9 Networks

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"Networking is marketing. Marketing yourself, marketing your uniqueness, marketing what you stand for"

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We are all familiar with the adage "it's not what you know but who you know", and the principle that many people get ahead and find opportunities through their network of contacts. A typical way in which we successfully secure our first jo b, and perform well in our career will often depend on networking. Successful networking is not about the superficial exchange of business cards and the ability to blow your own trumpet, but is about how we relate to other people and build trust. In business-to-business deals, this type of marketing as networking is critical but is often hidden from view. We will uncover the role that network principles and networking play in business contexts in this chapter.

When your clients are not consumers

Most marketing concepts and examples that we see discussed in the chapters in textbooks tend to be consumer-focused. As we are all consumers, we readily identify with the strategies and tactics of marketers which relate to the influences that we experience in our day-to-day lives. However, for every business to consumer (B2C) cycle of 'market, sell and serve' there are multiple cycles of 'produce, distribute, retail and serve' in business to business (B2B) (McDonald, 2014). The total value of transactions involved in B2B activities of manufacturing, logistics, purchasing and distribution dwarfs B2C. B2B marketing refers to the marketing of all goods and services that are not for personal consumption, including channels of distribution. In the following section we briefly review some of the traditional characteristics associated with business markets and buying processes before outlining more recent discussion about the broader contribution of the network perspective of value creation in B2B scholarship.

Characteristics of the business vs the consumer market

There are many similarities between the business and consumer market in terms of marketing activities and the challenges that are faced. Market research, environmental scanning, segmentation, targeting and positioning, gauging your value proposition and communicating your offering are all activities which have to happen in both B2B and B2C transactions. However, there are particular characteristics that are commonly seen as differentiating business or organisational markets from consumer markets, which are summarised in Table 9.1:

Buyers	Typically **large buyers** and multiple needs to satisfy **Geographic concentration** is often greater Number of consumers is typically **much smaller**
Demand	Often **derived demand** (from consumer demand) Total demand is often **inelastic** Greater **fluctuations** in demand
Selling	Often purchases are made **direct** rather than through intermediaries **Longer sales process** given the larger transactions

Table 9.1: Typical features of business markets

The typical features listed above should also be considered alongside different situations business buyers find themselves in. These can vary in complexity in the same way as consumer purchasing decisions can. In general they are characterised as falling into three different groups:

1. **Straight rebuy:** typically a simple decision involving items that have been purchased before and are purchased frequently, such as office supplies.
2. **Modified rebuy:** this occurs when buyers might want something different, or see an opportunity to review their suppliers and find someone offering better terms in delivery/price/quality etc.
3. **New task:** this refers to purchases that are a one-off or being made for the first time. This type of purchase will involve the most uncertainty and risk, and will therefore take the most time and effort.

Buying process and procurement

The main difference in B2B is that professional buyers often carry out this activity in business markets. Just as it is important that we take into account the consumer's 'black box' and understand their internal influences and decision-making processes, we also need to understand what motivates key individuals such as a purchasing manager. There may also be multiple people participating in the decision process, in what is referred to as a buying centre, consisting of various people from across the organisation, each of whom have expertise or a vested interest in the purchase. It is most likely that a buying centre will be involved in new task buying situations as opposed to straight or modified rebuys.

The primary roles of the buying centre are featured in Table 9.2:

Role	Responsibility
Initiator	First recognises the need to buy a particular product or service to solve a problem.
User	Consumes or uses the end product or service.
Influencer	Their views and expertise influences the decision that is made.
Decider	Ultimately makes the final purchasing decision
Gatekeeper	Controls information flows and access to Influencers and Deciders
Buyer	Has the formal authority to execute the purchase decision and agree conditions

Table 9.2: Roles in the buying centre

The buying centre will typically consist of several people with differing interests, motivations, persuasiveness and position in the organisational hierarchy. Within this, individuals may assume one or multiple roles. For example, when buying new tables and chairs for a restaurant, a range of people might have a vested interest in the solution that is reached; some may favour style and design, others the affordability and longevity of the product, and for others, how many of a given design can feasibly fit into the restaurant and increase revenue. Ultimately, key individuals will make a choice based on their personal needs and preferences, meaning that B2B decisions often involve both rational and emotional elements in finding the right solution. B2B marketers need to think about targeting various individuals in the buying centre, researching what decision-making criteria they use, determining who is likely to be most influential and finding out how to overcome potential barriers. Ultimately, marketers need to try to understand the social dynamics, personal ties and interpersonal factors that will influence the decision. They