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Article

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Advancing Industrial Marketing Theory: The Need for Improved Research

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Industrial Marketing Management was the first journal devoted exclusively to advancing the science of industrial or business-to-business marketing. Prior to its launch in 1972, fewer than five percent of all articles published in marketing journals focused on industrial marketing¹ while over half of the GDP in industrialized economies was due to B2B activities. Consumer marketing dominated academic research. With a new outlet for B2B research, the percentage of articles focusing on industrial marketing increased to 20 percent.

Over the next several decades new journals focusing on industrial markets were introduced: *Advances in Business Marketing and Purchasing*, *Journal of Business and Industrial Marketing* and *Industrial Marketing & Purchasing* were launched in 1986 (*Industrial Marketing & Purchasing* merged with the *International Marketing Review* in 1989), the *Journal of Business to Business Marketing* began publication in 1993, the *IMP Group Journal* in 2006 and the *Journal of Business Market Management* in 2007. All of these journals have added to the availability of B2B market-specific knowledge and are actively engaged in “co-opetition” to expand the field. However, the entire field of marketing has also expanded and there has been an explosion of new, highly specific, marketing journals (now numbering well over 240) so the net effect is that today fewer

¹ Peter LaPlaca and Jerry Katrichis “Relative Presence of Business-to-Business Research in the Marketing Literature,” *Journal of Business-to-Business Marketing*, Vol 16, January 2009, pp 1-22.

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than 10% of all academic marketing articles deal specifically with industrial marketing. This represents far less than the B2B portion of GDP in industrialized countries.

Scientific journals exist to advance our knowledge and understanding of a specific domain of our world (biological, chemical, physical, etc.) B2B marketing journals, therefore, exist to advance our knowledge and understanding of business-to-business markets. Their tool to accomplish this is the publication of high quality research (conducted primarily by academic researchers) which investigates industrial and B2B market situations and processes. “Collectively have these journals succeeded in this task?” “Is industrial marketing as a discipline advanced sufficiently to be deemed a “science”?”

I would say that the answer to the first question is “maybe” and to the second question it is “no”.

Science, particularly the hard sciences, evolves through a hierarchy of types of research: descriptive, explanatory, predictive and control. The ultimate goal of science is to control events where possible. Think of controlled nuclear reactions or chemical processes or genetically engineered plants and animals.

Descriptive Research

A cursory view of early issues of IMM, JBIM and ABM&P and a look at the IMP website indicates that the great bulk of published articles were descriptive in nature. This is quite expected in the early stages of scientific development and it is common to see the level and detail of description become finer as the discipline advances. However, descriptive industrial marketing research presented in the past decade does not appear to be any more detailed than the published research of the 1970s and 80s. Most descriptions do a great job describing “what” happens (during B2B transactions) but could provide more information about why, who, where, when and how it all takes place. At least half of the papers presented at the 2014 IMP conference in Atlanta were descriptive in nature. Some papers described case examples (studies) of marketing situations and decisions. Some described networks and inter-firm relationships. Some described changes in operations, environmental decision-making, pricing, sales management or other aspects of industrial marketing. And several looked at comparative descriptions such as effective sales management strategies in different cultures or distribution in different parts of the globe. But they were still descriptive in nature and primarily described what was happening rather than why it occurred.

Explanatory Research

While most early B2B research was descriptive in nature, a few articles did attempt to explain why what was described was happening. Gradually the number of explanatory articles increased and today I would estimate that around 40 percent of B2B publications can be classified as explanatory. Indeed slightly over 40 percent of the

papers presented at the 2013 IMP conference were, in my opinion, explanatory in nature.

The “why” question is very important because it helps us explain why specific decisions were made, why specific outcomes materialized, why certain advertisements worked and others failed, why one customer terminated a relationship and another made it stronger, why one supplier is approved and another is rejected. But the “why” questions cannot be adequately pursued unless researchers do a better job with the “who”, “where”, “when” and “how” questions. Too many researchers speak of companies or organizations making decisions. They don't. People make decisions, and researchers must focus more on these individual decision makers. (As an editor I have seen too many papers that provide characteristics of respondents (decision makers) but do not analyze these characteristics as independent variables. They use them to demonstrate that the respondents were representative of the population, for example, of purchasing agents, in an industry.) The “who” question deserves more attention in academic research. What are the salient characteristics of these decision makers? Are they different across companies, industries, countries and cultures? Why and how are they different? Do they vary over time or stage in the product life cycle or stage in the decision process? What about automated decisions that are “made” by computers or systems (such as automatic inventory leveling systems)?

“Where” decisions are made is also important to understanding and explaining the decision process. Are decisions made in the field, at branch offices or the home office? What is the role of R&D, manufacturing engineering, quality control, purchasing and procurement, sales and marketing or other departments in the organization? What criteria does each of these different perspectives consider in making these decisions? Does the “where” differ across companies and, if so, how and why does it?

The “when” dimension has relative and absolute components. The absolute component is the specific time and date the event takes place, such as the decision to purchase a product or service. (Keep in mind that a decision must take place whether we are speaking of an isolated transaction or one that happens in a relationship. And a decision is not only to buy or not buy, but also specific brands or vendors, quantities and qualities, items or packages (systems), services or entire solutions.) The “when” also incorporates the duration of the decision process. Is it instantaneous or does it take days, weeks, months or years? Is it soon or can it be made at some point in the future? How often does it take place?

Of course it is critical to understand “how” decisions are made to fully explain them. What process is used? Is it complex or simple? Is the process static or dynamic? What roles do the players have? Who are the real decision makers versus influencers, gatekeepers and other players? Are there sequential decisions? What are the criteria involved? What are their relative and absolute weightings and importance? How is information obtained for the process and what types of information is needed and in what form is it desired? Can the process be modeled, and if so, what does that model look like? Is it deterministic or probabilistic? The recent increase in SEM research and

a growing number of fuzzy AHP studies are trends in the positive direction. But we need more of this type of research.

Only when these questions have been studied and answers proposed can we approach full understanding and explanation of the decisions being studied.

Predictive Research

While most academic researchers may be satisfied with conducting descriptive and explanatory research, practitioners place a much higher value on predictive research. The real world rewards managers for successful results. Clearly managers would like to be able to predict customer and market response to the company's marketing efforts. This way they can avoid decisions that would fail and pursue those that yield a positive return to the organization. Will trade show participation be a wise investment? (How will customers react?) We know that all of our competitors have increased web activity to drive down selling costs. But how will customers react? Will it help or hurt of relationships with them? We can add value for customers by improving our guaranties and enhancing services, but will customers willing pay for these improvements?

The list of future-oriented questions is endless and each one becomes a topic for predictive research. Academic B2B researchers must team up with practitioners to conduct high quality predictive research that will yield useful results for managers. Many B2C predictive research projects (effectiveness of advertisements, in-store shopping behavior and store layout, product packaging, flavorings, etc.) have proven to be extremely useful in B2C marketing decision making simply because they help managers predict consumer responses and evaluate the expected ROI of these marketing investments. B2C is way ahead of B2B in predictive research.

Research for Control

While scientists endeavor to control natural processes and with positive results for humans (disease resistant crops, genetically focused medications and similar things), I am not so sure I am in favor of marketing research that is aimed at controlling customer behavior or even unduly influencing it. I don't like pop-up ads on my computer from e-businesses showing items that I recently looked at on their web site in the hopes of the fact that I am more interested in them because of recent searching. And I am definitely opposed to mall retailers using cameras and face recognition technology to place me in the mall, send me texts or ads as I walk by specific stores in an attempt to control my shopping. The differences between organizational buying and consumer buying are sufficient to probably negate the applicability of these types of controlling mechanisms to be effective.

Nevertheless, research for control represents the highest level of scientific research and even if B2B researchers do not carry out such projects, their design will help improve descriptive, explanatory and predictive research projects.

Industrial marketing research has made significant progress toward becoming a science, but it has a long way to go to achieve that designation. B2B researchers must migrate from conducting a series of never-ending descriptive research projects (relatively easy) to put more emphasis on explanatory research (more difficult and time consuming) and ultimately strive to conduct much more predictive research. Only then can we claim to be a “science.”