

## Chapter 54

# Social Media Marketing in the Scandinavian Industrial Markets

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### ABSTRACT

*Limited attention is paid in the academic literature to how business markets and marketers have harnessed social media. The purpose of this study is to depict how companies in business markets have been using social media and what kinds of future strategic actions they have planned for it. The research is based on a literature review, six case studies and eight interviews with industry experts. The research shows that managers are hesitant to adopt and use social media mainly due to the challenges of creating compelling content and because open interaction within social media is perceived as a threat, although companies have run trial campaigns with limited success. For academics, this study illustrates areas for further research and theory development.*

### INTRODUCTION

To date, the business marketing literature has addressed several topics on usage of information technology (IT). Computerized buying and how to enter computerized buyer-seller relationships were illustrated by Mathews and Wilson (1974) and how buyer-seller relationship specific technology electronic data interchange (EDI) could be implemented (Vlosky, Smith & Wilson, 1994). The emergence of global networking technologies such

as the internet, intranets and extranets presents a more recent area of research interest in the business marketing context (Bello, Osmonbekov, Xie & Gilliland, 2002; Boyd & Spekman, 2004; Vlosky, Fontenot & Blalock, 2000). Also the uses of more novel technologies such as mobile technologies in business markets have been studied. Aungst and Wilson (2005) depicted how mobile solutions can be used to enhance selling activities in the form of sales force automation (SFA) and later Salo (2012) illustrated how within a buyer-seller relationship

DOI: 10.4018/978-1-4666-7357-1.ch054

mobile solutions can be used to improve relational communication and coordination which resulted in increased sales. Also electronic marketplaces (Grewal, Chakravarty & Saini, 2010) and auctions (Jap, 2007) have been researched in the industrial context as well.

Even though different inter-organizational technologies and their influences on business marketing have been researched in recent years both Reid and Plank (2000) and later Sheth (2007) indicate that further research is needed to clarify and crystallize the ways IT is altering business marketing theories and practice.

One area that still is underresearch in business marketing domain is the social technologies or social media (or Web 2.0) which refers to group of technologies that enable users to create, communicate and organize content and share it via platforms and tools such as blogs, websites, online and content communities, social networking sites, and virtual worlds (Salo, Lehtimäki, Simula, & Tikkanen, 2010). This popular trend has not gone unnoticed in the business field (Davis Kho, 2008) as majority of the professional buyers are using different search engines (SE) to find suitable suppliers. This research seeks to find answer to the question, *how are large industrial firms in Scandinavia utilizing social media for marketing purposes?*

As a result we show that majority of the companies have experimented with social media and run trial campaigns but they are still hesitant to the full blown adoption and use of social media. This seems to be related to the perceived challenges such as creating compelling enough content and risk of losing reputation and brand value.

The research is structured as follows. First, a literature review is conducted on social media. Second, the methodology of the study is presented. Third, empirical research (six case studies and eight interviews with industry experts) elaborates upon the usage and challenges of using social media in the business markets. Finally, the results are presented and conclusions are drawn.

## **LITERATURE REVIEW**

### **Background**

In the early 1990s, company websites were aimed at one-way communication displaying company information and an offer. Later, more interactive websites were developed which included feedback mechanisms such as direct email links, feedback queries and signups for newsletters, surveys and questionnaires (Perry & Bodkin, 2002). Today the new websites are designed based on responsive design principles which scale webpages to different device requirements and screen sizes (personal computers, laptops, smartphones, tablet computers). Samiee (2008) highlights that while the use of the internet no longer offers a competitive advantage, not having any presence on the internet whatsoever increasingly leads to a competitive disadvantage as for example companies are actively seeking alternative suppliers via search engines and land on the company websites and industry portals (Davis Kho, 2008).

### **Social Media**

Social media is becoming popular among business customers and this has brought several challenges for business marketers. Today customers are highly reliant on information they receive online from their peers, colleagues and others. To illustrate, as long ago as 2007, Enquiro Research found in its Business-to-Business survey that 65% of professional buyers start their research process with a general search engine and only afterward move on to industrial vertical search engines such as “Business.com” and company websites as they progress to the negotiation and decision-making stages (Davis Kho, 2008).

Social media has brought companies new ways to reach their target audience and build their brand image in the business markets. These include content sharing services such as YouTube, Vimeo, Flickr and social networking sites such as

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