What we now call business-to-business (B2B) marketing used to be called industrial marketing (Webster 1978), when it primarily focused on transactions of products produced for consumption by other businesses (machine tools, office supplies, and the like) as well as the items that went into the production process of those other organizations (for example, raw materials such as petroleum, timber, or parts; other ingredients such as valves, bearings, resins, and polymers). In the past several decades, the term “industrial marketing” has given way to the broader term “B2B marketing,” and its meaning has grown to encompass the activity of building mutually value-generating relationships (including both products and services) between organizations (which include businesses but also government agencies, not-for-profit organizations, and the like) and the many individuals within them. In this broader sense, manufacturer–retailer relationships in consumer product markets (for example Walmart as the key account for Procter & Gamble), pharmaceutical firms marketing to doctors (who prescribe to patients), or agribusiness firms selling seeds, fertilizer, and equipment to farmers, platform companies such as Amazon Business or SAP Ariba that connect buyers and sellers—all fall within the purview of B2B marketing. In contrast, business-to-consumer (B2C) marketing is mainly focused on the final transaction between the firm (and/or retailer) and the consumer.

Table 1.1 sketches some key differences between B2B and B2C marketing. B2B marketers typically focus on far fewer and more varied customers, using more complex and more technically oriented sales processes than do B2C marketers. The complexity (multiple stakeholders—financial analysts, purchasing agents, engineers, manufacturing managers, lawyers, and others—all of whom proceed through an intricate, multistage decision-making process) has led to a field of study specific to B2B marketing called “organizational buying behavior.” The presence of a few powerful customers, which often account for a heavily skewed percentage of sales (for example, a telecom firm may count Google and GE among its business customers, but also serve hundreds of thousands of small to medium-sized enterprises), means that many common and powerful statistical tools, data mining methods, and other research methods popular in the B2C domain, are either inappropriate or must be adapted to the B2B domain. In addition, many B2C transactions still occur through common channels (for example, consumer packaged goods in retail stores, so retailers can host and capture data about the competitive consumer marketing landscape), but transactions in the B2B realm, especially larger ones, tend to be private, direct sales that often involve extensive negotiations or that occur through downstream distribution channels. Thus, data about the nature of the customer and the terms of the transaction are far from transparent.

In 2012, the first edition of the Handbook of Business-to-Business Marketing was published, to summarize and address challenges specific to studying B2B marketing, and to inform marketing scholars and practitioners on what we know and where we need to go next in the various
Table 1.1  Some key differences between B2B and B2C marketing

<table>
<thead>
<tr>
<th>Business-to-consumer</th>
<th>Business-to-business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing culture</td>
<td>Manufacturing/tech culture</td>
</tr>
<tr>
<td>Market to end of chain</td>
<td>Market to value chain</td>
</tr>
<tr>
<td>Perceptual proposition</td>
<td>Technical proposition</td>
</tr>
<tr>
<td>Value in brand relationship</td>
<td>Value in use, quantifiable</td>
</tr>
<tr>
<td>Large customer segments</td>
<td>Small number of customers</td>
</tr>
<tr>
<td>Smaller-unit transactions</td>
<td>Large-unit transactions</td>
</tr>
<tr>
<td>Transaction linkage</td>
<td>Process linkage</td>
</tr>
<tr>
<td>More direct purchase</td>
<td>Complex buying sequence</td>
</tr>
<tr>
<td>Consumer decides</td>
<td>Web of decision participants</td>
</tr>
</tbody>
</table>

domains that together make up B2B marketing. Much has changed since 2012. Many changes to business markets that were already under way before 2020 (for example, use of digital technologies in value creation, coordination of complex value chains for value capture, use of social media in value delivery) had a significant boost in 2020 and 2021. These years were marked by extraordinary transformations in business markets, caused primarily by the global COVID-19 pandemic and the associated health risks, travel restrictions, and social distancing rules that abruptly changed the social and economic environment. Our own interactions with B2B marketing thought leaders in academia and business practice at various events organized by the Institute for the Study of Business Markets (ISBM) and insights from the 2021 ISBM B2B Trend Study (see below for more detail) indicate that B2B firms face new challenges in value creation, value capture, and value delivery. Giving new meaning to the saying that necessity is the mother of invention, proactive companies have been experimenting with new business models and value chain configurations, as well as digital technologies and data opportunities to tackle these new challenges. We expect many of these learnings and experiences to carry on after the pandemic, creating a new, perhaps more digitalized B2B “normal.” For B2B marketing scholars, a wide new territory of research opportunities has opened up.

These fundamental changes stimulated the development of this second edition of the *Handbook of Business-to-Business Marketing*, which includes substantially updated chapters that match today’s new reality of business markets, as well as new chapters that cover substantive and methodological areas of growing importance. A second motivation for this *Handbook* is the mismatch between the economic and societal importance of business markets on the one hand, and the continued overemphasis of marketing academic focus on B2C markets on the other hand. While statistics on the size of consumer markets versus business markets are not readily available, many reports have been written recently on the share of B2B in the growing arena of e-commerce. According to a recent report published by the Bureau of Economic Analysis,¹ the current-dollar gross output of B2B e-commerce in 2017 was more than double the size of that of B2C e-commerce. The Organisation for Economic Co-operation and Development (OECD)² recently reported that B2B transactions in the European Union account for the lion’s share of e-commerce transactions, with two-thirds of e-commerce turnover generated by manufacturing sectors and wholesale trade. The United Nations Conference on Trade and Development (UNCTAD) (2020) recently attributed an astonishing 83 percent of all global e-commerce sales to B2B (including both sales on online market platforms and electronic data interchange transactions).

In sharp contrast with these statistics and the importance of B2B marketing, fewer than 10 percent³ of the 170 articles published in 2020 and the first half of 2021 in the American
Marketing Association’s two primary marketing journals (Journal of Marketing and Journal of Marketing Research) specifically addressed B2B marketing problems. The conclusion is disturbingly simple: marketing academia’s traditional focus on B2C markets is not aligned with the importance of business markets. The discrepancy between the lack of attention in the top journals of the field, and the impact of B2B marketing on the economy and its leading role in e-commerce, reflect a glaring knowledge gap (Lilien 2016). In the next section, we elaborate on challenges specific to the study of business markets that may, in part, explain the lack of attention to business markets. We offer suggestions how to overcome these challenges and address the imbalance in marketing academia.

With this Handbook, we pursue several objectives. First, in contrast with a collection of journal articles, Handbook chapters can provide a broader, more comprehensive perspective on the domain of B2B marketing. We have aimed to provide many diverse perspectives on B2B and engaged prominent B2B scholars to guide future research in the domain. We asked chapter authors to both look back and look forward. In addition to comprehensive reviews of important facets of B2B marketing, we also asked authors to include research agendas and clear takeaways for B2B practitioners. The careful reader will still find major gaps. For example, at the end of this chapter, we reflect on two important themes for future research that are largely overlooked in this Handbook—agility and sustainability—that emerged as key priority themes from the 2021 ISBM B2B Trend Study. The reader can easily come up with other themes that are relevant but not explicitly covered. Overall, however, we are delighted with the many contributions that we include here from more than 60 top scholars in B2B marketing.

In the next section, we share our thoughts about why the academic attention for B2B markets is not on a par with its economic importance, and what we can do to address the challenges inherent to performing research in the B2B domain. We then provide an overview of the Handbook. We end with a brief reflection on outcomes of the 2021 ISBM B2B Trend Study, with an emphasis on areas that are underrepresented in this Handbook.

OVERCOMING HURDLES FOR B2B MARKETING RESEARCH

In this section, we identify several hurdles that may explain why B2B marketing is underrepresented in marketing academia. We also suggest how students and scholars of B2B marketing may overcome these challenges. In our view, the lack of emphasis on B2B marketing in leading marketing journals is not due to a lack of interest from the journals or their editorial teams; rather, it is due to structural challenges that discourage doctoral students and academic scholars from embarking on large, impactful research projects in business markets.

Hurdle 1: Complexity and Heterogeneity

The most complex consumer behavior involves households of several individuals, normally spanning a generation or two. Rarely are more than two or three individuals involved in any purchase decision. In the B2B world, an organization may involve dozens of individuals with vastly different backgrounds in the purchasing decision-making process. And as we noted, a firm’s prospect list may include firms of vastly different sizes, and whose use of the focal firm’s offerings may differ widely. Consider a simple case. Titanium dioxide is an opacifying ingredient used in the manufacture of paper, plastic piping, paint, and other materials. It has
varying customer value and competes with different alternative ingredients in these and other applications. Conceptualizing and analyzing such market situations requires qualitatively different research approaches to deal with issues of purchasing complexity and customer/prospect heterogeneity than the approaches needed in the consumer marketplace. These difficulties are compounded by the small number of customers in many markets (for example, suppliers of parts for commercial airline engines may have only Boeing and Airbus as potential customers). Research methods that sacrifice breadth for depth or that make use of extensive survey and secondary source data thus are more appropriate to this domain than methods more commonly used in the B2C domain.

**Hurdle 2: Lack of Domain Knowledge**

We are all consumers: we understand the choice process for consumables and durables and even experience the challenges of family decision-making. We also understand (mostly) what products and services are supposed to do for us. For several areas of study in the B2B domain, especially related to industrial firms and manufacturing industries, work experience within an organization, whether in sales, production, or engineering, provides a similar background and thus is helpful for a B2B researcher. In addition, a background in science, technology, or engineering is extremely helpful to understand these industries. The solution seems clear: PhD students with work experience and a technology background have clear advantages over their peers in their ability to understand the technological facets of B2B marketing and the related research issues. For those without business experience, some company experience or internship would be most useful and can be considered part of the professional career development process. At the very least, to help build institutional, industry, and other domain-specific knowledge doctoral programs should encourage students in B2B marketing to get out and visit B2B firms, attend industry events, listen in to conversations, and include qualitative interviews with B2B marketing managers and executives as a key part of their doctoral dissertation work.

It is important to realize, however, that not all areas of B2B marketing require industry experience and technical skills. As pointed out earlier, the scope of B2B marketing extends beyond what used to be called “industrial marketing.” Many B2C firms also face B2B marketing problems, such as those related to the management of interorganizational relationships. Think of national brand manufacturers in their relationships with distributors; airline companies or retailers that join and manage large, horizontal, multilateral alliances; or the interorganizational challenges that franchisors face when managing their franchise networks. Meanwhile, platform companies such as Amazon are active players in B2B e-commerce markets, connecting business customers and suppliers. They are part of a growing segment of B2B services firms that are equally worth study and less in need of doctoral students that have years of industry experience under their belt. It is important for marketing scholars to explain to new generations that many unchartered domains in the B2B arena are very accessible for study.

**Hurdle 3: Data Challenges**

In many areas of B2B marketing research, the challenge is not so much gaining access to an individual firm’s collaboration and some databases, but the—at times quite daunting—effort needed to collect data across firms, across business units within firms, and over time. Further,
more and more academic research is focused on issues related to causality. This focus is increasingly challenging to realize without the ability to identify the causal effects through extensive secondary data collection and econometric analysis or through running field experiments. Several of the new chapters of this Handbook focus on these empirical issues. However, many of the most impactful studies in the interorganizational domain, for example, are either based on large-scale surveys which are expensive and time-intensive to collect, on combinations of various secondary databases rather than single-source data, or they involve field studies. While daunting at first sight, a motivating factor can be the simple insight that the more time and effort it takes to assemble a database or manage a field study, the more unique the research opportunities will be that the database will offer once completed; and by extension, the more impactful the research output will be. In sum, think in terms of the return on investment, not just the level of the investment itself.

Hurdle 4: Diffuse Focus

The domain of B2B research encompasses many problems and relies on a variety of research foundations. The study of B2B markets is a substantive domain that builds on theories from a diverse set of parent disciplines, including economics, sociology, social psychology, and psychology. Research on sales force management, the primary promotion mechanism in B2B markets, studies the same phenomena using behavioral (Bradford et al. 2010) and analytic (Mantrala et al. 2010) perspectives. The commonality of the substantive domain is helpful, but in our opinion, insufficient; for example, scholars from each perspective on sales force management normally attend different academic conferences. The ISBM has developed a biennial academic conference to help encourage cross-perspective communication. B2B research also faces considerable heterogeneity in the unit of analyses: whether an individual sales manager in sales research, a buying unit in buying behavior research, a firm for B2B strategy and segmentation issues, an interfirm relationship for distribution channels research, or an interfirm network for product development research. And research on these differing units of analysis relies on differing theoretical perspectives. Psychological theories might be most appropriate for sales managers, whereas the resource-based view informs firm-level studies, transaction cost economics clarifies interfirm issues, and sociological network perspectives are beneficial for studying interfirm networks. We hope that this Handbook and related follow-up work will help to facilitate cross-problem connections and scholarly links.

These hurdles are mere illustrations; readers can surely add their own. Yet the hurdles are real, so the onus is on seasoned scholars in our field to build a community, share data, share expertise, and recruit and nurture the young talent the field needs to address the many important and challenging problems the field presents.

OVERVIEW OF THE HANDBOOK

In structuring this Handbook, we retained the structure we used in the first edition. Beyond this introduction and overview chapter (which constitutes Part I), the Handbook comprises 33 other chapters (34 in total) that we have divided into six other parts: Part II: Perspectives in B2B Research; Part III: B2B Marketing Mix and Strategy; Part IV: Interfirm Relationships

Part II, Perspectives in B2B Research, contains nine chapters that provide a variety of lenses to view diverse B2B marketing issues. In Chapter 2, Oliva takes a high-level, value-based perspective on B2B markets. Based on his experience as a practitioner and his nearly 30 years as executive director and executive director emeritus of the ISBM, Oliva suggests why and how marketing organizations in B2B firms should view themselves as value-creating operations for the focal organization and that organization’s customers. Sadeghi, Banerjee, Ray, Bergen, and Dutta apply an agency theory lens to the study of B2B markets in Chapter 3, focusing on the role of independent agents, including how B2B firms should structure their relationships with independent agents. They also discuss recent developments in agency theory that incorporate multitasking, nonlinear compensation, and structural econometric methods. In Chapter 4, Ghosh and John focus on governance value analysis, which integrates governance and strategy perspectives. They develop the notion of a value framework to develop and assess the foundational architecture of strategic choice in value chains. Next, in Chapter 5, Morgan, Slotegraaf, and Feng develop a marketing capabilities framework for B2B firms, in which they categorize a firm’s marketing capabilities according to their lower-to-higher order (essentially, complexity and sophistication) and the organizational level at which those capabilities exist. Their chapter provides both a rich new set of research opportunities and a useful skills and capabilities inventory for B2B firms. In Chapter 7, Cespedes tackles the thorny issues related to managing the marketing–sales interface in B2B; these issues are minor for most B2C firms, but are of pervasive importance and understudied in the B2B domain. Chapter 8 provides Fahey’s discussion of the critical importance of competitive intelligence in B2B markets, which consists of three interrelated activities: description, interpretation, and assessment. Chapter 9 provides Day’s perspective on the impact of digital technologies and increasing marketing turbulence on the rapidly changing roles of B2B marketing leaders. Part II closes with Fjeldstad and Wathne’s typology of new B2B business models in Chapter 10, providing a perspective on how the more diverse sets of value configurations have led to new forms of relationships, with implications for the governance of those relationships.

Part III, B2B Marketing Mix and Strategy, contains five chapters. In Chapter 11, Thomas discusses segmentation issues. Because of the small number of customers, their extensive heterogeneity and their diverse needs, segmentation approaches that have seen great success in the B2C world fall short in the B2B domain. Thomas then outlines some approaches that work, and identifies important areas in need of research and methodological development. In Chapter 12, Keller and Kotler discuss the central role that brands and branding play in the B2B marketplace and provide guidelines for managing the branding function in B2B firms, which they predict will permeate the entire organization. In Chapter 13, Joachimsthaler and Olderog discuss how new digital business models that have been enabled through new technologies can allow B2B marketers to capture new value and drive innovation and growth. In Chapter 14, Gopalakrishna, Lilien, and Donsbach discuss the central role that the trade show has historically played in the communication mix for B2B firms, and how the impact of technological change combined with COVID-19 have provided new challenges for the three main trade show organizational actors: exhibitors, attendees, and show organizers. In Chapter
15, Venkataraman and Petersen provide a holistic perspective on B2B pricing strategies and address how best to execute those strategies in the newly emerging data-rich B2B environment.

Part IV, Interfirm Relationships in B2B Markets, comprises six chapters that are focused on this critical issue for B2B markets. In Chapter 16, Bowman and Sa Vinhas note that buyer–seller relationships evolve over time and require a longitudinal perspective in order to understand their evolution and manage those relationships properly. In Chapter 17, Chisam, Beck, and Palmatier advocate a multilevel, relationship marketing approach to understand and manage interfirm relationships. Then in Chapter 18, Venkatesan, Kumar, and Reinartz discuss how to apply customer relationship marketing concepts to B2B firms, with a focus on how to adapt the tools of customer lifetime value measurement and management to this domain. In Chapter 19, Scheer investigates trust, the most frequently studied construct in B2B interfirm relationships. She stresses the need to research the still poorly understood negative consequences of trust, in addition to the much more frequently studied positive consequences. In Chapter 20, Johnston, Chandler, and Ehret elaborate on the history of the study of organizational buying and the core concept of the organizational buying center (OBC). They discuss the challenges in the domain, where buying centers must do much more than buy: they also must focus on innovation, knowledge management, and brands. Finally, in Chapter 21, Varadarajan stresses the importance of outsourcing interfirm relationships in global B2B markets, and provides an insightful view of this increasingly important form of interfirm relationship.

The five chapters in Part V, Personal Selling and Sales Management, focus on sales, the most important promotional element for B2B firms. Singh, Marinova, and Brown view salespeople as critical to establish and maintain connectivity with customers, and thus, in Chapter 22, theorize that salespeople can provide a significant, sustainable competitive advantage. In Chapter 23, Bornemann and Hettich focus on the importance of, and research issues related to, key account management that can help to develop and sustain strategic interfirm relationships. Next, in Chapter 24, Lam, Ahearne, and Ahearne develop a two-dimensional typology for sales force performance featuring valence (positive versus negative) and measurement (behavioral versus outcome). They use that framework to identify key findings in this domain, and critical unresolved research questions. In Chapter 25, Zoltners, Sinha, and Lorimer take a managerial perspective to outline a sales force systems framework that they have helped to implement successfully to build winning sales forces in many B2B firms. In Chapter 26, the final chapter of this part, Mantrala and Albers discuss the effects of Internet-enabled technologies on the appropriate size and structure of the B2B sales force, reflecting the importance of rapidly changing technology in the B2B domain.

Part VI, Innovation and Technology, comprises four chapters. Effective innovation comes about differently in B2B versus B2C marketing. In Chapter 27, Tellis, Chandy, and Prabhu present a three-stage conceptualization of the B2B innovation process—development, commercialization, and fruits of innovation—and propose key research questions associated with each stage. Then Cooper expands on his Stage-Gate system for product innovation in Chapter 28, and discusses recent developments related to idea development, project selection, and new product development process improvements. In Chapter 29, Shankar provides an overview of B2B e-commerce, discussing electronic data interchange, extranets, B2B exchanges, and international B2B e-commerce, dealing with transactions that dwarf in size those in the global B2C sector. In the final chapter in this section, Chapter 30, Haruvy and Jap discuss challenges underlying the design and execution of dynamic pricing mechanisms (particularly auctions) for B2B commerce.
Part VII, Methodological Issues, contains four chapters. In Chapter 31, Griffin discusses when to use qualitative research and how to pursue such research with scientific rigor. In Chapter 32, Srinivasan and Hasan discuss the challenges for developing marketing metrics in B2B markets, specifically when these metrics pertain to measures of performance. In Chapter 33, Hada addresses the key question of how to establish causality in the B2B domain, focusing on how to use experiments to address this critical research issue. The book closes with Chapter 34 from Saboo and Anand, addressing how to address the key issue of endogeneity, another aspect of the critical issue of establishing causality in B2B research.

There are many omissions here, as there were in the first edition of the Handbook (please see the first edition for several topics not covered here). However, we have a “glass half full” perspective: what these expert authors have covered here, though far from exhaustive, is important, provocative, and likely to provide fruitful and intriguing research directions for academics as well as useful insights and guidance for practitioners.

OTHER RESEARCH OPPORTUNITIES

In 2021, we conducted a B2B Trend Study to help guide and prioritize research projects and to improve programs and offerings for ISBM corporate members. After a qualitative phase that involved listening in to various roundtables and townhall sessions with B2B marketing practitioners, and a qualitative research phase among about 20 thought leaders in B2B marketing academia and practice, we developed a survey instrument for the quantitative phase of the research. The survey included 25 challenges that B2B marketers will likely face, 17 skills and capabilities that B2B marketers will likely need to acquire, and 18 knowledge gaps that B2B marketers will likely need to address in the next 3‒5 years. Over 100 expert respondents in B2B marketing from both ISBM corporate and academic communities evaluated all these 60 items on 1‒7 importance scales. The respondents were also given the opportunity via open-ended, free elicitation questions to add any other challenge, skill, or knowledge gap that they deemed critically important. For a full analysis of importance ratings at the item level, tests for differences in importance (for example, between academics and practitioners), and factor analysis outcomes, we refer to the ISBM white paper that can be accessed at www.isbm.org (Wuyts 2021).

We characterize the six key priority domains for B2B marketing research identified in the 2021 ISBM B2B Trend Study as follows: agile, remote, digital, governance, value, and sustainability. Several chapters reflect on the challenges related to remote business development, organizing and deciding in a digitalized world, governing complex interorganizational relationships, and managing value propositions and the value of business customers. Two areas less covered in this Handbook relate to marketing agility and sustainability, which we focus on here.

Kalaignanam et al. (2021) define marketing agility as “the extent to which an entity rapidly iterates between making sense of the market and executing marketing decisions to adapt to the market” (p. 35). The single most important skill or capability in the ISBM B2B Trend Study was “Agility – the ability to adapt to rapid environmental and industry changes.” Respondents further considered as particularly critical the use of data analytics to drive rapid business response and innovativeness in a rapidly changing world. These insights may inspire B2B marketing scholars to explore the following question: What are the approaches and data
analytics tools that most effectively enable B2B firms to remain innovative and responsive when faced with rapid environmental change? (Also see Chapter 9, which addresses elements related to this issue.)

Even though sustainability is a key theme in B2C marketing, it emerged from the ISBM B2B Trend Study in a surprising way. After evaluating all the individual items included in the three subsections of the survey (challenges, skills, and knowledge gaps) respondents were given the (open-ended) opportunity to share any other theme that they considered critical for the coming 3–5 years. Sustainability was by far the most frequently mentioned single theme. Interestingly, sustainability was also a key theme in a 2021 special issue of the *Journal of Marketing* on “Better Marketing for a Better World,” yet this issue did not include any articles on sustainability in B2B markets. In the ISBM B2B Trend Study, survey responses related to sustainability covered both social and environmental dimensions of sustainability; further, they reflected both (intrinsic) concerns about social and environmental impact and (extrinsic) concerns about how to deal with environmental issues and market pressure for sustainability. These responses suggest new research directions: How can we quantify the impact of business activities on not only economic, but also social and environmental outcome variables? How can B2B firms organize their activities and business strategies to incorporate social and environmental issues?

In closing, we hope the reader shares our reaction to the 34 chapters included here. We have discovered much about B2B marketing, a critical aspect of the global economy, but there is still so much more to learn. We hope that B2B academics and B2B practitioners can continue to work together to advance this critical area of business knowledge and practice.

NOTES

3. *Journal of Marketing*: 12 percent; *Journal of Marketing Research*: 7 percent; excluding editorials and commentaries.

REFERENCES


