

Social Media: Their role as support tools in B2B organizations

Author: Carolin Mehrtens

University of Twente

P.O. Box 217, 7500AE Enschede

The Netherlands

carolin.mehrtens@student.utwente.nl

ABSTRACT

The aim of this research is to figure out the role Social Media plays as a support tool for business-to-business organizations. The amount of literature dealing with Social Media and business-to-business organizations increases steadily. However, most of the literature covers the advantages and disadvantages of Social Media, including implementation and measurement techniques. Thus lacking concrete business examples and areas of application for Social Media. Therefore, this paper will provide the most important benefits and barriers of Social Media, information about business processes where Social Media is applicable. In addition, it will provide an in-depth investigation of Social Media use in the innovation process and the marketing and sales process. This will be followed by a case study about Siemens' Social Media use in order to give the reader a practical example. The research was conducted by a literature review, for which literature was retrieved from web search on Scopus and Google Scholar.

The research revealed that business-to-business organizations mainly benefit from Social Media by having the possibility to maintain and improve relationships with their customers, as well as facilitating access to customers' needs, suggestions and feedback. Next to customers B2B organizations are also able to observe their competitors and respective markets. Moreover, as Social Media enables two-way communication, the customer can engage themselves in processes and projects as inputs. Additional benefits include brand awareness and cost reductions. Furthermore, the research exposed that Social Media is applicable in almost all business processes in an organization, especially in the innovation as well as in the marketing and sales process. During the innovation process, Social Media can support customer involvement and collaboration with decreased uncertainty and new product failures. In the marketing and sales process, Social Media improves product promotion and the approach to prospective customers and buyers. With these new insights, this research will contribute to existing literature and knowledge.

Supervisors: 1st Dr. Efthymios Constantinides

2nd Ir. Henk Kroon

Keywords

Social Media, business-to-business, Innovation, Marketing and Sales, Benefits

Permission to make digital or hard copies of all or part of this work for personal or classroom use is granted without fee provided that copies are not made or distributed for profit or commercial advantage and that copies bear this notice and the full citation on the first page. To copy otherwise, or republish, to post on servers or to redistribute to lists, requires prior specific permission and/or a fee.

2nd IBA Bachelor Thesis Conference, November 7th, 2013, Enschede, The Netherlands.

Copyright 2013, University of Twente, Faculty of Management and Governance.

1. INTRODUCTION

The World Wide Web has prospered and expanded during the last decades. Consequently, the Social Media environment has grown and is gaining an increasing amount of users. Therefore, it becomes even more important for companies either operating in a Business to Business (B2B) or Business to Consumer (B2C) context to implement and use Social Media to be tied closer to their customers. They need to change their minds from traditional working methods to the adoption of Social Media with the maxim "Be where your customers are".

A number of scientific articles provide several definitions of Social Media. One common and widely spread definition is provided by Kaplan and Haenlein (2010): "Social Media is a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0 and that allow the creation and exchange of User Generated Content". Regarding this, the term Web 2.0 also needs further explanation. Constantinides and Fountain (2008) state that "Web 2.0 is a collection of open source, interactive and user-controlled online applications expanding the experiences, knowledge and market power of the users as participants in business and social processes. Web 2.0 -based applications support the creation of informal users' networks facilitating the flow of ideas and knowledge by allowing the efficient generation, dissemination, sharing and editing of content".

Social Media can be seen as a big umbrella term incorporating numerous different types of Social Media. As mentioned by Cooke and Buckley (2008) and Warr (2008), types of Social Media are for instance wikis like Wikipedia, blogs such as company newsrooms, microblogs like Twitter, social networking sites (SNS), for example LinkedIn and Facebook and social content communities such as YouTube, SlideShare and Flickr.

The purpose of this paper is to outline and clarify the importance, benefits and possibilities of Social Media in B2B marketing. The paper focuses on Business to Business companies and their environment. This focus was set since there is already a huge amount of literature and information available regarding Business to Consumer companies and their use and possibilities of adopting Social Media, whereas there is still a lack in literature about Business to Business companies and their opportunities on Social Media. Also, many existing literatures concerned with Business to Business firms state that these firms are still struggling with recognizing the importance and urgency of adopting Social Media. Therefore, this paper will provide the reader with information regarding benefits and some barriers of using Social Media in a B2B context. Furthermore the paper will elaborate on and deepen the understanding of how B2B firms could use Social Media in different processes by giving an in-depth analysis how Social Media can support the Innovation and New Product Development process as well as the marketing and sales process. In this way the paper can contribute to existing literature with providing companies with something new, namely stating precisely how and for what purposes B2B companies can use Social Media in particular business processes, instead of just mentioning general benefits.

With regard to this purpose the main research question is:

To what extent can Social Media improve and benefit a Business to Business organization?

In order to narrow the topic down, sub-questions will be examined first:

Which processes are affected by Social Media?

Which processes can gain the most value from Social Media?

2. METHODOLOGY

This research is conducted in order to identify the role Social Media plays in a Business to Business context. Special emphasis is given to the benefits for companies using Social Media, supportive characteristics of Social Media in companies' processes, particularly in innovation, marketing and sales processes.

The research will be in form of a critical qualitative literature review. The literature was obtained through web search on Scopus and Google Scholar. The literature was analyzed by paying attention to the year of publishing and fit to the research topic. The year of publishing is especially important since the World Wide Web, Social Media and the business' environment is rapidly changing. Thus, the most recent literature can capture the change.

3. LITERATURE REVIEW

3.1 B2B: Benefits and Barriers for Social Media Marketing

3.1.1 Benefits

Many companies operating in a business-to-business environment are still struggling with implementing or using Social Media for several reasons. However there are many ways Social Media can create value for the company itself as well as for the company's customers and suppliers.

Michaelidou, Siamagka and Christodoulides (2011) for example state that business-to-business companies can use Social Media to support and maintain the contact, intermediation and relationships with customers and suppliers. In turn, this improves mutual trust. Further, companies get the possibility to detect potential selling partners.

Social Media enables companies to give information about new products, services and innovative ideas that can attract customers and demonstrates transparency. In addition, Social Media provides companies with a wider environment to search for information and follow competitors and their products (Mangold & Faulds, 2009). In this way, they can also gather feedback from customers that can be useful to improve or modify their products or services.

Building direct relationships with customers and suppliers is another opportunity provided by Social Media such as Facebook, Twitter or blogs. Allowing companies, customers or suppliers to interact with one another, respond to questions, suggestions or complaints, give feedback and work together (Breslauer & Smith, 2009).

As the World Wide Web expands rapidly, Social Media are also expanding in terms of number of user and offered opportunities. Therefore, companies have the chance to reach a wide audience which supports brand awareness and brand value (Michaelidou et al., 2011).

Moreover, the World Wide Web and Social Media make it easier for companies to compare products and its prices to negotiate with potential customers or suppliers. The more information a company has the stronger their position in a negotiation. Thus, they get the possibility to put pressure on supplier or buyers. Furthermore, Social Media reduces transaction costs and barriers to entry into a new market or market segment since the environment is more transparent and information is readily available (Berthon, Ewing, Pitt & Naude, 2003).

Jussila, Kärkkäinen and Aramo-Immonen (2013) say that Social Media in a business to business company can support the company in identifying customer needs, support for the sales process, improve and maintain customer service and show potential in customer's input in the Research and Development (R&D) process.

Additionally, Constantinides (2010) presents additional benefits of using Social Media in a business-to-business context. First off, Social Media can imply immense cost advantages or reductions, since communication costs are reduced. Other mentioned advantages are enhanced customer loyalty and more efficient innovation as well as lowered risk of new product development, since it is easier for companies to involve their customers in their innovation processes. Different Social Media networks or platforms provide companies with customer's interests, needs and wants as well as customer's ideas. Thus, when taking these into account, they can tailor their products better to their customers and increase the likelihood of acceptance and buying.

Evans and King (1999) also discuss several opportunities offered by Social Media. First, they mention the possibility of gaining competitive intelligence by visiting other company's websites, Facebook pages, Twitter and YouTube channels by learning about their products and services along with their current strategies and customer service. Besides, image enhancement is a further fact that makes Social Media valuable. Firms can heighten branding, awareness, image and loyalty as Social Media makes companies more transparent and customers have easy access to information.

Another issue is the global and around-the-clock availability and reachability. Whenever organizations or customers need, they can access the World Wide Web, thus Social Media, to gather information, keep in touch with suppliers and customers and get information from businesses around the globe. Hence, they are able to collect information about their own and other markets, serving different segments or cultures. With this information they can develop tailored strategies to target their audiences (Evans & King, 1999).

Having considered all these issues, one can say that the most mentioned and thus the benefits of social media considered as the most important are the communication with customers, building and maintaining relationships, providing and searching for information, reducing costs, supporting the own brand, receiving customer feedback and keeping track of competitors.

Most of the activities and practices enhanced by Social Media can be regarded as the performance of Content Marketing. Content Marketing is "a marketing technique of creating and distributing relevant and valuable content to attract, acquire, and engage a clearly defined and understood target audience – with the objective of driving profitable customer action" (Content Marketing Institute, 2007-2013) as well as "the art of communicating with

customers and prospects without selling. It is non-interruptive — instead of directly advertising your products or services, you are communicating with your target audience by sharing valuable, free information" (Content Marketing Institute, 2007-2013).

3.1.2 Barriers

Even though this paper will pay more attention to the opportunities Social Media can offer, some striking and common barriers will be briefly mentioned.

Buehrer, Senecal and Bolman Pullins (2005), mention perceived barriers like a lack of money, which is a problem especially for small and medium size enterprises (SME), a lack of time and training to handle Social Media adequately, unfamiliarity with the technology and negative opinion about its usefulness.

Another barrier stated by Mehrrens, Cragg and Mills (2001), is that Social Media adoption is dependent on the innovativeness of the organization which guides the willingness of adoption.

Furthermore, Michaelidou et al. (2011), say that barriers of using Social Media are also related to the opinion that it lacks importance in the specific industry as well as how Social Media could benefit or help the organization or brand. Additionally, implementing and maintaining Social Media requires a lot of time and managers who do not see Social Media as essential will not waste their work force on working on Social Media. Thus, a lack of managerial support is another barrier which needs to be overcome. Also the staff's lack of technical skills, particularly among the elderly, can present a barrier to the use of Social Media. People who did not grow up with the World Wide Web and respectively Social Media may have difficulties with recognizing the value of it.

To sum up the main barriers are the greater importance of other projects and problems with measuring or assessing the benefits or financial gains. Further a lack of examples showing successful implementations of Social Media, lack of resources regarding time, money and staff as well as lack of understanding the opportunities Social Media provides (Jussila et al., 2013 and Jussila, Kärkkäinen & Leino, 2011).

3.2 Which B2B processes can be affected by Social Media?

To identify processes which can be affected by Social Media, Porters Value Chain (1985) will be taken into account:

Porter distinguishes primary activities and support activities. The primary activities can be separated in product related activities, i.e. Inbound Logistics, Operations and Services and market related processes, namely Outbound Logistics and Marketing and Sales.

Inbound Logistics are all activities concerned with receiving inputs from suppliers, the transportation and storing of inputs (Johnson, Scholes & Whittington, 2008). Social Media can support these processes for instance by controlling the inventory and giving a transparent overview of it by using for example intranets. Moreover, organizations have the possibility to search for suppliers via Social Media websites or networks. This enables them to explore a wider range or pool of possible suppliers.

Operations include the production process, development activities as well as testing, packaging, maintenance and all other activities transforming the inputs into the final

product (Johnson et al., 2008). Social Media can be used to involve the customer in the production process of New Product Development in order to gain the customer's input and to increase the likelihood of the customers' product acceptance. Social Media can have tremendous influence during this activity on open innovation, crowdsourcing and customer co-creation. Furthermore, organizations get the possibility to identify lead users and ask them to test the product or prototype and give feedback on it.

Services are all about the after-sale customer service (Johnson et al., 2008). Social Media can support this process immensely, for example by listening to online conversations of customers. In this way companies can receive feedback and suggestions for improvement. Moreover, via Social Media the customers have the opportunity to reach the company easily to ask questions, complain or give feedback on a recent purchase.

Outbound Logistics deals with the transfer of the final product to the customer (Johnson et al., 2008). Social Media can have an impact here for instance by enhancing the Just in Time distribution since a customer can inform the supplier timely about what is needed and when (Wright & Hinson, 2008).

Marketing and sales is about advertising, channel selection, product promotion as well as selling, product pricing and retail management (Johnson et al., 2008). During these processes Social Media can have a huge impact and added value through product promotion on several platforms and around-the-clock accessibility. Furthermore, Social Media facilitates updating customers about new products and prices and simplifies the collection of data about prospective customers for salespeople.

Especially Content marketing, which is important since the customer needs and seeks information about products and services in order to inspire the need, can be supported by Social Media. Content Marketing deals with spreading relevant and valuable information for attracting and acquiring customer segments (Koiso-Kanttila, 2010). This can be done via Facebook, Twitter, YouTube, blogs or the company's own website. It reduces cost of traditional marketing techniques and reaches a wider audience. Also the sales process can be improved by using Social Media since it provides the salespeople and customer with a platform to interact with each other, exchange needs and possible solutions.

The support activities are procurement, technology management, human resource management and firm infrastructure.

In the procurement activity which is about buying inputs for the best possible price and quality (Johnson et al., 2008) Social Media can help to gather knowledge from a wide range of supplier and offerings, compare prices and quality as well as read reviews from other customers. Thus an organization ensures to deliver the best possible end-product to their customers.

Technology management supports other activities of the value chain and is also concerned with Research and Development (R&D) and process development (Johnson et al., 2008). Research and Development can be simplified with the use of Social Media due to the given opportunity to benchmark with competitors by monitoring their Social Media activity and behavior as well as their products, innovations and the customer's

reactions to it. Thus, companies get to know how to differentiate and what competitors' customers seek.

Human Resource Management is concerned with the achievement of strategic business plans and company goals (Johnson et al., 2008). Moreover, hiring, recruiting, rewarding, training and career planning are activities performed here (Johnson et al., 2008). With the use of LinkedIn or Xing firms can recruit online from a global wide professional pool. Next to these two platforms firms can also post their job advertisement on Facebook, Twitter or on the corporate website. This would also increase the traffic to the corporate website and enhances the brand awareness by customers.

Furthermore, the implementation of an intranet can support the employees to exchange ideas and information as well as enabling teamwork. The company can keep their employees informed by posting corporate information on the intranet so that different departments can easily work together and profit from collective intelligences and knowledge.

Lastly, firm infrastructure deals with planning, the company's legal framework, financing and quality management (Johnson et al., 2008). Apart from quality management, Social Media is not able to make a huge impact on these functions due to security issues regarding the legal framework and financing activities. However, in order to support the quality management Social Media can facilitate the steady contact with suppliers and customers, retrieve information for example in terms of customer feedback or new products from suppliers which are of better quality or more sustainable.

Having considered all these issues it is recognizable that Social Media nowadays can have an impact on almost all activities in an organization. Nevertheless, two activities especially stand out in their possibility to gain an advantage and added value from Social Media use, not just for the company itself but also for the customer. These two processes are the innovation process and the process of marketing and sales. The following paragraphs will give an in-depth explanation about these two processes, its process steps and how Social Media can impact them.

3.3 Social Media and the Innovation Process

Definitions

Terms often associated with innovation especially in conjunction with Social Media are New Product Development (NPD), open innovation, crowdsourcing and co-creation.

New Product Development is comparatively the same as innovation. However, whereas the term innovation can imply either developing totally new products or improving and expanding existing product lines, New Product Development solely deals with innovating and developing new products, services or processes.

Open innovation and crowdsourcing are as well similar to each other. Howe (2008) defined crowdsourcing as an "act of taking a job traditionally performed by a designated agent and outsourcing it to an undefined, generally large group of people in the form of an open call".

Open innovation "characterizes a system where innovation is not solely performed internally within a firm, but in a cooperative mode with other external actors" (Reichwald & Piller, 2009).

The term co-creation is defined as “an active, creative and social process, based on collaboration between producers and customers” (Roser et al., 2009).

How can users be involved in the Innovation process by companies?

Piller, Vossen and Ihl (2012) mention several types of methods regarding customer involvement in the innovation or New Product Development process. Ideation contests are one method, where a company calls on its consumers in order to deliver new ideas and suggestions.

A further useful technique to involve customers in the innovation process is to organize lead user workshops. Lead users are users who are conscious about their needs and wants much earlier than other users in the marketplace become aware of this need. By performing these workshops, companies can gain information about customers’ needs or encouragements before the majority of customer in the marketplace even knows about these needs and thus apply their products accordingly.

Furthermore, companies can provide consumer with opinion platforms where users have the chance to post their views, suggestions and complains as well as improvements, ideas or solutions concerning a new product or innovation. This helps companies to gain new insights.

Another possible method to involve customers in the innovation process are toolkits for user innovation or co-design toolkits. With these toolkits the companies get access to information in a more efficient manner than possible through traditional means. They also aim at interacting with a large number of customers which are often “average” customers without lead user characteristics. Online communities have the same effects for customer co-creation.

How can Social Media support customer involvement and the innovation process?

As already mentioned, companies have a wide range of possible types of Social Media to use for innovative purposes.

Generally speaking, companies using Social Media in their innovation process are able to increase their customer focus and orientation since they can gain detailed information about their customers which can provide an overview of different market segments. Time to market can also be decreased as via Social Media more customers can be reached in a smaller time span (Jussila, Kärkkäinen & Leino, 2011).

Moreover, Social Media can enable the users’ initiative to collaborate with the company and the company can easily collaborate with innovation partners (Kärkkäinen, Jussila & Multasuo, 2012).

One quite important issue for companies is to reduce the risk of new product failure (Hoyer, Chandy, Dorotic, Krafft & Singh, 2010). With the help of Social Media companies can include the customers in the development of new products, also include their ideas, needs and wants which in reverse increase the customers’ acceptance, hence the success of a new product.

Another aspect where Social Media can be beneficial for companies is for enabling repeat purchases or for detecting quality problems (Hoyer et al., 2010). Social Media can be used to monitor consumers’ conversations about products, thus companies receive feedback and can analyze the reasons for high or low repurchase rates. Again, Social Media enables this process to run in a shorter time span than compared to traditional methods.

Regarding the lead user concept, Social Media supports these users to cooperate with each other and to improve the trial and error process. Lead users can find like minded others who may have matching information that is needed in order to find a solution for an innovation problem (Piller et al., 2012).

In addition, Social Media can also improve the customer co-creation or co-design process. Companies can share a user design with a network of other customers or business partners and peers in order to receive feedback on this. Also, user generated designs can be published what gives other users an inspiration or example how a solution could look like. Furthermore, a user creating an idea or design could ask for help of a peer to receive guidance and feedback on the creation (Piller et al., 2012). Therefore, with the use of Social Media companies can reduce their costs of customer service and support since users can help and interchange each other.

In the same way innovation contests can be supported by Social Media. In order to start innovation contests companies call a large open group of customers to participate and deliver their ideas and suggestions. To reach a bulk of possible participants, companies are recommended to use Social Media.

Social Media in particular stages of the innovation Process

Moving from general supportive characteristics of Social Media to specific Social Media applications in each stage of the innovation process.

There are several examples of how the innovation Process looks like and how many and which stages the process incorporates.

For the papers’ purpose the innovation process stages proposed by Desouza, Dombrowski, Awazu, Baloh, Papagari, Jha, & Kim (2009) will be used.

The first process stage is called “Idea Generation” in which the first ideas are developed. During this stage Wikis, which are websites that are collaboratively created by multiple users (Wagner & Majchrzak, 2007) and allow them to modify and update user generated content (Hester & Scott, 2008), can provide an open and democratic environment to enable ideation and interchange by customers and users (Standing & Kiniti, 2011). Next to Wikis, companies could also use Facebook or Twitter through posting that they are thinking about a new product and ask for the customer’s opinions, ideas and suggestions. Thereby, the company can involve their customers and participate in a valuable information exchange with them.

Secondly, they name “Idea Selection and Refinement”. Here, ideas are evaluated according to their worthiness of implementation. Again, Wikis can be of great help during this stage. In order to select an appropriate idea or refine an idea, the facilitated external knowledge sharing as well as combination of experts’ knowledge (Standing & Kiniti, 2011) can support the decision. Moreover, writing a blog and telling customers about the progress could also be of help since customers can comment on the blog, thus the company can see what their customers are thinking about the new product so far.

The next stage called “Design and Experimentation” is about finding out how suitable the idea is to solve a particular problem. Wikis can be used to achieve a consensus on functionality, usability and esthetic appeal of the new product. Further, wikis can lower development costs and overcome technical uncertainties by leveraging collective intelligence (Standing & Kiniti, 2011).

Facebook and Twitter are also quite helpful as companies could present the designed product and ask their customers what they think and if the product is conform to their need. Since in this stage the product is not yet produced in a high quantity, they are still able to change or include something which makes the product more attractive for customers.

Fourthly, Desouza et al. (2009), mention “Manufacturing and Implementation”. This stage is all about producing the new product or implementing a new process and setting up the required resources. In this case, Wikis can support the implementation and change process by providing an open forum to discuss the implementation (Standing & Kiniti, 2011).

The final stage of the innovation process is “Idea Commercialization”. This stage leads to the final product or service, making customers and users aware of the new product or service and motivate them to accept and buy it. The final stage can also be supported by the use of Wikis, as ideas on commercialization can be shared and feedback on the new product can be obtained (Standing & Kiniti, 2011). Moreover, YouTube could be of great assistance. Companies can upload a video on YouTube, presenting and promoting the new product. They can also demonstrate how to use it and with which components it is combinable. In doing so companies can attract customers, decrease uncertainties and increase customers’ willingness to buy the product.

Having taken all these factors into account one can say that Social Media is of great importance and valuable for the innovation process. Business-to-business organizations can gain much more information than compared to traditional methods. Hence, the end-product gets much added value by implementing Social Media into each of the innovation process stages.

3.4 Social Media and the Sales and Marketing process

Why Sales in conjunction with Marketing?

The marketing function and the sales function are often associated in conjunction with each other in existing literature as well as in organizations. It is said that the alignment, integration and cooperation of these two functions is necessary and a must to improve both of the processes and to increase profitability of the organization. Similarly, the synchronization of both functions can deliver “superior customer value” (Andzulis, Panagopoulos & Rapp, 2012).

As there is already much literature about Social Media as a marketing tool and also information about it in this paper, the following part will focus more on social media use in the sales process.

Benefits of Social Media use in the sales process

Rodriguez, Peterson and Krishnan (2012) state that Social Media cause improved closing rates which means a higher rate of closed deals. This enables companies to generate revenues faster.

Moreover, organizations get the possibility to spot emerging market trends, allowing them to tailor their products to it what makes the sales process easier afterwards (Rodriguez et al., 2012).

Shih (2009) mentions that Social Media can support organizations in qualifying leads, who are persons or companies showing interest in a product or service. The possibility to qualify leads is given since companies can get detailed information on prospective customers (Rodriguez et al., 2012). These gathered information

about prospects increase a company’s social capital as well as lower the costs of customer acquisition.

In addition, by receiving detailed information companies can build deeper relationships with their customers and share product information with them about products that fit their prospects best (Rodriguez et al., 2012). Besides targeted products, social capital can also benefit the first call to a prospect. It becomes easier since the call can be targeted towards the prospects’ profile (Rodriguez et al., 2012).

Another advantage of knowing much about customers is that companies can focus on ideal customers who fit to their products and strategies. Hence, they can invest more time on them and stop investing in customers who are unlikely to buy their product or service. Thus the pool of qualified prospects increases and relationships are enhanced which might lead to increased customer retention (Rodriguez et al., 2012).

Furthermore, Social Media can enable salespeople to join consumers’ social media conversations and other procurement information (Agnihotri, Kothandaraman, Kashyap & Singh, 2012). These conversations can take place in e-communities where customers and organizations can interact with each other. Another opportunity offered by these e-communities is to discover the strengths and weaknesses of a company’s own or competitors’ products as well as customers’ feedback on this (Agnihotri et al., 2012). Moreover, salespeople can observe competitors’ digital interactions with customers and access customer reactions to competitors, thus they can benchmark their and the company’s social media use with the competitors’ behavior in social media (Agnihotri et al., 2012). Participating in such e-communities enables salespeople to read and comment on customer reviews, dismiss rumors and tackle competitive claims (Agnihotri et al., 2012).

Agnihotri et al., (2012) further mention enhanced reliability through increased salespeople attention to service fulfillment, personalized attention and expedient processing of service requests as advantages of social media use, as well as the possibility to mobilize networks of suppliers and partners to provide timely customers solutions and support.

Hence, by providing salespeople with more information about competitors and prospective customers the sales process can receive added value and simplifies the prospect approach for salespeople.

Social Media in each step of the sales process

Literature provides many variants of the sales process and its steps. The proposed steps by Andzulis, Panagopoulos and Rapp (2012), namely Understanding the customers, Approach, Need Discovery, Presentation, Close and Follow-up will be considered.

During the first step, “understanding the customer”, the salesperson has to gather news and information about the prospective customer. While searching for these information the salesperson can identify leads at the same time (Andzulis et al., 2012). The information gathering can be done by using several social media types. For instance the Facebook page of a company on which they are talking about what they recently developed or what they are searching for on the market. Further, Twitter can be used to monitor the issues, questions and concerns of the customer in order to understand what they want. This can help to tailor a product to the needs of a prospect and satisfy this need. In addition, salespeople can also take part in conversations in forums or on other social media sites to answer questions or give the prospect information

about a product. In this way, the salesperson can get feedback and notices a possible lead (Andzulis et al., 2012).

The second step is the “initial approach” to the customer. This step is an opportunity for the salesperson to build rapport, gain the prospect’s undivided attention, introduce themselves while establishing credibility and qualify the prospect (Andzulis et al., 2012). Via Social Media the salesperson can approach the prospect without hassle the prospect too much, thus the customer feels comfortable, the salesperson earns trust and the prospect is eventually more likely to agree to purchase (Andzulis et al., 2012). Participating in online conversations on blogs, Twitter or YouTube can support the approach to the prospect and to get to know each other better. The salesperson can help the prospect overcoming uncertainties as well as getting better informed about a product via videos on YouTube showing the handling or functioning of a product or by posting information on Twitter.

Thirdly, the “discovery of the needs and wants” of the prospect takes place. This can be done by carefully listening to questions and understanding the prospect’s motivation of interest in a product (Andzulis et al., 2012). Social Media enables prospects to post their questions via Twitter or Facebook and receive a timely answer from the salesperson or other customers who may already use the product. Thus, the prospect receives two different answers from two different points of view. Therefore, this also presents an opportunity for collective learning (Andzulis et al., 2012). Furthermore, by reading posts or questions from other users the prospects may notice their real needs or wants they may did not know about before.

After having identified the needs and wants of a prospective customer, the salesperson comes up with a solution for the prospect in the “presentation step”.

During this step it is important to validate the specific value propositions and to ensure the prospects’ understanding. This can be done by using social media like Wikis or other types enabling collaboration and exchange between salespeople and customer. This supports both parts in taking an active role in developing an appropriate solution and secures that the customer will be satisfied with the end-product (Andzulis et al., 2012). Moreover, the salesperson could also post the value proposition of the product on Facebook to receive the prospect’s feedback on it. The same can be done on Twitter. Thus, not only the prospect can see and react on the solution, but other prospects as well. In this way the salesperson could attract further customers. As a result Social Media enhances engagement and cooperation and the presentation process becomes much richer.

The final step of the sales call is asking the prospect for the sale or in other words the “close” of the deal. Social Media can help in closing the deal by overcoming or preventing objections and in providing testimonials that support the product and give the prospective buyer a good feeling about it (Andzulis et al., 2012). Closing the deal requires the salesperson to mobilize contacts from prior sales to act as references (Andzulis et al., 2012). Next to asking or contacting them via traditional ways like sending an Email the salesperson could also contact them via Facebook, Twitter or other Social Media. Forums can enable the prospects to ask questions and receive answers from the salesperson as well as from users. Facebook and YouTube can support the demonstrating of a product by testimonials. They can attract customers and explain the product and its functionality from another viewpoint.

Social Media has the ability to simplify the close by adding value to earlier stages of the sales process. Also, the close is easier if the customer feels comfortable and well informed about the product and when the customers were involved in finding an appropriate solution (Andzulis et al., 2012).

The last step of the sales process is the “follow-up” and customer service. During this step it is important for the sales people to keep on communicating with their customers and prospects, gain referrals for future sales and identify other sales opportunities (Andzulis et al., 2012). Salespeople can create online forums to give customers the opportunity to initiate service requests and timely correspondence (Andzulis et al., 2012). Facebook can keep customers informed about new products and innovations while decreasing the use of Emails and inspire teamwork (Andzulis et al., 2012). Next to participating in Social Media with customers salespeople can also develop inter-organizational social media platforms to discuss user requests and solutions. Using these inter-organizational platforms different viewpoints and knowledge can be used to develop an appropriate solution (Andzulis et al., 2012).

Twitter for example can be used to communicate success stories, track customer activity and monitor their conversation and gain feedback on products or services (Andzulis et al., 2012).

4. CASE STUDY: SIEMENS

Siemens was found in 1847 in Germany and evolved from a small back building workshop to a huge global firm (Siemens AG, 1996-2013). Values like responsibility, excellence and innovation and the vision of being a pioneer have been the basis for their success (Siemens AG, 1996-2013). They are operating in developing products and services for the energy sector, healthcare sector, industry sector and infrastructure & cities sector (Siemens AG, 1996-2013).

After having investigated Siemens’ behavior and use of Social Media, one can say that Siemens is an excellent example of how a business to business company can implement and use Social Media successfully.

Siemens has for example a corporate Facebook page where they steadily update their customers or users who are interested in the company about global news, products, recent projects or events. They provide information how their products supported other technologies or machines, about formed joint ventures, or about awards Siemens has won. Moreover, Siemens shares pictures of new products, of events or projects on Facebook. Next to pictures they also share videos giving tutorials on how products can be implemented and used or just about a description of the products’ functionality. These videos also promote products since customers can easily recognize new products and see how or if their company could use such products. Facebook also enables Siemens to interact with their customers. If customers have questions on usability, functionality or implementation or components they can post their questions on the Facebook page and receive a timely answer either from Siemens or from other users.

Next to Facebook, Siemens is also using YouTube. They post videos about existing products and their usage and functionality, promote new products, services and solutions and show videos about special events. Further, they provide customers with tutorials even more than on Facebook. These videos are demonstrating the purposes and applications areas of the products. Besides,

customers can watch interviews where employees or managers are providing information and explanations about new products and solutions. Likewise to Facebook, customers have the possibility to comment on videos, ask questions and receive answers from Siemens.

LinkedIn is another Social Media Siemens is using. On this Social Media site they are presenting their different product areas, provide information on products and services and offer pictures and statistics. Since the purpose of LinkedIn is not primarily to present products and services, the given information is more compact compared to Facebook or Youtube. Siemens presents some employees and their careers at Siemens as well as displaying job advertisements. They also use LinkedIn to recruit and search for new professionals.

In addition, Siemens makes use of Twitter. The information provided on this platform is very similar to Siemens' Facebook page. However, Twitter provides the customers also with statistics about for instance how many plants there are worldwide, how much quantities were sold of one product and how much energy was saved by implementing one of Siemens' technologies. They are also posting videos about how products such as a wind turbine are made. Thus, customers can see which components were manufactured to produce the product. Furthermore, Siemens presents studies they recently conducted and provide a link to be able to read the complete reports about the study.

A striking point on Twitter was that Siemens had the most customer interaction compared to Facebook, Youtube and LinkedIn. They had lively discussions with customers, answered questions, provided missing information and responded to their customers in a timely, openly and friendly manner.

Wrapping up, regarding the investigated Social Media platforms it is recognizable that Siemens uses Social Media predominantly for marketing and sales purposes but also for the innovation process in terms of data collection about customers by monitoring their comments and feedback and also for commercialization purposes.

5. CONCLUSION

Regarding the main research question of this paper

“To what extent can Social Media improve and benefit a Business to Business organization?”

this paper aims at providing information for organizations operating in a business-to-business context regarding Social Media and its added value.

Found literature provided much information about B2B organizations, their Social Media use and possibilities to gain benefits through Social Media implementation. However, most literature concerned with B2B organizations and Social Media focused on why B2B companies are still struggling with recognizing Social Medias' value and its implementation. Nevertheless, there are some scientific papers dealing with examples how to use Social Media and giving examples of companies that already implemented Social Media successfully. This paper follows up this approach.

First off, general benefits Social Media can imply for B2B organizations were examined. These are for instance the possibility to maintain and improve relationships and intermediations between the organization and its customers as well as the ability to easily access information about customers, competitors and markets. These benefits present immense competitive advantages

for organizations. Another striking issue enhanced by Social Media use is the chance to involve the customer in processes and projects as an input in order to get new insights. Additional detected main benefits are cost reductions, increasing brand awareness and receiving customer feedback. In contrast, possible barriers of implementing Social Media into B2B organizations were examined such as recognizing the potential of Social Media, a lack of managerial support, problems in measuring and assessing financial gains initiated by Social Media, a lack of resources like work force, time and money as well as a lack of examples demonstrating successful implementations of Social Media.

In order to achieve a deeper understanding of how Social Media can improve B2B organizations several processes in conjunction with Social Media use were investigated. These processes based on Porters' Value Chain (1985) are Inbound Logistics, Operations and Services, Outbound Logistics, Marketing and Sales, Procurement, Technology Management, Human Resource Management and Firm Infrastructure.

Investigation showed that Social Media can affect all of these processes, however there are two processes that can benefit vastly from Social Media. These two are the innovation process and the Marketing and Sales process.

The innovation process can mainly be improved by Social Media by enabling the organization to cooperate with its customers and suppliers in product modification or development. Due to increased customer empowerment by Social Media customers can serve the company with ideas and suggestions and help to tailor the product to the customers' needs. Thus, new product acceptance increases while the failure of new product launching decreases.

The marketing and sales process essentially benefits from implementing Social Media by gaining information about markets and customers and thus simplifying the sales process and marketing strategies. Moreover, customers can easily access product information on different Social Media platforms. In this way they become aware of a product, can reduce uncertainties and get more interested to buy the product. Also the approach to the prospect is easier by using Social Media since the salesperson can participate in consumer conversations and provide answers to consumer's questions without hassle too much. In this way mutual trust can be build and the salesperson receives information about the prospects' profile. By adding value to all innovation process steps Social Media can also increase closing rates.

In order to give a practical example of how a large B2B organization successfully implemented Social Media the case of Siemens was studied. The investigation showed that Siemens uses Social Media to communicate with their business customers, ask questions to receive feedback and information about the customers, promote products as well as provide tutorials on how to use or implement products, update customers about recent statistics and success stories and recruit online. Hence, Siemens uses Social Media primarily as a marketing and sales tool.

Summing up, the results of the paper confirm that B2B organizations can be improved and benefit from Social Media to a huge extend. Also, the importance and necessity of adopting Social Media to business processes in order to add value and to achieve a competitive advantage becomes clearer.

6. DISCUSSION

The results of this research showed that Social Media can be a supportive tool that adds important value to B2B organizations, processes and customers. Moreover, in contrast to most existing literature that connects Social Media mainly to marketing practices, this research revealed that Social Media can be applied in many other business processes, too.

6.1 Practical Relevance

This paper is practically relevant since it provides organizations with information about how to use Social Media and stating the importance of Social Media adoption. The provided information about Social Media's benefits could help companies recognizing that they are missing an important added value.

Furthermore, the investigation of Social Media in different business processes can support companies noticing in how many business processes Social Media is applicable. The in-depth analysis of the innovation and marketing and sales process could be like a guideline for companies using the proposed process steps.

Finally, the case study about Siemens' Social Media use shows other business-to-business companies how they could look like in practice.

6.2 Scientific Relevance

This paper contributes to existing literature and knowledge since in existing literature not much was known about Social Media in different business processes. Especially the innovation process as well as the marketing and sales process in conjunction with Social Media was investigated in this paper. This provides new insights to existing literature and B2B organizations.

6.3 Limitations

The limitations of this paper are on the one hand that the paper is theoretical and results are not based on empirical tests performed in the B2B context. On the other hand, the case study about Siemens was done by observation and desk research, therefore it is not based on an empirical analysis as well. Moreover, even though Porter's value chain (1985) is a good overview of business processes there is no guarantee that it includes all possible processes. Thus companies using other processes are not served with sufficient information. Lastly, this paper mainly focusses on positive effects Social Media could cause, thus readers are left in uncertainty about negative consequences of Social Media adoption.

6.4 Issues for Future Research

In order to prove the found results a future research issue is to empirically test them with the help of interviews in B2B companies for instance. The same holds for the case study about Siemens that could be verified and improved by an interview. An additional issue for future research is to investigate processes not included in the value chain and figuring out how to implement Social Media there. Another important issue is the examination of negative effects of Social Media implementation as well as investigating barriers and possibilities to overcome these. Besides, a future research issue should also be the studying of Social Media use in different cultures as well

as the customers Social Media behavior in these cultures, This is of importance since many organizations are outsourcing and expanding to other countries and trading internationally. Therefore, these companies should tailor their Social Media strategies to the people and culture they want to reach.

7. REFERENCES

1. Agnihotri, R., Kothandaraman, P., & Kashyap, R. (2012). Bringing "Social" into Sales: The Impact of Salespeople's Social Media Use on Service Behaviors and Value Creation. *Journal of Personal Selling & Sales Management*, XXXII, 333–348.
2. Andzulis, J.M., Panagopoulos, N.G., & Rapp, A. (2012). A Review of Social Media and Implications for the Sales Process. *Journal of Personal Selling & Sales Management*, XXXII, 305–316.
3. Berthon, P., Ewing, M., & Pitt, L., Naudé, P. (2003). Understanding B2B and the Web: the acceleration of coordination and motivation. *Industrial Marketing Management*, 32, 553– 561.
4. Breslauer, B., & Smith, T. (2009). Social Media trends around the world! The global web index (GWI).
5. Buehrer, R. E., Senecal, S., & Bolman Pullins, E. (2005). Sales force technology usage— Reasons, barriers, and support: An exploratory investigation. *Industrial Marketing Management*, 34, 389–398.
6. Content Marketing Institute. (2007–2013). What is Content Marketing?. In Content Marketing Institute. Retrieved November 3, 2013, from <http://contentmarketinginstitute.com/what-is-content-marketing/>.
7. Constantinides, E., & Fountain, S. J. (2008). Special Issue Paper. *Journal of Direct, Data and Digital Marketing Practice*, 9, 231–244.
8. Constantinides, E. (2010). Connecting Small and Medium Enterprises to the New Consumer: The Web 2.0 as Marketing Tool. *Global Perspectives on Small and Medium Enterprises*, IGI Global, Hershey, Pennsylvania
9. Cooke, M., & Buckley, N. (2008). Web 2.0, social networks and the future of market research. *International Journal of Market Research*, 50, 267–292.
10. Desouza, K.C., Dombrowski, C., Awazu, Y., Baloh, P., Papagari, S., Jha, S., Kim, J.Y., (2009). Crafting organizational innovation processes. *Innovation: Management, Policy and Practice* 11, 6–33.
11. Evans, J.R., & King, V.E. (1999). Business-to-business Marketing and the World Wide Web: Planning, Managing, and Assessing Web Sites. *Industrial Marketing Management*, 28, 343–358.

12. Hester, A.J., Scott, J.E., (2008). A conceptual model of wiki technology diffusion. In: Proceedings of the 41st IEEE Hawaii International Conference on System Sciences.
13. Howe, J. (2008). *Crowdsourcing: How the power of the crowd is driving the future of business*. Crown Publishing Group.
14. Hoyer, W.D., Chandy, R., & Dorotic, M. (2010). Consumer Cocreation in New Product Development. *Journal of Service Research*, 13 (3), 283-296.
15. Johnson, G., Scholes, K., & Whittington, R. (2008). *Exploring corporate strategy: text & cases*: Prentice Hall
16. Jussila, J.J., Kärkkäinen, H., & Leino, M. (2011). Benefits of Social Media in Business-to-business Customer Interface in Innovation. *MindTrek'11*.
17. Jussila, J.J., Kärkkäinen, H., & Aramo-Immonen, H. (2013). Social Media utilization in business-to-business relationships of technology industry firms. *Computers in Human Behavior*.
18. Kaplan, A.M., & Haenlein, M. (2010). Users of the world, unite! The challenges and opportunities of Social Media. *Business Horizons*, 53, 59—68.
19. Kärkkäinen, H., Jussila, J., & Multasuo, J. (2012). Can Crowdsourcing Really Be Used in B2B Innovation?. *MindTrek 2012*.
20. Koiso-Kanttila, N. (2004). Digital Content Marketing: A Literature Synthesis. *Journal of Marketing Management*, 20, 45-65.
21. Mangold, W.G., & Faulds, D.J. (2009). Social Media: The new hybrid element of the promotion mix. *Business Horizons*, 52, 357—365.
22. Mehrrens, J., Cragg, P. B., & Mills, A. M. (2001). A model of internet adoption by SMEs. *Information Management*, 39(3), 165–176.
23. Michaelidou, N., Siamagka, N.T., & Christodoulides, G. (2011). Usage, barriers and measurement of Social Media marketing: An exploratory investigation of small and medium B2B brands. *Industrial Marketing Management*, 40, 1153–1159.
24. Piller, F., Vossen, A., & Ihl, C. (2012). From Social Media to Social Product Development: The Impact of Social Media on Co-Creation of Innovation. *Die Unternehmung*, 66.
25. Porter, M. E. (1985). *Competitive advantage: Creating and sustaining superior performance*: Free Press New York.
26. Reichwald, R., Piller, F.T. (2009): *Interaktive Wertschöpfung: Open Innovation, Individualisierung und neue Formen der Arbeitsteilung* (2. Ed.), Wiesbaden
27. Rodriguez, M., Peterson, R.M., & Krishnan, V. (2012). Social Media's Influence on Business-to-business Sales Performance. *Journal of Personal Selling & Sales Management*, XXXII, 365–378.
28. Roser, T., Samson, A., Humphreys, P., Cruz-Valdivieso, E. (2009): *New pathways to value: Co-creating products by collaborating with customers*, London.
29. Siemens AG. (1996-2013). Siemens Global Website. In Siemens. Retrieved October 30, 2013, from <http://www.siemens.com/entry/cc/en/>.
30. Standing, C., & Kiniti, S. (2011). How can organizations use wikis for innovation?. *Technovation*, 31, 287–295.
31. Wagner, C., Majchrzak, A., (2007). Enabling customer centricity using wikis and the wiki way. *Journal of Management Information Systems* 23, 17–43.

