markets, especially in the area of store interior?

# 5.3.1 Relational Marketing

Relational marketing is defined by Gummesson (2002) as marketing with focus on *interactions, relationships and networks*. It has emerged within the fields of industrial marketing and is often used in B2B markets (Grönroos, 1997). Relationship marketing includes many different kinds of marketing with accompanying tools. Since relationship marketing is such a broad topic one can not successfully use it to describe proper marketing in this specific context. Thus, the different marketing tools are evaluated individually.

### Interaction marketing

Coviello et al. (1997) defines interaction marketing as a process that engages individuals who take initiatives to complex relationships and handle personal interactions within relationships. Some of the marketing tools that are most frequently used in this kind of marketing are phone calls and personal face-to-face meetings.

Most interviewed firms prefer that suppliers contact them via the telephone. This was primarily because those purchasers found it as the best way of acquiring knowledge of a firm and its products. The general opinion was that phone calls are of great use as an initial contact with a firm. As the interviews were conducted we recognized a consensus of thought that in B2B markets relationships are important. Although, it is also important not to come "too close too fast", since it tend to intrude the possible customers' individual space. Some marketing tools feel too personal to start out with while phone calls are a marketing tool that firms find comfortable in the beginning of a relationship. Firms such as Gina Tricot and Zeta saw phone calls as negative though, and reasoned that they were too time consuming. Instead they prefer to receive a brochure in which they could look when time was available. Although two firms considered phone calls to be bad the majority found them very useful. This suggests that on a general basis it could be concluded that phone calls are an effective tool. Maybe Gina Tricot and Zeta experience environmental circumstances that changed their perceptions, possibly having less time or that new suppliers are not as important. This is in accordance to the empirical findings were the loyalty to their existing supplier can be seen.

Personal meetings where the seller and buyer meet each other face-to-face are seen by all the firms as the best way of actually conduct business. Personal meetings are used when the initial phase of introduction and the "make contact" phase are completed. The motive is that personal meetings are, as the theories states, an effective way to communicate the marketing messages and that it allows for personal discussion and feedback (Kotler et al, 2002). The main objective is to build a long term relationship with the customer. Almost all the interviewees said that they never meet a representative unless a meeting has been agreed upon prior. If a seller arrives to a firm and tries to attain a personal meeting, he or she will be turned away. This would imply that personal meetings should be seen as the last part of the marketing and selling process, while other marketing tools are efficient when attracting the initial contact with new customers.

#### Network marketing

Network marketing focuses on multiple network relationships between firms, and has a significant interest in the "connectedness" of these relationships (Coviello et al, 1997). Trade fairs are an example of a network marketing tool that is often used. Trade fairs are a place for the suppliers' sales force to perform personal presentation in order to market and sell products, and where customers of store interior can attend.

Three different opinions regarding trade fairs were received during the interviews. Some of the firms attended trade fairs frequently in order to establish business contacts, while others only saw trade fairs as a way to gain inspiration. Finally, some of the firms hardly visited any trade fairs at all. Gina Tricot AB was one of firms that refrained from attending trade fairs. The firm has always been loyal to its interior supplier and often traveled to cities such as Milan and New York to become inspired or find new ideas. Thus they have no need for the benefits of trade fairs. There was a correlation between firms, such as Philip Morris, Zeta and Company C, who saw trade fairs only as a source of inspiration or ideas and those firms who were loyal to their existing suppliers with no intention of switching. These firms stated that they then brought the ideas back to their existing supplier. Firms such as Company B and Hemtex, who saw trade fairs as a way to establish contacts found it as a beneficial and straightforward way to meet many different interesting suppliers during a day. We are of the belief that trade fairs are an efficient marketing tool as a means to meet new customers, as trade fairs focus on specific industries and therefore gather many potential customers at the same place. Additionally, trade fairs are beneficial as they show a firm's products and communicate its marketing message. Conversely, since many firms attend trade fairs with the reason to gain information, participation at a trade fair may not be as efficient as many firms imagine. It is therefore important afterwards to evaluate how much the firm gained from their participation. Through research we realized that suppliers that participate at a trade fairs, should be aware of the threat of being copied from those firms who only attend fairs in order to bring the ideas back to there existing suppliers. To back up this theory we went back to ROL AB with the question. They were aware of this issue and in order to

deal with this problem ROL AB has chosen not to exhibit any of its new innovations at fairs. This in turn implies a great loss for those firms who attend trade fairs with the attention not to build new contacts. They will never access any actual new innovation and will become lost in development.

### Database marketing

A database is a file including information about potential customers. Firms use this information in order to gain a better understanding of the customers and to create relationship with them; often through direct marketing (Drozdenko and Drake, 2002). Direct marketing is communication with specific targeted individual customers. It can be done through mail, fax, e-mail, and internet and address the message to specific customers (Kotler et al, 2002).

E-mail is one of the most popular marketing tools in database marketing. Firms find possible customers in databases and later contact them by e-mail. There existed two different opinions within the interviewed representatives regarding the usefulness of e-mails as a marketing tool. Gina Tricot and Hemtex, the two companies most concerned with time management, prefer to get an e-mail instead of a phone call from suppliers. While Zeta and Company A had the opinion that e-mails are inefficient since a purchaser receives so many that they hardly read them.

When mail was discussed as a marketing tool, most interviewees explained that they receive such an abundance of direct marketing such as brochures that they often are thrown away before being read. However, mail would be a more efficient marketing tool when used simultaneously with a phone call. Zeta on the other hand would like to first get a brochure that was followed-up with a phone call. However, the overall opinion is that direct marketing through mail may not be the most efficient marketing tool. Although, it can be beneficial if not employed independently.

Internet and web pages are used when companies search for suppliers themselves. However, they do not contribute tremendously from a marketing standpoint since firms often are contacted by suppliers and not the other way around. The general opinion of the interviewees was that a good webpage is always beneficial in order to show a company and its products in a straightforward way. But obviously this can not be the only thing and it is just a small part of a comprehensive marketing plan. Company B believes that a company should have a webpage, but it should be seen more as a compliment to other more powerful marketing tools. We claim that it is vital for a firm to have a webpage since internet is the most frequently used tool when searching for suppliers. Additionally, a webpage enables the supplier to easy and at a low cost marketing itself, its brand, and its products. Thus, a webpage is a very cost efficient marketing tool. However, it may not be as efficient as other tools when trying to get in contact with new suppliers. It should therefore be, as Company B states, seen as an information provider and a compliment to other marketing tools.

To conclude there is no relationship marketing tool that alone can be seen as the most efficient tool in a B2B market, they have to be used together. An important factor is to know who is addressed in the marketing efforts. If a supplier manages to accomplish good research, it will be able to reach the correct people and in such way avoid possible negative vibes in regard to its name. It is suggested by our research that telephone calls are a preferable tool for initial contact. This should be accompanied by a presentation of who the supplier is and what it has to offer, either by e-mail, or by mail in the form of a brochure. Once a phone-call-relation is successfully established the two parts can arrange a personal meeting. This is an appropriate method in order to execute actual business. Trade fairs and Internet are beneficial tools for a supplier to be visible to firms who are on the hunt for a suitable contact. Hence, they are excellent compliments to other relationship marketing tools.

Nevertheless, all of these marketing methods do not contribute enough to higher brand awareness. All the discussed methods above have emerged in industrial marketing and are supposedly not adapted to the change in the business market in recent years. Below we discuss the appropriateness with bringing together the changing B2B market with transactional marketing in order to achieve brand awareness.

# 5.3.2 Transactional marketing

Transactional marketing is focused on a single sale in short term period. It is oriented towards product features and has little emphasis on customer service, involving limited customer commitment and moderate customer contact. Advertising is an important part in transactional marketing. (Christopher et al., 2000) Radio, print media, and TV are some of the most frequently used parts of this marketing tool (Tellis, 2004). This kind of marketing is mostly used in B2C markets according to Kotler et al (2002). We on the other hand claim that it should be beneficial to use advertising in B2B markets as well. Hence, the intention is to conduct an analysis in order to find out if advertising can reach the accurate segment in B2B markets.

In what way, if possible, can professional buyers be influenced when making a purchase decision by marketing tools they are exposed to outside of work?

Increased competition is providing the industry with more similar products, therefore being visible is more important now than ever before. This change of market structure supports Lazo, who already in 1960 argued that there is an increased importance of using subjective factors in the buyer's decision process. A central part of the decision is the favorable emotional impressions of both persons and firms. Even though the impact of impressions might not always be conscious, they still should affect the outcome of the marketing actions.

As the interviews were conducted, many interesting opinions were received within this subject. Opinions ranged from people who thought advertising outside work can substantially influence a purchaser in a business decision situation to those who thought purchasers cannot become influenced at all. Respondents such as Posten and Gina Tricot believe that purchasers are in no way influenced outside work when consider work issues. They claim that these decision makers have different roles at home and at work and that the two do not overlap.

However, most people interviewed were of the opinion that a purchaser can consciously or unconsciously get influenced. Systembolaget and Abecita believe that even though people do not think they get influenced by advertising, people are affected by what they see and hear and will bring that to the work environment. Company A further argues that professional buyers are influenced by what they see and hear during leisure time since professional buyers also are consumers. B2C marketing tools could therefore also be efficient in B2B markets. Company B further believes that purchasers can be affected of adverting outside work, but not enough to make a difference. Philip Morris is convinced that one is influenced outside work and that one can, to a certain point, use B2C tools such as TV and cinema commercials in a B2B market. Whether or not it is successful depends on what kind of product it is. Complex products such as store interior will be harder to communicate as a message through advertising. It may need, as Gina tricot stated, a more "in-depth" marketing tool that can explain more about the products. Thus, advertising alone cannot communicate the benefits of a product.

Abecita believes that professional buyers can get influenced outside work. The firm has the opinion that a purchaser of store interior can be influenced as long as it is through the right channels. They thought it is necessary to be seen through channels that are credible and serious and by that give the firm increased credibility. Ford et al. (2002) says that if one looks behind the roles of responsibility of a professional buyer, an individual person will have their own perceptions, expectations and objectives based on their personalities and backgrounds. This implies that what Design House Stockholm state is true; that the similarity between B2B and B2C marketing is that both are trying to reach out to a person, and for that clever and innovative advertising is essential. This substantiates the resemblance in the two markets because in the end we are all consumers, albeit in different situations.

A majority of the respondents seem to believe that professional buyers can be influenced outside work. However, if that is the general opinion why are not B2C marketing tools, such as advertising, more used in B2B markets? One explanation can be that advertising is an expensive marketing tool, especially using TV. Before a firm in a B2B market decides to use advertising it needs to have some kind of evidence that it will gain more then it costs. This is where firms start to doubt the usefulness of advertisings. It is difficult to measure the tangible effect since the actual purchase may not be seen as a direct link to the advertising, nor can increased sales always be linked. The risk is that the goal of achieving awareness of a firm, its brand, and products may be overlooked. Although, greater brand awareness does, according to previous discussion, facilitate the marketing intensions significantly. The sales force might sell more due to the fact that they are supported by advertising.

In order for advertising to be efficient in radio, TV, and print media, it is crucial to do a marketing research. Firms first have to learn how business buyers make decisions. Once these processes are understood, it is possible to select a suitable message, media, and tools to reach these vital market segments. (Clow & Blaack, 2002; cited in Blombäck, 2005) If a firm finds a way to carry out advertising where a large part of the targeted customer segment will be reached, it will then be efficient and the firm can gain tremendously. Ramirent is an example of a firm that uses advertising tools even though it operates in a B2B market. It has done market research and has found out that its customer segment is very interested in ice-hockey. Considering that, the firm does advertising in all the different rinks in Sweden. It is a way to increase its brand awareness among its potential customers and by that increase its sales.

According to theory and most of the interviewees, professional buyers can get influenced by advertisement they are exposed to outside work; as long as it is through the right channels. It is therefore of great importance for a firm to be visible in channels that are credible and serious in order for the advertising to be efficient and beneficial. Even though people do not believe they get influenced by advertising one tends to get influenced, albeit unconsciously. We have the opinion that professional buyers are influenced by advertising outside of work since in the end we are all consumers.

# 6 Conclusion

In this section we will present the final conclusions which answer the purpose. Further, the analysis resulted in a number of suggestions regarding marketing strategies for ROL AB which will be presented as a course of action to achieve higher brand awareness.

Many of the past perceived ideas of marketing still hold true today. However some areas have changed. The typical characteristics of B2B markets show a tendency to blur, insinuating B2B and B2C are blending. After conducting research we came to the conclusion that there is no special need to separate the two approaches of B2B and B2C, rather separate the two approaches of how to tackle complex purchases vs. purchases of daily consumption goods. The perceived risk of a purchase does not depend on whether it is in a B2B or B2C context, rather on the amount of money spent. Further relationships, specifically in the store interior industry, could possibly hamper the innovativeness due to fast developments.

In recent years the competition has become stringent in the store interior market and it has become more important than ever to be visible in order to exist. Hence the importance of brand awareness in a B2B environment has increased and has now become similarly important as in B2C environments. High awareness in the purchaser's mind can influence, facilitate and speed up a business decision, thus it enhances relational marketing approaches. This says that as brands are gaining importance in the B2B environment, B2B firms need to increase their brand awareness in order to react to this change. The question is how?

The research further came to the conclusion that no relational marketing tool can alone be seen as the most efficient tool in B2B markets. They have to be used as complements to each other since they are used in different phases. Although these tools are useful they are not sufficient to be independently employed in order to reach brand awareness. Further, research showed that professional buyers can become influenced outside work by everyday impressions. This implies that B2C marketing tools could be beneficial to use in B2B markets as a mean to reach the goal of brand awareness.

Theory has shown that increased competition is providing the industry with more similar products which increases the importance of using subjective factors to influence a buyer's decision process. Thus the use of B2C marketing tools, such as advertising, also has grown in importance. A purchaser is not always consciously aware of how he/she is impacted by impressions. However these impressions still tend to affect the outcome of the suppliers marketing actions.

In spite of all the benefits of advertising, research has shown that it is important to consider that advertising is an expensive marketing tool. Therefore it is essential for firms in B2B markets to find a way to carry out advertising where a large part of the targeted customer segment can be reached. It is also necessary to use channels that are credible and serious in order for the advertising to be trustworthy. If all these aspects are considered, advertising could be efficient and firms in B2B markets can gain tremendously.

# 6.1 Suggestions for ROL AB

After studying the conducted research of professional people's perceptions of B2B markets and marketing tools, we have come up with some suggestions for ROL AB.

Presently ROL AB is a relatively unknown firm in its home market of Sweden. Even though ROL AB supplies many strong branded firms such as Disney, Chanel, Diesel, they are paramount to invisible since no one associates the products with the ROL brand. The market ROL AB operates within is tough and it has become increasingly competitive in recent years. There are many large, competent, and proficient firms competing for the existing customers. During one of the interviews the key account manger at ROL AB got the question:

"If I, as a customer, want to invest in new store fixture, how do I know that ROL AB is an existing supplier with a solution to my problem? He replied with "As it is today, you can not know that". This implies that ROL AB has to do something about its current situation.

ROL AB is in the unusual situation of being a large, mature and successful business but facing the problem of having a, more or less, non-existent brand. Changes in the market and the increased competition has contributed to ROL AB's recently realisation that a strong brand is necessary for their continued growth and success. It has come to the conclusion that it needs to start marketing and communicate its brand in order to meet the increased competition. In this section we will therefore try to investigate the question:

#### How can ROL AB develop its marketing communication?

The interviewed firms preferred being contacted initially by phone. This should be accompanied by a presentation of who the supplier is and what it has to offer, either by e-mail, or by mail in the form of a brochure. As initial contact is established a personal meeting can be arranged. Favourably, ROL AB should follow this track. The interviewed firms are existing and potential customers to ROL AB, and therefore the answers are particularly important and interesting to consider. ROL AB has today a sale force that works with phone calls and personal meetings. However, since it has proven to be highly valued among existing and potential customers ROL AB should develop its firm presentation further.

Trade fairs and internet has turned out to be beneficial tools to use in order to increase the visibility and awareness of a firm. These tools are therefore excellent compliments to other relationship marketing tools. ROL AB has recently started to visit trade fairs and we suggest it to continue, since it has shown to be valuable when trying to meet new customers. The firm has today an attractive Webpage but in order to stand out in contrast to competitor's WebPages, it could preferable develop it further. WebPages are often the first contact a potential customer has with a supplier, and therefore they are of great importance.

Today people do not know that ROL AB's products are at ICA, Systembolaget, etc, since there is nothing of indication. Therefore, another marketing aspect for ROL AB to develop further is the sign that the firm just has started to put on its products. It has been major loss in the opportunity of free advertising not to have a sign on the products saying; *Made by* ROL AB - Innovative Retail Solutions. People who are interested in interior design andworks with that tend to pay attention to interior when being in stores. Having this sign onits products will be a great possibility for ROL AB to attract these people and perhaps gainnew customers.

In order for ROL AB to grow, enhance the brand awareness, and meet the increased competition on the market, it is suggested to use more than the regular B2B marketing tools.

What could ROL AB possibly gain from using B2C marketing tools?

Firstly, it is important to decide whether or not professional buyers become influenced by advertising, since it is only then it would be beneficial for ROL AB to use B2C marketing tools. Most of the interviewed people were of the opinion that professional buyers in some way or another can get influenced. People are affected by some means of what they hear and see if it is through the right channels. This implies that if a firm chooses an accurate media for traditional B2C advertisement, the advertising can create an interest even in a B2B context. However, in order for advertising to be efficient in radio, TV, and print media it is crucial to do a thorough market research. It is for example important to find out what the targeted customer segments watch and listen to, in order for the advertising to be efficient. If ROL AB should gain brand awareness from using B2C marketing tools, it is of importance to conduct a market research to find the best channels in order to reach out to potential customers. It is also of importance to communicate information through hard facts and not only emotions.

Many of the interviewed people believed that high awareness of a firm and its brand can influence, facilitate and speed up a business decision. If the firm is already familiar with the supplier, there is no need to present or do research about the firm before making the decision. This is an advantage since it saves time and facilitates the sellers' work. ROL AB can gain from having high brand awareness since the seller no longer need to waste time and effort on explaining the firm's history, and what it sells.

As stated earlier ROL AB could gain tremendously by increasing its brand awareness and B2C marketing tools could be efficient to use as a complement to the traditional B2B marketing tools. This way of thinking is shared by Ramirent that states that the long-term goal with all marketing is to increase the sales. People need to know that the firm exists in order for it to increase its sales. Ahlsell also share the idea of using B2C marketing tools to increase the brand awareness and the sale. The firm also believes that less known firms would probably benefit more from using B2C marketing tools in B2B markets. Since ROL AB is a generally unknown firm with a weak brand we are of the opinion that it could gain a lot from using B2C marketing tools. It is important for the firm to increase its brand awareness, which could be done through more advertising. The greatest importance of high brand awareness might be that it helps the sellers, since it is easier to catch the potential customers' interest if they know about the firm and its products before the seller calls. However, advertising is expensive and in order for it to be efficient and beneficial, it is of crucial importance for ROL AB to really find the right tools and channels to use, to be sure that it reach out to the right segments.

# 7 Discussion

This chapter discusses the outcome of the thesis. It presents some limitations of the study which are important to be aware of in order to get the correct interpretation of the result. The chapter continues with some criticism of the chosen method and how it could have affected the result. Furthermore, some areas for further studies are presented.

# 7.1 Limitations

The results of this thesis are based on a relatively small number of interviews, only 15. The reason for this is the lack of time and resources that forced us to limit the number of interviews. This limits the possibility to do generalizations of B2B markets. However, it is possible to do generalizations for the store interior industry and other B2B markets that are similar to this industry. An additional limitation is that the interviews were made with people who had different educations and positions at the respective firms. One can see that it differs in knowledge and familiarity with concepts concerning B2B/B2C market-ing/markets between those interviewed people who have an academic background and those with a more "learning-by-doing" background. The reason for this selection was that we wanted to interview those who handle the purchase of store interior at the different firms. Different firms have dissimilar structures and organizations which can explain why people with different positions handle the purchase of store interior in various ways. The fact that we interviewed people with different education and positions in the firms may have had an impact on the result.

ROL AB is operating in several countries with manufacturing operations, sales forces and service partners all over the world. However, a limitation of the thesis is that due to lack of time and resources to include more markets it focuses only on the Swedish market. This makes it difficult to state that the results can reflect anything else then the Swedish market since all markets differs in one way or another.

For the collection of the empirical findings we chose telephone interviews. It could be discussed if this is the proper way to do it since the number of interviews gets limited and one miss the personal contact with the interviewee, e.g. reading of body language, creation of trust. We are aware that people in general find it easier to talk about sensitive subjects and that trust is easier created through a face-to-face contact. However, it is not found relevant to reach such substance because the result will be more of an attitude/perception and neither one of the drawbacks will affect these interviews negatively.

# 7.2 Suggestions for further studies

This thesis has only focused on the Swedish market, and for further studies it could be of interest to investigate markets outside Sweden. It could be of interest since markets in different countries often vary a lot. In this thesis the store interior industry is the focus. However, it could be of interest to analyze another B2B market in Sweden where products are less complex to see whether the perceived B2B characteristics are even more out of date and the that the use of B2C tools are even more beneficial. Since we only looked at the importance of brand awareness in a B2B market it can be interesting in the future to investigate more thoroughly whether it is cost efficiently enough to cover the effort it requires to reach it.

# References

- Aaker, D.A., (1991). Managing Brand Equity Capitalizing on the Value of a Brand Name. New York: THE FREE PRESS.
- Aaker, D.A., Biel, A.L. (1993). Brand *Equity and Advertising: Advertising's Role in Building* Strong Brands. Hillsdale, New Jersey: Lawrence Erlbaum Associates, Inc.
- Aaker, D.A., (1996). Building strong brands. New York: THE FREE PRESS.
- Ahlsell. (2006). Our operation. Retrieved 2006-11-16, from http://www.ahlsell.com/templates/Page\_\_\_\_2305.aspx
- Alvesson, M. & Sköldberg, K. (1994). Tolkning och reflektion. Vetenskapsfilosofi och kvalitativ metod. Lund: Studentlitteratur.
- Anderson, J., C. & Naurus, J., A. (2004). Business Market Management: Understanding, Creating, and Delivering Value (2<sup>nd</sup> ed.). New Jersey: Pearson Education Inc., Upper Saddle River.
- Blombäck, A. (2005). Supplier brand image a catalyst for choice: Expanding the B2B brand discourse by studying the role corporate brand image plays in the selection of subcontractors. JIBS Dissertation Series No.028. Jönköping International Business School: Parajett AB.
- Brown, J., R., Fern, E., F. (1984). The Industrial/Consumer Marketing Dichotomy: A Case of Insufficient Justification. *Journal of Marketing*, 48(Spring), 68-77.
- Christopher, M., Payne, A., Ballantyne, D. (2000). Relationship Marketing Bringing quality, customer service, and marketing together. Oxford: Butterworth-Heinemann.
- Coviello, N. E., Brodie, R. J. (2001). Contemporary marketing practices of consumer and business-to-business firms: how different are they? *Journal of Business & Industrial Marketing*, 16(5), pp.382-400.
- Coviello, N. E., Brodie, R. J., Danaher P. J., Johnston, W. J. (2002). How Firms Relate to Their Markets: An Empirical Examination of Contemporary Marketing Practices. *Journal of Marketing*, 66(July), pp.33–46.
- Coviello, N. Brodie, R. Munro, H. (1997). Understanding contemporary marketing: development of a classification scheme. *Journal of marketing management*, 13(6), 501-522
- Coviello, N.E., Brodie, R.J, Munro, H.J. (2000). An Investigation of Marketing Practice by Firm Size. *Journal of Business Venturing*, 15(5-6), pp.523-545.
- David, M. (2006). Case study research. Padstow: TJ international Ltd
- Denzin, K.N., Lincoln, Y.S. (2000). *Handbook of Qualitative Research* (2<sup>nd</sup> Ed). Thousand Oaks, California: Sage Publications, Inc.

- Drozdenko, G. Drake, P. (2002). Optimal database marketing. Thousand Oaks: Sage Publications Inc
- Ede, L., Nairin, A., Naudé, P. (2004) Multivariate statistics in industrial marketing management: A practitioner tool kit. *Industrial Marketing Management*, 33(7), 573-582.
- Fill, C. (2006) *Marketing Communications: engagement, strategies and practice* (10<sup>th</sup> ed.). Edinburgh gate: Pearson Education Limited
- Ford, D., Berthon, P., Brown. S.J., Gadde. L-E., Håkansson. H., Naude. P., Ritter. T., and Snehota. I. (2002) The Business Marketing Course: Managing in Complex Networks. Chichester: John Wiley & Sons.
- Gillham, B. (2001). Case Study Research Methods. Padstow, Cornwall: TJ International Ltd.
- Gilliland, D. I. and Johnston, W. J. (1997). Toward a Model of Business-to-Business Marketing Communications Effects. *Industrial Marketing Management*, 26, 15-29.
- Gina Tricot. (2006). Gina Tricot. Retrieved 2006-11-30, from http://www.ginatricot.se
- Gruen, T. W. (1995). The Outcome Set of Relationship Marketing in Consumer Markets. International Business Review, 4(4), 447-469.
- Grönroos, C., (1996). Relationship Marketing: strategic and tactical implications. *Management Decisions*. 34(3), pp.5-14.
- Grönroos, C., (1997). Keynote paper: From marketing mix to relationship marketing towards a paradigm shift in marketing. *Management decisions*. 35(4), pp.322-339.
- Gummesson, E., (2002). Relationsmarknadsföring: från 4 P till 30 R. Malmö: Liber ekonomi.
- Halvorsen, K. (1992). Samhällsvetenskaplig metod. Lund: Studentlitteratur.
- Hamel, J., Dufour, S., and Fortin, D. (1993). *Case study methods*. Thousand Oaks: Sage Publications Inc.
- Holme, I.M., Solvang, B.K. (1996). Forskningsmetodik, Om Kvalitativa och Kvantitativa Metoder (2<sup>nd</sup> Ed). Lund: Studentlitteratur.
- Håkansson, H. and Snehota, I. (1995). Developing Relationships in BusinessNetworks.. London: Routledge.
- Jacobsen, D., I. 2002 Vad, hur och varför?; Om metodval i företagsekonomi och andra samhällsvetenskapliga ämnen. Studentlitteratur, Lund Sverige
- Kapferer, J-N., (1992). Strategic Brand Management New approaches to Creating and Evaluating Brand Equity. New York: THE FREE PRESS.
- Keller K.L. (2001). Building customer-based brand equity. *Marketing Management*. July/Aug 10(2), pp. 14-19.

- Keller, K.L. (2003). Strategic Brand Management Building, Measuring, and Managing Brand Equity (2<sup>nd</sup> Ed.). Upper Saddle River, New Jersey: Prentica Hall.
- Kotler, P., Armstrong, G. (2004). *Principles of marketing* (10<sup>th</sup> Ed.). Upper Saddle River, New Jersey: Pearson Education, Inc.
- Kotler, P., Wong, V., Saunders, J. & Armstrong, G. (2002). *Principles of Marketing* (3th European Ed). Essex: Pearson Education Limited/Prentice Hall Europe.
- Kotler, P., Wong, V., Saunders, J. & Armstrong, G. (2005). *Principles of Marketing* (4th European Ed). Essex: Pearson Education Limited/Prentice Hall Europe.
- Lilien, G.L. (1987). Business marketing: present and future. Industrial Marketing and Purchasing, 2(3), 3-21.
- Nash, Edward. (2000). Direct marketing. New York: McGraw-Hill
- Olivia, R. (n.d). Business-to-Business Marketing Overview. Penn State University.
- Patel, R., & Tebelius, U. (1987). Grundbok i forskningsmetodik: Kvalitativt och kvanitativt. Lund: Studentlitteratur.
- Pickton, D., Broderick, A. (2001). Integrated Marketing Communications. London: Financial Times/Prentice Hall.
- ROL Group. (2006a). History. Retrieved 2006-09-15, from http://www.rolgroup.com/templates/WebPage\_\_\_\_2040.aspx
- ROL Group. (2006b). Key Strenghts. Retrieved 2006-09-15, from http://www.rolgroup.com/templates/WebPage\_\_\_\_2031.aspx
- ROL Group. (2006c). Kaj's story. Retrieved 2006-09-15, from http://www.rolgroup.com/templates/WebPage\_\_\_\_2041.aspx
- ROL Group. (2006d). References. Retrieved 2006-11-23, from http://www.rolgroup.com/templates/WideWebPage\_\_\_\_2326.aspx
- Sheena Leek, S., Naude, P., Turnbull, P., W. (2003). Interactions, relationships and networks in a changing world. *Industrial Marketing Management*, 32, 87–90.
- Stake, R. (1995). The art of case study research. Thousand Oaks: Sage Publications Inc.
- Stone, M. Bond, A. Foss, B. (2004). Consumer insight. Ebbw Vale: Creative print and design.
- Svenning, C. (2003). Metodboken. Eslöv: Prinfo/Team Offset & Media.
- Tellis, G. (2004). Effective Advertising. Thousand Oaks: Sage Publications Inc.
- Tranøy, Knut Erik (1986): Vitenskapen samfunnsmakt og livsform. Universitetsforlaget, Oslo
- Webster, F.E. (1978). Management science in industrial marketing. Journal of Marketing, 42(January), 21-7.

- Webster, F.E. Jr, (1992). The Changing Role of Marketing in the Corporation. *Journal of Marketing*. 56 (4), pp.1-17.
- Wilson, D. F. (2000). Why divide consumer and organizational buyer behaviour? *European Journal of Marketing*, 34(7), 780-796.

# Interview guide for existing and potential customers

# Information about the company and the supplier relationship

- 1. How many stores do Your firm have?
- 2. Does Your firm grow anything? If so how much per year?
- 3. How much was the turnover last year?
- 4. How many visitors do Your stores have per year? (approximately)
- 5. How often do You buy new interiors to Your stores?
- 6. Are the same interior used in all stores?
- 7. How many different suppliers do You work with? Why these suppliers?
- 8. Are your firm loyal to Your suppliers?

### Marketing tools

- 1. How do You decide which suppliers to work with? Do You get contacted or do You contact suppliers by yourselves?
- 2. Does it matter if the suppliers have a strong brand? Why?
- 3. When/ if You try to contact a supplier. How do You do that?
  - internet
  - word-of-mouth
  - databases
  - network
  - previous relations
  - brand recognition
  - market research
- 4. Which marketing tools do You prefer that sellers use when trying to contact You? And which marketing tools do You dislike?
  - Direct marketing
  - e-mail
  - brochures
  - phone
  - fax

Mass communication

- · TV
- Radio
- Newspapers

Personal selling

- fairs
- personal meetings
- 5. Why do You prefer/ dislike these marketing tools?
- 6. Which marketing tools do You think is most efficient? Why?
- 7. Do You always use the same marketing tool?

### Personal opinion

- 1. What kind of education do You have?
  - Academic
  - Experience
- 2. What is a B2B market for You?
- 3. What do You think of when I say B2B marketing?
  - some special marketing tools
    - relations
    - special way of working
- 4. What do You believe is the biggest difference between B2B and B2C? Why?
- 5. What do You believe is the biggest similarity between B2B and B2C? Why?
- 6. Do You think a strong brand is important in a B2B market?
- 7. Do You think brand awareness facilitates the purchasing process, both for supplier and customer?
- 8. Do You believe that a person is the same person at home and at work?
- 9. Do You think that one can get influenced by things one see at home when taking a purchasing decision at work? Ex by something that you have seen on TV at home
- 10. Is it possible to use B2C marketing tools in a B2B market?
- 11. If so, what can a B2B company gain from that?

# Interview guide for B2B firms that use B2C marketing tools

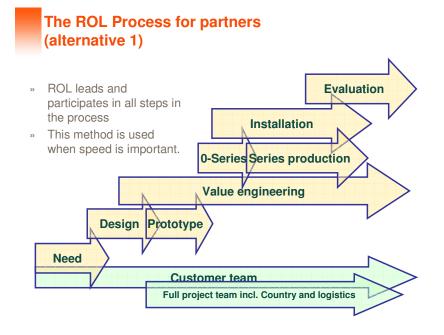
# Marketing

- 1. What kind of marketing tools does Your firm uses?
- 2. Why these different marketing tools?
- 3. The B2C marketing tools that You have used, why have You chose to use them when Your firm is a B2B firm?
- 4. Can You see any difference and result since You started to use these B2C marketing tools?
- 5. Will You continue to use B2C marketing tools in the future?

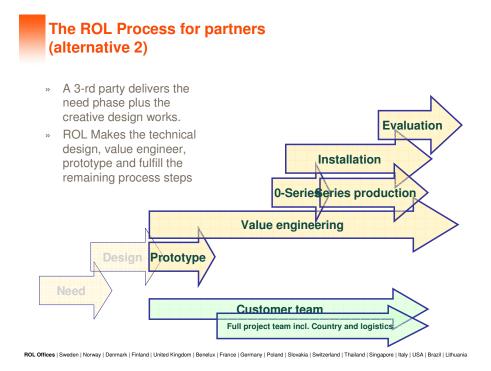
# Personal opinion

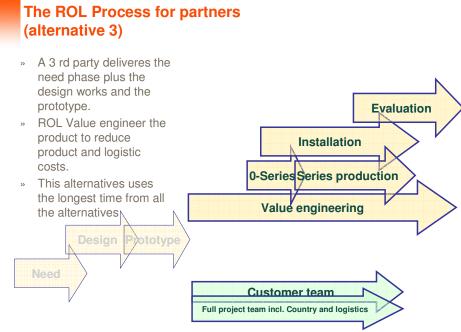
- 12. What kind of education do You have?
  - Academic
  - Experience
- 13. What is a B2B market for You?
- 14. What do You think of when I say B2B marketing?
  - some special marketing tools
  - relations
  - special way of working
- 15. What do You believe is the biggest difference between B2B and B2C? Why?
- 16. What do You believe is the biggest similarity between B2B and B2C? Why?
- 17. Do You believe that a person is the same person at home and at work?
- 18. Do You think that one can get influenced by things one see at home when taking a purchasing decision? Ex by something that you have seen on TV at home
- 19. Is it possible to use B2C marketing tools in a B2B market?
- 20. If so, what can a B2B company gain from that?

# The ROL process for partners



ROL Offices | Sweden | Norway | Denmark | Finland | United Kingdom | Benelux | France | Germany | Poland | Slovakia | Switzerland | Thailand | Singapore | Italy | USA | Brazil | Lithuania





ROL Offices | Sweden | Norway | Denmark | Finland | United Kingdom | Benelux | France | Germany | Poland | Slovakia | Switzerland | Thailand | Singapore | Italy | USA | Brazil | Lithuania

# Approval of the interview with Monica Gustafsson, Philip Morris

Monica Gustafsson

Sidan 1

2006-12-04

#### Company B -Philip Morris

Philip Morris International has since 1970 increased their operating income from \$54 million to \$7.8 billion, and is producing some 600 billion more cigarettes than 30 years ago.Philip Morris International's Swedish subsidiary, Philip Morris AB ("Philip Morris"), has approximately 30% of the cigarette market in Sweden and is competing with mainly two other manufacturers for the total cigarette market share. Philip Morris AB are since 1988/9 dealing with ROL AB. Philip Morris distributes its products via Swedish Match Distribution but is also working towards retailers, meaning that their market is very fragmented. Since most of their customers are small retail shops this demand a lot of resources by the Philip Morris sales force who are constantly in personal contact with its customers.

November  $16^{th}$  2006. Telephone interview with Monica Gustafsson, Market Economist degree and educated within purchasing.

#### **The Buying Process**

Philip Morris has five suppliers that they regularly deal with. It varies a lot in terms of how much store interior is purchased per year, but they place about 3-4 orders per year at ROL AB's. Philip Morris has different store interior depending on what kind of store such as grocery, tobacco or convenience stores. Every purchase process is very complicated and it takes time, Monica estimates it to be approximately 1-2 years from an idea to the complete product. This process is usually in cooperation with a supplier or an architect. In a bigger investment, such as store interior, seven to eight persons are involved.

Why ROL? Their collaboration started in 1988 and had initially common projects, worked together and developed together. In later days Philip Morris has decided to develop the design in-house and only let ROL AB be the manufacturer. This, Monica says is due to their internationalisation, which made them want to separate development and manufacturing. They have chosen to use architects or experts in the field who design and than they ask suppliers to provide cost calculation for the production.

#### Supplier Marketing Tools

To find a supplier Philip Morris AB conducts research of the Swedish market and internationally. Additionally, Philip Morris has the advantage of being a large group of companies, which gives access to entire worlds' suppliers. Suppliers are also found by recommendation from Philip Morris's companions in their network. Many suppliers phone Philip Morris with the intension to get a meeting, which they normally do not provide. Instead Philip Morris uses their wide network to find a suitable supplier. Trade Fairs are used as a mean for inspiration and in order to stay updated in any possible developments.

Philip Morris AB Purchasing Department prefers to be contacted via e-mail rather than over phone, even though Monica realises that it is easier to hear if something is interesting over the phone and that e-mails might not be read. Something to keep in mind for suppliers according to Monica is not to send spontaneous e-mails to random people. They must make sure that the e-mail is a fine firm description and what they are promoting is really presented to the right person, preferable accompanying with a phone call.

Mg 4/12-8

Monica Gustafsson

Sidan 2

#### **Personal Opinion**

Most of Philip Morris customers are individuals shop owners not belonging to Trade Groups, who demand a lot of resources as personal contact. She is of the belief that the most important aspect is to fulfil commitments. Further she claims that relations are not a crucial factor, instead one should take away feelings when judging a supplier and see if it still is credible. Monica is of the opinion that it is of greatest importance that suppliers communicate credibility through a brand when relevant. One rather buys a brand that is known. In a private situation she would rather buy a stronger brand that are more expensive, especially if it is a more complex purchase i.e. a computer.

She is certain that one is influenced outside work and that one can to a certain point use B2C tools such as TV and cinema in a B2B market (for example Compaq). It is dependent on what kind of product and how many in a company that will be involved with the purchasing of that product. The negative aspect is the cost of advertising, so Monica rather believes in one-on-one marketing. Finally, Monica says that strong brand awareness is good if it is positive, but one must remember that there are many small suppliers that are good too but not shown.

Approved to be used as written above solely in connection to the C-paper student work done by Ida Hallin & Group at Jönköping International Business School, 2006/2007.

-12-2006

Monica Gustafsson Philip Morris AB Stockholm 2006.12.04