Overlapping B2B and Family Business Marketing
A Study about Family and B2B Firms Exhibiting at Bilsport Performance and Custom Motor Show

Master Thesis within Business Administration
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Jönköping, October 2008
Abstract

MASTER THESIS WITHIN BUSINESS ADMINISTRATION

Title: Overlapping B2B and Family Business Marketing -

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Date: 2009-08-11

Subject Terms: Trade Shows, Family Business, Business-to-Business Marketing, Custom Motor

Background: Family Businesses’ way of doing marketing has similarities with B2B marketing. Usually family firms focus on what they have traditionally done well and diversify in related areas using their knowledge of how to perform in certain markets with certain customers and by offering certain products and services. In order to do this, it is important for family firms, as for firms operating in B2B markets, to create and keep good relationships with their stakeholders, so that at the end their customers are satisfied in the best possible manner. The process towards establishing long-term relationships between stakeholders and businesses requires certain characteristics and acts aimed at developing commitment and trust. Since many of the most successful firms that have survived the longest are family businesses as well as B2B marketing is mainly about building and maintaining business relationships, we have decided to focus our study on the similarities between family firms’ marketing and B2B marketing within a specific context. B2B firms and Family firms make use of trade shows as an important marketing tool for improving relationships in networks. Trade shows are considered as the primary marketing tool to gain and sustain relationships with key stakeholders. Therefore, we chose the trade show context to execute our empirical survey.

Purpose: The overall purpose of this thesis consists in testing and comparing practices and principles within two apparently separate fields of study - B2B marketing and Family Business Development - with the aim of finding and developing associations that can complement and contribute to both fields of study on a marketing level.

Method: A quantitative method study has been conducted testing 50 companies participating at the Bilsport Performance & Custom Motor show 2009 at Elmia – Jonkoping, Sweden. The primary data was gathered through a survey and a semi-structured interview, which constitutes our case study. The sample was chosen out of a population of 223 firms exhibiting at the trade show, using a disproportionate stratified random method. Most secondary data involves research articles, books, reports, bachelor and master theses, and journals in order to determine marketing practices similarities between business-to-business firms and family business.

Conclusions: Our empirical findings confirmed most of the hypotheses derived from theory. Hence, we found that most exhibiting firms at the trade show are family-controlled and operate in B2C markets; B2B firms in our sample have a tendency to use more relationship marketing than transactional marketing; family firms in our sample are more likely to use long-term oriented than short-term oriented marketing; and the overlap between B2B marketing and Family firms’ marketing in the trade show context is characterized by the common marketing principles and practices of family and B2B firms that aim at gaining and sustaining long-term business relationships.
Acknowledgements

We would like to acknowledge and thank our tutor Prof. Mattias Nordqvist for the time and effort put to supervise this study, for his timely responses when in doubt and for his constructive criticism both in terms of structure and content. Furthermore, we are very grateful to the company representatives who spent time filling out the survey at the Bilsport Performance & Custom Motor Show-2009. We also would like to thank Viktor Klaesson, co-owner of Tillhällen AB, for giving us some of his valuable time during the interview. We would also like to thank Lasse Theander for his support and help at the Bilsport Performance & Custom Motor Show-2009. In addition, we would like to show appreciation to Cecilia Bjursell for her useful suggestions and information during this master thesis course. Last but not least, we would like to thank our friends and family for their support and patience during the process of writing this thesis.

Eber Andres De Leon

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Jönköping, August 2009
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1 Introduction

In this section, we will first introduce and motivate our research topic by giving an overall background to the subjects and factors that constitute our study. Then, we will illustrate the identified problem and our driving research questions, as well as our main purpose and goals. The last two parts describe our theoretical and empirical delimitations, and the most important definitions for this thesis.

1.1 Background

The background of this thesis has two theoretical elements that emerged during our two academic years of master studies and implies the courses: Business to Business (B2B) Marketing and Family Business Development. Figure 1.1 illustrates the links and interactions between the topics that shape this thesis’ background and how these converge in the chosen context to execute our empirical study. The rationales behind these topics are briefly explained in the following subchapters.

![Figure 1.1 Background Elements](image)

1.1.1 Why B2B Marketing and Family Business Marketing

Firstly, it is important to highlight the significance of these two fields of study for the world of business. According to the US commercial census from 2002, American consumers bought goods and services for about 10.4 trillion of dollars in total. All these purchases were made from 1.1 million retail outlets, who bought their products initially from B2B companies. Also, there are 350 000 manufacturers who bought their products and services from business marketers in B2B firms as well as there are 710 000 construction companies in the USA who buy materials and equipment to build houses and buildings that are sold to businesses and consumers. Hence, there are in total 5.7 million business consumers in the USA alone, who made over 22 trillion of dollars in 2002 (Ford, Gadde, Håkansson, & Snehota, 2006). Similarly, the large importance of family businesses for the world economy is well documented through several research studies. For instance, Melin (2009) states that two out of three Swedish small and medium-sized companies (SMEs) are family businesses. Also, the majority of SMEs that provide employment to a large amount of the global workforce are family controlled, as well as many of the largest and oldest firms in the world are family-controlled firms (Sharma & Nordqvist, 2007).

Nevertheless, nowadays the world has become a global market for all businesses and organizations. Business-to-Business’ marketing is an important element for any kind of organization in today’s economy. B2B marketing is often referred to as business marketing or business market...
management and emphasizes the business marketer’s role in the process of marketing and selling products and services to other businesses. All of the businesses in the world are in some way related to each other through business networks that entail direct or indirect B2B relationships. New trends of doing business have led companies to share customers or suppliers around the world, thus building complex networks of relationships (Ford et al., 2006).

The relationships between suppliers and customers are complex and difficult. Chetty and Blankenburg (2000) consider this network complexity as being composed by the relationships that a firm has with its customers, distributors, suppliers, competitors and government. All these together become key individuals in the network. Certain activities within the network provide the company access to resources and markets, which together with an increased complexity stimulate building and maintaining of relationships between companies. In this context, B2B marketing is driven by relationships, which are seen as vital for any type of business.

Family Businesses’ way of doing marketing has similarities with B2B marketing. Usually family firms focus on what they have traditionally done well and diversify in related areas using their knowledge of how to perform in certain markets with certain customers and by offering certain products and services. In order to do this, it is important for family firms to create and keep good relationships with their stakeholders, so that at the end their customers are satisfied in the best possible way (Cabrera-Suárez, García-Almeida & Sáá-Pérez, 2001). The understanding of networks and relationships can be crucial for the development of a family firm’s competitive advantage, as it can facilitate the firm to add significant value to their end-customers (Cabrera-Suarez et al, 2001).

The process towards establishing long-term relationships between stakeholders and businesses requires certain characteristics and acts aimed at developing trust. Since many of the most successful firms that have survived the longest are family businesses (Miller and Le Bretton-Miller, 2005), and B2B marketing is mainly about building and maintaining business relationships (Ford et al, 2006), we have decided to focus our study on the similarities between family firms’ way of marketing and B2B marketing within a specific context and industry.

1.1.2 Why Trade shows

B2B firms and Family firms make use of trade shows as an important marketing tool for improving relationships in networks. Trade shows are considered as the primary way to expose products and services for many companies in different kinds of industries (Allen, 2007). According to Exposhows (2007 cited by Evers & Knight, 2008) more than 16,000 trade shows were exhibited in the world in 2007. For many industrial firms, including family business firms and B2B firms, trade shows are to be considered as a very effective place to meet several potential suppliers, distributors, and customers in a short period of time and at a relatively low cost, thus they all meet together in one location at once (Evers & Knight, 2008).

For the purpose of this thesis, we consider trade shows as the place to implement our empirical study. We found it important since the trade show represents a very positive environment for B2B and family firms to establish relationships with stakeholders as well as promote their products and services. Also, in such context we could meet most of our targeted companies, i.e. B2B and family firms, and observe the connections between them, since trade shows play a major role in facilitating business networks (Evers & Knight, 2008). Hence, the main objective for companies attending trade shows is to emphasize relationships between suppliers and customers and thus they do not focus merely on selling purposes. (Rice, 1992; Ling-Yee, 2006, cited by Evers & Knight, 2008). In their research, Vandenbemp & Matthyssens (1999) conclude that the importance of a network resides in getting access to vital resources to the firm,
e.g. information, raw materials and technology, which allow generating value to both suppliers and customers and thereby resulting in strong business relationships. Hence, trade shows represent the ideal platform for starting and maintaining such relationships.

1.1.3 Why Custom Motor Industry

The custom motor industry of cars is mainly concentrated in countries like Germany, United States and many countries in Asia. Nevertheless, it is a hot trend in Sweden and the Nordic countries, as we noted by visiting the Bilsport Performance & Custom Motor trade show at Elmia, Jonkoping in April 2009. Just in Germany there are a total of 1,000 firms in the Custom Motor Industry, which give jobs for over 19,000 people (Tuning World Bodensee, 2009). It is a significant number of firms despite the expensive product prices, since it is a luxury sector of products. Also, according to the Specialty Equipment Market Association (SEMA, 2008), the custom motor industry in the United States has more than 7,000 firms, which represent over 34 billion U.S Dollars in the automotive tuning industry (SEMA, 2008; Tuning World Bodensee, 2009).

The network of suppliers and customers is evolved and large in the custom motor industry. The demand for custom motor products is everywhere, not only in the countries where these are manufactured. Hence, the industry is characterized by many retailers and suppliers located around the world. However, the custom motor industry is relatively new in Europe, so it is still a growing industry, and in Sweden it is characterized by few SMEs (Klaesson 2009, personal communication), the majority of which, as mentioned earlier, should be family controlled. Hence, we chose such Industry because it implies a growing industry with many retailers, suppliers and SMEs, which in turn convey a vast number of B2B and family firms employing marketing practices. Another reason involves the network complexity, the connection aspects and the relationships between companies characterizing the custom motor industry (Ford et al, 2006).

![Figure 1.2. Toyota’s Supply Network (Ford et al., 2006 p.19)](image)

Figure 1.2 illustrates an example of the complexity of networks within the automotive industry. As showed, such industry requires a large amount of suppliers in many levels or tiers. In this particular network, Toyota plays the role of the large customer, thus 50,000 suppliers are di-
rectly and indirectly employed by it for all different kind of operations. It would be impossible for Toyota to maintain direct and close relationships with all suppliers; so instead they focus on small “system-suppliers” or tiers. In this context, system-suppliers create value for the customers, as they are all working together for the same goal and customer. Family businesses are in the whole network working along with or as B2B firms and having business relationships with many stakeholders (Ford et al., 2005).

The custom motor industry is similar to the automotive industry in the complexity of their networks and the relationships with different suppliers and customers (Ford et al., 2005; Tuning World Bodensee, 2009).

“When markets become saturated, better quality of relationships can give competitive advantage (for example, the marketing of cars in the more developed economies has moved from an emphasis on better design characteristics and brand image to better service facilities and, subsequently to superior relationships which provide complete finance, maintenance and replacement facilities)” (Palmer, 1997 p.319).

1.1.4 Why Bilsport Performance & Custom Motor Show?

According to Bilsport Performance & Custom Motor Show (2009) at the trade show in Elmia, Jönköping, around 300 exhibiting clubs and companies that come to Elmia every Easter weekend from around the globe exhibited more than 700 vehicles. It is a well-known trade show in their custom motor industry; in fact, it is the biggest show in the whole Scandinavia. Since 1976, the motor show in Elmia has been arranged with great results in terms of visitors, i.e. more than 75,000 this year and passing over 600,000 visitors in the past ten years totally. It means that this kind of industry is still a hot trend in Sweden, in spite of the recent economic recession.

The Bilsport Performance & Custom Motor trade show was chosen because we perceived the characteristics of this type of industry as appropriate for our study. As mentioned, most of the exhibiting companies are SMEs and thereby family businesses, involving relationships among suppliers and clients where B2B marketing is the main characteristic. In addition, at the Bilsport Performance & Custom Motor trade show, we could identify strong ties between companies because it is an industry with a large amount of suppliers, which generate considerable networks.

The companies present at the trade show must get involved in relationships with many actors in the custom motor industry. Since Elmia is one of the most popular trade show centers in Sweden and Scandinavia, our investigation of family business and B2B relationships was held there (Bilsport Performance and Custom Show, 2009). It provided us with an optimal context to reach our study objects and obtain the data needed, i.e. high chances to approach many B2B and family firms’ representants in one place and during a relatively long period.

At the Bilsport Performance & Custom Motor trade show, family and B2B firms exhibited general styling and tuning products but also services. The most popular products were tires, wheels, spoilers, lightning equipment, and decorations of the car as well as alarm systems, mirrors, rims and stereo equipment. Companies in this sector must include a large range of suppliers to their business to be competitive (Klaesson, 2009, personal communication). For big and small companies, trade shows represent an excellent marketing tool to enhance relationships among family businesses, B2B firms and their stakeholders. Therefore, firms’ own features reflect the characteristics of the trade show in terms of connections and interactivity, as a way to grow in their complex network (Bilsport Performance & Custom Show 2009).
1.2 Problem and Research Questions

Literature within the fields of B2B marketing and Family Business Development suggests a rather diffuse and blurred image about what marketing practices and principles are, in fact, used by B2B and family firms. Many researchers (Coviello & Brodie, 2001; Ford et al., 2006; Grönroos, 1997; Anderson et al., 2009) are not unanimous about what characteristics differentiate B2B marketing from the more traditional B2C marketing. Some advocate a view based on a marketing continuum (Grönroos, 1997) and others mean that marketing is composed by processes based on four approaches – transaction, database, interaction and network marketing – that a company practices during a period (Coviello & Brodie, 2001). Also, some argue for an emphasis on managing business networks and differentiate relationship management from relationship marketing (Ford et al., 2006), even though many researchers associate tightly the B2B industry with relationship marketing (Holmlund & Törnroos, 1997; Blois, 1999; Coviello & Brodie, 2001; Grönroos, 1997). Similarly, in the family business field of study, most research has addressed the family firm on individual or group levels. Consequently, more organizational topics, as for example; marketing strategies and interorganizational relationships, have remained unstudied (Sharma, 2004). However, several researchers (Nordqvist & Goel, 2008; Miller & Le Breton-Miller, 2005; Melin 2009; Lester & Cannella, 2006; Hall, Melin & Nordqvist, 2006) have started to study the more organizational and societal levels of family business. Although, without considering its evident associations to B2B marketing.

Hence, we have noticed some elements and characteristics from the two fields that are similar and corresponding. Indeed, existing theory within these two fields of study have enabled us to deduce some correlations between B2B marketing and the marketing practices used typically by family businesses. The clearest associations are found in the practices used to interact externally with business stakeholders. Consequently, on a marketing level, B2B firms are believed to put large emphasis on creating, developing and maintaining relationships and networks with their suppliers/business customers, and similarly, family firms are well-known for their involvement in and preference of building long-term relationships with stakeholders. Hence, our problem derives firstly from the lack of theoretical consensus about what type of marketing practices and principles are employed by B2B and family firms; and secondly from the lack of research aimed at finding and testing associations between the two fields of B2B Marketing and Family Business Development, from a marketing perspective.

This problem leads to a desire of testing our theoretical findings and understandings on an empirical level in order to test theories and perceptions about the overlapping characteristics between family firms and B2B marketing. Such knowledge could help understanding how certain firms function externally towards their business partners. In addition, by gaining an understanding of their marketing similarities, we aim at gaining a clearer image about how these two fields of study, and types of firms, can complement and contribute to each other’s improvement.

Consequently, our empirical study is an attempt to test and compare the apparent theoretical associations regarding marketing-related traits from the two fields of study. Several research efforts have been made within these two fields, though separately and independently, hence no connections between these two fields have been neither stipulated nor tested. In order to study the connections, we will test a number of hypotheses derived from theory on a sample of firms from a population that theoretically constitutes a subgroup within an industry characterized by high amounts of family and B2B firms; i.e. companies in the customer motor Industry exhibiting at the Bilsport Performance and custom motor show at Elmia, Jönköping, Sweden.
THEORETICAL OVERLAP

The figure above illustrates the theoretical overlap we want to understand and test empirically and thereby our primary driving research question is:

• **RQ:** How is the overlap between B2B marketing and Family firms’ marketing in the trade show context?

To specify our main question, we have formulated five sub-questions, which will be answered through theory and then operationalized into a survey to be tested empirically.

• **SQ1:** Who are the exhibiting firms and how do they view trade shows in terms of marketing?
• **SQ2:** What kind of marketing do B2B firms that exhibit at trade shows mostly use?
• **SQ3:** What kind of marketing do family firms that exhibit at trade shows mostly use?
• **SQ4:** What marketing practices and principles are overlapping between Family and B2B firms exhibiting at trade shows?

In order to answer to these sub-questions we have elaborated a number of hypotheses (H1, H2, H3, H4 and H5) that will be presented in our theoretical frame and brought up subsequently.

1.3 **Purpose**

The overall purpose of this thesis consists in testing and comparing practices and principles within two apparently separate fields of study - B2B marketing and Family Business Development - with the aim of finding and developing associations that can complement and contribute to both fields of study on a marketing level.

Therefore, this study is *correlational* rather than causal, as we focus more on the important variables associated with the problem and less on the causes (Sekaran, 2003).

According to Sekaran (2003) the purpose of a study can be descriptive, exploratory or hypothesis testing as well as case study. Descriptive purposes are invoked when the existence of traits or dynamics of a situation are well known, and the researcher wants to explain them better. Exploratory studies are used when not much is known about the phenomena or characteristics of the situation or no information is available about solutions to the same or similar problem. Hypothesis testing aims at enhancing the understanding of relationships between two variables. Case studies entail a deeper contextual analysis of certain issues that can be rele-
vant in other situations. Since we want to empirically test and compare the apparent characteristics and relationships between Family Business Marketing and B2B Marketing through a survey, our study is mainly hypothesis testing. In addition, we want to explore their existing relationships in order to gain a deeper understanding of the interaction between these two fields, through a case study, thus our study is of exploratory nature as well. However, our purpose can be divided into more specific parts, i.e. goals, that can be directly related to each one of our aforementioned four sub-questions (See Table 1.1). Goal 2 and 3 are purely hypothesis testing, while Goal 1 and 4 are also exploratory, besides hypotheses testing.

<table>
<thead>
<tr>
<th>Main Purpose</th>
<th>Purpose Type</th>
<th>Goals</th>
</tr>
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<tbody>
<tr>
<td>To overlap Family Business and B2B Marketing with the aim of finding and developing associations that can complement and contribute to both fields on a marketing level. (Correlational)</td>
<td>Hypothesis Testing and Exploratory</td>
<td>Goal 1 (SQ1): To find out and test who really exhibit at trade shows and how they view trade shows in terms of marketing.</td>
</tr>
<tr>
<td></td>
<td>Hypothesis Testing</td>
<td>Goal 2 (SQ2): To compare and test the theory about B2B firms’ marketing.</td>
</tr>
<tr>
<td></td>
<td>Hypothesis Testing</td>
<td>Goal 3 (SQ3): To compare and test the theory about Family firms’ marketing.</td>
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</tbody>
</table>

Table 1.1. Goals and Purpose

Furthermore, the figure below represents an attempt to illustrate how our goals and their respective sub-question hang together with our main theoretical concepts and research question.

Figure 1.4 Goals, Studied and Tested Concepts, and Sub-questions.
1.4 Delimitations

Who - The study's generalizations derived from empirical results are delimited to the population from which the sample was extracted, if nothing else is specified. Hence, the population involves the 223 firms exhibiting at the Bilsport Performance and Custom Motor Show at Elmia in April 2009, from which we took a total sample of 50 responding companies. Other generalizations related to the population’s subgroups; B2B, B2C, family and non-family firms, refer only and not beyond our sample and population, with the levels of representativeness described and calculated in the methodology section.

Where - Further limitations of our empirical study concern the industry; i.e. the custom motor industry, and the context; the Bilsport Performance and Custom Motor Show at Elmia. Thus, this study’s results refer to these specific context and industry, if nothing else is specified.

What - The theoretical conclusions made from our data analysis comprehend the relationships between three variables and their attributes. One is the independent and contextual variable; Bilsport Performance and Custom Motor Show, which should affect, and not be affected by, the other two dependent variables; type of market and governance, which interact with each other through their attributes; B2B/B2C, and Family/Non-family. This study is limited to test and explore the associations between two of these attributes; B2B firms and Family firms, and their involvement with the trade show context, on marketing and managerial levels.

1.5 Definitions

For the purpose of this thesis, we have included definitions of Family Business, Business-to-Business Marketing/B2B Firms, Business to Consumers Marketing/B2C Firms, Trade Shows/Fairs, Non-family Firms and exhibiting firms. Due to the complexity of finding the right definitions for all our concepts, as sometimes these could be quite contradicting in the literature, we have decided to use the definitions that are most appropriate for our investigation. It is important to make clear that throughout this thesis we use synonyms as firms, companies, organizations, business and corporations, having all the same meaning. Also, for the case of our study, Family Business and Family controlled Businesses (FCBs) are conceptually identical.

Family Business/Family Controlled Business (FCBs): “Whether public or private, in which a family controls the largest block of shares or votes and has one or more of its members in key management positions” (Miller and Le Bretton-Miller, 2005). Family business can refer also to the research field.

Non-Family Business: “Non-Family businesses are organizations, in which a family do not control the largest block of shares or votes and has non-family members in key management positions”. (Miller and Le Bretton-Miller, 2005)

Business-to-Business Marketing (B2B): “Business-to-business marketing is where one business markets products or services to another business for use in that business or to sell on to other business for their own use” (Wright, 2004, p. 4). Thereby, B2B firms are those that operate in B2B markets/industries.

Business-to-Consumers (B2C): “Business-to-consumer marketing is where one business markets products and services either to another business, i.e. a wholesaler or retailer to sell on to the end consumer, or to the end consumer direct”. (Wright, 2004, p. 3). Thereby, B2C firms are those that operate in B2C markets.
Trade Shows/Fairs: “Trade shows are defined as events that bring together, in a single location, a group of suppliers who set up physical exhibits of their products and services from a given industry or discipline”. (Black, 1986, cited in Evers & Knight, 2008, p.544)

Exhibiting Firms: Profit-driven firms, in the custom motor industry, that exhibited their products and/or services at the Bilsport Performance and Custom Motor show in April 2009 at Elmia, Jönköping.
2 Theoretical Framework

In this section, the relevant theoretical concepts will be introduced and described following and answering the four sub-questions (SQ1, SQ2, SQ3 and SQ4) aforementioned. Also, the process of operationalization will begin here by presenting the hypotheses (H1, H2, H3, H4 and H5) in relation to each sub-question. These hypotheses will consequently constitute the ground for our empirical study questions.

2.1 Who are the exhibiting firms and how do they view trade shows in terms of marketing?

In order to answer to this question theoretically, we will first look at the relationship of trade shows towards B2B firms and family businesses. Then, the role of trade shows in marketing and networking and their advantages and disadvantages will be discussed.

2.1.1 Introduction to Trade Shows

For companies, in general, how to promote and advertise products is a difficult task and even more in the global market that we are experiencing now. According to Miller (1999), trade shows are considered as the oldest and most popular method for practicing marketing for companies. In fact, trade exhibitions have existed from centuries, although not within the same context as we perceive them now. The trade show, or fair, has its origins in Europe since the 12th century when people gathered collectively in the squares of several German towns in merchant caravans selling food, goods and services (Cartwright, 1995).

The perception of trade shows has changed in manners but not in concept. In today’s global context, trade shows are considered as a marketing tool for many companies across the world. It is an exposition opportunity that is available for the general public and other companies as well (Morrow, 2002). With major improvements in terms of specialization, since in our time, modern trade shows focus more on specific niches of industries rather than in general merchandise or services (Miller 1999). Morrow (2002) explains that at trade shows the exhibitors are mainly retailers (B2C) or manufacturers (B2B) whose main objective is to promote their products or services to suppliers and customers. The major objectives of the trade show should have measurable impact on the marketing goals of the company (Miller, 1999).

Trade shows are increasing over the years to become one of the most popular marketing instruments within companies. For instance, just in the United States more than 4 200 shows have been held in a single year. An amazing average of more than 25 000 people was found visiting over 320 exhibiting firms in each show (Miller, 1999). The most common examples of industry-related trade shows are health care, computer software, consumer electronics, advertising specialties and automobiles (Miller, 1999). Of particular importance, for the purpose of this thesis, is the trade show specialized in the automobile industry, more specifically in the custom motor industry.

2.1.1.1 Advantages of Trade Shows

Hollensen (2004, p.578) explains the following factors in favor of trade shows:

“Marketers are able to reach a sizeable number of potential customers in a brief time period at a reasonable cost per contact. Orders can be reached in the location”.

“Some products, by their nature, are difficult to market without providing the potential customer with a chance to examine them or see them in action. Therefore trade shows provide an
excellent opportunity to introduce, promote and demonstrate new products”.

“SMEs and family businesses without extensive sales forces have the opportunity to present their products to large buying companies on the same face-to-face basis as large local rivals”.

“Finding an intermediary may be one of the best reasons to attend to the trade show. A trade show is a cost-effective way to present the firm in new markets”.

“Managers from different levels attend trade shows, as it is a great opportunity for family businesses and small firms to get in contact with bigger enterprises”.

“The attendance produces goodwill and allows cultivation of the corporate image. Beyond the impact of displaying specific products, many firms focus on campaigns to defeat competition and also supporting the morale of the firm’s sales personnel”.

“Trade shows provide a great chance for market research and collecting competitive intelligence. The marketer is able to view most rivals at the same time and to test cooperative buyers’ reactions”.

“Visitors’ information may be used for mailing and further contact”.

2.1.1.2 Disadvantages of Trade Shows

Hollensen (2004, p.578) brings up the following situations where trade shows are not the solution to success:

“There is a high cost of time and administrative effort needed to prepare an exhibition stand. However, cost can be shared with distributors and representatives. Also the cost of closing sales in a trade show is lower than the one from personal representation”.

“It is difficult to choose the appropriate trade show for participation. Many firms rely on suggestions from other companies that attended to the same show years ago, which does not mean it is going to be a success again”.

“Coordination problems may arise. In SMEs coordination is required with distributors and agents if joint participation is desired, and this obligate joint planning”.

“Most people visit exhibitions to search and speculate rather than to buy or establish a relationship.”

2.1.2 Family business and trade shows

Craig and Lindsay (2002, p.419) state that family businesses’ “continued significance is predicated on successful entrepreneurial activities”. Hence, the authors emphasize the role played by the family in the entrepreneurial process of a family business and build most part of their study on Timmons’ (1999, cited by Craig and Lindsay, 2002) conceptualization of the driving forces underlying the entrepreneurial process; opportunity, team and resources. Although, they add the family factor to these driving forces, arguing that the introduction of non-family members into the board of directors would be beneficial for the entrepreneurial family business. Hence, their conclusions suggest that the family restricts/enhances the entrepreneurial activities of a family firm when it does not/does “fit” with the entrepreneurial driving forces. Also, the board (especially one with outside members) and its relationship with the family are extremely
important for strengthening the “fit”, and reducing the risks taken by the family engaging in entrepreneurial acts.

For family businesses, especially entrepreneurial ones, in many industries, trade shows are an important part of their marketing programs. Thus, trade shows are the most popular tool to promote and test their new products or services. From an entrepreneurial point of view, trade shows are useful to explore competitors, other techniques and who is the real market to target, since the trade shows represent the right place for negotiating and meeting different representatives that may be interested in the set of products and services the entrepreneurial firm offers. For new entrepreneurial start-ups, it is fundamental to implement follow up strategies in order to keep contact (Allen, 2008).

Furthermore, Morrow (2002) sees trade shows as the basic platform for entrepreneurs. It is the opportunity for small entrepreneurs to exhibit their new inventions or new services. Also, a trade show gives the entrepreneur many managerial tools to develop, depending on the results they get from it, in terms of contacts and association with other companies. Trade shows are important for entrepreneurs, family business, B2B firms and any kind of business that is looking for relationships, contacts, information gathering and market analysis. Trade shows also serve as marketing tools to measure how the company is in terms of marketing results. In addition, from a supply network perspective, companies need the cooperation of each other to grow and be successful, and here trade shows are very significant for family businesses.

2.1.3 **B2B firms and Trade Shows**

A study made by Fairlink.se (2009) states that B2B Swedish companies have big budgets for trade shows. From the companies asked in the survey, an average of 26% of the budget for marketing purposes goes directly to trade shows. From a marketing point of view, this means that Swedish B2B companies prefer to spend more in trade shows than for example advertising or other means for promoting their products and services.

According to a study found in Fairlink.se (2009), over 200 Swedish B2B companies were asked to get to know their participation in trade shows; 74% of these B2B Swedish companies attend to trade shows annually either locally or abroad. Their marketing budget is distributed as following: 26% goes to trade shows, 24% to general advertising including catalogues, 13% to direct advertising, and 10% goes to internet and other means of marketing (Fairlink.se, 2009). Moreover, the study shows a popularity of trade shows by the majority of Swedish B2B firms. More than 50 of them believe that over the past years the trade show participation have increased, therefore the high marketing budgets for exhibitions. Also, they perceive the trade shows as an investment for their business, since it is a platform for doing contacts with important companies, often in the same or in a different but relevant sector. The survey also shows an increase of B2B firms going abroad to participate in trade shows. In fact, more than 16% of Swedish B2B firms were abroad in the past years. The most popular location was Germany, since a large number of trade shows are annually held there, and we assume that it is also due to the closeness to Sweden geographically and even culturally.

Finally, the aforementioned theory about the relationships between trade shows and the characteristics of firms participating in it, i.e. family and B2B firms, lead us to the following hypothesis:

**H1:** Most exhibiting firms should be family businesses and operate in the B2B industry.
2.1.4 Trade Shows as a Marketing Tool for Family and B2B Firms

As stated before, trade shows entail a meeting point for companies and customers looking for the best result in terms of marketing objectives. According to Hollensen (2004), at the trade shows, manufacturers, distributors and sellers gather to promote their services and products. The majority of these companies are family or B2B firms, as deduced through our theoretical investigation. The promotion of their products or services is made to enhance relationships with current or potential customers, suppliers or public in general. In figure 2.1, it is illustrated how exhibitors are related to different parties at the trade shows. In addition, it describes the relations between companies and how they carry out their marketing plan, depending on the scenarios they are involved in. Often at trade shows there are different scenarios where the company could have different strategies such as selling, promotion or networking purposes, depending on their marketing purposes.

![Figure 2.1. Three conceptions of trade shows/fairs: for a local exhibitor. Hollensen (2004).](image)

Trade shows are usually seen as a specific selling tool where companies gather around products or services looking for the best selling agreement. Nevertheless, today that role mostly includes only selling activities. Trade shows offer companies a great location to execute non-selling activities. These activities focus more on managerial and marketing strategic objectives. Therefore, trade shows are the ideal location for activities such as information exchange, relationship building, and channel partner assessment. It could also provide companies the possibility to make forecasts of their competitive environment (Sharland and Balogh 1996, cited by Hollensen, 2004).

A study conducted by Simmons Market (cited by Lynn, 1998) revealed that more than 75% of the visitors of a trade show found a new relationship with a new supplier, and only the 26% of the visitors were looking for pure purchases. Lynn (1998) argues that it is a place where people can gather as much information as possible about brands, companies, and suppliers in a very short period of time without expending large amounts of resources. In addition, Hollensen
(2004) affirms that within a short period in trade shows a firm can learn the market behavior and the industry.

As mentioned earlier, trade shows are a proper location to establish business interactions, and thus relationships. Cartwright (1995) describes these relationships as having an important role to build customer loyalty. Also, trade shows involve efficacy in terms of cost when firms must establish relationships since it involves direct marketing, which give the chance to meet your supplier or customers in real time avoiding intermediaries. Family firms and B2B firms, among many other companies at the trade shows, have the chance to meet many suppliers, customers and the public, all at once, saving money and time. Other means of communications to keep or establish relationships, as letters, phone calls, business visits, do not give the opportunity to meet the whole company as it is. Also, these are less effective since they are not direct marketing (Cartwright 1995).

Furthermore, Miller (1999) mentions the importance of relationships for any business, even more important are long-term customer relationships, which we found as one of the characteristics of the family business and B2B marketing firms. In his study, Miller (1999) defines several fundamental steps for creating or maintaining relationships at trade shows. Meeting the potential suppliers and customers “face-to-face” facilitates the expected start of any kind of relationship. When companies have to deal with a large number of suppliers, as B2B firms, it becomes very important to obtain direct contact with partners. Firms should create those relationships with the management team of the potential partner. Hence, many members of the managerial staff of firms usually attend trade shows. Marketing directors, or even owners of many firms, are the ones in charge for the decision-making process; and this is fundamental to create a network of management teams. Gathering information is critical for B2B firms, as they must investigate their supplier or customer to get to know practices, activities and relations with other firms that the supplier or customer already has. All this information could be obtained in few days of trade show. Also, the firm faces the situation of finding the link to or the need for their relationship with the supplier or customer. This is important for knowing where the firm should be situated in the network relationship (Miller 1999).

Miller (1999) reflects that not many relationships from the trade show will last more than a few days. Therefore, a follow up contact will help companies to keep in touch and help building the relationships. The follow up strategy must be included in the marketing plan, so that contact with potential customers/suppliers is not lost. All companies need personalized and customized relationships, and trade shows are useful to start such relationships but for these relations to last long, continuity is required in the business interaction.

In essence, trade shows are places where all the major companies in a certain industry gather, involving their principal directors and marketing strategies. However, the choice of trade show depends often on the firms’ strategy to approach marketing. Usually, when companies come to a trade show, they follow two choices for their marketing strategy. From the two choices, companies move either to a “one-off” or short-term sales strategy or to a long-term investment strategy. The firms moving to a short-term strategy spend large amounts of resources and time trying to force sales in a very short period of time (Hollensen, 2004). These category of firms are short-term oriented and are listed as non-family firms or B2C. On the other hand, we have a category of firms moving towards a long-term strategy. These firms see the trade show as an investment for marketing purposes. Their strategies are based on doing non-selling activities as we stated before (Sharland and Balogh 1996, cited in Hollensen, 2004). We find in this category family firms and B2B firms.
### 2.1.5 Trade Shows and Networks

According to Ling-Yee (2007, p. 360, cited by Evers and Knight, 2008, p.547): “The extant trade show literature has neglected the context factors and failed to address the moderating influence of important contexts such as relationships with buyers, channel members and other strategic network partners that might potentially influence the firm’s resource-performance relationship”. Nevertheless, research on the topic indicates that many authors refer to trade shows and networks as strictly related to long-term relationships (Lechner and Dowling, 2003, cited in Evers and Knight, 2008). In the literature of trade shows and networks, the importance of continuity in relationships is mentioned because it leads to the development of many small firms, and even entrepreneurial firms, as we will review it in the next chapter (Venkataraman and van de Ven, 1998, cited in Evers and Knight, 2008).

In the network context, trade shows’ activities may signify a further step beyond traditional marketing strategies. The evidence of this resides in an effective network infrastructure for developing more relationships with many suppliers and customers (Evers and Knight, 2008). Rosson and Seringhaus (1995) conclude in their study that the main purpose for companies is to generate social networks of companies attending to the show. They argue that companies should focus more on developing and improving their relationships in the network at the trade shows than selling activities. Firms can perceive trade shows as an “entry-point into long-term networks”, and therefore in the future the investment will pay off, in terms of major sales.

In sum, trade shows seem to be a very important part of a firm’s marketing strategy and essential for building networks of business relationships, therefore the following hypothesis is been deduced:

**H2:** Exhibiting firms view trade shows as an important marketing tool to enhance their customer relationships.

H2 has been operationalized into three questions in our questionnaire; 50, 51 and 52. H1, on the other hand, is been operationalized into two introductory questions in our survey about type of market and family-controlled business (see Appendix 1).

### 2.2 What kind of marketing do B2B firms mostly use?

In order to answer this question, we will first explain what B2B marketing is. Secondly, we will discuss and compare the separation between B2B and B2C marketing. At last, the marketing concepts typically related to B2B will be explained as well as our hypotheses; H3 and H4, will be presented in the summary together with the table that constitute the basis of our B2B-related survey questions.

#### 2.2.1 Introducing B2B Marketing

B2B marketing involves many different concepts that all together can be simply described in three words: networks, relationships and value.

#### 2.2.1.1 Networks

“Managing and developing a relationship is not an isolated activity, but just one piece in a larger puzzle that we call a network”. (Ford, Gadde, Håkansson, & Snehota, 2006 p. 32)
Ford et al. (2006) argues for the need to adopt a network approach to reach better understanding of B2B marketing. They mean that the key in B2B marketing conveys managing in complex networks. By this, they emphasize how important it is for a marketer to understand the complexity of the surrounding network. This idea was already expressed in 1989 by Håkansson and Snehota through the expression: “No Business Is An Island”.

Networks can be divided in three different types depending on their offering, i.e. what is bought or sold by business firms, is concerned with; (1) how firms are supplied with the required offerings, (2) how offerings are distributed, and (3) how new offerings are developed. Hence, we get the following three dimensions of networks:

1) Supplier networks – imply the following features; indirect relationships with a large number of suppliers in spite of having direct contacts with few of them (see Toyota example, Figure 1.3), coordination between relationships in that the customer’s direct supplier relationships must coordinate with those of the suppliers’ own relationships and so on, influence of large companies on the development of a network as in the Toyota example, and problems with a single perspective since a network drawn from the perspective of a single firm can never capture the entire situation.

2) Distribution networks – involve other features, in addition to the ones concerned with supply issues, as for instance; the variety of companies performing more or less the same activities but varying in size, capabilities or competencies (so different offerings to different firms are to be implemented), managing the variety of relationships that comes along with different offerings and distributor requirements, and the difficulties of controlling who takes part in the network and the relationships among the firms in it.

3) Product development network – features many factors that are relevant for networks; large range of companies, complexity of offerings (i.e. offerings that require service, advice or delivery along the product), non-business members of a network (e.g. standard bodies, regulating authorities and government departments), innovation requirements in terms of partnering, technology and impact on the firm, and coordination among companies to develop products as almost no company can achieve innovation alone.

(Ford, Gadde, Håkansson, & Snehota, 2006)

In sum, a business network implies that every single company can influence and be influenced by other companies, either directly or indirectly. Therefore, firms will try to connect its different supplier relationships with their own resources to create offerings that will, in turn, help them establishing relationships with their customers. Consequently, also these customer relationships will, in turn, help developing and fulfilling those offerings which build and enhance the company’s supplier relationships.

Moreover, a network represents both opportunities and restrictions for any company, but no one company is able to control the whole network. Although a company may design its own network (e.g. Toyota) it may find out that there are other companies that also try to influence the network, which leads to a situation where even the strongest firms have to adapt. (Ford, Gadde, Håkansson, & Snehota, 2006)

2.2.1.2 Relationships

However, the existence of a network does not affect the fact that managing single relationships is the key of business marketing (and procurement). “It is through its relationships that a company learns and adapts to the surrounding network. It is through them that a company exploits and develops its own abilities and gains access to those of others. It is
also through relationships that a company can influence different companies elsewhere in the network” (Ford, Gadde, Håkansson, & Snehota, 2006 p.24).

According to Holmlund and Törnroos (1997 p.305) “a relationships is an interdependent process of continuous interaction and exchange between at least two actors in a business network context”. Hence, a relationship is based on links, ties and bonds that connect actors together. A relationship between two partners is a dyad, and if the partners and relationships become several it will form a network of relationships. Moreover, Holmlund & Törnroos (1997) mean that relationships are characterized by four core features; mutuality, long-term character, process nature and context dependence.

- **Mutuality**: involves the degree of trust and commitment of the parts and their symmetricality, i.e. the balance in the parts’ ability to influence the relationship, as well as their power dependence structures and resource dependence, thus most resources are gained through relationships with other parts in the network.

- **Long-term character**: concerns the continuation and duration of relationships, i.e. it reflects the using of learnings and adopted skills for mutual benefits. It refers to the strength to resist disruption as well, because it is necessary to make investments to maintain a relationship, which makes it easier and relatively cheaper to keep than change partner.

- **Process nature**: since relationships are composed by interactions that in turn consist of exchanges and adaptations between the firms, which can be products, money, social contacts or information. A process includes also changes due to the dynamic nature of relationships. The potential use of relationships consists in getting access to resources when needed, which can lead to a possibility structure where opportunities and resources are reached by activating certain apparently latent relationships.

- **Context dependence**: implies that relationships are highly context bound as their features are dependent on the network in which the relationships and connections are embedded.

(Holmlund & Törnroos, 1997)

In order to understand the complexity of business networks, it is important to recognize and analyze the content of a single relationship in a network. Ford et al. (2006) propose three dimensions for relationship analysis: Activity links, Resource ties and Actor bonds.

Activity links involve relationships that link the service or production activities as well as logistics or design of the firms, which may facilitate or control a production process. A network that is predominantly linked by activity patterns implies that the operations of the supplier and customer are synchronized to perform in relation to each other. The automotive industry is an example of an activity-centred pattern as it is characterized by a large number of firms producing different parts of a car in coordination with a common production system.
Resource ties are characterized by firms that share tangible, e.g. physical facilities, or intangible resources, e.g. knowledge resources. An example of tying knowledge resources is when a component supplier develops new parts for an automotive customer using and adapting its own knowledge resources. A resource-tied network concerns a constellation where the resources involved in a relationship are part of a bigger whole. Thus, the value of the resources depends on how they are tied to the resources of other companies, meaning that the resources of a company have no fixed value and are complementary in that they evolve tied with the resources of other companies.

Actor bonds embrace the social dimension of business relationships as people interact with each other and create bonds that contribute to develop trust and commitment between the companies. In a web of actors, relationships are directed by individuals that form a social structure with different personal views on the total network. In such web there is a process of individual influences, as the actors systematically influence each other and develop co-evolving relationships. An actor-centred pattern is one where a powerful actor or a few actors, dominate and control the network. Here, marketers are often involved in asymmetric relationships with large and powerful customers, which requires assessments about the dependence on a large customer or supplier.

However, there is a tendency among companies to choose short-term sales instead of building long-term relationships, which are more complex and demanding, or to focus on just a single relationship and neglect the wider influences on and of that relationship. Hence, several firms’ marketers try to build business relationships on just actor bonds, overlooking the development of more time-consuming and costly, but also more durable, activity links and resource ties. (Ford, Gadde, Håkansson, & Snehota, 2006)

### 2.2.1.3 Value in B2B marketing

Value in business markets can be defined as “the worth in monetary terms of the technical, economic, service and social benefits a customer company receives in exchange for the price it pays for a market offering” (Anderson & Narus, 1998 p.54)

In this definition, a market offering implies two elements: its value and its price. Hence, lowering or raising the price of a market offering, rather than changing the value that such an offering means for a customer, changes the customer’s incentive to buy that offering. Also, value assessments occur always within a context, which implies the constant existence of a competitive alternative, that in business markets can be represented by a firm making the product by itself. The definition above can be illustrated through an equation:

$$ ( \text{Value}_s - \text{Price}_s ) > ( \text{Value}_A - \text{Price}_A ) $$

The value equation above means that the difference between value and price is equal to the customers incentive to purchase, given that Value\(_s\) and Price\(_s\) are the supplier’s value and price, and Value\(_A\) and Price\(_A\) are the value and price of the next best alternative in the market. Hence, the equation suggests that the customer’s incentive to purchase a supplier’s offering must be higher than its incentive to pursue the next best alternative. (Anderson & Narus, 1998)

Anderson, Narus and Narayandas (2008) describe and explain the different aspects of business market management as a process of three stages; understanding value, creating value and delivering value. All these stages follow three guiding principles: regard value as the cornerstone, focus on business market processes, stress doing business across borders and accentuate working relationships and business networks.
The first stage involves understanding value and is composed by; market sensing, understanding firms as customers and crafting market strategy. These three parts give an overview of the preparation processes that allow firm managers to find and pursue the best marketing path by taking the right decisions concerning purchasing and market strategy. It is important to first study the manager’s perceptions of the marketplace in order to gain updated and correct knowledge about the competitors, partners and customers. Then, it is important to assume a customer value perspective on purchasing so that only appropriate resources enter the firm and just competent suppliers are contracted. At last, the best market strategy should be planned on the basis of acknowledging the firm’s core competencies and capabilities as they enable customer value generation and competitive advantage.

The second stage concerns creating value. Here, the knowledge and learning about the market, indicated previously, are applied within the management of market offering, the new offering realization and the management of business channels. Business market managers should overcome commoditization and differentiate their products in the market segments through flexible market solutions, which entail naked solutions with segment-specific complementary options. They should also apply value-based pricing and consider adapting their offerings when going internationally. A new offering realization strategy is important for a firm because it creates customer value through renewal and innovation. The last aspect that can create value to the customer regards the business marketing channels. Suppliers must strive to create a great total customer experience (TCE) by employing value merchants in connection with their distribution channels.

The third and last stage is delivering value. It consists of three market processes; gaining new business, sustaining reseller partnerships and managing customers. In the first part, suppliers gain new businesses through a process involving; differentiation of business opportunities, prospecting for new business relationships, assessing the fit between prospect’s requirements and preferences and supplier offering and priorities, gaining the initial order and fulfillment of customer promises so that complete customer satisfaction is achieved. Working partnerships deliver value and can be sustained by aligning suppliers’ and resellers’ interests and resources. Business market managers should aim at establishing and maintaining a portfolio of working relationships where value is delivered based on the relationship. (Anderson, Narus, & Narayandas, 2009)

2.2.2 B2B Marketing vs. B2C Marketing

According to Ford et al. (2002 cited in Hallin et al. 2006) the main difference between B2B and B2C markets consists in the evident fact that in one market, firms buy from other firms, while in the other, private consumers buy from firms. Another distinction sustains that customers in business markets focus more on functionality or performance rather than aesthetics, contrarily to customers in B2C markets (Anderson et al. 2009). If we go further, we will find other differences between business purchases and consumer buys that often focus around the following issues:

- In B2B there are usually more people involved in the purchase (e.g. accountants, marketers, engineers, purchasers, etc) than in B2C, where there is mostly one private individual consumer involved. This difference is due to the complex and overwhelming nature of a business purchase for a single firm.

- A business purchase tends to have longer processes from when the need of purchase is identified and the order is placed until final delivery and use is implemented. Therefore, a business purchase will take longer time to be complete since there are many factors influencing it, as for instance the complexity of the order, the number of people involved, their level of knowledge, etc.
In B2B the people most involved in the purchase are often professional buyers that have some kind training within purchasing or such. These purchase professionals, i.e. marketers, are habitually accompanied by other professionals in other fields, e.g. engineers and/or managers, throughout the buying process.

In business markets a single customer can be extremely important for a supplier, depending on how much it is buying in proportion to the supplier’s total sales. Hence, for a supplier an important customer is one that places large orders, and similarly a supplier that provides many important components is very important for its buyer. In contrast, one single consumer in B2C is relatively insignificant from a marketer’s perspective.

Every business purchase or sale will affect previous and future experiences of transactions between companies involved directly and indirectly in the dealings. Thus, the relationships between stakeholders are affected by their transactions, which in turn influence the surrounding networks. Moreover, business relationships are often long-term in B2B and more two-way oriented as well as interactive than in consumer markets, where the consumer is relatively passive. However B2C also aims at continuing relationships with customers as it is expressed through the recent terms; repeated purchase and relationship marketing. (Ford et al. 2006)

In spite of several differences there seems to be an augment in the amount of similarities between B2B and B2C marketing which in recent years has emphasized the increasing importance of brands in business markets and customer relationships in B2C markets, which respectively used to be related to the other market (Hallin et al. 2006). Hence, in accordance to recent trends there are some apparent similarities:

- Business customers and consumers in both B2B and B2C markets will be affected by previous experiences with suppliers and brands and it will influence their future transactions.

- Both business customers and consumers will need to seek some level of advisory expertise or professionalism if the purchase is too complex or important for them.

- Both fail to anticipate possible future situations and put too much emphasis on irrelevant issues and aspects of the purchase and disregard more significant factors, since it is almost impossible to consider all possible alternative outcomes of a dealing situation. Also, both will highlight some of the issues they identify and be more discrete about other issues.

- Both make uncomplicated and repetitive purchases without a proper evaluation of the offer or supplier.

- Both make purchases when they face time pressure in their purchase processes. (Ford et al. 2006)

There are researchers who argue that these similarities are just superficial (Lilien 1987 cited in Coviello and Brodie 2001) and that characteristics and influences, buyer decision processes and buyer-seller relationships in B2B and B2C markets are different. These arguments about two ways of marketing are derived from the general understanding that consumer and business buyer behaviours, and thereby also marketing, are different (Coviello & Brodie, 2001; Anderson, Narus, & Narayandas, 2009)
Other researchers argue that there is an ongoing paradigm shift in the marketing perspective from the marketing mix or 4Ps approach to a relationship marketing approach, meaning that all marketing increasingly consists in managing interactive processes within a social context instead of separate transactional exchanges. The marketing mix focuses mainly on the 4Ps (Product, Price, Place and Promotion) and it does not leave much space to personalized relationships between buyers and sellers, therefore it is not really in line with business nor service marketing, which are the fields where the concept of relationship marketing was first introduced (Grönroos, 1997; Holmlund and Törnroos, 1997).

2.2.3 Marketing Perspectives

In an attempt to explain and bring together different literature views on marketing, Coviello, Brodie and Munro (1996 cited in Brodie et al. 1997) developed a classification scheme that identified transactional and relational marketing as the two main marketing perspectives which include other four types of marketing underneath them.

(1) Transactional Marketing
   - Transaction Marketing

(2) Relational Marketing
   - Database Marketing
   - Interaction Marketing
   - Network Marketing (Brodie et al. 1997)

2.2.3.1 Transactional Marketing

Transactional or/and transaction marketing is based on the management of the marketing mix/4Ps, and it is considered to be more traditional as it involves short-term economic transactions, one-way mass communication, single sales, and passive and independent actors (Brodie, Coviello, Brookes and Little 1997). It is believed to be highly related to consumer markets and can be defined as;

“...the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods and services to create exchanges that satisfy individual and organization goals.”

(AMA 1985 in Coviello and Brodie 2001, p.382)

2.2.3.2 Relationship Marketing

Relational or Relationship marketing is described as the new paradigm that because of its relational dimension is often used to differentiate B2B marketing from consumer marketing. In fact, several researchers mean that relationship marketing represents the cornerstone of business marketing (Webster, 1978; Ford, 1980; Hutt and Speh 1998, cited in Coviello and Brodie 2001). This supports the general notion that relationships are key in business marketing since in such markets business relationships, in contrary to B2C markets, are characterized by aspects concerning continuity, complexity, symmetry and informality (Håkansson and Snehota 1995, cited in Coviello and Brodie, 2001).

Thus, the new paradigm describes marketing as an integrative activity engaging people from across an organization with the purpose of facilitating, building and maintaining relationships over time. A further explanation of the new paradigm’s purpose of marketing is given by Grönroos (1995 cited in Brodie et al. 1997, p.384):

“...to identify and establish, maintain and enhance relationships with customers and other stakeholders, at a profit, so that the objectives of the partners involved are met; and this is achieved by a mutual exchange and fulfilment of promises.”
Morgan and Hunt (1994 cited in Brodie et al. 1997) define relationship marketing as all the marketing activities aimed at establishing, developing and maintaining successful relational exchanges. Nevertheless, probably the most important feature of relational marketing regards the “win-win” conditions for both parties, buyer and seller, in the exchange. Hence, the buyer benefits from improved continuity of supply and reduced risks, and the seller gains on better long-term returns on investment, improved cross-selling opportunities and greater market stability (Palmer, 1997).

**Database Marketing**

Database marketing can be regarded as part of both B2B and B2C markets and involves applying information technology to create, develop and manage long-term relationships with customers. The aim is not to engage in close relationships but to just retain customers with the help of technology that facilitates and personalizes information about customers (Coviello and Brodie, 2001). It is also a cost-effective method to maintain contact with customers (Drozdenko and Drake 2002, cited by Hallin et al. 2006), though from certain distance.

The preferred marketing tool here is direct marketing, which entails direct communication with customers through for example e-mail, telephone and fax (Hallin et al.2006). However, this marketing type is not so relevant for this study, as its nature is dual; both B2B and B2C.

**Interaction Marketing**

Since relationships are created by individuals, marketing involves a social level that is embedded in personal face-to-face interactions (Coviello & Brodie, 2001). Relationships can be created formally or informally through interpersonal communication between buyers and sellers with the condition of getting equal benefits. Interaction marketing uses methods of personal selling, e.g. personal meetings and phone calls, as tool (Hallin et al.2006).

Here, the responsibility does not fall only on professional marketers but it can involve several persons across levels and units in the organization. Further, the interaction here is “with” the customer and both parties in the dyad invest resources in developing mutually beneficial and interpersonal relationships (Coviello & Brodie, 2001).

**Network Marketing**

A business network can be defined as a set of several different connected relationships between organizations. Such relationships are established through Interaction marketing but they emphasize more the whole network rather than one interactive relationship (Hallin, 2006). Network marketing involves activities on organizational and individual level. The aim of a firm is to develop a position in its network of relationships, which generally requires business and social transactions over time. These long-term transactions are the result of developing and maintaining individual, interaction-based relationships with actors in the network. The relationships have different levels of dependence and communication and they can be close and interpersonal as well as distant and impersonal, due to the size and complexity of the business network (Coviello & Brodie, 2001).

Networks are most common in B2B markets and the preferred marketing tools in this marketing type are trade fairs and trade presentations. The relationships developed in the network involve several parties that through coordination strive to achieve common benefits, resource exchange, market access and trust (Coviello et al. 2002 cited in Hallin 2006). Furthermore, it focuses on the “connectedness” and coordination of multiple network relationships (Coviello et al. 1997 cited in Hallin, 2006).
2.2.4 How Different are Relationship and Transactional Marketing?

According to several researchers relational marketing, which constitutes the essence of B2B marketing, is very different from transactional marketing, which incorporates the nature of B2C marketing practices, or is it not?

As mentioned earlier, many researchers have argued for the existence of a paradigm shift in modern marketing. Brodie et al. (1997) affirm that there is a new paradigm called Relationship Marketing, which is derived from six streams of research: 1) service context; 2) inter-organizational exchange relationships, which includes buyer-seller relationships; 3) vertical marketing systems; 4) network relationships; 5) role of relationships in value chains; and 5) information technology. Indeed, Philip Kotler (1991 cited in Grönroos 1997) stated in an interview for the Marketing Science Institute Review in 1991: “A paradigm shift, as used by Thomas Kuhn...occurs when a field’s practitioners are not satisfied with the field’s explanatory variables or breadth...what I think we are witnessing today is a movement away from a focus on exchange – in the narrow sense of transaction – and a focus on building value-laden relationships and marketing networks...We start thinking mostly about how to hold on to our existing customers...Our thinking therefore is moving from a marketing mix focus to a relationship focus.” (Kotler, 1991 cited in Grönroos 1997 p.328)

2.2.4.1 Strategic dimensions

Grönroos (1997) states that a “marketing strategy continuum” should be used when thinking about marketing approaches. In such continuum, relationship marketing is placed at one end and transaction marketing at the other, and marketing and managerial implications can be located along it, as well as a product continuum (Figure 2.3) ranging from consumer packaged goods to services can also be classified.

![Figure 2.3. Marketing Strategy Continuum (Grönroos, 1997, p.329)](image-url)

Grönroos’ marketing strategy continuum expresses a certain level of stability and structure towards marketing, which is very equivalent to Håkansson and Snehota’s (1995) structural characteristics of business relationships. These two researchers mean that findings from several different studies reveal four often recurrent ‘structural’ characteristics of business relation-
ships (especially customer-supplier): **continuity**, **complexity**, **symmetry** and **informality**. These characteristics are extremely related to the marketing strategy continuum, with an inclination to relationship marketing and supplier/customer relationships.

**Continuity** characterizes supplier and customer relationships as business transactions often last long periods that entail contracting, delivery and service, and businesses between two firms are repeated over many years. Hence, marketing strategy involves dimensions that are directly related to continuity, e.g. the firm’s time perspective and measurement of customer satisfaction. Although, the whole concept of marketing strategy continuum and relationship marketing express a high level of continuity, due to the time-related nature of the terms continuum and long-term focus in particular.

**Complexity** is embedded in the number, type and contact pattern of individuals engaged in the business relationships. Thus, very often there are several people, with different positions, status and backgrounds, involved in a relationship. Also, the scope and use of a relationship can vary depending on how developed it is, i.e. the more developed a relationship is the more used in different situations it becomes. Complexity embraces the whole strategy of a company, however, it is especially reflected in the company’s dominating marketing function, interdependency between marketing, operations and personnel, and customer information system. This because interactive marketing, strategic interface between different sectors and customer feedback systems imply a high degree of complexity in business relationships.

**Symmetry** concerns the high level of balance, in terms of resources, initiative and influence, between the parties involved in a business relationship. Hence, buyers in industrial markets have often more resources than their sellers, i.e. their suppliers. Therefore, a firm’s strategy will be highly affected by the symmetry of the relationship, which is most visible in the customer’s price elasticity, thus if the customer tend to be less or more sensitive to price. However, even the information system and the measurement of customer satisfaction used, reflect the level of symmetry in the relationship since managing the customer base directly and a real-time customer feedback system convey a more symmetrical relationship than monitoring market share and temporary customer satisfaction surveys.

**Informality** tends to be high in business relationships, mostly because formal contracts are often limited in predicting future situations, thus they cannot address all uncertainties, conflicts and crises that might arise during longer relationships. Also, informality is closely related to trust and confidence, which in turn are time-related, as they often develop over a long period. Therefore, the informal nature of business relationships will influence a firm’s strategy dimensions. Here, the dominating quality dimension and the role of internal marketing indicate the degree of informality in a business relationship. Thus, a business relationship that promotes the quality of interactions and the high importance of internal marketing for strategic success, rather than quality of output and strategic low importance of internal marketing, shows a high degree of informality.

(Håkansson and Snehota, 1995; Grönroos, 1997)

**2.2.4.2 Exchange and managerial dimensions**

Brodie et al. (1997) conclude that their results challenge Grönroos’ continuum (1997) due to the lack of clear indication that a marketing practice is more common to some type of industry or firms than others, i.e. all four types of marketing (Transactional, Database, Interaction and Network) are practiced by most kinds of companies, although to different degrees. In general, their studies provide support to the idea that marketing should be integrative and involve sev-
eral levels and units of the organization with the focus on enabling, creating and maintaining long-term relationships. However, transactional aspects of marketing should not be forgotten.

Coviello and Brodie (2001) found in their study, based on their classification of four marketing approaches by exchange and managerial dimensions (See Figure 2), that consumer firms in certain aspects tend to use transaction marketing in a larger scope than B2B firms, as well as B2B firms are more likely, under certain circumstances, to practice some aspects of interaction marketing, which is part of the relational approach. However, they also warn for drawing the drastic conclusion that there are fundamental differences, or a dichotomy, between B2B and B2C marketing since evidence indicate that practices within both involve the more traditional transactional marketing, and thus the 4Ps, and the newer relational marketing, which was thought to be present mostly in B2B markets. Indeed, recent findings contradict many previous statements about fundamental differences, which are mainly based on conceptual arguments. However, most researchers recognize that there are differences that might emerge depending on the context.

The figure above illustrates Coviello et al.’s (2001) alternative to a marketing continuum, that consists in viewing transactional and relational marketing as elements of multiple complex processes that are expressed through four different approaches to marketing practice; transactional, database, interaction and network. The meaning of it lies in the argumentation that any or all approaches might be employed by any organization at any time. Nonetheless, these four approaches are different from each other and therefore several exchange and managerial dimensions can separate them.

The exchange dimensions that involve the purpose of exchange, the nature of communication, the type of contact and the duration of exchange, and the managerial dimensions; i.e. managerial intent, focus, investment and level, can be incorporated and compared to the process characteristics revealed by Håkansson and Snehota’s (1995) in their research on business relationships. These process characteristics are; adaptations, cooperation and conflict, social interaction and routinization. They characterize the micro procedural features of the

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**Figure 2.4. Four marketing approaches classified by exchange and managerial dimensions (Coviello & Brodie, p.387)**
“process” of business relationships, and they are related to the classification of Coviello and Brodie (2001) in that both concern business relationships.

**Adaptations** express the mutual adaptations in terms of technology, logistics, administration etc. between two partnering firms that are necessary for the development and continuity of the business relationship. The adaptations stem from the need to coordinate the activities of individuals in firms involved in the exchange process, which mostly entail managers. Therefore, the purpose and duration of exchange, and the type of contact as well as the managerial intent and focus are to be considered when deciding the adaptations, in terms of communication, formality, managerial investment and level, required by a relationship with a business partner.

**Cooperation and conflict** coexist in business relationships as there is always some kind of conflict in a business relationship, the most common involves the division of benefits, and cooperation is needed in order to solve those conflicts and avoid that the relationship stops creating value for both parties. Hence, here the managerial dimensions play the major role as managers cooperate to overcome conflicts. Thus, the managerial intent, focus, level and investment will highly influence the exchange dimensions between two firms. However, in order to overcome conflicts, cooperation between managers is needed, therefore the exchange dimensions will balance the managerial ones and vice versa.

**Social interaction** implies the role of personal bonds in a business relationship, as people are the ones who build and maintain relationships between firms. This characteristic is the one that contributes the most to build trust and commitment in a business relationship, therefore, the nature of communication, type of contact and the formality and purpose of the exchange will be highly influenced by the managerial intention, focus, investment and level.

**Routinization** addresses the introduction of routines, rules of behavior and rituals in the business relationship. It aims at diminishing complexity, reducing costs and facilitating conflict resolution between the firms. It is an attempt to institutionalize the purpose, formality and duration of exchange as well as the nature of communication and contact in order to preserve the managerial intent, focus, investment and level.

(Håkansson and Snehota, 1995; Coviello and Brodie, 2001)

Even though Håkansson and Snehota’s (1995) structural and process characteristics of B2B relationships have been associated to different dimensions, they are all features describing the same type of marketing relationships; therefore, all characteristics are relevant throughout all dimensions, even though some characteristics are more related to some dimension than other, as described above.

### 2.2.5 Summary and Hypothesis about B2B firms

B2B marketing can be summarized in three words; network, relationship and value. B2B marketing is different from B2C marketing on several characteristics and dimensions. Apart from the differences and similarities between relational and transactional marketing, the overall impression from the revised earlier literature is that contemporary marketing is more relational in B2B firms and more transactional in B2C firms (Coviello and Brodie, 2001; Holmlund and Törnroos, 1997; Ford et al. 2006; Anderson, 2009), which leads us to the following hypothesis addressing our second sub-question, SQ2:

**H3:** B2B firms tend to use more Relationship marketing than Transactional marketing.
In order to operationalize these hypotheses, we have simplified and integrated Grönroos’ marketing strategy continuum (1997) and Coviello and Brodie’s adapted classification of four marketing approaches by exchange and managerial dimensions (2001). The result, together with the related business relationship characteristics (Håkansson and Snehota, 1995), is showed in the table below.

<table>
<thead>
<tr>
<th></th>
<th>Transaction Marketing</th>
<th>Relationship Marketing (Interaction and Network marketing)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Exchange &amp; Managerial Dimensions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purpose of exchange</td>
<td>Economic Transaction</td>
<td>Interactive and connected relationships</td>
</tr>
<tr>
<td>Nature of communication</td>
<td>Firm “to” mass market</td>
<td>Firms “with” firms involving individuals</td>
</tr>
<tr>
<td>Type of contact</td>
<td>Arms-length, impersonal</td>
<td>Interpersonal, close</td>
</tr>
<tr>
<td>Duration of exchange</td>
<td>Discrete</td>
<td>Continuous</td>
</tr>
<tr>
<td>Managerial intent</td>
<td>Customer attraction</td>
<td>Interaction</td>
</tr>
<tr>
<td>Managerial focus</td>
<td>Product or brand</td>
<td>Relationships between firms and individuals</td>
</tr>
<tr>
<td>Managerial investment</td>
<td>Internal marketing assets</td>
<td>External market assets</td>
</tr>
<tr>
<td>Managerial level</td>
<td>Functional marketers</td>
<td>Managers from across functions and levels</td>
</tr>
<tr>
<td><strong>Strategic Dimensions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Time perspective</td>
<td>Short-term focus</td>
<td>Long-term focus</td>
</tr>
<tr>
<td>Dominating marketing function</td>
<td>Marketing mix</td>
<td>Interactive marketing</td>
</tr>
<tr>
<td>Price elasticity</td>
<td>Customers are more sensitive to price</td>
<td>Customers are less sensitive to price</td>
</tr>
<tr>
<td>Dominating quality dimension</td>
<td>Quality of output</td>
<td>Quality of interactions</td>
</tr>
<tr>
<td>Measurement of customer satisfaction</td>
<td>Monitoring market share</td>
<td>Managing the customer base</td>
</tr>
<tr>
<td>Customer information system</td>
<td>Ad hoc customer satisfaction surveys</td>
<td>Managing the customer base</td>
</tr>
<tr>
<td>Interdependency between marketing, operations and personnel</td>
<td>Interface of low strategic importance</td>
<td>Interface of high strategic importance</td>
</tr>
<tr>
<td>The role of internal marketing to success</td>
<td>Low importance</td>
<td>High importance</td>
</tr>
</tbody>
</table>

Table 2.1. Classification of two marketing approaches by three dimensions (Derived from Grönroos, 1997; Coviello and Brodie, 2001; Håkansson and Snehota, 1995)
The table above displays the concepts on which our survey questions are based on. Also, in the table, the database marketing dimensions were excluded due to their dual marketing nature since they can be seen as typical for both transaction and relationship marketing. The similarities between interaction and network marketing were emphasized and their differences were either excluded or simplified and mixed in order to capture the very essence of relationship marketing, as well as to get a more objective and representative description of the dimensions related to relationship marketing. Moreover, most of the dimensions or implications under the categories have also been simplified and clarified, as well as one was left out; formality in exchange because it was already reflected in through the previous features about, type of contact and communication.

2.3 What Kind of Marketing do Family Firms mostly use?

To answer this question, we will first discuss and define the concept of family business as well as some of the most important distinguishing factors regarding family culture, vision and connection with the outside world. Then, we will focus on family controlled business relationships and networking from a marketing perspective introducing the priorities and the strategies that follow them.

2.3.1 The Family Business Concept

Academic and business research literature about Family Business has found several definitions for the main concept of what really is the meaning of “Family Business”. In fact, many of the definitions are incomplete, which creates confusion. The involvement of the family in the business is mainly characterized by management or ownership characteristics (Chua, Chrisman and Sharma 1999). Nevertheless, many authors focus more on the vision of the business and the interaction of the family, in which the family transfer valuable knowledge from generation to generation.

For the purpose of our thesis as stated in the background chapter, we decided to use the most appropriate definition of family business that goes in line with our empirical study. Consequently, in our chosen definition we opted to include management and ownership factors along with some criteria that delimit our concept. Thus, the following definition of family business is used for this thesis:

“The domain of mayor Family Business, whether public or private, in which a family controls the largest block of shares or votes and has one or more of its members in key management positions” (Miller and Le Bretton-Miller, 2005 p.2).

Family firms must fulfill three main criteria, according to Miller and Le Bretton-Miller (2005), which imply that: (1) family businesses outperform non-family businesses in terms of profitability; (2) family firms survive in the industry more years than their non-family counterparts do; and (3) family firms are not old-fashioned, i.e. they overcome obstacles and they deal with conflicts.

Our intention with the preceding criteria is to specify and differentiate the type of family business we refer to in our study. Also, we try to describe the distinctions between family and non-family businesses. According to Poza (2004), family businesses have unique influential factors that concern the family and the business in terms of participation, ownership control, strategic preferences and culture values. Participation refers to the kind of connection between family members and the business. It can
be a direct connection, such as being part of the management team, shareholders or board of members. 

Control concerns the governance of the firm that gives certain types of roles and responsibilities to the family members.

Strategy preferences are related to the main objectives of the family firm, especially those in the long run and their message to the board of members.

Culture constitutes the core competence of any family business. Along with generational successions, family firms cement a great sum of values and traditional ways about doing day-to-day transactions. Those values are especially significant because they give the link between the business and the family.

2.3.2 Family Business Characteristics

In the vast literature of Family business we have found several patterns that organizations normally possess. These patterns are ownership, governance, management and succession (Chua et al. 1999). But the marketing relationships with the outside world, which is a priority of this study, is not mentioned in the literature as a main characteristic. Establishing relations with a large list of suppliers is vital for family businesses, as they commonly interact with many business associates in a friendly manner. These business relationships influence how the organization is governed, structured, managed and transferred to next generations (Aronoff & Ward, 1995; Tagiuri & Davis, 1996). The firm’s strategy and structure are directly influenced by these patterns as they all encompass main objectives for the family firm (Miller et al. 2005).

In their large study, Miller et al. (2005) demonstrate that Family Businesses are organizations for the long run. More important, they suggest that family firms are driven by four sorts of priorities - The four Cs. These set of priorities are the key to the long success of many family businesses. The four Cs are command, continuity, community and connection. The combination of these priorities give family firms the chance to set up policies and practices, in order to be able to survive from generation to generation.

The four Cs suggested by Miller et al. (2005) require reaching the right balance between the needs of the business and those of the family. This can be particularly difficult when family firms are planning how the business will be managed strategically and financially in the long run, not only because of the influence of family values on the business, but also due to their relationships with the outside world. However, when it comes to differentiate family and non-family businesses, the four Cs represent the main distinctive aspects.

Family businesses use often particular and special techniques for doing activities in their businesses. The family owner-managers tend to take control over the business and create their own teams led by top management executives, through which they innovate and renew the firm. This process implies to take command. Hence, the firm is controlled by the family or owned in majority by family members. Then, the pursuit of their dream becomes the next objective. This dream is reflected in the firm’s mission and vision, and it embraces the continuity feature of the family business. Community comes along with the need for unifying and moving ideas towards the mission statement from the inside of the organization. This process usually starts with transmitting and then establishing culture values among employees. The final priority is connection, which is of particular significance in this thesis. Connection entails the process of building and maintaining relationships with outsiders. The implications of this process often regard the firm’s long-term relationships with key stakeholders. Consequently, family owner-managers tend to establish a network of relationships with all the organizations somehow linked to the family and the business (Miller et al. 2005).
2.3.3 The Four Cs in Family Business

Our empirical study is largely based on Miller et al.’s Four Cs (2005). As discussed earlier the Four Cs constitute an approach to understand better the relationships, policies and practices with stakeholders of successful family businesses. These Cs, and the practices they include, are in essence a mix of means to reach effectiveness, because they represent the pillars underneath the strategies of family businesses. The result of this mix leads to effectiveness by generating a great source of innovation and quality leadership. Figure 2 illustrates a general overview on the Cs of Miller et al.’s (2005). The Cs will be explained more in detail in the following chapter.

<table>
<thead>
<tr>
<th>Priority</th>
<th>Practices</th>
</tr>
</thead>
<tbody>
<tr>
<td>Continuity</td>
<td>Pursue an enduring substantive mission and ensure a healthy, long-lived company to realize it.</td>
</tr>
<tr>
<td></td>
<td>Embrace a meaningful mission and build the core capabilities it depends on by sacrificing and investing patiently; exercise careful stewardship; foster lengthy executives apprenticeships and tenures.</td>
</tr>
<tr>
<td>Community</td>
<td>Nurture a cohesive, caring culture with committed and motivated people.</td>
</tr>
<tr>
<td></td>
<td>Stress clarion values; socialize persistently; create an enlightened “welfare state”; foster informality that frees initiative and teamwork; enforce intolerance of mediocrity.</td>
</tr>
<tr>
<td>Connection</td>
<td>Develop enduring, win-win relationships with outside parties to sustain the firm in the long haul.</td>
</tr>
<tr>
<td></td>
<td>Partner intimately with major clients and suppliers; network broadly; stay in touch with customers; be generous to society.</td>
</tr>
<tr>
<td>Command</td>
<td>Preserve the freedom to make courageous, adaptive decisions and keep the firm spry.</td>
</tr>
<tr>
<td></td>
<td>Act with speed, boldness and originality; exploit a diverse empowered top management team to do so.</td>
</tr>
</tbody>
</table>

Table 2.2 Overview of the Four C Priorities (Miller et al. 2005 p.34)

However, Miller et al. (2005) argue that in reality family businesses not always can create value through their strategies to improve relationships and thus by following the priorities. Therefore, they should follow two important methods in order to avoid this failure. First, depending on the capabilities of the family businesses, some priorities and practices should be considered more relevant than others. At this point, it is important for them to organize an order of the priorities to avoid wasting time and capital. Second, they should include complementary policies and strategies, i.e. a backup plan if something goes out of range.

In addition to the Four Cs presented by Miller et al. (2005), family firms have to deal with strategies behind the Four Cs. The strategies function as a complement to the priorities for relationship plans and marketing policies. Although, in this chapter we will introduce the Four Cs and their characteristics to help understanding our study and in a following analysis chapter, we will introduce the strategies of family firms exhibiting in a trade show.
2.3.4 **Connection: Relationships with the Outside World**

According to Miller et al. (2005) the pursuit of great relationships over the entire organization is vital in successful family business. Not only they seek for outstanding relationships between members of the firm but also their mission is to develop these relationships with business partners, customers and the broader society to their maximum level. In fact, understanding family businesses’ relationships will lead us to new points of view. Reputation, well-known long-term orientation and healthy future are characteristics surrounding the image of family firms. Hence, they become attached to those characteristics through cultivating values such as: honesty, preciseness and generosity. Most family businesses invest money in their own people and into relationships during the early stages of transactions in order to earn gratitude among their partners. As a result, these partners often become age-old partnerships (Miller et al.2005).

It is important to mention that family businesses are influenced and motivated to follow their strategies and practices towards their partners. They seek for long-term, win-win relationships over transactions as well as for links with clients, value chain partners, providers of capital and the outside community in general. Family businesses are determined to focus on the long run; they are willing to spend money and time in developing business relationships, even though they know that often such relationships take time to pay off (Miller et al.2005).

In their literature review, Miller et al. (2005) also present how family businesses get involved in the whole supply chain network until the very last customer. The authors state that family firms invest large amounts of resources on key suppliers since their owner-managers know this would be extremely beneficial for the whole organization. Also, with these investments, family firms can assure long-term relationships with different actors in the supply chain network. Furthermore, *connection* brings the opportunity for family firms to be more responsive to smaller suppliers or clients. Indeed, family firms often set up strategies to follow up activities with the smaller companies within the network in order to be able to meet their demands and have closer relationships with many of the relevant small companies. As a result of their relationship-oriented strategies, family firms gather lots of valuable information about their partners (Miller et al. 2005).

Networking is vital for the performance of family firms. Nevertheless, family firms’ relationships with their key stakeholders can become irregular and thereby stagnate in non-profitable situations for both parties. Therefore, family firms tend to keep *in touch* with their clients and partners, whether it is for business purposes or not. Mostly because managers in family firms understand that a firm’s interests have to be as close as possible to those of their associates and clients in order to build and maintain long and beneficial business relationships (Miller et al. 2005). Moreover, family firms are connected to the community in general. Hence, Family firms aim at generating satisfaction to the broad community by acting generously through their employees’ and managers’ outward behavior. From a marketing point of view, such external approach enhances loyalty from clients and suppliers, as well as it strengthens the family firm’s reliability. Some of the advantages derived from practicing *connection* involve reputation, loyalty, information about the market, trust, access to resources and special agreements. For marketing purposes, family firms consider these advantages as a solid platform for building enduring businesses (Miller et al.’s 2005).

In addition, Miller et al.’s (2005) suggest that family firms have an inherent trait that helps them building relationships with any organization. Because of this, family firms can often rely on their relationships when difficulties arise. In addition, the authors emphasize that family firms last twice as long as non-family firms and part of their lasting success is due to their relationships with stakeholders.
Family firms enable CEOs to keep long tenures so they can establish and implement their plans without the pressure of seasonal sells. The relationships established by those CEOs are transferred to the next generation, not only personally via the family but also via gathering valuable information about clients and suppliers in marketing databases. This entails a big distinction from non-family firms since their relationships are short-term orientated and thereby non-family firms tend loosing valuable contacts along the process of handing over to next generations (Miller et al.’s, 2005).

2.3.5 Continuity: For the Long Run

*Continuity* is related to the mission statement of family firms. Thus, they often state a long-term orientated mission and everyone within the organization is to be very committed to follow it. More than a mission, such statement involves traditions and values that are to be followed by every employee of the family business. Family firms usually never follow financial planners or strategic planners when they are doing their mission statements. In fact, family firms follow the tradition and values of the firm to plan for the long working journey (Miller et al.’s 2005).

Core competencies in family firms take years to develop because they do not involve just a statement that the current management team can impose or take away. Core competencies go beyond that, i.e. they entail a long work that convey years of experience and knowledge in the family firm. The management teams in family firms are characterized by long tenures, which enable them to develop their mission and thereby establish a sense of *continuity*. However, the management of the family business is very often overtaken by the younger generation within the family, mostly because family members are already familiar with how the business functions and with the family principles, which in the long run seems to reduce risks and costs related to recruitment and professionalism. (Miller et al.’s 2005).

Nevertheless, family firms tend to develop additional competencies and be persistent in transferring them to further generations. Also, the long run mission must be entitled directly to the family since it is the family as institution and its principles that influence the most this type of organization (Miller et al.’s 2005).

2.3.6 Community: Inside the Family Business

This *C* is related to the internal characteristics of family businesses, i.e. the relationships and networks inside the organization and how its employees view the family and the firm. Employees are extremely important in any type of business and in family firms they are nearly fundamental as employees are often considered, and sometimes are, part of the owner-managing family itself. Family firms stimulate their employees to follow certain values that facilitate socialization. Indeed, employees are given freedom at the working place to the degree where informality in operations becomes common (Miller et al.’s 2005).

Most family firms encourage their employees to work in teams, which is extremely necessary for the success of the family firm. By working in teams, firms not only assure higher levels of efficiency in their operations but such team work also creates motivation among the employees. Further, such motivation contributes to shape a positive environment in the firm. Positive environmental inputs are reflected on the firm’s outputs. Hence, improvement in the levels of quality in products and creativity are achieved.

Clients and suppliers often start relationships with a family firm because of links to the family. Thus, it becomes more important that products and services reflect family values rather than business core competencies. Also, family firms tend build up a positive attitude among their employees towards long-term relationships with stakeholders (Miller et al.’s 2005).
In essence, **community** functions as the basic strategy that family firms implement when it comes to recruitment and employee performance, because it implies transmitting and teaching the mission and the core competencies of the family firm. The goal is to reflect all the firm’s values in the products, services and relationships with stakeholders (Miller et al.’s 2005).

2.3.7 **Command: Leading the Family Business**

Managers of family firms establish policies and practices on their operations by differentiating some practices that will primarily keep the business alive. They take decisions that lead the organization to last long and keep its mission on track. Moreover, family firms’ leaders act rapidly on taking decisions since they have the power to take independent decisions without involving several managerial layers for agreement. This fast decision-making gives family firms great opportunities, e.g. to be the first movers to enter a new industry and gain competitive advantage through exploiting new information and technology. (Miller et al.’s 2005).

Originality is another element of the family firms’ command. In fact, many family firms’ missions are based on originality. They pursue originality through their products, services and relationships with associates. Originality often derives from the fact that families are unique; therefore, their firms’ practices and methods are not similar to those of any other firm. Hence, family-related traditions and experiences contribute to create original products in family firms.

For decades, family firms follow passionately their missions and core competencies as well as they renew and innovate products in order to avoid having obsolete and old products. They always keep informed about market trends and valuable information about competitors. However, family businesses hold strongly to their traditions and values as they care more about reputation and long-term goals than present achievements (Miller et al.’s 2005).

The table below represents a summary of the Four Cs and their respective dominant theme. These are displayed in contrast to their conflicting theme. Hence, **continuity** contrasts **command**, as the first involves Mission momentum, which implies stability and passiveness, whereas the second concerns themes inspiring change and activity; action and redirection. The other two Cs in conflict entail the core of **community**; internal cohesiveness, and the opposite theme of; external relationships, which is the essence of **connection**.

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<thead>
<tr>
<th>C</th>
<th>Dominant Theme</th>
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<tr>
<td><strong>Continuity</strong></td>
<td>Mission momentum</td>
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<tr>
<td><strong>versus</strong></td>
<td>versus</td>
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<tr>
<td><strong>Command</strong></td>
<td>Action and redirection</td>
</tr>
<tr>
<td><strong>Community</strong></td>
<td>Internal cohesiveness</td>
</tr>
<tr>
<td><strong>versus</strong></td>
<td>versus</td>
</tr>
<tr>
<td><strong>Connection</strong></td>
<td>External relationships</td>
</tr>
</tbody>
</table>

Table 2.3. Contrasting Themes Across the Cs (Miller and Le Bretton-Miller, 2005 p.51)

2.3.8 **Strategy and the Four Cs**

In their theory about family business, Miller et al. (2005) explain the concept of strategy in relationship with the Four Cs. Miller et al. (2005, pp 51-52) state: “Strategy is the basis upon
which the firm chooses to distinguish itself or its offerings to gain advantage in the market”. They also determine strategy as “the set of distinctive capabilities that enable it to do so”, meaning that strategies are the starting point for the firm for evaluating its options in terms of returns to the firm. Prices, costs, brand image, quality, product performance and economy are all embedded in the firm’s marketing strategies for differentiating or preserving its competitive advantages in the long run. (Miller et al. 2005).

The strategies that embody the Four Cs are partially in line with the family’s tradition and values. Miller et al. (2005) came up with four strategies that are often used by family firms. These strategies also constitute the basis for a set of our survey’s empirical questions:

- Brand Building
- Craftsmanship
- Superior Operations
- Innovation
- Deal Making

2.3.8.1 Brand Building

For family businesses, brand building is critical because there is nothing more important than the image they are projecting to the society. The image of a family business includes its products, services, tradition, long-term orientation, values and relationships. These are all concentrated and personified in a brand. In other words, families put enormous efforts and time on building brand images for their products and family-related values. Brand building strategy in family firms often involves competitive positioning and core capabilities, which imply a guideline to create a brand that is different and still attractive for their different consumers.

The aim of family firm strategies, in terms of branding, concerns creating a distinctive image for their products. The products are to be known for their unique performance, features and quality. Therefore, family businesses must rely on their efforts to obtain quality and functionality in their products/services (Miller et al. 2005).

As we stated earlier in this section, family businesses tend to build brand images upon the quality of their products and the relationships that the family establishes with clients. Sometimes these relationships with clients are fundamentally based on family traditions and values. Clients generally regard these relations as win-win situations where both parts are fortunate. Affection and loyalty to the family brand are often the main factors that family businesses look for in their relationships with clients (Miller et al. 2005).

Miller et al. (2005 p.59) state that “family firms know brand awareness drives market share, which makes promotion and distribution more economical, which in turn further boost market share”. Since family firms are informed about brand importance, they usually adopt advertising and distribution programs as marketing tools to reach that desired market share.

Brand preservation is another factor that family firms usually try to protect across years. Once a brand is established in the market by a family firm, it is hard to see any changes over the years, as it keeps the original recipe in terms of formulation, packaging, distribution and promotion (Miller et al. 2005). In fact, it is always a because of trials that family firms decide to change any of their processes, and the change must add value to the product and never alter the essence. The image of the brand, the quality of the products and their formulations are hardly subject to changes, since family traditions include also the family product (Miller et al. 2005).
Generally, family firms keep their recipes in secrecy and isolation. Secrecy to avoid being copied by competitors and suffering from not having a unique product in the market. Isolation comes with the fact that a family firm uses special protections for their products. Special, because they kept their products out of the market for several years to impede exposing them for competitions or keep an expectation for their products in the market (Miller et al. 2005).

The major priorities of branding are continuity and community. Continuity as we stated before in this chapter, involves the strength of the firm for the long run. Miller et al. 2005 argues that continuity is the commitment to create a strong brand in the market. Also, continuity is the factor that makes family firms’ executives put efforts on knowledge transfer in regard to the family brand, from generation to generation. In other words, continuity symbolizes the battle to preserve the brand, over decades, with integrity and consistency. Family firms invest large amounts of resources (time and money) in building their family brands, i.e. investing fortunes and taking a life time for many executives. The main objective is to generate a reputation for the brand and teach new generations how to protect it (Miller et al. 2005).

Community is the other priority that branding is largely linked to. The employees of the family firm must understand how important the brand is in all their operations. Thus, the brand in family businesses embodies the values and the identities that drive employees to think in accordance with the company traditions (Miller et al. 2005).

In addition, family firms that focus on branding have to consider two complementary priorities; connection and command. These two priorities are not relevant for branding as those of continuity and community, but it is important consider them. Connection, in terms of branding in the family firm, is related to the “feeling” that the brand generates. Clients and suppliers of family firms represent the main target for the brand’s great image. Therefore, the first impression of the brand is critical to keep the brand visible and relevant for the outside world. Command is the priority that creates new brands and refreshes existing ones. It is important to mention that command plays an important role in the family firm’s brand growth, since command gives executives the chance to introduce new policies for the brand and also for the products (Miller et al. 2005).

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<thead>
<tr>
<th></th>
<th>Creation/Uniqueness</th>
<th>Growth</th>
<th>Preservation</th>
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<tbody>
<tr>
<td>Continuity</td>
<td>High Priority</td>
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<td>Community</td>
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<td>High Priority</td>
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<tr>
<td>Connection</td>
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<td>Complementary P.</td>
<td>Complementary P.</td>
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<tr>
<td>Command</td>
<td>High Priority</td>
<td>Complementary P.</td>
<td>Complementary P.</td>
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</table>

Table 2.4. Components of the Brand Building Strategy (Modified from Miller et al. 2005 p.77)

The table above illustrates a summary of facts that link the Four Cs’ priorities with the components of the brand-building strategy. High priority means that it is extremely relevant for the brand, and complementary priority implies less relevance for the brand, as according with Miller et al. (2005).

2.3.8.2 **Craftsmanship**

*Craftsmanship,* is a strategy for family firms that involves the know-how of passing knowledge to next generations. For family businesses, knowledge represents getting the job done like no
one else. Customers and suppliers are aware of the family firm’s outputs through their craftsmanship about buying products and services. If the output of the family firm meets the demands of consumers outstandingly, these will be then willing to pay what it gets to obtain the product or service. Therefore, craftsmanship signifies competing on the quality of firm’s outputs (Miller et al. 2005). Such quality is defined through the next key factors:

- The design, production and delivery of the products.
- The constant improvement of offerings and processes.
- Product-market focus tied directly to core capabilities.
- The control of capabilities across multiple products or markets to fund further quality development.

However, quality is not just a factor of craftsmanship that family firms possess and that leads clients to appreciate and buy because of it. Family firms must work on adding values to their traditional products in order to make them constantly attractive for their complex markets. Also, they must focus on commercializing those value-added products in an efficient way - with speed and flexibility - to be capable of competing in different areas by constantly improving their products’ quality (Miller et al. 2005).

For the strategy of craftsmanship, continuity and community are the major priorities. Continuity, therefore, is important to achieve results in terms of quality for family firms. Miller et al. (2005) quote different factors that help to achieve objectives in quality:

- A fundamental, substantive mission.
- Passion for the mission pursuit.
- Clear policies to institutionalize quality.
- Organizational improvement policies.

Long-term investments for keeping high quality are a characteristic that family firms usually use in their craftsmanship strategy. These investments are reflected on long executive tenures that enable managers to build and institutionalize quality programs, which often take several decades. Quality programs are meant to encompass all other processes across the family organization. (Miller et al. 2005)

Continuity as a priority helps the family firm, in terms of craftsmanship, to identify their commitment to quality. Hence, it helps firms to establish quality policies for their processes and outputs in the long-term through long executive tenures, as a means to preserve the quality tradition (Miller et al. 2005). Following traditional quality programs of the firm is the community, which entails the people inside the firm, i.e. who will execute those plans and actions. Therefore, community in craftsmanship strategy is a major priority. Thus, executives in family firms know that alone they cannot achieve the desired quality standards. Employees across the organizations must follow those mission statements that are based on the family values and common belief. However, sometimes the quality message is not easy to spread within the organization. Then, family firms use cultural factors to transmit a common mission and vision.

According to Higgins and McAllaster (2003), cultural factors that may help the family traditions include “myths and sagas about company successes and the heroes and heroines within the company; language systems and metaphors; rituals, ceremonies, and symbols; certain physical attributes such as the use of space, interior and exterior design, and equipment; and the defining values and norms”.

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The complementary priorities of craftsmanship would be *connection* and *command*. Connection with the outside world in craftsmanship strategy refers to the customer/supplier relationships that focus on quality standards. For instance, the family firm starts relationships with several suppliers to buy raw materials. These materials are part of the final product, so the family firm requires maximum quality from the supplies, which makes suppliers improve the quality of their offerings. With clients, the family firm requires some sort of feedback on their products and services to prevent low quality outputs. Also, high quality makes it more difficult for competitors to copy, as a low standard product is an easier task to duplicate (Miller et al. 2005).

The craftsmanship strategies come from the management team of family firms. The command here places the quality policies for the entire organization. However, often the family firm focuses on marketing plans or financial programs leaving quality just in the mission statement without related actions. In conclusion, Miller et al. (2005 p.103) quotes: “they hold fast to their missions, give their all in the pursuit of quality, and make sure people in the top are true believers in word and deed”. They also remark “Then, they create a culture of like-minded, highly trained people who imbue the company with the craft and the creed of quality”. However, many family firms still tend to commit the error of not improving their products for the market, which make their outputs old and obsolete. That is why it is important for family firms to be closely connected to their suppliers and clients. These stakeholders must provide valuable information for the top management team of the family firm when deciding situations concerning the quality or improvement of products (Miller et al. 2005).

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<thead>
<tr>
<th></th>
<th>Constant Improvement</th>
<th>Focus on Quality</th>
<th>Preservation</th>
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<td>Community</td>
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<tr>
<td>Connection</td>
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<tr>
<td>Command</td>
<td>High Priority</td>
<td>Complementary P.</td>
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Table 2.5. Components of the Craftsmanship Strategy (Modified from Miller et al. p.104)

The table above, illustrates how strategy of know-how is related to the Four Cs. High priority means that the component is extremely relevant for know-how strategy, and complementary priority suggests less relevance for know-how.

### 2.3.8.3 Superior Operations

*Superior operations* involve another type of strategy that many family firms (called operators) opt to follow. This kind of strategy is followed by strictly functional family businesses, which are capable and want to attract the consumer in a more efficient way. This type of family businesses is able to combine an effective business model with good relationships to their stakeholders. According to Miller et al. (2005) these family businesses focus their core competences on low prices by cutting costs. A family business that focuses on major operations often follows these objectives:

- Evolve an original business model that adds the most value to clients at the lowest cost.
- Cater only to price- and cost-sensitive clients.
• Build a sophisticated operations infrastructure that places a premium on efficiency.
• Specialize and partner along the value chain.

Family businesses that follow the strategy of operators sustain their industry by investing in long-term relationships and infrastructures. The family firms under operator’s strategy must assure that they have a business model that only go after the customers that want low costs and prices. The success of these family firms lies in understanding their business model so to being efficient without leaving apart quality. Also, the family business is successful because they understand that investing in scale and volume for their operations by using economies of scale is the key. However, they also invest in automation of operations, which give them the chance to be more efficient and cut any extra cost (Miller et al. 2005).

It is also important to mention that family business usually invest more in their value chain (partners, suppliers and distributors) that in their products. They believe that by putting more efforts in chain can generate most value for any of their processes. Their partners, suppliers and distributors are the chain, and therefore they are willing to invest large amounts of resources on them, with the aim of teaching them about standardization, economies of scale and cost efficient policies (Miller et al. 2005).

The major priorities of operators are continuity and connection with the value chain. Continuity mainly focuses on the investments in infrastructures and the long-term vision of the operation. While connection and the value chain concentrates in relationships with clients and suppliers based on integrity, openness and responsiveness. Continuity also aims to build better systems and infrastructures to move on into the network or value chain. Sometimes building these integrated systems with clients and suppliers can end up being too fast and too complex, and thus damaging the business. However, what is important about family firms is their great investment based on venturing and conservatism, values that a non-family firm rarely has (Miller et al. 2005).

Nevertheless, to achieve this success, family firms that follow the operator’s strategy must alienate stability with their top management team. Therefore, continuity of the top executives and long tenures is a requirement to survive for many years in the business. The top management teams in the family firm expertise to be efficient, learn more and be successful in long tenures. Also with the continuity of the top management team in long periods, the company could be winning enduring relationships with suppliers and clients and passing those relationships on to the next generations (Miller et al. 2005).

Connection is the other main priority for family firms following the operator’s strategy. The value chain is very important for all their processes and activities. Clients, distributors and suppliers that are involved in the normal operating system of the family firm compose the value chain. In their transactions, supply firms benefit from the operations by assured valuable information about the craftsmanship of the family firms and the information about markets and networks (Miller et al. 2005).

Miller et al. (2005 p.119), quoted: “Connection is all about pursuing lasting, win-win relationships with external parties rather than trying to optimize a fleeting transaction. So they treat partners with integrity, openness, responsiveness and generosity”. In this context of relationships, integrity serves to begin the interaction with the partner. Openness is very important to keep up with suppliers when they work together with the family firm to mainly exchange information. Responsiveness and generosity play a major role in the relationships. Responsiveness for instance helps the value chain to assure investments from the family firms, even though they will not see the payoff in the short term. Family firms invest in their suppliers to be able to work together with them on the same quality standards that the client is willing to
pay for. Generosity also is placed in the same context as investment. Family firms often customize their relationships with partners by offering quality goods, reliability and exclusivity to a single customer (Miller et al. 2005).

When connections are the major priority for a family firm, the benefits from it would last for many years and in great scale. However, connections for family firms are long-term operations that must require patience and a lot of teamwork. The main goal in all this relationships is to be more effective and responsive to the clients (Miller et al. 2005).

The complementary priorities of operations are command and community. Command is the desire to lead the group or the family to enhance long-term relationships with clients and suppliers. Also, the top executives will be able to make decisions towards the investment in partners to get benefits in the long run. Finally, community gets people in the organization together to work in groups so to establish good relationships with clients and suppliers.

Table 1.5 represents a summary of facts that link the Four Cs’ priorities with the components of the operator’s strategy. High priority means extremely relevant for the brand, and complementary priority less relevant for the operator’s strategy, according with Miller et al. (2005).

<table>
<thead>
<tr>
<th></th>
<th>Business Model</th>
<th>Price/Cost</th>
<th>Build and develop infrastructure</th>
<th>Value chain specialization</th>
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<td>Continuity</td>
<td>High Priority</td>
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<td>Connection</td>
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Table 2.6. Components of the Operations Strategy (Modified from Miller et al. 2005 p.125)

### 2.3.8.4 Innovator

*Innovator* is the strategy that most family businesses use regularly. Creative ideas for family businesses always had been a common factor in all their activities. Innovations are the main objectives for some family firms to survive decades and be able to be profitable (Miller et al. 2005). An innovation also is the main factor to assure that other new companies or competitors do not imitate the family firm’s products. The factors for a successful innovation for family firms are the follow:

- Path breaking Innovation
- Incremental Innovation and levering of discovery
- Commercialization of innovations

Innovations for family business are critical in all processes. As mentioned earlier, family firms focus on cutting costs and being efficient. Having innovation plans implies that they can be able to be efficient and profitable in cutting costs by adding new technology to their processes and activities. Also, every generation of these families makes efforts to constantly work on improvements in technology, which is the factor that keeps these businesses updated to the new demanding markets (Miller et al. 2005).
The major priorities for the strategy of innovators are command and community. Command is related to the capabilities of the top management team of the family firm to put efforts on decisions towards the investment of new technologies and creative processes for their products. The executives of family firms also focus on long-term investments in innovations to be clear about the future of their businesses. The other major priority is community, which is important in the process of innovation. Innovation requires capable teams within the family firm to come up with and evaluate new technologies and ways of production. Community contributes to the innovation process, with strong family values a climate of initiative, collaboration and an appropriate training for employees about new technologies (Miller et al. 2005).

The complementary priorities for the strategy of innovations are continuity and connection. Continuity is considered as a complementary priority because families sometimes refuse to be creative at the beginning of their business career. The family business believes that there is only one way to do their production. However, shortly after the family business realizes that the competition is getting ahead and decides to add creativeness and innovation constantly to ensure competitiveness for years. Connections are more beneficial for the firm in terms of adding value and creativity to their relationships with clients and suppliers. The connections upon innovations processes are basically made from joint ventures with key partners and clients. However, connection in innovation must generate value for the parties, i.e. the family firm must ensure that those innovative or creative improvements are relevant for the market, and the only way to ensure the relevancy is by knowing the market and the feedback from their clients (Miller et al. 2005).

Table 1.5 represents a summary of facts that links the Four Cs’ priorities with the components of the innovation strategy. High priority means it is of extremely relevance for the brand, and complementary priority; less relevant for the innovation.

<table>
<thead>
<tr>
<th></th>
<th>Path-Breaking Innovation</th>
<th>Improvement &amp; Leverage</th>
<th>Commercialization</th>
<th>Creation</th>
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Table 2.7. Components of the Innovation Strategy (Miller et al. 2005 p.152)

2.3.8.5 Deal Making

Deal making is another strategy that many family businesses decide to follow for their marketing practices. Family businesses that decide to opt for this strategy are driven by a desire of making good relationships and contacts to support their businesses. According to Miller et al.’s (2005) deal making strategy for family businesses is based on the following factors:

- Spotting opportunities early and creatively
- Capturing deals by making and “reading” contacts
- Executing intricate projects via superior knowledge and partnering skills
- Cumulative learning across projects to become ever more competitive in burgeoning of the market.
Family businesses with a deal making strategy are able to identify and execute opportunities in the market. Most family businesses express their desire to grow as a company by finding opportunities and establishing relationships with other companies. Additionally, through these relationships they can reach agreements to achieve long-term goals (Miller et al.’s 2005). After identifying opportunities in the marketplace, family businesses often are capable to capture them in the best way possible. However, in family businesses sometimes pursuing these opportunities is not an easy task. As explained by Hall, Melin and Nordqvist (2006) strategizing in family firms are mainly informal and unstructured as decisions are often made in casual meetings. Therefore, identifying and capturing opportunities in the market requires sometimes a more professional marketing team in the organization. The top level marketing team in the family business must create contacts with clients and suppliers, so to generate additional partnerships with other companies and thereby build a network that serve in the best manner to those clients and suppliers. Therefore, a social network that helps the family business in finding information, resources and knowledge is necessary, as it enables the firm to identify and execute the best deal (Nordqvist and Goel, 2008).

Partnering is fundamental in the deal making family businesses. As we saw earlier, it is occasionally difficult to get access to valuable information and opportunities. That is why apart from the social network related to the family, dealmakers must enhance their partnering with banks, government or even the same competition. By partnering with these actors, family businesses learn to identify the negotiating skills of its employees, which is vital to negotiate agreements with its major customers and suppliers (Miller et al.’s 2005).

The major priorities of deal making are command and connection. Command gives family firms leadership over negotiations. Leaders of these family businesses must seize the role of negotiators because the family could have a better bargaining power. However, the negotiations are to not only reach business agreements but also to seek to enrich the family tradition and its image. Through good tradition and image, family firms can reach very favorable agreements, which will save them money. Additionally, family firms rely on the power to negotiate on their confidence and dialogue (Miller et al.’s 2005).

Connection is the main priority for the deal making strategy. Leveraging contacts and building networks are the two principles here. Maintaining and creating relationships upon those contacts and networks is the objective. As Miller et al.’s (2005 p. 170) mentioned: “These relationships, which frequently rely on a family’s reputation and sway, may attract capital, clients, and influential partners”. Additionally they stated: “Deal makers went out of their way to develop high trust, enduring associations by being worthy and generous partners - good neighbors - to those with whom they did business”(Miller et al.’s, 2005 p. 170).

Clearly, family businesses following a deal making strategy take most of advantages over connections, it is simply because they are committed with partnering. However, it is not enough with establishing contacts and close deals, it requires also a manner of honor, stability and trust to ensure long and lasting relationships. We should also mention that family firms with such deal making strategy, often decide to pass these contacts to future generations. Moreover, family firms are very jealous of their secrets. They do not like anybody to know them and they save valuable information beyond the range of the public (Miller et al.’s 2005).

The reputation of the family helps establishing new contacts. Reputation is based on a family legacy, i.e. earlier generations worked hard to create an image of confidence and principles. To do this they must establish relationships with all types of parties. These long relationships could leave many benefits to the family firm, such as lower costs, more trust, better understanding of business processes and higher productivity (Miller et al.’s 2005).
Complementary priorities for the strategy of deal making are continuity and community. Continuity works to ensure a clear vision of where family firms want to take the relationships. Some family businesses are risking a lot on their relationships with customers or suppliers, and continuity helps them to assess whether these relations will continue or come to end. Moreover, community involves stimulating employees to create an entrepreneurial culture and train them to reach expertise. Finally, employees must deal with complex negotiations that require cooperation among all areas in the family business.

<table>
<thead>
<tr>
<th></th>
<th>Deal Spotting</th>
<th>Capture</th>
<th>Execution</th>
<th>Learning</th>
</tr>
</thead>
<tbody>
<tr>
<td>Command</td>
<td>High Priority</td>
<td>High Priority</td>
<td>High Priority</td>
<td>High Priority</td>
</tr>
<tr>
<td>Connection</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Family role in connections</td>
<td>High Priority</td>
<td>High Priority</td>
<td>High Priority</td>
<td>Complementary P.</td>
</tr>
<tr>
<td>Cultivate contacts</td>
<td>High Priority</td>
<td>High Priority</td>
<td>High Priority</td>
<td>Complementary P.</td>
</tr>
<tr>
<td>Make relationships Last</td>
<td>High Priority</td>
<td>High Priority</td>
<td>High Priority</td>
<td>High Priority</td>
</tr>
<tr>
<td>Continuity</td>
<td>High Priority</td>
<td>Complementary P.</td>
<td>Complementary P.</td>
<td>Complementary P.</td>
</tr>
<tr>
<td>Community</td>
<td>Complementary P.</td>
<td>Complementary P.</td>
<td>Complementary P.</td>
<td>Complementary P.</td>
</tr>
</tbody>
</table>

Table 2.8. Components of the Brand Building Strategy (Modified from Miller et al. 2005 p.77)

The table above illustrates a summary of facts that link the Four Cs’ priorities with the components of the deal making strategy. High priority means that it is extremely relevant for the deals, and complementary priority implies less relevance for the deals, as according with Miller et al. (2005).

2.3.9 Family Business Relationships

In their study, Zellweger and Nason (2008) describe an overlap between the firm, the family, their stakeholders and the connection with the environment. Within the field of family business it is always been a priority to keep in contact or satisfy the demand of all stakeholders. Their research was made to perceive how the relationships with stakeholders affect the family firm’s performance. They conclude that the firm’s performance is linked to the relationships with stakeholders, i.e. the family firm becomes more effective in their activities since they can satisfy several stakeholders. Hence, they found that there is a relationship between the stakeholder’s satisfaction and organizational effectiveness (Zellweger and Nason, 2008).

Building a family business’ reputation and being able to have positive relationships with clients imply long-term objectives. Creating reputation among suppliers and customers require that family businesses demonstrate long-term intentions in their relationships with stakeholders, but also strong marketing strategies that stimulate customer loyalty (Miller et al.’s 2005). In addition, loyalty from suppliers and customers is related to product differentiation, innovation, quality and brands. Therefore, family businesses prefer to use a unique set of products that
express originality. Nevertheless, if the new original product or service is not very appreciated by the market, family firms should not get enormously affected by that, since they already have built a customer loyalty to their brand via past generations (Miller et al.’s 2005).

Family businesses are always pursuing long-term relationships with their clients. In fact, as we stated before, they attempt to create consumer loyalty based on the quality of their outputs. They also prefer to stay in touch with their associates since it is important to be close to the market, much because of new tendencies or need for improving existing sets of products. Family business always create interactions no matter what situation is happening, i.e. they will be in touch even just for proving that they care about their associates (Miller et al.’s 2005).

In terms of having positive relationships with the community in general, family businesses always attempt to give something back to the community. Thus, they tend to believe that by stretching connections with the community and helping to create a positive environment, the company and its stakeholders will all benefit. Eventually, family firms identify this type of connection as ideal to create a very positive image within the community and their business partners. Creating a positive image and name requires years to achieve but since family business are long-term orientated, it is a matter of time to achieve their objectives of brand recognition (Miller et al.’s 2005).

In their transactions, family businesses always try to create a fraternity environment over their relationships. The concept of “familiness” that Habbershon and Williams (1999, p. 11, cited by Danda and Reyes 2007) introduced “... as the unique bundle of resources a particular firm has because of the systematic interaction between the family, its individual members, and the business”.

### 2.3.10 Differences between Family and Non-family Business

Family businesses’ policies are strong guided by a long-term vision and mission. Looking across the differences between a Family Business and non-family business should be relatively easy to establish a point of differentiation, but the theory tells us that it is not an easy task to make a difference. In fact, long-term orientation is the only clear differentiation between the two. Family businesses’ commitment to tradition, quality and service are the factors that make them unique according to many authors. However, most family firms must enrich those factors every day since the name of the family is on their hands. Non-Family Business in the other hand in the past decades are shortening that gap, they have more traditions with clients, more quality and the end result is a better service (Gallo, Tapies and Cappuyns, 2004).

Furthermore, Miller et al. (2005) explain the differences between these two forms of business, the one involving family and the other not. Family businesses adopt collaborative practices over their businesses. Their members are committed to serve in the best possible way, pursuing the firm’s mission, and not just fairly following the managers’ recommendations, as it happens in non-family businesses. Often, non-family members in the Family businesses who identify the family values, mission and vision, get to understand the importance of their role, which generates a special and deeper relationship with the family members. This also creates a personification of the business, making commitment and loyalty its vital values, which in turn is reflected on the relationships with outside business partners. It is a ‘win-win’ situation for family and non-family members in the family businesses as everybody gets benefits.

Family businesses indeed, create more value and long-term relationships within their networks than non-family businesses. This is common and well known among family businesses, since
they all put their effort on prolonging and transmitting their mission statement and family values to next generations. Contrarily, non-family businesses focus only on single transactions, short-term relationships with their networks and financial objectives (Miller et al. 2005).

The main distinctions and capabilities between Family and non-family businesses are illustrated in the following:

<table>
<thead>
<tr>
<th>Divergence</th>
<th>Family Business</th>
<th>Non-Family Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership</td>
<td>It is brave and independent. Intended to create value between employees.</td>
<td>It is determined by financial quarterly targets, no value added.</td>
</tr>
<tr>
<td>Strategy</td>
<td>Focused on the long run capabilities.</td>
<td>It is fairly concentrated on short-term opportunities.</td>
</tr>
<tr>
<td>Culture</td>
<td>It is solid, caring and single-minded across the family.</td>
<td>Individualistic and bureaucratic.</td>
</tr>
<tr>
<td>Relationships</td>
<td>Intended to create win-win relationships with the external environment, long term orientated.</td>
<td>Momentary, focus on single transactions, short term orientated.</td>
</tr>
</tbody>
</table>

Table 2.9. Major Differences between Family Business – Non-Family Business (Modified from Miller et al. 2005 p.15)

2.3.11 **Summary and Hypothesis about Family Business**

A family-controlled business is one that is governed, i.e. both owned and managed, by the same family. This type of business is different from others in aspects regarding leadership, strategy, culture and relationships in particular. However, all differences imply family firms’ long-term oriented management. Miller et al.’s (2005) study on successful and lasting family businesses revealed four priorities of such firms; The Four Cs: Continuity, Connection, Community and Command. These four are the priorities that imbue the strategies of successful family firms; Brand Building, Craftsmanship, Superior Operations and Innovation. All these strategies, and their components, embrace the concept of longevity of family firms, which also reflects their marketing and relationship orientation. Consequently, we deduced the following hypotheses:

**H4**: Family firms tend to use more long-term oriented than short-term oriented marketing.

Furthermore, the operationalization of this hypothesis is based on Miller et al.’s (2005) strategies of successful family firms and their components. The result is displayed in the questions 17 to 49 of our survey questionnaire (see Appendix 1).
2.4 What Marketing Characteristics are Overlapping between Family Firms and B2B Firms exhibiting at Trade Shows?

The answer to this question is to be found in the similarities and parallels from the theory about both family business and B2B marketing. Thus, through analyzing and comparing the literature, we will evaluate what marketing-related characteristics from both fields of study are associated, and thereby overlapping.

2.4.1 Linking Family Business and B2B Marketing

The overlap between B2B marketing and family business concerns different aspects and areas of a firm involving mainly marketing and governance. Whereas B2B marketing is a field that almost only relates to marketing principles and practices, family business embraces several organizational aspects. The most common organizational features related to family business are ownership and management, thus governance. Carney (2005) explains the term family governance as a form of corporate governance where ownership and control are not separated, as in other types of governance, but unified. Moreover, Sharma and Nordqvist (2007) developed a classification system of family firms based on the overlap between three dimensional circles; family, ownership and management of a firm. The classification system resulted in 72 types of family firms differentiated by the degree of family and non-family involvement in the management and ownership of the firm. Hence, ownership and management are highly relevant for the field of family business. Yet, management involves marketing, as it is the managers (and thus the family) who decide over the firm’s marketing. However, the market can also decide on a firm’s marketing decisions, as the industry changes over time and managers have to adopt new strategies to cope with environmental transformations (Lei and Slocum, 2005).

However, in B2B marketing, ownership is barely brought up whereas management (together with industry-related factors) is extremely important. In fact, as discussed earlier, Anderson et al. (2009) built a detailed value-based model about the process of business market management, which aims at describing the processes of understanding, creating and delivering value in B2B marketing. Also, Ford et al. (2006) advocate in their book for management as an inherent part of B2B marketing, meaning that managing relationships in complex networks is the key in B2B industries. Therefore, from revising earlier literature, it is possible to consider management as an essential element for both fields of B2B marketing and family business, thus it can be regarded as a dimensional link, in connection to marketing, and so it becomes marketing management as showed in the figure below:

![Figure 2.5 Marketing Management as the Link between Family Governance and B2B Marketing](image)

The figure above shows how marketing management links together family business and B2B marketing. This link implies that all overlapping marketing characteristics between B2B firms and family firms undertake a managerial perspective on both fields of study and types of firms.
2.4.2 Associating Main Concepts of Family Business and B2B Marketing

By linking family business and B2B marketing through management, we found a dimension where these two fields of study meet and can thereby be overlapped and associated. As discussed earlier, B2B firms tend to use relationship marketing, whereas B2C firms are more inclined towards transactional marketing (Coviello & Brodie, 2001; Anderson et al. 2009; Grönroos, 1997; Ford et al. 2006). Similarly, we have found that family businesses differentiate themselves from non-family business in several aspects, although the main difference lies in the overall management orientation; i.e. long-term in family firms and short-term in non-family firms (Miller & Le Breton-Miller, 2005; Sharma, 2004; Sharma & Nordqvist, 2007). Hence, these differences constitute the main concepts within these two fields of study as they imbue all other conceptualizations and terms related that have been brought up in relation to both fields of study.

Consequently, it is possible to draw parallels in the marketing management of family and B2B firms, as well as among their opposites; non-family and B2C firms, on the basis of their main concepts. However, due to the purpose and the scope of this study, we focus particularly on those aspects of family firm management that concern marketing in general, and B2B marketing in particular.

Moreover, in accordance to revised theory, the levels of relationship marketing and long run orientation in family firms that operate in B2B markets, thus family-B2B firms, should be higher than in both family firms that only operate in B2C markets (family-B2C firms) and non-family firms that only operate in B2B markets (non-family-B2B firm). In turn, family-B2C firms and non-family-B2B firms should have a higher level of relationship marketing and long run orientation than non-family firms that only operate in B2C markets (non-family-B2C firms). As a consequence, family-B2B firms should have the highest levels of relationship marketing and long run orientation as well as non-family-B2C firms should have the highest levels of transactional marketing and short run orientation and lowest level of relationship marketing and long run orientation.

Figure 2.6. Classification of firms based on the Main Concepts of Family Business and B2B Marketing

As showed in the figure above, the main concepts characterizing B2B marketing and family business; relationship marketing/transactional marketing and long-run/short-run management, lead to a classification scheme that divides firms in four groups; Family-B2B firm, Family-B2C firm, Non-family-B2B firm and Non-family-B2C firm. This classification is partially re-
lated to our sub-questions SQ1, SQ2 and SQ3; and thereby addressed by our hypotheses H2, H3 and H4. However, due to our purpose, it is only the group of Family-B2B firms that is emphasized in this study.

2.4.3 Family-B2B Firm: The Theoretical Overlap

As mentioned earlier, Håkansson & Snehota (1995) summarize the literature about business relationships, i.e. supplier-business customer relationships, in four structural characteristics: continuity, complexity, symmetry and informality, which are relevant for keeping stability of the business relationships. Companies are likely to keep a healthy relationship with each other by having long-lasting, broad, relatively balanced and informal relationships (Håkansson & Snehota 1995). These structural characteristics are found to be very compatible with the priorities of successful family business described by Miller et al. (2005). Hence, family firms are believed to build their long-term relationship market success on four priorities that create benefit for all their stakeholders: continuity, connection, community and command.

Furthermore, the 4Cs involve four strategies that successful family firms tend to adopt; brand building, know-how, superior operations, deal making and innovation (Miller et al, 2005). We found that these four strategies are comparable to B2B relationships’ process characteristics; adaptations, cooperation and conflict, social interaction and routinization. Thus, family firms’ strategies and B2B relationships’ process characteristics entail the marketing dynamics of family-B2B firms related to the implementation of their strategies.

As showed by the figure below, successful family businesses’ priorities represent stability in the same way as B2B relationships’ structural characteristics do. On the other hand, family businesses’ strategies express the actions and dynamics of a strategic process, which is also the purpose of B2B relationships’ process characteristics. (Håkansson & Snehota, 1995; Miller et al. 2005). Hence, the arrows represent the common process, dynamics and advancement, from the stable and static but guiding priorities and structural characteristics of family firms and B2B relationships, towards a common purpose; long-term B2B relationships.

In short, we believe that the terms illustrated above represent the overlapping marketing principles and practices between B2B and family firms. Hence, the family firm priorities are asso-
associated and correspondent to B2B relationships’ structural characteristics, in the same manner as family businesses’ strategies are interrelated to B2B relationships’ process characteristics. Therefore, managing B2B relationships for the long run summarizes the qualities of a Family-B2B firm. How and why they overlap is explained here next.

2.4.4 Managing for the Long Run in B2B Markets

According to Miller et al. (2005), family businesses attempt to establish win-win relationships over transactions linking clients, and more close interaction with the whole supply chain network. They are willing to expend money and time into relationships for the benefit of the business to last for many generations. They built up partnerships upon honesty, generosity and fraternity, which facilitate building trust and commitment with suppliers and clients. (Miller et al. 2005). Hence, their marketing is characterized primarily by continuity and connection, and secondly community and command, which is reflected in their long-term-oriented managing of relationships with several stakeholders, not only customers and suppliers (Miller et al. 2005; Sharma, 2004; Sharma & Nordqvist, 2007).

These many relationships with several different stakeholders imply a complexity, which is a typical feature of B2B networks. Firms that operate in the B2B industry, thus B2B firms, do also stress the importance of long-term business relationships, which is clearly visible in their inclination for relationship marketing (Grönroos, 1997; Anderson et al. 2009; Coviello & Brodie, 2001; Ford et al. 2006; Håkansson & Snehota, 1995). Consequently, family firms that sell to or buy from other firms, thus which are family-B2B firms, emphasize the priorities and characteristics attached to family firms and B2B relationships respectively.

Among the four family firms’ priorities, two are more relevant for B2B relationships; continuity and connection, than community and command. Similarly, two of the structural characteristics of B2B relationships are more related to family firms in B2B markets; continuity and complexity, than the other two; symmetry and informality. Thus, these more important concepts can be considered as the major structural marketing principles of family-B2B firms, whereas the others are the complementary principles. As a consequence, three of the strategies of family firms; brand building, superior operations and deal making, can be considered as the major marketing practices for family-B2B firms. Mainly, because these are most related to marketing strategies and also because they emphasize continuity and connection. In the same way, two of the B2B relationships’ process characteristics seem more important for family-B2B firms; adaptations and cooperation and conflict. The other two strategies constitute the complementary practices of family-B2B firms; craftsmanship and innovation, together with the two remaining process characteristics; social interaction and routinization. (Miller et al.2005; Håkansson & Snehota, 1995)

2.4.4.1 Major Marketing Principles and Practices of Family-B2B firms

Theory about family firms and B2B marketing has suggested a series of marketing characteristics that, in sum, reflect long-term relationships. The characteristics, priorities and strategies discussed above, are all expressing longevity in business relationships. However, some of these are considered more important than others. In addition to the motivations given above, continuity, connection and complexity were chosen as major principles, and not priorities nor characteristics, because of their consistency and repetitiveness throughout the literature. Hence, these three were consistently reflected and mentioned in B2B marketing and family firm literature, when describing marketing-related characteristics of B2B and family firms. In other
words, connection, complexity and especially continuity characterize the most both fields of study. Miller et al. (2005) considered brand building, superior operations and deal making as strategies of successful family firms. We consider them as the most attached to B2B marketing because of their major prioritizing of continuity and connection.

However, we have decided to view them as major marketing practices because they emphasize the priorities most related to marketing (continuity and connection) as major ones, and due their competitive advantages are obviously based on marketing practices: branding, partnering and operations, and networking and prospecting (Miller et al. 2005). The other two major marketing practices: adaptations, cooperation and conflict, are B2B relationships’ process characteristics that have also been brought up repeatedly in the literature and specially in regard to the nature and dynamics of business relationships (Håkansson & Snehota, 1995; Holmlund & Törnroos, 1997; Ford et al, 2006). Here next the associations between the major marketing practices and principles of family-B2B firms will be explained.

**Brand Building:** consists in managing the family firm’s brand and image. Its major organizational priorities are continuity and community according to Miller et al. (2005). Although, we found that the major marketing principles of a family firm operating in a B2B industry involve connection and complexity, in addition to continuity and instead of community. Continuity is expressed in a brand builder’s patient investment and stewardship in its business relationships in order to maintain the family brand. Connection implies that a family-B2B firm is attentive, visible and honest in its supplier/customer relationships, so to keep good image and relevance. Complexity in business relationships refers often to the number and difference in position and knowledge among the individuals involved in the relationship. In family business, complexity is inherent in the concept of ‘familiness’, which refers to a family firm’s group of distinctive resources that stem from family involvement (Habbeshon & Williams, 1999). Hence, brand builders should emphasize teamwork to overcome complex situations in their business relationships and be able to leverage the best outcomes out of those. For instance, a brand building family-B2B firm should be able to form appropriate teams, by mixing people from different department and positions (including family and non-family members) in the right way, behind every main supplier/client relationship. Because the teamwork behind each business relationship will reflect on the firm’s brand and thereby on the whole network.

**Superior Operations:** is based on superior business operations and partnering. Continuity and connection are its major marketing practices in Miller et al.’s work (2005). However, we added complexity because superior operators should tend to partner in business networks where relationships are complex because they can serve different purposes in different situations. Thus, complexity in relationships rely on their ability to fulfill different goals when activated depending on what the situation requires. For instance, if a superior operating family-B2B firm wants to extend their operations, it will have to enhance its business relationships so that suppliers/clients can meet the new requirements related to the new situation, by for example changing infrastructure to better fit the client/supplier’s needs. Continuity concerns the long-term focus and investment of operators on their business relationships in order to reach better business models and infrastructure as well as to strenghten their position in the network by becoming many firms’ main supplier/customer. Connection refers to the integrity and generosity, operating family-B2B firms hold in their business relationships to achieve and keep superior alliances with partners, suppliers and customers.

**Deal Making:** as strategy, is built on prospecting, networking, and project execution skills. Its major priorities are command and connection, according to Miller et al. (2005). However, we believe deal makers in B2B markets follow mostly the principles of complexity and continuity,
rather than command, together with connection. Connection implies that deal making family-
B2B firms nurture and stimulate contacts, relationships and networks with the purpose of
finding and executing opportunities in the market. Complexity is reflected in the deal maker’s
need to network with complex partners, as well as view them, to learn and thereby improve its
own business skills. For instance, a deal making family-B2B firm would develop its network of
relationships by learning from its most complex clients/customers as these involve complex
relationships. Continuity entails a business focus on stewardship to achieve synergy in the
firm’s deals and reduce the risks of investing excessively or shortagely in a relationship with a
supplier/customer, depending on its importance.

Adaptations: is not much of a strategy but rather a practice that is essential in B2B marketing.
Mainly because B2B marketing relationships need adaptations in order to exist and last
(Håkansson and Snehota, 1995). But, within family business, adaptations are less popular since
family firms tend to be reluctant to change. However, successful family firms have embraced
adaptation and their long existence is a proof of it. Therefore, continuity is one of the major
marketing principles of adaptations, as family-B2B firms need to adapt continuously and often
for the long run to suppliers/customers in order to build trust and commitment in their busi-
ness relationships. Trust is a very significant concept in business relationships, though it is
more relevant on interpersonal level than interorganizational level. It has been conceptualized
as a component of relationship quality and as a requirement and determinant of beneficial
business relationships (Dwyer et al. 1987; Håkansson et al. 2004 cited by Mouzas, Henneberg
and Naudé, 2007). Connection in adaptations involves the changes in communication and in-
formation systems that are necessary to maintain the required level of interactivity and coop-
eration for a business relationship to develop and thrive (Håkansson and Snehota, 1995).
Complexity is part of a relationship’s nature, as well as of family firms, and mutual adaptations
are necessary to bind firms together and overcome complexities and be able to benefit from
the relationships’ multiple advantages, depending on the situation.

Cooperation and Conflict: will always characterize relationships since they both coexist in a
mutually inclusive manner. Conflicts about the division of benefits arise often over time in
business relationships as well as others of larger or lesser degree, are often necessary for a rela-
tionship to grow. (Håkansson and Snehota, 1995). Trust is considered as fundamental for co-
operation in B2B marketing relationships (Dwyer et al. 1987; Håkansson et al.2004 cited by
Mouzas, Henneberg and Naudé, 2007). Hence, family-B2B companies will have to learn and
pass to next generations the knowledge about managing cooperation and conflicts as major
marketing practices. However, as long as the relationship creates value for both parties, con-
flicts and cooperation will occur, so continuity will concern the creation and development of
value from a relationship through cooperation and conflict. Connection is reflected in the in-
teraction that is needed in a B2B relationship to keep a mutually beneficial balance and permit
value creation through cooperation and conflict. Complexity in business relationships is often
the origin of conflicts between the parties, which in order to be solved need cooperation. Suc-
cessful family firms have a long history of conflicts and their knowledge on how to solve them
have been passed easily through generations as cooperation in such firms is facilitated by fami-
ly-related characteristics. Thus, this practice should allow family B2B firm’s business relation-
ships to develop and grow over many years.
Major Marketing Practices of Family-B2B Firms

<table>
<thead>
<tr>
<th>Major Marketing Principles of Family-B2B firms</th>
<th>Continuity</th>
<th>Connection</th>
<th>Complexity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Brand Building</strong></td>
<td>Long-term investments in supplier/client relationships to build and maintain the family brand</td>
<td>Long-term focus and investment on clients/suppliers to strengthen B2B relationships and network position</td>
<td>Teamwork and ‘familiness’ to unite all individuals involved in relationship to preserve brand image</td>
</tr>
<tr>
<td><strong>Superior Operations</strong></td>
<td>Focus on stewardship to get synergy among deals and skills to reduce risks of investing relationships</td>
<td>Stimulate relationships, contacts and networks to find and implement opportunities</td>
<td>Partnering in networks with complex relationships that serve multiple purposes in different operations</td>
</tr>
<tr>
<td><strong>Deal Making</strong></td>
<td>Long-term and continuous adaptations to suppliers/clients to build trust and commitment</td>
<td>Adapting communication and information to keep interactivity and coordination in relationships</td>
<td>Viewing and networking with complex partners to learn and improve skills in relationships</td>
</tr>
<tr>
<td><strong>Adaptations</strong></td>
<td>Continuous and developing value creation to keep cooperation and conflict in long-term relationships</td>
<td>Interaction and connectedness to balance cooperation and conflict so that value is created</td>
<td>Mutual adaptation to bind firms together and overcome the complex relationships and benefit from them</td>
</tr>
<tr>
<td><strong>Cooperation and Conflict</strong></td>
<td>Complexity in relationships to originate conflicts that invoke cooperation to be solved and grow</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 2.10. Summary of Major Marketing Practices and Principles of Family-B2B Firms

2.4.4.2 Complementary Marketing Principles and Practices of Family-B2B firms

These principles and practices have not been considered as relevant as the major ones because throughout the literature their attachment to the fields of B2B marketing and family business has appeared to be less determinant and consistent. Indeed, craftsmanship and innovation stress quality, design and pioneering skills and products, which have no direct connection to the practices often related to B2B marketing or business relationships. However, they do involve some of the marketing characteristics that are distinctive for family firms. Similarly, command and community are priorities that in B2B industries become complementary because of their emphasis on leadership and cultural aspects rather than marketing. Although, they also entail managerial and networking characteristics (Miller et al. 2005), therefore they are still relevant for B2B marketing. Moreover, social interactions and routinization are characteristics that embrace B2B relationships and some of the theories about family businesses’ qualities, through associations to social network; i.e. the relational governance based on interpersonal bonds between individuals (Nordqvist & Goel, 2008). Symmetry and informality are complementary marketing principles because they are not relevant to family business to same extent as the major principles. Thus, they do not come up in the literature as often nor have the same impact on both our fields of research. Nevertheless, there are marketing links between all these principles and practices that make them complement the major marketing elements of family-B2B firms. Here next, we explain how these complementary principles and practices are associated.

**Craftsmanship:** stresses a family firm’s quality capabilities and designs as competitive advantage, and continuity and community as major organizational priorities (Miller et al. 2005).
Hence, it relates to a major principle of B2B relationship; continuity. However, community is reflected in the process of socialization and training that family firms in B2B markets should go through to achieve a culture of excellence in respect to products and commitment in respect to business relationships. Command consists in diversifying top teams with individuals from different positions, departments and family/non-family members in order to assure that the family firm’s business relationships and thereby the product line remain relevant. Symmetry in B2B relationships consists of a rather equal distribution of resources and initiative between seller and buyer (Håkansson & Snehota, 1995), therefore quality-oriented family-B2B firms can establish rather symmetrical relationships even with partners that might have superior resources, because of their strong quality and designs. Informality for a family-B2B firm, based on craftsmanship, involves nurturing a culture of informal bonding between individuals in order to easily and quickly develop trust and confidence in business relationships, which in turn will contribute to keep a good reputation attractiveness of products.

**Innovation:** is based on a family firm’s pioneering skills and products as well as priorities of command and community (Miller et al. 2005), which are not highly relevant in B2B markets. However, community for innovators means building a culture of mentoring and collaboration in business relationships to achieve useful and frequent innovations. Command involves managerial originality, speed and courage to create new projects and establish new business relationships. The principle of symmetry is embedded in partnering with clients/suppliers that have relevant resources, thus in symmetrical relationships, to reach relevant innovations. Informality for innovating family-B2B firms entails reliance on informal mechanisms to lessen constraining formalities and to learn from partners and develop relationships that facilitate innovation (Håkansson & Snehota, 1995; Miller et al. 2005)

**Social Interaction:** concerns the interpersonal aspects of a business relationship in that these are usually built up through a social exchange process in which individuals become committed apart from the business-specific content (Håkansson & Snehota, 1995). The relevance of social interaction in family business is best reflected by the concept of family social capital, which stands for the social capital (i.e. the relationships between individuals and organizations that facilitate action and create value) developed among family members. Thus, relationships among family members enable the creation of social capital, as the family provides the foundations for trust and moral behavior on which cooperation, coordination, reciprocity and exchange are developed (Arregle et al. 2007). However, community here lies in socializing to unite employees and managers as well as create commitment in developing business relationships. Command means that managers interact socially in order to establish relationships with partners that will enable the family-B2B firm to act boldly and independently in the network. Symmetry is embedded in the social exchange process between individuals necessary to build trust and keep the symmetry in the relationships in terms of resources and initiative. Informality lies in the informal interpersonal relations that are at the basis of and enable the development of interorganizational relationships (Håkansson & Snehota, 1995; Miller et al. 2005).

**Routinization:** refers to the institutionalization of B2B relationships over time as a consequence of their complexity and informality. Hence, routines, explicit and implied rules, and rituals tend to emerge in supplier/customer relationships as a means to reduce costs involved with transactions and facilitate resolution of conflicts and coordination of activities. However, community involves socialization and shared values that stem from the family and leads to a culture of routines, rituals and rules that are concerned about business relationships. Command refers to a management characterized by independency and originality that can influence the rules and routines of relationships. Symmetry involves that routines, rules of behavior and rituals are in line with the symmetrical features of the relationship; i.e. resources and initiative, in order to support the symmetry and develop the relationship. Informality lies in the informal
relations of family-B2B firms required to initiate and implement the process of routinization in relationships, which facilitates problem-solving and reduction of costs related to transaction handling.

<table>
<thead>
<tr>
<th>Complementary Marketing Practices of Family-B2B Firms</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Craftsmanship</strong></td>
</tr>
<tr>
<td>Socialization and training to get culture of excellence in products and commitment in business relationships</td>
</tr>
<tr>
<td>Diversify top teams with different individuals to keep relevance of product line and of B2B relationships</td>
</tr>
<tr>
<td>Quality and design to establish symmetrical relationships with partners that have superior resources</td>
</tr>
<tr>
<td>Culture of informal bonding to develop trust and confidence in relationships, reputation and keep quality attractive</td>
</tr>
</tbody>
</table>

Table 2.11. Summary of Complementary Marketing Principles and Practices of Family-B2B firms

In sum, the major and complementary marketing principles and practices of family-B2B firms described above constitute the overlapping characteristics we found in the theory about these two fields of study. Therefore, we formulate the following hypothesis:

**H5:** The overlapping marketing characteristics between B2B and Family firms are the principles and practices (Connection, Continuity, Complexity, Community, Command, Symmetry, Informality; Brand Building, Superior Operations, Deal Making, Adaptations, Cooperation and Conflict, Craftsmanship, Innovation, Social Interaction, Routinization) that promote managing long-term business relationships.

This hypothesis is based on the two last ones; H3 and H4, therefore, it has not been operationalized directly into survey questions but indirectly as this hypothesis is embedded in our sur-
vey questions; 1 to 49, and their answer (See Appendix 1), as well as in our case study. It is important to state that the major marketing principles and practices described above embrace and imbue our survey questions in a higher degree than the complementary principles and practices, as these are mostly addressed through our case study. Therefore, in the analysis concerning this hypothesis, we will primarily focus on the major features of family-B2B firms, whereas in analyzing our case study, the complementary features will play the larger role.
3 Methodology

In this chapter we will discuss the methodology used, starting with the broad research philosophy and approach. Then, we will illustrate the chosen research strategies and the time horizon. At last, we will describe our data collection process and how the sample was selected and why, as well as the trustworthiness of the method used will be brought up. To show our methodological choices we use Saunders, Lewis and Thornhill’s (2003) illustration of the research process onion. However, only the concepts relevant for our study are displayed.

Figure 3.1. Modified version of Lewis and Thornhill's research process onion (2003)

3.1 Research Philosophy and Approach

According to Saunders, Lewis and Thornhill (2003) in a deductive approach the researchers develop a theory and deduce hypotheses that are later tested with the help of a research strategy design. The deductive approach is often related to the positivistic research philosophy, which is characterized by objective analysis, detached interpretations, highly structured methods that facilitate replication, quantifiable observations and statistics. This thesis’ methodology fits quite well into the deductive approach as it aims at explaining relationships between variables and their attributes. However, the researchers are independent of the researched topic since none of us is directly involved in a family business nor in business marketing. Furthermore, a deductive research should follow five sequential stages (Robson 1993 cited by Saunders et al. 2003) that in our study can be related to certain chapters and elements:

1. Deduce hypothesis from theory – Theoretical Framework
2. Express the hypothesis in operational terms proposing a relationship between variables – Theoretical Framework, Hypotheses and Questionnaire
3. Test the operational hypothesis – Empirical studies and findings
4. Examine the specific outcome of the inquiry – Analysis
5. Modify the theory in light of the findings, if necessary – Conclusion and Discussion
Nevertheless, our research is characterized even by inductive techniques in that we put a certain emphasis on the meanings humans attach to events and a close understanding of the research context. Also, as we conducted a more qualitative-oriented case study in addition to our quantitative survey, it is possible to state that our approach is a combination of deductive and inductive approaches, where deduction is the dominant approach.

The advantages of using combined multi-methods consist of two aspects related to our study. Firstly, it is possible to use different methods to address different purposes, and secondly it allows to triangulate different methods in order to ensure that the data is actually in line with what we think it is telling us (Saunders et al., 2003). Therefore, a questionnaire is used to answer most of the research’s sub-questions - SQ1, SQ2, SQ3, SQ4 and SQ5 - that are more of a quantitative nature, and the case study provides complementation for answering the deeper questions. Both methods help to triangulate each other and thus to strengthen the credibility of the study. Credibility consists of reliability and validity (Saunders et al. 2003). Reliability entails an indication of the stability and consistency of the instrument used to measure the concept, i.e. the accuracy in the measurement. Validity concerns the issue of being sure that we are measuring the concept we decided to measure and not something else, thus whether we are measuring the right thing or not (Sekaran, 2003). These issues will be discussed deeply further below.

Our research philosophy can be regarded as a mix between positivism and realism since the methodology used is highly structured and quantifiable in that the same quantitative questionnaire with close-ended questions applies to all sample units. However, we do not emphasize the importance of general points of view beyond our sample, case and theory. We also regard realism as an important view on research due to its recognition of people's sharing of social interpretations within an environment (Saunders et al. 2003). This is reflected in the hypotheses about the characteristics of our sample based on their common environment; the trade show of a specific industry.

3.2 Research Strategies and Time Horizon

The predominantly research strategy used is the survey, since it is associated with the deductive approach, i.e. our questionnaire. However, we even conducted a case study in the form of an interview. We chose the survey strategy because it allows collecting a large amount of data from a big population quite economically. Also, questionnaires facilitate comparison as the data is standardized and easy to understand (Saunders et al. 2003). The case study strategy was chosen because it involves the study of a phenomenon within its real life context, i.e. how Tillbilen AB copes with its customer relationships in its industry.

The time horizon applied concerns the ‘snapshot’ approach, which Saunders et al. (2003) call for cross-sectional. This implies studying a particular phenomenon at a particular time. We chose the cross-sectional approach because of time constraints and the limited availability that characterize our survey and case study strategy. Thus, our chosen trade show lasted for five days and most companies' owners, managers or marketers were only available during a limited period throughout the event. As a consequence, we went three times to the trade show; on Thursday 9/4, Sunday 12/4 and Monday 13/4. These dates were chosen due to the expectations about the number of public visitors, i.e. these days the amount of visitors was expected to be lower. Indeed, the other two days registered much more visitors, according to custommotorshow.se (2009). Another reason concern the first day, Thursday 9/4, as these was a special and limited trade show that was not open to the public but only to industrial visitors. In fact, this day was called Branch Day and only one of the four big exhibition galleries in Elmia
was open for industrial visitors and not the public. As a matter of fact, this first day we gathered about half of our whole data.

### 3.3 Data Collection Methods and Sample

Our data collection methods involve employing secondary and primary data. The secondary data used constitutes our literature survey, which entails reviewing a large documentation of published work from other authors within our main areas of interest; family business, B2B marketing and the trade show (Sekaran, 2003). Most secondary data involves research articles, books, reports, bachelor and master theses, and journals. These were found through the Jönköping University Library and its online databases; e.g. Business Source Premier, Emerald and ABI/Inform, and in former courses’ literature lists. The combination of terms used in our online search were composed by key words, i.e. family business, B2B marketing, trade shows, trade fair, business relationship, network and supplier/customer relationship.

The main reason behind our literature survey was to ensure that no factor, found repeatedly in the past and having an influence on the problem, was neglected (Sekaran, 2003). Since our topic concern the combination of two, apparently until now, separate fields of study, we did not find any documentation of the same or similar sort. However, we found that there is a comprehensive documentation of influencing variables within each separate field, but we only took into account those that were relevant for our topic.

Our primary data was gathered through a questionnaire and a semi-structured interview, which constitutes our case study. The sample was chosen in a disproportionate stratified random way of sampling (Sekaran 2003). Here next we will take a closer look to our primary data collection factors.

#### 3.3.1 Questionnaire

Our questionnaire consists of 52 close-ended questions plus six initial fact-questions (See Appendix 1). It was delivered by hand to the respondents and collected some time later. Our choice of a delivery and collection questionnaire was dictated by the following factors (Saunders et al. 2003):

1. The importance of reaching organizations that exhibit at an international trade show.
2. The characteristics of the respondents from whom to collect data; representatives of exhibiting firms that have an overview of the firm’s marketing practices.
3. The size of the sample required for our quantitative analysis is to reach a certain level of representativeness of the population, and the response rate should be very high.
4. The questions to be asked should be close-ended and offer multiple choices as well as be quite easy to read and unbiased.
5. It is important that the respondent’s answers are not being distorted nor contaminated from sources that do not belong to the same company.
6. The number of questions was important to consider as representatives from firms exhibiting at trade shows are usually very busy and have a limited amount of time to answer. This influences also the type of questions we chose.
7. Resources available in terms of time, finance and availability of respondents.

Since our research requires that theories are tested for exploratory research purposes, we need to be clear about the relationships we think exist between our variables; Marketing practices and principles, Industry (B2B/B2C), Governance (Family/Non-family) and the Trade show context (Bilsport Performance and Custom Motor Trade show). The latter three are independent variables since they cause changes in the dependent variable; Marketing practices and
principles. The figure below shows the interplay between independent and dependent variables. Hence, the context, the industry and the governance interact with each other and influence the marketing characteristics of exhibiting firms (Saunders et al. 2003; Holme & Solvang, 1997).

![Figure 3.2. Variables’ relationship](image)

When designing the questionnaire, we adopted and modified theoretical questions used in other studies, as specified in our theoretical frame. The dependent variables’ attributes can cause changes to each other and it is their relationships and correlations we are testing and studying. Therefore, in the process of operationalization of theory, we decided to place the answers related to two corresponding attributes on one extreme of the scale (1: B2C and Non-family firm marketing) and the other answers, related to B2B and Family firm marketing, at the other extreme of the scale; 5. Also, this association and grouping of scale values to the attributes’ characteristics should facilitate our data analysis.

<table>
<thead>
<tr>
<th>‘B2C and Non-Family Business-related Marketing Principles and Practices’</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
</table>

Table 3.1. Association of scale values to attributes’ characteristics.

For wording of our questions we considered five factors: (1) to keep an appropriate content of the question in respect to theory; (2) to use a language that most managers or marketers would be familiar with; (3) the type of the question, i.e. close-ended, rating or scale as well as quantity, and category questions (4) the sequencing of the questions according to theory; and (5) the personal data of the respondent. (Sekaran 2003; Saunders et al. 2003).

The original questionnaire was in English (Appendix 1) and it was later translated to Swedish (Appendix 2) to facilitate the respondents’ understanding and increase the response rate. The technique used for translating was Direct translation, which entails the authors translating directly and independently, without external translators. The advantages of this translation type is that it is easy to implement and quite inexpensive. On the other hand, it can lead to discrepancies related to changes in the meaning between the original English version and the target language version, i.e. Swedish (Saunders et al. 2003).

3.3.1.2 Pilot Testing

Our questionnaire was first pilot-tested to ensure that the questions would be understood in the intended manner and avoid influences on the study’s validity. More specifically, the pilot aimed at verifying the time to complete the questionnaire, the clarity of instructions and questions, the difficulty of the questions, and if the overall layout was clear and attractive. The pilot testing was made on three individuals with academic backgrounds in two different fields; business and education. These persons were chosen based on commodity and their titles, i.e. marketers, managers or owners, since these would have some level of education and overview on the firm and its marketing practices. (Saunders et al. 2003)
3.3.2 Case Study

Our case study comprises a semi-structure interview with a company; Tillbilen AB. The main purpose with this case study was to gain understanding from a practical example about how one firm from our sample manages their relationships and how the family influences their practices.

The interview was about one hour long and took place on the 10th of May at Tillbilen AB’s premises in Gothenburg, Sweden. We interviewed one of the owner-managers, Viktor Klaesson, and went through all our 18 questions, although not all of them were answered in the same way, as some were more relevant and interesting than others for the respondent and us.

Since this is not only a quantitative hypothesis testing, but also an exploratory and descriptive study, the aim of this semi-structured interview was to gain an understanding of the relationships between the variables found and tested through the descriptive study (Saunders et al. 2003). Hence, semi-structured interviews usually serve as a means to explore and explain relationships that emerge from the questionnaire. In addition, our case study interview can also be used as a tool to validate findings from the use of the questionnaire (Wass and Wells, 1994 cited by Saunders et al. 2003).

The reason for employing a case study in addition to our quantitative data resides in: (a) the nature of our approach to research, i.e. also a descriptive and exploratory study besides hypothesis testing; (b) the nature of the data collection questions, which were more of a qualitative, complex and open-ended nature; (c) the time required to go through several open-ended and complex questions; and (d) to strengthen the validity of our study.

3.3.3 Sampling

Considering that it was impracticable to survey all B2B and family firms as well as all firms that exhibit at trade shows in general, we decided to sample. Also, our limited budget and time constraints suggested us to sample. (Saunders et al. 2003)

Before we start describing our sampling design, it is important to define what our population is, along with other related terms. The entire group of people, events, things or organizations of interest that are to be investigated is referred to as population. In this research the population is constituted by the 223 profit-driven firms that exhibited at the Bilsport Performance and Custom Motor Show in April 2009. This population was calculated after going through the list of all exhibiting organizations at our trade show and separating clubs and non-profit driven organizations from our study category of profit-driven exhibiting firms, which should be the ones that employ some form of marketing. Moreover, an element is a single member of the population, as in our case it would be a single profit-driven exhibiting firm at the selected trade show. A population frame is the list of all members of the population. (Sekaran 2003)

Our sample is a subgroup of the population and a subject is a single member of the sample. Our sample is composed by 50 exhibiting firms who filled in our questionnaire during the trade show. The sample was chosen according to a probability sampling design called: disproportionate stratified random sampling. The representativeness of the sample and the purpose of testing and comparing different subgroups of the population (B2B, B2C, Family and Non-family firms) were critical factors in choosing a probability sampling design (Sekaran 2003).

3.3.3.1 Sampling Design

A disproportionate stratified random sampling involves a process of stratification or grouping of the population based on a number of traits (type of industry and governance) and then a random selection of subjects (members) from each stratum. In our study, we divided the pop-
ulation into five subgroups; B2B firm, B2C firm, Both B2B/B2C, Family business, Non-family business, and chose randomly and disproportionally a sample of 50 subjects. Another reason to the choice of this disproportionate stratified probability sampling technique is that it implies simplicity, availability and less expensiveness. (Sekaran, 2003)

However, our sampling is not purely of probability nature, since we already knew that we could obtain a higher rate of firms with the desired information and characteristics in that specific context; Bilsport Performance and Custom Motor Show, as stated in our first two hypotheses (H1, H2) about who exhibit and how they view trade shows. Therefore, our sampling can also be seen as a non-probability sampling design because it is Purposive, i.e. the sampling is confined to a certain context with a certain group of firms and representatives - marketers and managers at firms exhibiting in a specific trade show. These entities and people are more likely to provide us with the desired information, thus managers or owners who know about marketing practices of their exhibiting B2B and family firms. To be more specific, it can be regarded as a Judgment sampling in that it involves the choice of subjects that are in the best position to provide us with the required information. (Sekaran, 2003)

3.3.3.2 Representativeness

Since our sample entails predominantly a probability sampling design, the representativeness is an important factor in order to be able to generalize the results to the whole population. A sample is representative when it exactly represents the population from which it comes from (Saunders et al. 2003). Our sample size was selected according to the following factors:

- The confidence we have in our data, i.e. the level of certainty that the characteristics of the data collected will represent the characteristics of the total population. In our study we assess our level of confidence to 90% (which involves a Z value of 1.65, as in Saunders et al. 2003, Table A3.1. p.466).
- The tolerated margin of error, i.e. the accuracy required for estimates made from the sample, represents the accuracy level to estimate the population’s characteristics and it usually is within plus or minus 5% of its true value. This means that if we assume that at least 95% of our sample is in a certain category (e.g. firms using marketing), then our estimates of the total population will be 95% plus or minus the margin of error 5%, thus between 90% and 100% of the sample. So, firms that do not use any marketing should not be more than 10% of our total sample. (Saunders et al. 2003 p.155-156)
- The types of analysis to execute and the number of categories into which we subdivide our data, i.e. mainly B2B, Family firm and profit-driven firms in general.
- The size of the total population; 223 exhibiting firms at Bilsport Performance and Custom Motor trade show.

According to Saunders et al. (2003) the minimum sample size required (n) can be calculated using the proportion belonging to the specified category (p%), the proportion not belonging to the specified category (q%), the z value corresponding to the level of confidence required (90% certain=1.65 in Z value) and the margin of error required (5%). The formula can be illustrated as:

\[ n = \frac{p\% \times q\%}{(z/e\%)^2} \]

This formula can be applied to our study, though it is necessary to make some assumptions; i.e. that at least 95% of all exhibiting profit-driven firms at Bilsport Performance and Custom Motor Show employ some kind of marketing, as it is their marketing-related practices and principles we are asking about, thus it forms the specified firm category. This assumption is based on the personal knowledge and experience that all profit-driven firms have to employ
some kind of marketing to survive. However, we accept a 5% of margin of error in case of exceptions. Other specified categories are the percentage of family firms, which we calculated from our sample as 72% (36 family firms out of 50); and B2B firms, which also from our sample is 54% (27 B2B firms out of 50). Hence, the general minimum sample size required for our study can be calculated in the following way:

$$\text{Minimum Sample Size required} = \text{Proportion Belonging to specified category} \times \text{Proportion Not Belonging to specified category} \times \left(\frac{Z \text{ value}}{%\text{margin of error}}\right)^2$$

Minimum Sample Size required for our study:

$$= 95 \text{ (Firms that use some kind of marketing)} \times 5 \text{ (Firms that do not use any marketing at all)} \times \left(\frac{1.65}{5}\right)^2$$

$$= 475 \times 0.1089 = 51.7 = 52$$

Table 3.2. Calculating the minimum sample size required

The minimum sample size for the specified category of Exhibiting firms that use some form of marketing can be assessed to 52 companies.

However, the sample size can be adjusted to a smaller sample if the total population is less than 10 000 without affecting the accuracy. This adjusted minimum sample size (n’) is calculated with the total population (N=223) and the minimum sample size calculated before (n=52), as in the following formula (Saunders et al. 2003 p.467):

$$n’ = n / 1 + (n/N)$$

Adjusted Minimum Sample Size:

$$= 52 / 1 + (52 / 223) = 42.16 = 42$$

Table 3.3. Calculating the adjusted minimum sample size required

According to this calculation, for our study to be representative enough, the minimum sample size required should be of 42 firms exhibiting at the chosen trade show. Since our actual sample of exhibiting firms is of 50 subjects, it should be possible to state that it is a representative sample for all firms exhibiting at Bilsport Performance and Custom motor show. Hence, from this sample it is possible to generalize our results to around 95% of the population with a 90% certainty, when considering their overall marketing-related practices and principles.

However, when looking at the subgroups in our sample in terms of representativeness it is not possible to draw the same conclusions. Hence, we also calculated the minimum sample size with the proportions of the specified categories of B2B and Family firms derived from our sample - 36/50=72% Family firms and 27/50=54% B2B firms (including those that are both B2B and B2C). We found the following:

n (for Family firms)= 72 x 28 x (1.65/5)^2 = 219.5

n (for B2B firms)= 54 x 46 x (1.65/5)^2 = 270.5

Consequently, the adjusted minimum sample size with total populations of 161 for Family firms (72% of 223) and 120 for B2B firms (54% of 223) results in;
• 93 for family firms \( (n' = 219.5 / 1 + (219.5 / 161)) \)
• 83 for B2B firms \( (n' = 270.5 / 1 + (270.5 / 120)) \)

These calculations mean that our samples of the categories Family firm and B2B are not sufficiently representative for the whole corresponding subgroups in the population. Thus, we can generalize to 39\% (36/93 x 100) of the whole subgroup of family firms in our population and to 33\% (27/83 x 100) of the whole subgroup of B2B firms in the population with 90\% certainty. In these last calculation, it is important to take into consideration that we used 223 as the total population which in reality However, according to The Economist’s (1997 cited by Saunders et al. 2003), the minimal sample size for statistical analyses should be of about 30 subjects for each category within an overall sample.

In addition to the calculation of minimum sample size, there is another calculation that concerns the representativeness of the sample, i.e. response rate. Such rate involves refusals to respond to both individual questions and entire surveys, although we only focus on refusals to individual questions. Most refusals in our study were due to the fact that the respondent, though located, was unwilling or did not have time to participate in the survey. Five of all the respondents were partially ineligible, i.e. they did not answer to all questions. Hence, these five respondents did not answer to an average of 5 questions each, which in sum makes 25 and constitutes almost a half questionnaire. Therefore, in the following calculation we assume that a half respondent (0.5) was ineligible. Other respondents were unreachable, thus they are not represented at all in our data. According to Saunders et al. (2003) it is possible to calculate the response rate in the following manner, given the assumption that we aimed at surveying 51\% of the total population of 223, meaning that our total number in sample is of 114;

<table>
<thead>
<tr>
<th>Total Response Rate</th>
<th>= Total number of responses / Total number in sample - Ineligible</th>
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<tbody>
<tr>
<td></td>
<td>= 50 / 114 - 0.5 = 44%</td>
</tr>
</tbody>
</table>

Table 3.4. Calculating the Total Response Rate

As showed above, the response total rate of our sample is of 44\% which gives a quite high rate, compared to other studies, which strengthens representativeness. (Saunders et al. 2003)

### 3.4 Reliability and Validity

Validity and reliability constitute the credibility of a research and its findings. As mentioned earlier, reliability involves the extent to which a study is without bias, or error free, thus whether a measure is consistent across time and the various items in the instrument.(Sekaran, 2003)

“In other words, the reliability of a measure is an indication of the stability and consistency with which the instrument measures the concept and helps to assess the ‘goodness’ of a measure.”(Sekaran, 2003 p.203)

According to Robson (2002 cited by Saunders et al. 2003), reliability has three threats. The first is subject or participant error, which in our study can be related to the influence caused by the pressure of the moment or day that the respondents filling in the questionnaire or the interview had. For instance, during the five days in which the trade show lasted, we avoided the two days when most visitors were expected, because it would have meant more work and pressure for the respondents and thereby less time for answering, which tends to result in quick inaccurate answers and less response rate. We limited this threat by allowing the respon-
dents to fill in the questionnaire when was most suitable for them. The second threat regards the **subject or participant bias**, which occurs when the respondents answer according with what their bosses want them to answer. This threat is limited in our study by the fact that we often asked the bosses, i.e. managers, owners or marketers, to fill in the questionnaire. The third threat of **observer error** happens when the researchers assume different approaches within the same study. By following a schedule in distributing and collecting the copies of exactly the same questionnaire to the same type of potential respondents, i.e. managers or marketers in profit-driven firms, we minimized this threat. The last one, **observer bias**, involves data collection, analysis methods and interpretation. In order to reduce this threat, our approach to analyzing the data involves a quantitative approach where transparency and simplicity of the data and methods are applied.

Validity can be internal or external as it refers respectively to the authenticity of the relationships between the variables being measured and to their generalisability to the external environment (Sekaran, 2003). Moreover, according to Marcoulides (1998) validity should always be considered along with reliability, since it is an extremely important issue in that measuring the precise estimate of the wrong issue is much worse than making a relatively imprecise measurement of the right issue. He also argues that validity and reliability are two regions of the same continuum rather than two distinct concepts.

However, Robson (2002 cited by Saunders et al. 2003) means that internal validity has also its threats:

- **History**: this study was conducted during a specific event and although the context might have some implications on the study, this choice was deliberate, and there is no major historical factors that might have affected the responses considering the topic. Though, one historical element that might have influenced the study to a relevant extent is the economic recession that is affecting the custom motor industry as well many other industries. However, it is extremely difficult to know its impact on the respondents’ answers regarding marketing practices and principles.
- **Testing**: the results might be perceived as disadvantageous by the potential respondents who might then respond in a certain way. This threat is not so relevant for us since our purpose and questions are highly theoretical and should not represent disadvantages for the respondents. However, some respondents demanded secrecy and anonymity, especially in linking their company name and results, which was obviously offered.
- **Instrumentation**: concerns changes in the use of the instrument to collect the data as a consequence of the respondent’s behaviour. This threat is not highly relevant for our study since we did not use any specific instrument to gather our data besides our questionnaire copies.
- **Mortality**: regards participants dropping out of studies. This is not really relevant for us as our study is cross-sectional. However, there were some potential respondents who started to fill in the questionnaire but never went beyond the first page. We counted these as totally ineligible to answer.
- **Maturation**: concerns events during the year that might have an effect on the respondent’s behavior. The only relevant event involve the economic crises discussed before.
- **Ambiguity about causal direction**: This threat is highly relevant for our study as we assume that the independent variables; the trade show, type of industry and governance, influence the marketing characteristics of B2B and Family firms. Hence, in order to reduce this ambiguity we stated clearly that our study has a correlational main purpose,
rather than a causal one, and that the only cause-and-effect relationship to be tested is
the relation to the context (H1 and H2).

Our study’s generalisability was thoroughly explained and motivated in the previous sub-
chapter. Indeed, it is our intention to generalize our results and findings, as well as the theories
aforementioned, to our population and not beyond it.

3.5 Method of Empirical Findings & Analysis

The analysis will consist in answering the hypotheses (H1, H2, H3, H4 and H5) explained
throughout the theory part. Different kinds of charts and graphics illustrating the results to the
questionnaire will be presented as analysis tools helping to display the empirical findings. As
our analysis involves categorical data, bar charts and pictograms are most suitable, as accord-
ing to Saunders et al. (2003). Also, bar charts have been used by many authors to present their
reports and they are known as a standard method for presenting quantitative data. Moreover,
bar charts are easier to read and make comparisons with different options. In addition, pie
charts will be use. “A pie chart is divided into proportional segments according to the share each has of the
total value” (Saunders et al. 2003 pp.342). Pie charts are commonly used in categorical data,
which is suitable for our study. The answers presented for each question are an average of the
50 companies interviewed. These results are compared with our literature framework in order
to test the hypotheses. Each hypothesis will be presented and analyzed together with the re-
sults related to the hypothesis handled in order to show and explain in a clear and direct way
whether or not the hypotheses are in accordance to the answers given at the trade show by
our respondents.

In sum, most answers are presented in bar charts because they represent a useful method for
displaying categorical data. Also, bar charts are based upon a frequency table, thus for each
question a horizontal bar is drawn and the length of the bar is proportional to the frequency
of the answers (Oakshott, 1998).
4 Empirical Findings & Analysis

In this section, the empirical findings will be introduced and the analysis will be described following the main five hypotheses of this thesis. These hypotheses are the basis for our empirical study questions. First, we will present the companies who fulfilled our questionnaire at the trade show in Elmia according to their type of business. Subsequently, the questionnaire will be presented and an explanation of their possible answers for interpretation. Finally, the empirical findings and answers from the questionnaire in form of tables/charts will be analyzed according with the theoretical framework and the hypotheses.

4.1 Presentation of Companies and Types of Industry

For our empirical study, we visited the Bilspor Performance & Custom Motor show 2009. The data collected at the trade show was gathered using a questionnaire and the companies answered at the same time as the trade show was held. Table 4.1 shows the companies that attended the show and completed our questionnaire. The first section of questions in the questionnaire regards fact-questions of the companies, such as name, year of foundation, the number of employees and the location (See Appendix 1). Also, they were asked about their type of industry (B2C or B2B Firms) and if they are a family-controlled business or not (Figure 4.1).

![Figure 4.1. Information about Companies](image)

Our sample was of 50 companies within the Custom Motor industry (see table 4.1). The 50 companies were selected randomly in each of the stages at the trade show. The companies listed with more than 50% indicate that they are family-controlled businesses. The companies listed as Non-Family Members have no relation with our family business definition or family ownership. The companies X, Y and Z wanted to keep their names anonymous for the public. The other 47 companies are real and legally established in Sweden, and few others are estab-
lished in Germany, Denmark and the U.S.A (Table 4.1).

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>TYPE OF INDUSTRY</th>
<th>FAMILY CONTROLLED BUSINESS</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABL LIGHTS GROUP</td>
<td>B2B/B2C</td>
<td>NON-FAMILY MEMBERS</td>
</tr>
<tr>
<td>ANEST IWATA</td>
<td>B2C</td>
<td>NON-FAMILY MEMBERS</td>
</tr>
<tr>
<td>ARETS BILSPORT</td>
<td>B2C</td>
<td>NON-FAMILY MEMBERS</td>
</tr>
<tr>
<td>ARLANDASTAD MOTORTOWN</td>
<td>B2C</td>
<td>MORE THAN 50%</td>
</tr>
<tr>
<td>AUTOSMART</td>
<td>B2B</td>
<td>NON-FAMILY MEMBERS</td>
</tr>
<tr>
<td>AUTOSOUND.SE</td>
<td>B2C</td>
<td>NON-FAMILY MEMBERS</td>
</tr>
<tr>
<td>BILRADIOHUSET</td>
<td>B2B/B2C</td>
<td>MORE THAN 50%</td>
</tr>
<tr>
<td>BILSKOJ</td>
<td>B2B/B2C</td>
<td>MORE THAN 50%</td>
</tr>
<tr>
<td>BLUPEOwer</td>
<td>B2B/B2C</td>
<td>MORE THAN 50%</td>
</tr>
<tr>
<td>BRINTESSON MOTORSPORT</td>
<td>B2B</td>
<td>MORE THAN 50%</td>
</tr>
<tr>
<td>BUNKER.SE</td>
<td>B2C</td>
<td>MORE THAN 50%</td>
</tr>
<tr>
<td>BUSH ESSENTIALS HB</td>
<td>B2C</td>
<td>MORE THAN 50%</td>
</tr>
<tr>
<td>C KREFTING AB</td>
<td>B2B/B2C</td>
<td>MORE THAN 50%</td>
</tr>
<tr>
<td>CAFÉ SIERA</td>
<td>B2B/B2C</td>
<td>MORE THAN 50%</td>
</tr>
<tr>
<td>CAPTANIC</td>
<td>B2B/B2C</td>
<td>NON-FAMILY MEMBERS</td>
</tr>
<tr>
<td>CRESEA AB</td>
<td>B2B</td>
<td>MORE THAN 50%</td>
</tr>
<tr>
<td>DD AUDIO AB</td>
<td>B2B</td>
<td>NON-FAMILY MEMBERS</td>
</tr>
<tr>
<td>DEKALTRIM AB</td>
<td>B2C</td>
<td>MORE THAN 50%</td>
</tr>
<tr>
<td>DRAGNARSSON ETRADE</td>
<td>B2C</td>
<td>NON-FAMILY MEMBERS</td>
</tr>
<tr>
<td>EGLA CUSTOM</td>
<td>B2C</td>
<td>MORE THAN 50%</td>
</tr>
<tr>
<td>ELMOTORSCOOTERS.SE</td>
<td>B2C</td>
<td>MORE THAN 50%</td>
</tr>
<tr>
<td>FERDFELT TRADING AB</td>
<td>B2B</td>
<td>MORE THAN 50%</td>
</tr>
<tr>
<td>FMC</td>
<td>B2B</td>
<td>NON-FAMILY MEMBERS</td>
</tr>
<tr>
<td>G PARTNERS AB</td>
<td>B2B</td>
<td>MORE THAN 50%</td>
</tr>
<tr>
<td>GEDDAS CYCLE PERDS</td>
<td>B2C</td>
<td>MORE THAN 50%</td>
</tr>
<tr>
<td>GRUNT HB</td>
<td>B2C</td>
<td>MORE THAN 50%</td>
</tr>
<tr>
<td>HOVA.COM</td>
<td>B2B/B2C</td>
<td>MORE THAN 50%</td>
</tr>
<tr>
<td>I-SPEESWEDEN AB</td>
<td>B2C</td>
<td>MORE THAN 50%</td>
</tr>
<tr>
<td>KARNAG</td>
<td>B2B</td>
<td>MORE THAN 50%</td>
</tr>
<tr>
<td>KENRACING</td>
<td>B2C</td>
<td>MORE THAN 50%</td>
</tr>
<tr>
<td>KL RACING AB</td>
<td>B2C</td>
<td>MORE THAN 50%</td>
</tr>
<tr>
<td>KOPA BIL USA</td>
<td>B2C</td>
<td>MORE THAN 50%</td>
</tr>
<tr>
<td>LARS GARAGE</td>
<td>B2C</td>
<td>MORE THAN 50%</td>
</tr>
<tr>
<td>LUCAS EVENTS AB</td>
<td>B2B/B2C</td>
<td>MORE THAN 50%</td>
</tr>
<tr>
<td>M2 GARAGE AB</td>
<td>B2C</td>
<td>NON-FAMILY MEMBERS</td>
</tr>
<tr>
<td>MAPTUN PERFORMANCE</td>
<td>B2B/B2C</td>
<td>MORE THAN 50%</td>
</tr>
<tr>
<td>MASSTARNA.SE</td>
<td>B2B</td>
<td>NON-FAMILY MEMBERS</td>
</tr>
<tr>
<td>PELLET-STORE &amp; SVERIGE AB</td>
<td>B2B/B2C</td>
<td>MORE THAN 50%</td>
</tr>
<tr>
<td>PIONEER SKANDINAVIA AB</td>
<td>B2B</td>
<td>NON-FAMILY MEMBERS</td>
</tr>
<tr>
<td>RAY METALLFABRIK</td>
<td>B2C</td>
<td>MORE THAN 50%</td>
</tr>
<tr>
<td>SFRO</td>
<td>B2C</td>
<td>NON-FAMILY MEMBERS</td>
</tr>
<tr>
<td>SMARTWAX SKANDINAVIA</td>
<td>B2B</td>
<td>MORE THAN 50%</td>
</tr>
<tr>
<td>SPECIAL FALGAR</td>
<td>B2B</td>
<td>MORE THAN 50%</td>
</tr>
<tr>
<td>TILLBILEN HB</td>
<td>B2B/B2C</td>
<td>MORE THAN 50%</td>
</tr>
<tr>
<td>TOP SPEED TRADING</td>
<td>B2B</td>
<td>NON-FAMILY MEMBERS</td>
</tr>
<tr>
<td>TTI NORDICS</td>
<td>B2B</td>
<td>MORE THAN 50%</td>
</tr>
<tr>
<td>WALZWERK-RACING.COM</td>
<td>B2B/B2C</td>
<td>MORE THAN 50%</td>
</tr>
</tbody>
</table>
To make the understanding of the presentation of data easier, we have decided to list the companies that answered our questionnaire into categorical descriptive groups (Saunders et al. 2003). The information from categorical descriptive groups cannot be represented by numbers or ranked therefore it is just general information. For our study the categorical descriptive groups are: Family Business/Non-Family Business (Table 4.2), and types of industries; B2C or B2B firms (Table 4.3).

Table 4.1 General Chart – Presentation of Companies, Type of industry and Ownership

Table 4.2. Ownership

<table>
<thead>
<tr>
<th>FAMILY BUSINESS</th>
<th>NON-FAMILY BUSINESS</th>
</tr>
</thead>
<tbody>
<tr>
<td>ARLANDASTAD MOTORTOWN</td>
<td>ABL LIGHTS GROUP</td>
</tr>
<tr>
<td>BILRADIOHUSET</td>
<td>ANEST IWATA</td>
</tr>
<tr>
<td>BILSKOJ</td>
<td>ARETS BILSPORT</td>
</tr>
<tr>
<td>BLUEPOWER</td>
<td>AUTOSMART</td>
</tr>
<tr>
<td>BRYNTESSON MOTORSPORT</td>
<td>AUTOSOUND.SE</td>
</tr>
<tr>
<td>BUNKER.SE</td>
<td>CAPTANIC</td>
</tr>
<tr>
<td>BUSH ESSENTIALS HB</td>
<td>DD AUDIO AB</td>
</tr>
<tr>
<td>C KREFTING AB</td>
<td>DRAGNARSSON ETRADE</td>
</tr>
<tr>
<td>CAFE SIERRA</td>
<td>FMC</td>
</tr>
<tr>
<td>CRESEA AB</td>
<td>M2 GARAGE AB</td>
</tr>
<tr>
<td>DEKALTRIM AB</td>
<td>MASSTARNASE</td>
</tr>
<tr>
<td>EGLA CUSTOM</td>
<td>PIONEER SKANDINAVIA AB</td>
</tr>
<tr>
<td>ELMOTORSCOOTERS.SE</td>
<td>SFRO</td>
</tr>
<tr>
<td>FERDFELT TRADING AB</td>
<td>TOP SPEED TRADING</td>
</tr>
<tr>
<td>G PARTNERS AB</td>
<td></td>
</tr>
<tr>
<td>GEDDAS CYCLE PERDS</td>
<td></td>
</tr>
<tr>
<td>GRUNT HB</td>
<td></td>
</tr>
<tr>
<td>HOVA.COM</td>
<td></td>
</tr>
<tr>
<td>J-SPEESWEDEN AB</td>
<td></td>
</tr>
<tr>
<td>KARNAG</td>
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<tr>
<td>KENRACING</td>
<td></td>
</tr>
<tr>
<td>KL RACING AB</td>
<td></td>
</tr>
<tr>
<td>KOPA BIL I USA</td>
<td></td>
</tr>
<tr>
<td>LARS GARAGE</td>
<td></td>
</tr>
<tr>
<td>LUCAS EVENTS AB</td>
<td></td>
</tr>
<tr>
<td>MAPTUN PERFORMANCE</td>
<td></td>
</tr>
<tr>
<td>PELLET-STORE I SVERIGE AB</td>
<td></td>
</tr>
<tr>
<td>RAY METALLFABRIK</td>
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<tr>
<td>SMARTWAX SKANDINAVIA</td>
<td></td>
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<tr>
<td>SPECIAL FALGAR</td>
<td></td>
</tr>
<tr>
<td>TILLBILEN HB</td>
<td></td>
</tr>
<tr>
<td>TTI NORDICS</td>
<td></td>
</tr>
<tr>
<td>WALZWERK-RACING.COM</td>
<td></td>
</tr>
<tr>
<td>X</td>
<td>36</td>
</tr>
<tr>
<td>Y</td>
<td>14</td>
</tr>
<tr>
<td>Z</td>
<td></td>
</tr>
</tbody>
</table>

Table 4.2. Ownership
Additionally, it is important to show the categorical group and type of industry belonging to these firms. Therefore, the type of industry combined with categorical groups is presented in the following manner: B2B firms/family business and B2C firms/family business (Table 4.4). Finally, B2B firms/Non-family business and B2C firms/Non-family business (Table 4.5).

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>BILRADIOHUSET</td>
<td>BRYNTESSON MOTORSPORT</td>
<td>ARLANDASTAD MOTORTOWN</td>
</tr>
<tr>
<td>BILSKOJ</td>
<td>CRESEA AB</td>
<td>BILRADIOHUSET</td>
</tr>
<tr>
<td>BLUEPOWER</td>
<td>FERDFELT TRADING AB</td>
<td>BILSKOJ</td>
</tr>
<tr>
<td>C KREFTING AB</td>
<td>CAFE SIERRA</td>
<td>BLUEPOWER</td>
</tr>
<tr>
<td></td>
<td>HOVA.COM</td>
<td>FERDFELT TRADING AB</td>
</tr>
<tr>
<td></td>
<td>SMARTWAX SKANDINAVIA</td>
<td>CAFE SIERRA</td>
</tr>
<tr>
<td></td>
<td>SPECIAL FALGAR</td>
<td>HOVA.COM</td>
</tr>
<tr>
<td></td>
<td>TOP SPEED TRADING</td>
<td>SMARTWAX SKANDINAVIA</td>
</tr>
<tr>
<td></td>
<td>TTI NORDICS</td>
<td>SPECIAL FALGAR</td>
</tr>
<tr>
<td></td>
<td></td>
<td>TTI NORDICS</td>
</tr>
</tbody>
</table>

Table 4.4. Family Business/Type of Industry
4.2 Presentation of Questionnaire Values

Our main analysis will consist in answering the hypotheses for each chapter of the thesis by testing the results of the survey made at the trade show. In order to begin the analysis we have created a *categorical ranked data* values. According to Saunders et al. (2003) *categorical ranked data* analysis is defined as the data that is not possible to measure in numbers. Therefore, the values of the information must be classified into categories. These categories will be ranked upon their characteristics and will be placed in a rank order (Saunders et al. 2003). For our study the possible answers of the survey at the trade show were ranked from 1 to 5. This rank therefore contains categories upon their characteristics of governance and industry type (Figure 4.2). Each number means a trend according to the answer of the question. Hence, numbers *one* and *two* mean that the answers tend to be closer to a non-family business and B2C marketing practices. Subsequently, numbers *4* and *5* mean that the answers tend to be close to family business and B2B marketing practices. Finally, number *3* is ranked as the combination of B2B and B2C marketing practices, since many companies at the trade show were listed in a categorical descriptive group with both B2B and B2B as their type of industry.

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
</table>

The scale indicates the level of association and closeness to the options or affirmation at the two extremes of the scale, where 1 is the closest to the left option and 5 is the closest to the right option. For example if the company answer with 4 in any of the questions then the tendency is to follow B2B/family business marketing’s practices and principles. If the answer is 2, then the company will follow non-family/B2C marketing’s practices and principles. Finally, if the answer is 3, the company will posses both tendencies, thus a neutral point (Figure 4.3).

Our questionnaire consists of 52 close-ended questions plus six initial fact-questions. The questionnaire was divided into categories. Each category was created to make the lecture of the results easier in our analysis. The following are the categories of the questionnaire. The questions are being based upon the theory of family business and B2B marketing:
• B2B Marketing (Questions 1-16)
• Brand Marketing (Questions 17-22)
• Craftsmanship (Questions 23-32)
• Superior Operations (Questions 33-41)
• Innovations (Questions 42-49)
• Deal making (Questions 32, 33, 34, 37, 39, 40)
• Trade Shows (Questions 50-52)

4.3 Most exhibiting firms are B2B and/or family firms (H1)

To be able to show that most exhibiting firms are B2B and/or family business, we will introduce some figures from the results of the questionnaire at the trade show in Elmia. The first figure describes the percentage of ownership of the companies interviewed at the trade show (Figure 4.4).

From the total of 50 responding companies, 72% of them are family businesses, i.e. family members are controlling the firm and make important decisions for the company. In addition, the family members are at the top level in the organization. The remaining 28% of the companies are non-family business. From the managerial point of view, as stated earlier, trade shows represent an important rule for family businesses. As showed in our sample, the amount of family businesses we randomly chose was significant. Hence, most family businesses in the motor custom industry from all over Sweden gathered together to offer and demand products and services at the Bilsport Performance & Custom Motor show 2009. Ranging from single lights to expensive cars, the show demonstrates to be an excellent place for family businesses to be known in the industry, as well as to create relationships, contacts or simply to gather valuable information.

However, the dominant type of industry among the firms in our sample involves companies operating in B2C markets, which is contrary to what we saw earlier in the theoretical framework.
As showed above, B2B firms represent the 28% of the sampled firms, 46% are B2C and 26% are considered being suitable for both types of industry. Surprisingly, B2C, and not B2B (as we expected due to the large and complex business networks related to the car and motor industry), were the major type of industry in our sample (Figure 4.5).

We should mention that there is a large percentage of companies that are classified as both B2B and B2C. These organizations conduct often their business at the trade show acting as a single B2B but outside the trade show they can act as both (B2B and B2C). Surely, many of these organizations operating in the two industries offer their products and services depending on whom the client is at the trade show, which allows them to switch from one industry to another.

After mentioning the involvement in the trade show of both family business and B2B, we now consider the participation of companies with both types of attributes (family business and B2B). Family business and B2B firms together give us the opportunity to distinguish more this phenomenon and its business activities within the show. Our study is based on the premise that both family business and B2B companies perform similar duties towards their clients and suppliers at the trade show in terms of marketing and business relationships. The theory has told us that the companies obtaining more benefits from trade shows are family businesses and B2B firms. These companies with both attributes (family business and B2B) are part of a business network with many companies. The family and B2B firms intend to create long-term relationships at the trade show even though fairs last just for few days. Moreover, for a company (family business and B2B) it is important to keep in touch with customers and suppliers in order to survive in the long run (Figure 4.6).
From our sample at the trade show firms controlled by families and operating in B2B markets represent 16%. However, companies with both attributes (family business and B2B) involve the main purpose of this study, thus we will compare their marketing practices to perceive if they are related.

Finally, we have the companies that are non-family business and are B2B and B2C (Figure 4.7). This represents 12% each of our sample. Such enterprises are characterized by short-term vision and goals. Largely, they focus on short-term sales at the trade shows according to our theory. It should be also mentioned that non-family firms and B2C are mostly temporary firms, which the owners expect to sell as soon as possible (Miller et al. 2005).

![Image](image_url)

**Figure 4.6. Percentage of Non-family business and B2B/B2C**

### 4.4 Exhibiting firms view trade shows as an important marketing tool to enhance their customer/supplier relationships (H2)

In this section, we will introduce the analysis of the second hypothesis for our thesis. The hypothesis will be analyzed according to the figures, graphs and the theory on trade shows.

To start the analysis, the trade shows questions will be introduced (Figure 4.8). For the question: how does the trade show fit your marketing strategy, the result was 3.8 for family businesses, 4.3 for non-family businesses and 3.9 for B2B firms. In general, all types of companies prefer trade shows for their marketing programs with a great score, around 4 in the scale. In addition, family and B2B firms prefer trade shows rather than other means of communication because of their speed, efficiency and close contact with customers and suppliers (Cartwright, 1995). Cartwright (1995) adds that family businesses meet several suppliers, customers and the public, all at once saving money and time. These factors seem to fit with their overall marketing purposes meaning that family businesses and B2B firms widely use trade shows for their marketing programs. For the question: How do you evaluate the trade show, in which terms? financial results or customer relationships. The result was 3.7 for family businesses, 3.7 for non-family businesses and 3.8 for B2B firms. The results were very similar and thus inclined towards customer relationships. Hence, companies use more trade shows to build relationships with its major customers, leaving aside other types of communication. Also, family businesses and B2B firms use trade shows to disseminate their messages. The results in terms of participation to the Bilsport Performance & Custom Motor trade show 2009 were significantly high. Thus, companies still preserve a positive view of this type of events which are not only popularly used in large scale for their marketing purposes but also used as a tool to improve their relationships with their customers and suppliers. The answers are presented in Figure 4.9.
Family businesses and B2B firms are especially tied to trade shows due to the importance of networks for them. Trade shows help maintaining closer relationships with stakeholders, and therefore they contribute to networking. According to Miller (1999) the importance of relationships is high when the company depends on a network. Hence, when companies have to deal with a large number of suppliers, as B2B firms, it becomes very important to obtain direct contact with partners through trade shows.

However, other companies also use trade shows as a platform to promote their products and services. The major goal for B2C firms are sales and in order to fulfill this goal they must include trade shows as part of their marketing programs. For B2C firms, it is also interesting to maintain a strong relationship with its customers and the trade shows are the best way to establish contacts and get feedback from its clients.
Finally, the question about the marketing budget for trade shows will be analyzed (Figure 4.11). Few companies chose to skip this question because of confidentiality reasons. However, the results were as expected; B2B firms tend to spend more of their marketing budget on trade shows: 30%. Additionally, family businesses spend around 25% of their budget on trade shows. On the other hand, B2C firms spend about 25% and non-family businesses companies invest about 20% of their budget on such events. These results clearly show a tendency of B2B companies and family businesses to view trade shows as a significant marketing investment and opportunity. Thus, our results about the amount of marketing budget spent on trade shows confirm Fairlink’s study (2009) in which it is claimed that 26% of Swedish B2B firms’ marketing budget goes to trade shows. These results are also in line with the statement that about B2B companies preferring to spend more in trade shows than for example advertising or other means for promoting their products and services (Fairlink.se, 2009).

![Figure 4.10. Budget for Trade Shows/Answers](image)

4.5 **B2B firms tend to use more Relationship marketing than Transactional marketing (H3)**

This hypothesis addresses SQ2 and it is been operationalized into 16 questions and their answers. These questions are separated in three groups related to B2B; exchange dimension, managerial dimension and strategic dimension (Coviello & Brodie, 2001). The first; exchange dimension, includes the questions 1 to 4, the second; managerial dimension, involves questions 5 to 8, and the third; strategic dimension, includes questions 9 to 16. These dimensions have been associated to Håkansson and Snehota’s (1995) business relationships’ structural and process characteristics (described earlier in the theory part). Exchange and managerial dimensions are related to the structural characteristics of complexity, continuity, symmetry and informality. The strategic dimension is associated to the process characteristics of adaptations, cooperation and conflict, social interaction and routinization. Hence, the questions derived from this theory are strictly aimed at testing past research regarding the characteristics of business relationships and the two major contrasting marketing types; transaction marketing and relationship marketing, on three relevant dimensions; nature of exchange, management and strategy. From these theoretical considerations, we analyze our data regarding this hypothesis.
The following chart illustrates the two columns of answers for the relevant questions for this part. The scale indicates the level of association and closeness to the answers at the two extremes of the scale, where 1 is the closest option to transaction-related feature and 5 is the closest to relationship-marketing features. For all following figures in this chapter, these two columns include the two contrasting options (Figure 4.12).

<table>
<thead>
<tr>
<th></th>
<th>Option 1. Marketing perform Response</th>
<th>Option 2. Marketing perform Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Economic Transaction</td>
<td>1) Interactive and connected relationships</td>
<td></td>
</tr>
<tr>
<td>2) Firm “to” mass market</td>
<td>2) Firms “with” firms involving individuals</td>
<td></td>
</tr>
<tr>
<td>3) Arms-length, impersonal</td>
<td>3) Interpersonal, close</td>
<td></td>
</tr>
<tr>
<td>4) Discrete, sporadic</td>
<td>4) Continuous</td>
<td></td>
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<tr>
<td>5) Customer attraction</td>
<td>5) Interaction</td>
<td></td>
</tr>
<tr>
<td>6) Product and brand</td>
<td>6) Relationships between firms and individuals</td>
<td></td>
</tr>
<tr>
<td>7) Internal marketing assets</td>
<td>7) External market assets</td>
<td></td>
</tr>
<tr>
<td>8) Functional marketers</td>
<td>8) Managers from different functions and levels</td>
<td></td>
</tr>
<tr>
<td>9) Short-term focus</td>
<td>9) Long-term focus</td>
<td></td>
</tr>
<tr>
<td>10) Marketing mix (4Ps: product, promotion, place and price)</td>
<td>10) Interactive marketing</td>
<td></td>
</tr>
<tr>
<td>11) Customers are sensitive to price</td>
<td>11) Customers are not sensitive to price</td>
<td></td>
</tr>
<tr>
<td>12) Quality of output</td>
<td>12) Quality of interactions</td>
<td></td>
</tr>
<tr>
<td>13) Monitoring market share</td>
<td>13) Managing the customer base</td>
<td></td>
</tr>
<tr>
<td>14) Temporary customer satisfaction surveys</td>
<td>14) Managing the customer base</td>
<td></td>
</tr>
<tr>
<td>15) Of low strategic importance</td>
<td>15) of high strategic importance</td>
<td></td>
</tr>
<tr>
<td>16) Low importance</td>
<td>16) High importance</td>
<td></td>
</tr>
</tbody>
</table>

Figure 4.11. Answers for B2B Marketing questions

For the purpose of this part of the analysis, we focus exclusively on firms that only operate in B2B markets, regardless of their type of governance; family or non-family. Hence, the table below shows the 50 companies in our survey classified in three groups depending on the industry they belong to; B2B, B2B/B2C and B2C. The group of B2B/B2C belong to both the B2B and the B2C industry, i.e. they possess characteristics from both transaction and relationship marketing. Therefore, since we do not emphasize B2C firms in this study, we will not consider this group in our analysis of answers regarding H3. Thus, the following figures will
regard the group of pure B2B firms, as these should give a more genuine picture of their marketing, even though these (B2B-only firms) are only 14 out of 50 in total (Table 4.3).

The figure below shows the averages of the answers to the B2B-related questions of the 14 firms that are only B2B.

![Figure 4.12. B2B marketing questions – Average response of B2B firms](image)

The total average for all 16 questions and their answers is 3.3; which means that B2B firms have a slight tendency to use relationship marketing in a higher degree that they use transaction marketing. Hence, H3 is right if we look at the total average of all B2B marketing question’s answers of all pure B2B firms in our sample. Moreover, the same average for only B2C is 3.2; so the difference between these two groups is not so remarkable. Indeed, if we take a closer look to the answers given by B2B firms, we find some interesting relations.

### 4.5.1 Exchange Dimensions

Exchange dimension is the first B2B marketing-related dimension and includes four questions regarding purpose of exchange, nature of communication, type of contact, duration of exchange and formality in exchange (figure 4.15). This dimension comes closest to the characteristics of relationships in B2B marketing. As described before in the theory; B2B marketing is based on business relationships, therefore it is important to consider the nature and the characteristics of relationships. Consequently, this dimension relates to most of the core features; mutuality, long-term character, process nature and context dependence, and process characteristics of business relationships; adaptations, cooperation and conflict, social interaction, routinization. However, some questions relate even to the structural characteristics of relationships (Holmlund & Törnroos, 1997; Håkansson & Snehota, 1995). The average of this group of questions is 3.4; which shows an inclination towards relationship marketing practices in the exchange dimension of our B2B firms.
Purpose of exchange gave the answering options; economic transaction or interactive and connected relationships. Thus, it is clearly related to the overall nature of relationships a firm has. To be more specific, it addresses the core feature of process nature, as it embraces the inclination of relationships’ interactions, either towards transaction or relationship (Holmlund and Törnroos, 1997). However, the data revealed an average of B2B firms’ answers of 2.9, which is contradictory since B2C firms have an average of 3.0 here. This indicates that B2B firms have an almost neutral position towards what their business exchanges aim at. This result can be interpreted as a consequence to the complexity of business relationships and networks advocated by several researchers (Grönroos, 1007; Ford et al. 2006; Anderson et al. 2009; Coviello & Brodie, 2001; Håkansson & Snehota, 1995), which invokes process features of adaptations and cooperation and conflict. Hence, a business network is characterized by direct and indirect relationships a firm has along the value chain to its closest and furthest suppliers/customers (Ford et al. 2006); which leads to different purposes of exchanges depending on where in the chain and in the network the parties are positioned. This result is contradictory to our theory, as there is a minimal, but present, inclination to economic transaction among our B2B firms.

Nature of Communication involves the orientation in communication a company has. Here, the options were; firm ‘to’ mass market or firm ‘with’ firm involving individuals. This question involves aspects of social interaction and adaptations in communication, since a relationship’s contacts are established on two levels, interpersonal and interorganizational (Håkansson & Snehota, 1995). The average for B2B firms here is of 3.0; which indicates a totally neutral position; thus B2B firms in our survey communicate probably in both ways more or less equally. Therefore, it is not possible to draw any conclusion about any general inclination from this data as the result is totally neutral.

Type of contact is very similar to the previous question as they both concern communication. However, this question gave the options; arms-length, impersonal or interpersonal, close. It embraces the concepts of social interaction, cooperation and conflict and even informality, since business relationships become more informal than formal over time and thereby the interpersonal and close contacts develop mainly through actor bonds (Håkansson & Snehota, 1995; Holmlund and Törnroos, 1997; Ford et al.2006). The average resulted in 3.8, suggesting that our B2B firms prefer interpersonal and close contact with their business partners in general. Thus, it confirms the statements made in earlier research about B2B marketing being very characterized by social interaction; i.e. actor bonds, that usually become informal and interpersonal over time (Ford et al.2006).

Duration of exchange includes the options; discrete, sporadic or continuous. This question addresses clearly continuity and thereby long-term orientation. Hence, the average of this question is 4.0; which shows a rather clear inclination towards continuous exchanges by B2B firms in our sample. This question supports early theory about B2B marketing the most, as its average is the highest among B2B marketing questions. It suggests that the most popular quality among our B2B firms in relation to the exchange dimension is continuity, which is in accordance with most of the early theory about B2B marketing (Grönroos, 1007; Ford et al. 2006; Anderson et al. 2009; Coviello & Brodie, 2001; Håkansson & Snehota, 1995).
4.5.2 Managerial Dimensions

This dimension entails four questions that are related to marketing management; managerial intent, managerial focus, managerial investment and managerial level (figure 4.16). Theoretically, this dimension reflects relationships’ process characteristics, though some of these questions imply structural characteristics as well (Håkansson & Snehota, 1997). Also, it is related to the concept of value (Andersson et al. 2009), as here it is possible to identify what type of marketing the managers in B2B firms value the most. Moreover, these questions can be associated to family business theory as they involve management. However, the overall average for these questions’ responses is 3.2; which suggests a very slight inclination towards relationship marketing among our B2B firms.

Managerial intent focuses on identifying managements’ intention in relation to marketing. It implied the options; customer attraction or interaction. Hence, the management’s general preference in respect to marketing is been tested here. The average for this question gave 3.1; meaning that B2B firms’ managers in our sample have an almost insignificant inclination towards interaction and thereby also B2B marketing practices.

Managerial focus involves the two alternatives; product and brand or relationships between firms and individuals. The average for this question is 2.9; which suggest an almost neutral value for the type of investment; transaction or relationship marketing-related, preferred by B2B firms’ managers. This result leads to the deduction that our B2B firms invest in general a relative equal amount in product and brand as in relationships between individuals and firms.

Managerial investment involves the options; internal marketing assets or external market assets. This question highlights the managers’ view on marketing resources. However, the average here is pretty high; 3.5, which leads to assuming that B2B firms in our sample are slightly inclined to external market resources. Hence, their marketing orientation is towards relationship marketing as this implies a network view on resources, embodied in resource ties and context dependence (Ford et al. 2006; Håkansson & Snehota, 1995).

Managerial level refers to the involvement of different individuals in the marketing processes. Thus, the answers given here are; functional marketers or managers from different functions and levels. The average of this question is 3.3; meaning that the involvement of non-functional marketers in marketing processes is slightly preferred among the B2B firms in our survey.
4.5.3 **Strategic Dimensions**

This dimension includes eight questions; 9 to 16 (figure 4.17), and is based on Grönroos’ (1997) marketing strategy continuum referring to the aspects; time perspective, marketing function, customers’ relation to price and satisfaction, quality, information system, interdependency between functions, and role of internal marketing. This is the largest group among B2B questions due to the wide impact strategy has on marketing and the company in general, and because of its clear link to Miller et al.’s (2006) five strategies of successful family firms (brand building, craftsmanship, superior operations, innovation and deal making). Moreover, as described in the theory, the strategic aspects brought up in this dimension can be related to Håkansson and Snehota’s (1995) relationships’ characteristics and especially the structural characteristics of B2B relationship (complexity, continuity, symmetry and informality). The total average here is 3.2; which indicates a minimal tendency towards relationship marketing and therefore this dimension affirms our hypothesis in the same week way as the managerial dimension.

The question about *time perspective* is directly related to the marketing orientation in terms of *long-term focus* or *short-term focus*. Hence, it is related to continuity and adaptations as well, since these characteristics are required to maintain long-term relationships (Håkansson & Snehota, 1995). Its average is 3.8 and thereby it supports theory rather strongly since this is one of the highest values among the responses of B2B firms to these B2B marketing dimensions.

*Dominating marketing function* involves preferring either the *marketing mix* or *interactive and network marketing*. This question is relevant as the marketing mix becomes too restrictive for a firm using relationship marketing, so it uses interactions and networks in addition to the marketing mix (Grönroos, 1997). This question aims at identifying the theoretical and general marketing orientation firms lean towards. The average here is 2.8, which is one of the lowest averages among B2B dimensions and is contradictory to most other results, as it lets us assume that B2B firms slightly prefer the, transaction marketing-related, marketing mix as the dominating marketing function.

*Price elasticity* refers to whether the customers tend to be more or less sensitive to price. This question addresses the nature of the relationship as one option implies a type of relationship to customers and the other one the opposite type. It also concerns what customers value since, as described earlier, value in business markets can be defined through an equation that involves price (Anderson & Narus, 1998). Thus, a firm using relationship marketing tends to create more value for its customers apart from the value of the product itself (Grönroos, 1997).
However, the average here is 3.4; which suggests that B2B firms assume that their customers to some extent tend to not be sensitive to price.

*Dominating quality dimension* involves the preference of a firm for either the *quality of output* or the *quality of interactions*. The result here is an average of 2.4; which is the lowest figure among B2B questions and thus indicates that B2B firms in our sample care in general more about the quality of output than the quality of interactions. This is the result that most challenges the total tendency towards relationship marketing of B2B firms. It can be due to the industry in question, i.e. custom motor, as it is an industry that generally is characterized by high demands on quality and performance of products. Also, the fact that the same answers’ average for B2C firms is higher; 2.7, makes this result even more remarkable.

*Measurement of customer satisfaction* poses a question about whether *monitoring market share or managing the customer base*, is preferred by the firm. Customer base is related to relationship marketing as it implies interaction with customers (Grönroos, 1997). However, this question’s answers result in an average of 3.4, which suggests that B2B firms have a tendency towards monitoring market share. Thus, it affirms earlier theory about B2B marketing.

*Customer information system* implies the choice between *ad hoc customer satisfaction surveys* (i.e. temporary customer surveys) or *real-time customer feedback system*, which is included in the concept of managing the customer base. The average here is 3.4, thus it supports H3 and previous theory since it shows that B2B firms lean towards managing the customer base, i.e. real-time customer feedback system, which is related to relationship marketing mostly through its characteristics of symmetry, informality and social interaction (Håkansson & Snehota, 1995).

The *interdependency between marketing, operations and personal* can be either of *low or high importance for a firm*. However, it reflects the complexity of B2B relationships in that, the customer interface comprises part-time marketers from different functions, as opposed to B2C marketing where only marketing specialists are responsible for the marketing function (Grönroos, 1997; Ford et al. 2006; Håkasson & Snehota, 1995). However, the average here is of 3.6; meaning that B2B firms have a minor tendency to consider the overlap between several different functions as important; which weakly affirms earlier theory.

*The role of internal marketing* can be of *high importance or no/low importance to success*. This question addresses continuity, social interaction and informality as internal marketing involves a process of continuous informal (but also formal) interactions inside the company, which ensures the support of traditional non-marketing people, thus part-time marketers (Grönroos, 1997). The average here is 3.4; which suggests that B2B firms do consider internal marketing as important to success, however not strongly. In any case, this question’s average result is slightly in accordance with earlier theory.

In sum, the answers of B2B firms to B2B marketing-related questions show an overall tendency towards relationship marketing, i.e. 11 questions indicate an average of answers that exceed the neutral level of 3. Therefore, according to our data, B2B firms tend to use more relationship marketing than transactional marketing, which is in accordance with most of the revised theory on B2B marketing (Coviello & Brodie, 2001; Ford et al. 2006; Anderson et al. 2009; Holmlund & Törnroos; Grönroos, 1997)
4.6 Family firms tend to use more long-term oriented than short-term oriented marketing (H5)

The analysis of the following hypothesis will be based on the responses to the relevant questions concerning the characteristics of family firms and their opposite. We will have as reference points the strategies of family businesses, described by Miller et al. (2005); Brand Marketing, Craftsmanship, Superior Operations, Innovations and Deal making. Also, the priorities, i.e. the Four C’s: Continuity, Command, Connection and Community, will be analyzed in relation to the strategies.

4.6.1 Brand Building Analysis

The first set of questions concerning family business (17-22) has to deal with the brand marketing strategy of family businesses (Figure 4.18). However, here we will highlight the analysis of the questions that are more characteristic for family business. Question 18 concerns the sales of the family business in general, i.e. if most sales come from products that are less than 5 years old or from products that are more than 5 years old. The average response here was 2.5, which means that family firms show a tendency to maintain and sell relatively old products. Question 19 concerns whether the traditions and values of the company help the brand family. Here the response was an average of 3.38, which is relatively low considering the large tradition of brand image by family businesses (Poza, 2004). In question 21, family firms were asked about their relations with the outside community. These results reveal that for family firms, community relations improve and complement the brand image, thus the average score here is of 3.9. Hence, family firms evaluate that the community will always be important for their decision making processes (Zellweger and Nason, 2008). The answers for brand marketing strategy questions are presented in Figure 4.19.
4.6.2 **Craftsmanship Analysis**

Here next we bring up questions; 23, 24, 25, 30 and 31, to illustrate the total tendency of family firms’ answers concerning craftsmanship (Figure 4.20). These craftsmanship questions are focused on discovering techniques of the company regarding its production and distribution (Miller et al.2005). Such techniques are of great importance to know what kind of marketing strategies are used in production and distribution and if these are long or short-term oriented. In question 23, it was asked if it is more important to improve the quality or the quantity each year. The average answer for the previous question was 3.9, which suggests a quite strong fo-
Focus on quality among family firms in the sample. Question 24 refers to whether the core competences of the family business are focused and growing. The average answer for this question was 3.4, meaning that the family businesses in our sample have a tendency to develop their core competencies through growth and focus (Poza, 2004).

Additionally, question 25 addresses whether the tradition on the family business is focused on quality or quantity as a whole. The answers here showed an average of 4, which demonstrates a tradition focused on quality, thereby an inclination towards long-term orientation among family businesses at the trade show. Question 30 is focused on how the company works to improve inputs, i.e. whether it is individually or together with supplier. The average answer here was 3.9, which means that family businesses make efforts to discover new ways of making products together with their partners in the value chain (Miller et al, 2005). Finally, in question 31 it was asked whether the family business works with clients to improve their offerings in the long-term or, on the contrary, if it works individually. The average for this question was 3.5, which means that family businesses are always looking for partnerships to improve their offerings, no matter if the partner is the same client (Zellweger and Nason, 2008). The answers for craftsmanship strategy questions are presented in Figure 4.21.
4.6.3 Superior Operations Analysis

The questions for operations strategy being in focus here are; 35, 36, 37, 38, 39, and 41. These were specially selected to analyze the long-term strategies of family businesses in their daily operations (Figure 4.22). To start, it was asked in question 35 if the executives thought the company constantly improved its processes; the answers here resulted in an average of 3.9, which is expected concerning family businesses (Poza, 2004). Similarly, it was asked, in question 36, if the top management has the opportunity to stay in charge of the company for long periods of time; the average of the answers for that question was 3.7, which demonstrates a preference for long-term oriented top executive periods among the family firms in our sample (Miller et al. 2005).

Additionally, question 37 refers to whether the investments made by the company were made for long-term relationships with its major customers in the value chain or not. The average of answers here was 3.3; which is relatively low considering that family businesses prefer to invest on clients (Miller et al. 2005). Also, in question 38 it was asked if the company works to be responsive and thereby to extend its relationships with its largest customers. The answers resulted in an average of 3.7, suggesting a focus on maintaining relationships for a long time. Question 39 refers to the strategy of lobbying as a means to persuade transactions. The answers resulted in an average of 3.3, which can be due to the fact that lobbying is often viewed with negative connotations. Finally, it was asked in question 41 whether the client-facing employees are trained or not trained. It was asked to identify strategies for training of employees. However, the average answer was 3.9, indicating that family businesses believe in training their employees to improve performance.
employees in meeting their clients (Miller et al. 2005). The answers for operations strategy are presented in Figure 4.23.

![Figure 4.20 Operations questions - Averages responses of family firms](image)

![Figure 4.21 Answers for Operations questions](image)

Option 1. Marketing perform Response

<table>
<thead>
<tr>
<th>33) Fairly Transactions (one-time deal)</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
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</thead>
<tbody>
<tr>
<td>34) Price-Cost</td>
<td>Partnerships</td>
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<tr>
<td>35) Disagree</td>
<td>Strongly Agree</td>
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<tr>
<td>36) Short Tenures</td>
<td>Long Tenures</td>
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<td></td>
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<tr>
<td>37) Disagree</td>
<td>Strongly Agree</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>38) Disagree</td>
<td>Strongly Agree</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>39) Disagree</td>
<td>Strongly Agree</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>40) Lack of Cooperation</td>
<td>Cooperation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>41) Untrained</td>
<td>Trained and coached</td>
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</tbody>
</table>

Option 2. Marketing perform Response

![Figure 4.21 Answers for Operations questions](image)

Figure 4.20 Operations questions - Averages responses of family firms

Figure 4.21 Answers for Operations questions
4.7 **Innovation Analysis**

Figure 4.24 illustrates the questions about family businesses’ innovative strategies. The questions; 42, 43, 44, 45, 46 and 49, are those that mostly aim to exploring the innovations and adaptations of the company in the long-term. For this reason, we decided to develop a series of questions that will tell us whether the family really invest their resources in innovation for the long term. Question 43 refers to whether the innovations are separated by long or short periods; the average score for this question was 3.7, which means that family businesses tend to keep their traditional products in the market (Miller et al.2005). In addition, in question 43 it was asked if the commercialization of products is more important than improving the product itself. The average score here was 3.6, which suggests a weak tendency to improve the products, among our family firms. Also, in question 44 it is asked if the company offers new products or obsolete products. This latter resulted in the average of 2.3; indicating that family businesses tend to offer relatively new products, which contradicts earlier theory (Miller et al.2005). Question 45 is about whether people in the organization believe in the long-term vision and values of the company or not. The average response here was 3.7, which implies that employees in family firms tend to believe in the company’s values.

Moreover, in question 46 it was asked if the company invests more in resources or long-term innovations; the average answer was 3.5. This result indicates an inclination among family companies to invest more in long term innovations (Miller et al.2005). Finally, in question 49 it was asked if productive alliance and joint ventures are built to achieve innovations; the average response here was 3.3. This result reveals that family businesses have a preference to work together with other companies with the goal of innovation (Aronoff et al. 1995). The answers for innovations strategy questions are presented in Figure 4.25.

![Figure 4.22 Innovation questions – Average responses of family firms](image-url)
4.7.1 Deal Making Analysis

For the analysis of the strategy of deal making we will re-take some questions discussed above in order to observe if whether these family businesses create new contacts and relationships with key partners (Questions 32, 33, 34, 37, 38, 39, 40 and 47). Hence, some of questions analyzed below have already been analyzed, however, in this case they will be analyzed in the context of deal making (Figure 4.26). Question 32 has to do with the community, as it was asked whether the relationship with the community attracted excellent employees or average employees. The answer for that question was 3.9; which indicates that the family business tradition of great image and good relations with the community attracts the best employees (Aronoff et al. 1995). Question 33 asked if the firm focuses on parts of the value chain (suppliers-clients) to have either partnerships or fairly transactions; the average score here was 4, which means that family businesses are not only looking for a single sale, they are in fact trying to establish long-term relationships with their key partners (Aronoff et al. 1995). In addition, in question 34 it was asked if their primary targets were price-cost relationship or partnerships; the average answer here was 3.3. The results here were lower than expected, however, it can be due to the great amount of B2C firms in the sample, as usually in this kind of industry prevails more the price-cost concepts (Miller et al.2005). Moreover, question 37 is aimed at establishing if investments are made to form good relationships with value chain partners. The average score was 3.6, which clearly demonstrates that family businesses create the best atmosphere for their relationships by doing investments (Hall et al. 2006).

Additionally, in question 38 it was asked if the company works responsive to expand relationships with major clients and the average score was 3.7, which indicates a tendency from family businesses to interact with their clients to keep relationships for long and be responsive when the clients need to be served (Miller et al.2005). Question 39 has to deal with lobbying and if this fact persuades transactions. As stated earlier this question revealed a weak tendency among family businesses to believe that lobbying is a way to make business. Furthermore, family businesses seem to have some sense of cooperation in their transactions since they be-

<table>
<thead>
<tr>
<th>Option 1. Marketing perform Response</th>
<th>Option 2. Marketing perform Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>42) Short periods</td>
<td>Long Periods</td>
</tr>
<tr>
<td>43) Commercialization of products</td>
<td>Product Improvement</td>
</tr>
<tr>
<td>44) Newly Fresh</td>
<td>Obsolete</td>
</tr>
<tr>
<td>45) Disagree</td>
<td>Strongly Agree</td>
</tr>
<tr>
<td>46) Resources</td>
<td>Long Term Innovations</td>
</tr>
<tr>
<td>47) Rarely</td>
<td>Often</td>
</tr>
<tr>
<td>48) Far From the Market</td>
<td>Close to the Market</td>
</tr>
<tr>
<td>49) Disagree</td>
<td>Strongly Agree</td>
</tr>
</tbody>
</table>

Figure 4.23 Innovation Answers
lieve that partnerships must be based on cooperation (Nordqvist and Goel, 2008). However the results for this 40th question showed a quite neutral score of 3.2. Finally, in question 47 it was asked if the productive innovation partnership is formed with clients, the average score was 3.42, which means that sometimes-family businesses are more reserved work together with clients on innovations. The answers for innovations strategy questions are presented in Figure 4.27.

![Figure 4.24 Deal Making questions – Average responses of family firms](image)

![Figure 4.25 Deal making answers](image)
4.8 The overlapping marketing principles and practices between B2B and Family firms are those that promote managing long-term oriented business relationships

To analyze our data in relation to this question, we use the answers from our two main groups of respondents; family firms and B2B firms. The figures below illustrate the result of the overlapping of averages to the answers derived from the already analyzed figures above and new ones, regarding family firms’ answers to B2B questions and B2B firms’ answers to family business questions (Family/B2B). In addition, the averages of the answers of family firms to B2B marketing questions and B2B firms’ family questions are included.

Hence, this analysis consists in comparing previous figures and averages against the new averages that resulted from the combination of B2B firms’ answers to family firm’s answers and vice versa. More specifically, the analyzed answers of B2B firms to questions of B2B marketing have been combined to the answers of family firms to the same B2B marketing questions. Similarly, family firms’ answers to questions about family business strategies were overlapped with the answers of B2B firms to the same questions. Thus, the differences and similarities between the previous figures and these new combined ones should reveal which are the overlapping characteristics, in that the closest the two (family and B2B) come to the combined average (Family/B2B) the less different and more similar the responses among them are. Therefore, the more equal the three lines in the following figures are, the more overlapping their answers, and thereby the characteristics related to the question, become.

Moreover, in order to assert that the overlapping marketing practices and principles are those that promote managing long-term oriented business relationships, the overlapping averages should be beyond the value of 3, as then they indicate an inclination towards relationship marketing, and thus managing long-term oriented business relationships. In short, the overlapping characteristics are those characteristics that have averages over the value of 3 and that are most equal with each other (Family B2B).

Nevertheless, the total average for all the answers of family and B2B firms combined together (the lines in blue) is 3.4; which if compared to the previously analyzed answers’ overall average; 3.5 (i.e. B2B firms’ answers to B2B questions and family firms answers to family business questions), is slightly minor. Thus, the overlap of family firms’ answers on B2B firms’ answers, and vice versa, influences both groups towards short-term transaction marketing practices.

4.8.1 B2B Marketing Associations to Family Business

The questions showed in the figure below are related to Håkansson and Snehota’s (1995) structural and process characteristics of B2B relationships, and since B2B marketing is very related to relationship marketing, the higher the average on a question is, the closer it is to relationship marketing and thus to the structural and process characteristics of it. As illustrated below, the overall impression is that about half of the results lean towards relationship marketing, i.e. they pass the value of 3, as indicated by the red shadow.
Among the questions above, there are eight that clearly have a tendency towards relationship marketing: 3, 4, 8, 9, 13, 14, 15 and 16. However, only four of these show a relatively parallel position between its three lines; 4, 8, 13 and 16. Hence, these four suggest an overlap between family and B2B firms, as they apparently responded very similarly. These questions concern the following characteristics related to relationship marketing:

- **Continuous duration of business**: is evidently linked to the principle of continuity, which, besides being a structural characteristic of business relationships, is a priority in the strategies of brand building, superior operations and even craftsmanship (Miller et al. 2005; Håkasson & Snehota, 1995; Coviello et al. 2001).

- **Involvement of managers from different functions and levels in marketing processes**: embraces one of the aspects about complexity of B2B relationships, i.e. several different people involved in B2B relationships (Håkasson & Snehota, 1995; Coviello et al. 2001; Ford et al. 2006; Grönroos, 1997). Also, the complex interplay between the family, the business and the governance in family firms (Sharma & Nordqvist, 2007), which is reflected on their complex social networks and capital; as the family’s social network
interacts with the organization’s network (Arregle et al. 2007; Nordqvist & Goel, 2008).

- **Customer satisfaction is measured through managing the customer base**; means that interactive relations with customers is used, i.e. the principle of connection as well as the practices of social interaction and informality are relevant for both B2B and family firms. Thus, connection is prioritized in the strategies of superior operations and deal making (Miller et al. 2005; Håkansson & Snehota, 1995; Grönroos, 1997).

- **Internal marketing is important to success** for family and B2B firms. It implies complexity, connection and social interaction, as it requires high level of internal communication (Grönroos, 1997). Hence, relational approaches in marketing require a shift in units of analysis, i.e. from products and firms to people and social processes that bind actors together in continuous and connected relationships (Olkkonen et al. 2000). In family firms, internal marketing may refer to the involvement of non-family members in marketing processes as well the complexity related to the issues of professionalization of family businesses’ leadership (Hall & Nordqvist, 2008).

In sum, these four dimensions of overlapping question-results highlighted three theoretically overlapping principles; continuity, connection and complexity, which are of major importance for family-B2B firms’ marketing. Hence, these empirical results are in line with theory, as far as the major overlapping marketing principles of B2B and family firms is concerned, and thereby the hypothesis H5 is affirmed by these findings. Moreover, many of the practices related to family business’ strategies were emphasized by the overlapping aspects above, especially the features related to brand building, superior operations and deal making, which is totally in accordance with the major marketing practices of family-B2B firms described in the theory.

### 4.8.2 Family Business Association to B2B Marketing

The questions below are derived from Miller et al.’s (2005) strategies of successful family firms. Here, family firms’ data, in response to the questions related to family business and their strategies, has been accompanied by B2B firms responses and the combination of averages from both family and B2B responses.

Figure 4.29 illustrates the responses to questions about brand building. It shows four groups of results that can be related to long-term orientation, as these exceed the value of 3. However, only three of these groups of lines can be considered as being equal in their ending results; 20, 21 and 22. Thus, these three constitute the overlapping marketing practices between family and B2B firms, and they involve that:

- **Employees are committed to advertise the brand**, reflecting the principles of community and complexity in that internal marketing and communication are necessary to unite the workforce in a culture of shared values and commitment (Håkansson and Snehota, 1995; Grönroos, 1997; Miller et al. 2005). Social interaction, and cooperation and conflict are also involved here, as social bonding is essential for reaching commitment and thereby trust in relationships, which facilitates cooperation and conflict solution. Therefore, by empowering and stimulating committed employees to keep close and continuous interaction, the family-B2B firm should more easily build and sustain long-term business relationships, as it now has several firm ambassadors (Stanko et al. 2007; Miller et al. 2005).

- **Relations with the outside community improve and complement the brand**; this evidences the principles of community, continuity and connection as well as social interaction. Thus, family and B2B firms should also establish long-term relationships with other stakeholders than just business partners; since family business’ theory affirms that such rela-
Market reactions contribute to build the brand as well (Miller et al. 2005). Although, such process will require practices of social interaction, cooperation and conflict, routinization and adaptations as it involves a more holistic view on relationship marketing than the one related just to B2B markets, i.e. more different stakeholders to have relations with.

- Market reactions are monitored carefully to adapt and renew brands, means that customer trends are directly monitored, which implies interactive relations with customers. Here, continuity and connections are appealed to, via the practices of social interaction, cooperation and conflict, which characterize customer relationships (Håkansson and Snehota, 1995; Grönroos, 1997; Miller et al. 2005).

![Figure 4.27 Brand Building questions - Answers of Family/B2B, Family and B2B firms](image)

Figure 4.30 shows the answers related to the strategy of craftsmanship and the majority of answers here reveal a tendency towards long-term management orientation. From the figure below, it is possible to see that there are four questions that show equal line lengths; 24, 25, 28 and 32. These embrace the following aspects:

- Core competencies are focused and growing, means that family firms in B2B markets are entrepreneurially oriented. However, even the most efficient company needs to be competent in managing relationships, as resources from other actors can facilitate or constrain its performance (Baffour, 2001). Hence, in family business and B2B networks, an organization’s competence is often developed through linking internal (family and organizational) resources, activities and skills to those of external stakeholders (Snehota, 1990 cited by Baffour, 2001; Habbershon & Williams, 1999). Therefore, practices of adaptations, cooperation and conflict, and social interaction are required, as well as principles of continuity and connection, in managing relationships (Håkansson and Snehota, 1995; Miller et al. 2005).

- Quality is embedded in the company’s tradition and the company values focus on quality, indicates that both B2B and family firms promote quality rather than quantity, thus they embrace the core competence of craftsmanship. Therefore, they value network relationships with suppliers and customers as a method to reach better coordination, adaptations, conflict resolution and symmetry, which together lessen complexity and lead to improved quality (Håkansson and Snehota, 1995; Miller et al. 2005).
- Good relations with the community attract excellent employees; meaning that connection and continuity are important for family and B2B firms’ relations with the community as these principles reflect integrity, openness and generosity, which are very attractive for potential employees (Miller et al. 2005). However, these outside relations can be facilitated by considering B2B firms’ characteristics of complexity, informality, symmetry and using the practices of adaptations, cooperation and conflict, and social interaction. (Håkansson and Snehota, 1995)

![Figure 4.28 Craftsmanship questions - Answers of Family/B2B, Family and B2B firms](image)

In figure 4.31 the answers to the questions regarding superior operations strategy, which is the most related to B2B marketing as its priorities are connection and continuity, illustrate a strong inclination towards long-term orientation as all averages exceed the neutral value of 3. However, there are only two groups of lines that can be considered as equally long and thus overlapping. These concern the questions 36 and 38, which represent the family business concepts:

- Long periods of tenure, is strictly a family business feature that involves long-term management orientation and passing of knowledge in succession, i.e. the principles of continuity and even connection. However, long tenures allow family and B2B businesses to reach over time a high degree of routinization and social interaction, as well as informality, adaptation and symmetry (Håkansson and Snehota, 1995; Miller et al. 2005).
- The company works to be responsive and expand relationships with major clients, indicates that family and B2B firms apply social interaction, cooperation and conflict, and adaptations to a high degree, as these practices are required to be responsive to the customer needs and thereby develop relationships (Håkansson and Snehota, 1995; Miller et al. 2005)
In figure 4.32, the answers to the question of innovation strategy, which is probably the less related strategy to B2B marketing as it does not include continuity nor connection among its major priorities, are showed. As we can see, there are only two groups of averages that are relatively equal in length; 47, 48. Therefore, these two constitute the overlapping questions that embrace some overlapping marketing principles and practices between family business and B2B marketing:

- **Productive innovation partnership is often formed with clients**, denoting that family and B2B firms establish often relationships with customers with the purpose of innovation. Such relationships imply a certain longevity and continuity as well as connection in order to overcome the risks of innovation. Hence, a family-B2B firm needs continuous social interactions, adaptations and cooperation with its innovation partner to achieve patience, stewardship, secrecy and conflict solution, which enable innovation (Håkansson and Snehota, 1995; Miller et al. 2005).

- **The firm is close to the market in order to adapt for innovations and opportunities**, meaning that family and B2B firms prefer a connected approach to the market as a means to adapt for changes in terms of innovation and thereby be able to take advantage of opportunities that emerged from the market. Hence, the relationship characteristics of adaptations, connection and social interaction are the major practices required to be close and react to the B2B market (Håkansson and Snehota, 1995; Miller et al. 2005).
The last figure here below, illustrates the answers to the questions related to deal making. However, the overlapping averages among these questions have already been discussed earlier. Still, there is a similar trait regarding the total answers of the deal making and the superior operations results. Hence, these two are the only strategies of family firms where all the answers exceed the neutral value of 3; thus it lets us assume that deal making and superior operations are the most overlapping practices between B2B and family firms, which is partially in accordance with the theory, as these are two of the major practices for family-B2B firms.
4.8.3 Case Example - TILLBILLEN

Here next, we will present and analyze our case study to further explain how the practices and principles related to B2B marketing and family business overlap together. This case represents an example of a family firm that operates in both B2B and B2C markets. However, this analysis emphasizes the family firm’s B2B relationships and it constitutes a means to achieve deeper insight into how the studied overlapping characteristics are correlated to each other.

Company Background

This company is a new family-controlled firm with its origins in the city of Gothenburg in Sweden. Viktor Klaesson, co-owner of Tillbillen AB (Aktiebolag), founded it in 2006, as a small retailer business. The firm focuses on import and commercialization of automotive styling and tuning parts for their market in Sweden. The firm counts at the moment with three employees, two of whom are the owners of the firm.

Tillbillen specializes in high performance parts for urban, race and motorsport cars; their parts include exhausts, air filters, suspensions, among other products. Also, they outsource many services, such as the distribution and installation of their products. Over the past three years, Tillbillen has been the leading company in the styling and tuning industry in Sweden together with other three companies. The firm’s values are based on the quality of their products, superior technology, high performance and trust among clients and suppliers.

Branding as a Competitive Advantage

The industry of styling and tuning is very small in Sweden; it is a new trend that is constantly growing between clients and suppliers in the auto parts industry. Since the industry is not large and limited, most of the parts of their portfolio must be imported from Germany, France, Holland, Italy, U.S.A and many countries in Asia. The main clients for this auto parts demand brand names for their products, therefore, Tillbillen AB is always focusing on bringing the best of the most recognized brand in the industry. According to the Specialty Equipment Market Association (SEMA, 2008), the custom motor industry in the United States has more than 7,000 firms, which represent over 34 billion U.S Dollars in the automotive tuning industry, which means a significant industry and high potential for a firm like Tillbillen (SEMA, 2008; Tuning World Bodensee, 2009).

Currently Tillbillen is considered as one of the main companies in its industry in Sweden. This is the main reason why it must maintain high standards over its products and service, since their relationships with suppliers and customers are based on those principles. In addition, these relationships are close and interactive. Tillbilen’s owner-managers make business visits to their major suppliers in Germany, Holland, to mainly assure how they maintain their processes, quality standards and learn more about the partner that they are working with. Thus, the craftsman strategy as stated by Miller et al. (2005) gives companies such as Tillbillen AB, the opportunity to create client-relevant excellence through quality outputs.

Marketing and Relationships

Mainly Tillbillen AB focuses on B2B but it also must interact with its final clients in B2C relationships. Therefore, it uses strategic marketing for final consumers and suppliers (Ford et al, 2006). As we mentioned before the company is not the producer of the parts but it functions as retailer of styling and tuning products. Consequently, the firm must add its products in specialized magazines, trade shows and on the internet. For Tillbillen, internet marketing is the main tool not only for sales but also to update its products to consumers across the net. In the
auto custom and auto part industry, it is essential to use internet on its operations. This is because internet in this particular industry brings benefits to the company in terms of marketing solutions. The internet can provide lower costs for the distribution of information to the global public. In our case, Tillbilen encourages also its strategic partners to enable communication via internet. This because marketing through the internet is not only based on digital media such as e-mail and websites; but it also refers to management of digital customer data and electronic customer relationship management (e-commerce). Since e-commerce as a marketing tool became the most important source of communication between companies in this industry, many companies in the auto custom and auto part industries implement this kind of e-commerce marketing to assure the lowest cost for their distribution, information and advertising of their products, as well as to keep relationships with their main stakeholders (Ford et al, 2006). Also, Tillbilen goes beyond the digital marketing, to actually interact with suppliers and clients by doing weekly meetings with them, which is fundamental to develop strong-trust relationships. As described by Ford et al (2006) marketers must learn how the relationships must be established and how trustable is the client. Additionally, relationships can fail easily because companies are not committed to each other and there is a lack of trust (Ford et al, 2006).

Another fundamental marketing aspect that we found in Tillbilen was its strategy towards distribution and installation of the auto parts for styling and tuning. The owner-managers opted to outsource those services with joint companies to establish a network to provide the best package of products and services to the final consumers. As described by Ford et al, (2006) joint ventures with subcontractors are increasing and companies must rely on the resources of outside suppliers and leave them coordinate sometimes the whole operation. Tillbilen and the subcontractor companies’ work closely to assure consumers’ satisfaction. The transactions are mainly made throughout the internet, and then it originates an order where the subcontractors in charge of the distribution and installation of the auto parts enter to provide the service, which also guarantees a follow up sales practices. It is up to the customer to receive the service or not.

In terms of benefits like cut price or discounts for new customers on their products, Tillbilen prefer not to do it since the new customers must fulfill some requirements before getting this kind of benefits. The requirements include having a long-term relationship with Tillbilen to be eligible to achieve any kind of benefits with them. Family businesses often establish long-term continuity strategy (Miller et al. 2005). The other requirement stated by the firm is giving more benefits to customers according with their large purchases (Economy of scale). Also, Tillbilen launch seasonal campaigns to receive more customers in their website (Ford et al, 2006).

The company considers technology as a fundamental part in all their activities. New competitors always arise in established industries introducing innovative technologies, therefore it is a priority for Tillbilen to keep updating to the newest technology (Ford et al, 2006). Tillbilen adapts policies to its suppliers and consumers in order to encourage the implementation of the newest technology in the market, with the highest quality. This could include providing information and advice from suppliers (Ford et al, 2006). Since Tillbilen is a first generation family-controlled business, the owner intends to make these two aspects as their family values: technology and quality. The craftsman strategy here is represented through clear policies to institutionalize quality (Miller et al. 2005).

Mostly, Tillbilen’s offerings and transactions are informal towards consumers. The only agreements between Tillbilen and its suppliers and customers are based on electronic orders. These orders are managed over the web, so to be able to track all the firm’s dealings with
business partners. The same situation happens when it comes to negotiations with their partners. They follow informal approaches in terms of prices and methods of payments (Ford et al, 2006).

Trust is an important feature in the firm activities. All is based on first-class communication systems, which allow the parts to have a fluent information sharing. Tillbillen boosts trust through having a close relationship with stakeholders. In particular, with sales they seem a trustable customer when they buy large amounts of their products. For family business, trust is very essential, which often represents a fundamental basis for cooperation and potentially provides a key source of competitive advantage (Miller et al. 2005).

Interdependence and power are relevant factors in the styling and tuning in Sweden. As we stated before this is a new industry in Sweden therefore the main companies are located in foreign countries. Swedish suppliers are dependent on their bigger companies abroad. For that reason, marketers’ ability to learn more about partners will have an important effect on the companies’ distance (Ford et al, 2006). Additionally, as stated by Ford et al (2006), interdependence must rely on different factors such as problem solving, resources, power and the technological distance between companies. The power in business deals in the global contest for Tillbillen is low, since it is considered as a new player in the global market in this industry. For that reason, they still do not have the negotiating power over their transactions overseas. Nevertheless, it is not the same case for the firm in Sweden, as here it plays a main role over their suppliers and customers, since it is the leading company among others in the Nordic country.

As a matter of fact, companies with such a misbalance regarding power over their negotiations may be involved in conflicts with suppliers and customers (Ford et al, 2006). Tillbillen approaches these conflicts through having a closer communication with their counterparts establishing solutions for particular differences. They attempt to have strategies to face conflicts through stating an open dialogue about the problem and try to cooperate within the parts to achieve a situation where both parts can advance together towards an agreement. However, it is not easy to deal with conflicts but sometimes conflicts are important and required to keep the relation alive. The absence of conflict in relations reflects low or no interest from both parts (Ford et al, 2006).

The communication with Tillbilen’s different customers is driven through each employee of the company. Tillbillen, at the moment, requires a stronger communication department since they still need to develop more the relationships with their stakeholders. This is the reason why for Tillbillen it is fundamental to achieve more developments in terms of agreements with partners and clients through technology communication systems. For Tillbillen, the main characteristics for successful communication are based on speed and effectiveness (Ford et al, 2006). About speed they explain that time is the same for all companies, but in this particular industry is determinant to be able to survive. For many customers, a priority to distinguish as prove of trust involves the speed of service. In their communication with suppliers, Tillbilen’s experience has shown that the delay of an order automatically means loss of money and, what is more critical, loss of a customer. Hence, effectiveness is a main objective in their communication. Tillbilen argues that the best communication it can get is the one that occurs when its suppliers anticipate its needs. The supplier must have the knowledge and the intelligence to understand the business and the family integration in order to provide the best service as possible. Furthermore, a family business must operate together with the supplier to be able to understand the business and this integration must be based on openness and trust (Miller et al. 2005).
The family integration in Tillbillen is present across all their operations. For instance, a family member, who is not part of the top management of Tillbillen, implements the firm’s accounting processes. When it comes to establish relationships with suppliers and customers, the firm’s family reputation expresses reliability, quality and long-term orientation. As illustrated by Miller et al. (2005 pp.170) “relationships, which frequently rely on a family’s reputation and sway, may attract capital, clients and influential partners”. Therefore, Tillbillen is well known within the Swedish market as a retailer in the auto parts industry with family values that influence the output of their business. For family firms, image is very important, therefore, they sell distinctive products, unique outputs and quality (Miller et al. 2005). Tillbillen conducts in its operations in line with its family values, in addition to promoting ethical values. These values are crucial in the new business environment to access capital or cooperate with partners (Miller et al. 2005).

For Tillbillen, it is a priority to work closely with partners. They mostly cooperate with Tillbillen to outsource services that the final consumer often requires. According Viktor Klaessson, the main reason to outsourcing is to free the company from a subcontractor cost department such as distribution, shipping and installation. Those services are considered as fixed costs. Therefore, Tillbillen is more specialized in its business segment, without putting much effort on other disciplines. This is the main reason why Tillbillen ensure long-term relationships with their partners since they are a fundamental piece in all the processes.

In the context of investing in relationships, Tillbillen AB opted for maintaining relationships with all entities of their supply chain in an inexpensive way. The company is successful but still is small in the global context, as a result it cannot wait so long to get the payoffs of an investment. Family and B2B firms must invest in relationships since these are the key factor to enhance their resources, operations and assets (Ford et al, 2006). Right now, it is difficult to make major investments but in the near future firms will have to invest in relationships in order to grow. When all stakeholders add value to the final product or service and align with the family values, smaller firms as Tillbillen will start considering making large investments in the future.

Currently, Tillbillen just invests the same amount of resources to all their customers and suppliers using the same infrastructure as a main base for their operations, which they do not consider to be the best situation when it comes to confidentiality in the business. As stated by Tillbillen, confidentiality in this industry is very important. They must keep privacy in all their activities because it is a sensitive market. As stated by Miller et al. (2005), family firms create strong privacy policies against intentions from adversarial interests and therefore in Tillbillen this is a priority. “Risk is everywhere in this business”, Viktor Klaessson said, referring to the strong competition that is coming along with many other similar types of products to the market. Tillbillen moves towards this problem by maintaining high levels of trust among its business associates. This confidentiality must come from experience with partners and from marketing policies.

**Trade Shows as an Excellent Marketing Tool**

Another significant marketing tool for Tillbillen is trade shows, as its owner-managers believe that these are the best places for small firms to promote their products and services. Trade shows are the proper location to establish business interactions, and thus relationships (Cartwright, 1995). In addition, they affirmed that over the years, trade shows became one of the most effective ways to establish relationships with strategic partners in this industry. According with Miller (1999), meeting the potential suppliers and customers “face-to-face” facilitates the expected start of any kind of relationship. Also, Viktor Klaessson mentioned the ef-
fectiveness of achieving a considerable number of contacts in a short time. In relation to finding potential customers, he considers trade shows as critical for distributors and even strategic business alliances. At trade shows, manufacturers, distributors and sellers gather to promote their services and products (Hollensen, 2004). This is why many companies in the automotive styling and tuning parts industry decide to participate in these events, hoping for more relationships and more market share. Tillbilen participates twice per year in different kinds of shows. Thus, this year they attended to “Bilsport Performance and Custom Motor Show-2009” in Elmia-Jonkoping, where they were able to start more relationships and show their new set of products. They focused almost exclusively on ensuring to establish new relationships and promoting their products.
5 Conclusions & Discussion

In this section, the results of our empirical studies are discussed and summarized in respect to theory from the fields of study; Family Business and B2B Marketing. The conclusions presented are derived from our theoretical frame and empirical results. The overall purpose here is to answer our main research question - RQ - through our sub-questions – SQ1, SQ2, SQ3 and SQ4. At last, some implications for future studies are described.

5.1 Trade Shows are ‘The’ Marketing Tool for Family Businesses and B2B Firms

The first hypothesis for this study was to determine if most exhibiting firms are B2B and Family Business (H1). All the following averages are according to our sample of 50 companies. Surprisingly, most of the companies attending to the trade show were B2C with 46% and combined with the category of the family business accumulated 34%, which clearly proves that (H1) was not confirmed. One reason to not have more B2B firms in our sample may be the type of trade show selected (Bilsport Performance & Custom Motor Show -2009) for this study. The reason for stating that the show did influence in the participation of B2B firms is reflected in the fact that these events have become more oriented to the general public and exhibiting clubs (Non-profit organizations). Additionally, it is assumed that the Custom Motor Show 2009 was more an entertainment type of trade show rather than pure business transaction related event; nevertheless, it was popular in terms of public attendance and also commercial to final consumers (B2C). The percentage of family businesses in our total sample was of 72%, which demonstrates that this type of traditional events attracted a large amount of family-controlled businesses that mainly want to sell products and services at the trade show.

The second hypothesis for this investigation was to confirm if exhibiting firms view trade-shows as an important marketing tool to enhance their customer relationships (H2). All the investigated companies according to our sample stated that they viewed trade shows as a marketing tool and the natural platform to enhance their relationships, therefore we are able to confirm our second hypothesis (H2). All types of businesses (B2B, B2C, family business and non-family business) affirmed that the trade shows are an essential part in their marketing plans. In fact, many of these companies focus all their efforts to participate in these events and get the most benefit possible. Confidence on the trade show is so high that firms often rely only on trades shows to establish relations with suppliers and clients through face-to-face communication. In terms of budget used for trade shows, it was confirmed that B2B companies are those that invest the most in events, which proves that these Swedish B2B companies attend to trade shows annually either locally or abroad. Additionally, B2B firms invest 30% of their marketing budged on trade shows; family firms invest the 25% of their budget and B2B and non-family business spend less with 25% and 20% respectively. Finally, the development of the relationships of many of the investigated companies was based on attending to the “Bilsport Performance & Custom Motor Show”, as most agreements were established and most contacts made which yield more opportunities to create marketing strategies for the future.

5.2 B2B firms Do Use More Relationship Marketing

The analysis of our empirical study resulted in the overall affirmation of our third hypothesis, H3. Even though the firms analyzed for this part were few, we still believe that this data can give some indications about the tendencies and preferences concerning this type of firms, i.e.
companies that market in the B2B industry. However, our empirical data revealed that earlier B2B Marketing theory is right about the fact that B2B firms have a tendency to employ more practices and principles from relationship marketing than those from transactional marketing.

The results provided by our empirical findings about the hypothesis regarding B2B firms’ marketing inclination, allow us to deduce that the characteristics of B2B marketing found in the theory are highly in accordance with those we would find in our population. Hence, Håkansson and Snehota’s (1995) structural and process characteristics of business relationships as well as Grönroos’ (1997) marketing strategy continuum and Coviello and Brodie’s (2001) classification of marketing approaches by exchange and managerial dimensions, should apply to all B2B firms that were present at the custom motor trade show at Elmia.

Nevertheless, the data regarding B2B marketing revealed that B2B firms have a tendency to emphasize some dimensions, and thereby some characteristics, of relationship marketing more than others. The four most popular features of relationship marketing among B2B firms derive equally from the exchange and the strategic dimension. This finding can be explained theoretically in that these two are the dimensions closest to B2B marketing whereas the managerial dimension is the most related to family business, as in accordance with what we asserted in theory concerning marketing management being the link between B2B marketing and family business. However, these four popular characteristics are:

- Interpersonal and close business contact; which imply directly the characteristics of connection, social interaction and informality.
- Continuous business exchange; appeals to continuity, connection, social interaction and even routinization.
- Long-term focus as dominant time perspective, relates to family business in that it emphasizes continuity and long-term orientation. Here, all process characteristics are involved, as they all are needed to maintain long-term business relationships.
- The overlap between marketing, operations and personnel is of high strategic importance, as it implies symmetry, complexity, informality and social interaction.

It is possible to conclude that from these four dimensions, the most preferred characteristics of business relationships among our population’s B2B firms should be connection, continuity, complexity and informality as well as social interaction, routinization, adaptations, cooperation and conflict, and symmetry. Thus, all B2B relationships’ characteristics are relevant, with the addition of connection, which is often embedded in the concept of longevity of relationships.

Finally, it is possible to add that most found theories about B2B marketing seemed to be very blurry and confusing concerning what relationship marketing is, however, after some revising we noticed a path, which we tried to illustrate in our theoretical frame and to test in our empirical survey and case.

5.3 Family Firms Do Market More for the Long Run

In general, family businesses attending the trade shows use their resources to develop long-term marketing practices. In terms of brand marketing, family businesses utilize continuity in their processes to keep the brand intact and with an exceptional image to customers and suppliers. The family brands survive long periods of time and are characterized by originality and high quality. The family businesses that attended to the trade show at Elmia kept improving their brands, which generate popularity and emotions among customers and suppliers at the show. In addition, the trade show in Elmia shows that family businesses tend to identify and
stress the fact that customers are looking for products with great quality but also companies with great support and brand image (Miller et al. 2005).

It was also found that investments on the brand were sufficiently high to promote marketing campaigns, as showed by the high participation at the trade show. Also the tested results demonstrate that long-term strategies explain why family businesses’ marketing practices follow different factors such as consistency, promotion and improvement of product in general. Through long tenures, executives learn to endure their brands by studying their behavior, its image and its limits. Additionally, executives learn how to sell their brands and maintain its high image status, but this is only possible through a generational process that includes command and continuity (Miller et al. 2005). Through our results, family businesses showed dedication for their brands and attachment to their generational processes and strategies.

As for the craftsmanship strategy for family businesses, it was showed that marketing practices are intended to preserve and develop a clear vision for knowledge. Continuity in craftsmanship cannot be only focused on obtaining just quality but must be followed by great leadership (Command). Also, family businesses must follow their tradition, which is very important because it transmits all the knowledge to the new generations. Family businesses also need to identify their core competences to know exactly where they are strong at, in order to take advantage over the competition. Values and core competences of the company should be classified and recorded so to facilitate handing over and leave a legacy to future generations (Aronoff & Ward, 1995; Tagiuri & Davis, 1995). In general, the companies that participated at the trade show showed high levels of knowledge about their production and processes, which was possible through the implementation of long-term marketing practices.

The operations strategy of family businesses revealed mixed results. Many family businesses that participated in the trade show are investing heavily in long-term operations. The investments were mainly in infrastructure and equipment to produce the best product on the market. Operations generally require standardization so that the production is competitive in the market. However, few family businesses in this type of industry (Custom motor) also demonstrate to focus more on customization rather than standardization (Bilsport Performance and Custom Show, 2009). The operations strategy as a whole had a high and wide result, which demonstrates the long-term marketing practices in terms of investment and management (Miller et al. 2005).

Moreover, it was showed that companies participating at the trade show were relatively low on the scale in terms of innovation. This result can be explained by the low rotation of products among family firms. Hence, most products innovations were implemented to satisfy old customers and not to add value. However, companies were struggling a lot in trying to bring new products to the market; but as we saw it is not an easy task because clients are attached to a brand and do not want to see many changes in their stellar products (Miller et al. 2005). What is important to highlight in the strategy of innovation is that there is much confidence on the firm’s long-term marketing policies, in order to introduce reforms to help the product reaching high standards of quality.

Finally, the deal-making strategy, which is widely based on relationships, showed us the importance of trade shows. As described by Hall et al. (2006), family firms must strategize in advance to be able to find opportunities. Family businesses at the trade show, in general, identified business opportunities and the vast majority could accomplish them. According to the results of the survey, family businesses have high ratings about shaping strategies to reach agreements with other companies. Additionally, family firms choose to establish long-term relationships with their most direct customers or suppliers. Moreover, they seem also very interested in formal social networks, which can maximize the benefits in terms of information,
knowledge and resources (Nordqvist and Goel, 2008). In terms of management, the trade show can be viewed as the natural platform for companies to initiate contacts and enable establishing long-term relationships.

5.4 Long-term-relationship-oriented strategies, priorities and characteristics overlap B2B marketing and Family business

According to our theoretical frame, there are major and complementary overlapping marketing practices and principles between family and B2B firms (table 2.10 and 2.11). These characteristics, priorities and strategies (based on Håkansson and Snehota, 1995; Miller et al.2005) were compared and related to each other in order to show how they overlap theoretically. Then, the answers from our empirical study were used to test and demonstrate if all these features really overlap. The results supported our theoretical frame in most aspects. Hence, the following conclusions can be made from our findings about the overlapping characteristics:

- Continuity, connection and complexity are superiorly the most overlapping principles between family business and B2B marketing.
- Complexity, Symmetry and Informality complement ‘The four Cs’ (Miller et al.2005), when it comes to operate in B2B markets.
- Adaptations, cooperation and conflict, social interactions and routinization can contribute to family business theory in that considering these relationship process characteristics can help to improve the relations among family, business and governance.
- Superior operations and deal making are in all probability the most overlapping practices between B2B marketing and Family Business.
- Social interaction and informality, as well as adaptations and cooperation and conflict, are extremely relevant for both B2B and family firms when managing long-term business relationships.
- Routinization and symmetry do not have a large impact on managing long-term business relationships, as they do not involve any action nor strategy due to their passive nature, thus they should not be viewed as practices but just characteristics. Although, they are inherent characteristics of business relationships and should be consider.
- Community and Command are important as complementary principles for managing relationship marketing as these facilitate many major and complementary practices. Thus, they contribute to broaden the view of B2B firms on business relationships to include all stakeholders in their relationship portfolio, not only customers, suppliers and partners.
- Between actor bonds, resource ties and activity links (Ford et al.2006), the most relevant dimension of business relationship for family and B2B firms is actor bonds.
- Family Business’ marketing involve a wider view on relationships that not just include business relationships with partners, suppliers and customer, but also other stakeholders that do not directly influence the company economically, as for instance the outside community.
- B2B marketing is extremely oriented towards business relationships along the value chain, i.e. between suppliers and customers.
- Marketing and management are two aspects of the same phenomenon, i.e. they both constitute a level where B2B marketing and Family business management meet.

In addition to these findings derived from analyzing the survey study, the case of Tillbillen AB shows that B2B and family firms have many similarities in terms of marketing strategy, i.e. relationships with customers and suppliers are the highest priority for the company. Their long-
term marketing strategies with its principal colleagues were leveraged at the trade show, where Tillbillen AB had the chance to interact more closely with their contacts and connections.

Tillbillen AB also demonstrated confidence in its family values and core competences through its technology and commitment to always pursue the best quality standards to its products, which is reflected positively in its family and corporate image.

Finally, we pose ourselves the main research question of this thesis and try to answer it in the most simple and effective way, as any good marketer at a family-B2B firm would do.

**RQ: How is the overlap between B2B marketing and Family firms’ marketing in the trade show context?**

The overlap between B2B marketing and Family firms’ marketing in the trade show context is characterized by the common marketing principles and practices of family and B2B firms that aim at gaining and sustaining long-term business relationships.

## 5.5 Further Research

The study made in the Bilsport Performance & Custom Motor Show was limited due to the quantitative nature of the method, as well as other factors related to time and resource constraints. Nevertheless, the valuable findings from the empirical and theoretical study of this thesis could serve as a ground to create further research about the found and revealed similarities and overlaps between the fields of B2B marketing and family business. We suggest that future studies in within these fields use more qualitative methods, as a means to reach deeper understanding and more variance in the literature about these two. Another suggestion would be to carry out studies on the fields of B2B marketing and family business within different contexts, besides trades shows, and to explore deeper the contextual implications on the overlapping characteristics between the two fields of research. Additionally, the studies could include the investigation of marketing strategies and techniques in a post trade show scenario, so to implement a follow up analysis of the relationships established at the show.

Further studies could be extended to comprise the fields of B2C marketing and company performance at trade shows and how this could affect the B2B firms performances. Perhaps also further studies comparing the performances of non-family businesses with B2C firms to establish a better understanding of their marketing strategies at the trade shows. Furthermore, this would help discover new trends of marketing practices to make more relevant criteria to the fields of B2B and family business.
Reference List


Nobrega, D and Gustavo J. (2007), Understanding Entrepreneurship in a Small Family Business: An approach according to the Family Enterprise Ecosystem Model


## Appendix 1 – Survey in English

<table>
<thead>
<tr>
<th>Company Name:</th>
<th>Year of Foundation:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount of full-time employees:</td>
<td>Location:</td>
</tr>
<tr>
<td>Type of Industry:</td>
<td>Business to Business (supplier)</td>
</tr>
<tr>
<td>Family Controlled (managed and owned) Business:</td>
<td>Majority (more than 50%) controlled by family members</td>
</tr>
</tbody>
</table>

Please fill in the survey indicating the level of association and closeness to the options or affirmations at the two extremes of the scale, where 1 is the closest to the left option and 5 is the closest to the right option.

| 1. Our company’s Purpose of business exchange is: | Economic Transaction 1 2 3 4 5 | Interactive and connected relationships |
| 2. The communication in our company is: | Firm “to” mass market 1 2 3 4 5 | Firms “with” firms involving individuals |
| 3. What type of business contact do you prefer? | Arms-length, interpersonal 1 2 3 4 5 | Interpersonal, close |
| 4. How is the Duration of business exchange? | Discrete, sporadic 1 2 3 4 5 | Continuous |
| 5. What do the managers promote more often? | Customer attraction 1 2 3 4 5 | Interaction |
| 6. What do the managers focus on mostly? | Product and brand 1 2 3 4 5 | Relationships between firms and individuals |
| 7. Where are most of the investments placed? | Internal marketing assets 1 2 3 4 5 | External market assets |
| 8. Who gets involve in marketing processes? | Functional marketers 1 2 3 4 5 | Managers from different functions and levels |
| 9. What time perspective is dominating? | Short-term focus 1 2 3 4 5 | Long-term focus |
| 10. What marketing function is more popular? | Marketing mix (4Ps: product, promotion, place and price) 1 2 3 4 5 | Interactive and network marketing |
| 11. How are your customers in relation to price? | Customers are sensitive to price 1 2 3 4 5 | Customers are not sensitive to price |
| 12. What is more important? | Quality of output 1 2 3 4 5 | Quality of interactions |
| 13. How do you measure your customers’ satisfaction? | Monitoring market share 1 2 3 4 5 | Managing the customer base |
| 14. How is the Customer information system done? | Temporary customer satisfaction surveys 1 2 3 4 5 | Managing the customer base |
| 15. The Overlap between Marketing, operations and personnel together are: | of low strategic importance 1 2 3 4 5 | of high strategic importance |
| 16. The role of internal marketing to success is of: | Low importance 1 2 3 4 5 | High importance |
17. How is the Promotion of products? Effective 1 2 3 4 5 Original
18. Most sales come from products that are: Less than 5 years old 1 2 3 4 5 More than 5 years old
19. Strong traditions and shared values help the brand family: Weakly 1 2 3 4 5 Strongly
20. Employees are most likely to exercise: Low commitment with the Brand 1 2 3 4 5 Advertise the Brand
21. Relations with the outside community: Do not influence and complement the brand image 1 2 3 4 5 Improve and complement the brand image
22. Market reactions are monitored carefully to adapt and renew brands Disagree 1 2 3 4 5 Strongly Agree
23. What is more important to keep improving year after year? Quantity 1 2 3 4 5 Quality
24. Core competencies (what the firm is best at) are focused and growing? Stable 1 2 3 4 5 Growing
25. There's an involvement in the company's tradition of: Quality 1 2 3 4 5 Quantity
26. Key competitive advantages in this industry are: R&D and newly acquired knowledge 1 2 3 4 5 Core competencies and tacit, inherit knowledge
27. The company is by tradition: Flexible 1 2 3 4 5 Inflexible
28. Company values get everyone to focus on: Quantity 1 2 3 4 5 Quality
29. The firm stimulates employee's loyalty through: Regular Standards 1 2 3 4 5 Generosity
30. How does the company works to improve inputs and quality? Individually 1 2 3 4 5 Together with suppliers
31. How do managers work to renew and adapt offerings? Individually 1 2 3 4 5 Together with Clients
32. Good relations with the community attract: Average Employees 1 2 3 4 5 Excellent Employees
33. The firm focuses on the value chain (Suppliers-Clients), to have: Fairly Transactions (one-time deal) 1 2 3 4 5 Partnerships
34. The primary market targets are: Price-Cost relationship 1 2 3 4 5 Partnerships
35. Executives think constantly about improving processes? Disagree 1 2 3 4 5 Strongly Agree
36. Top management tenure (term period) are especially: Short Tenures 1 2 3 4 5 Long Tenures
37. Investments are made to form good relationships with value chain partners
   Disagree 1 2 3 4 5 Strongly Agree

38. The company works to be responsive to expand relationships with major clients?
   Disagree 1 2 3 4 5 Strongly Agree

39. Extensive lobbying connections help to persuade transactions?
   Disagree 1 2 3 4 5 Strongly Agree

40. Partnerships are stressed by: Lack of Cooperation 1 2 3 4 5 Cooperation

41. Client-facing employees are mostly:
   Untrained 1 2 3 4 5 Trained and coached

42. Innovations are separated by: Short periods 1 2 3 4 5 Long Periods

43. What is more important? Commercialization of products 1 2 3 4 5 Product Improvement

44. The firm itself offers products that are: Newly Fresh 1 2 3 4 5 Obsolete

45. People deeply believe in the values and mission of the organization?
   Disagree 1 2 3 4 5 Strongly Agree

46. The firm invest more in: Resources 1 2 3 4 5 Long Term Innovations
   Rarely 1 2 3 4 5 Often

47. Productive innovation partnership is formed with clients
   Rarely 1 2 3 4 5 Often

48. In order to adapt for innovations and opportunities the firm is: Far from the Market 1 2 3 4 5 Close to the Market

49. Productive alliances and joint-ventures exist between your firm and other organizations to achieve innovation
   Disagree 1 2 3 4 5 Strongly Agree

50. How does the trade show fit your marketing strategy?
   In low Scale 1 2 3 4 5 In large Scale

51. How much of your marketing budget is spent on trade show?
   Less than 30% □ Between 30% - 60% □ More than 60% □

52. How do you evaluate the trade show, in which terms? Financial Results 1 2 3 4 5 Customer Relationships

Thank you for your collaboration!
**Appendix 2 – Survey in Swedish**

<table>
<thead>
<tr>
<th>Företagsnamn:</th>
<th>Stiftelseår:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Antal heltidsanställda:</td>
<td>Lokalisering:</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Typ av Industri?</th>
<th>Företagsnamn: Business to Business (leverantör)</th>
<th>Business to Customer (återförsäljare)</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Familjeföretag (ägd och driven inom familjekretsen)?</th>
<th>Majoriteten (mer än 50%)</th>
<th>Majoriteten icke familjeägd och -driven.</th>
</tr>
</thead>
</table>

Fyll i följande enkät genom att markera den siffran, i skalan 1 till 5, som på bästa sätt indikerar nivån av association och närhet i förhållande till de angivna svarsalternativen vid ändernas av skalan.

1. Syftet med vårt företags handelsutbyten är: 
   - Ekonomisk Transaktion 1 2 3 4 5 Interaktiva och sammankopplade relationer
2. Kommunikationen i vårt företag är: 
   - Företag ”till” massmarknaden 1 2 3 4 5 Företag ”med” företag och på individnivå
3. Vilket typ av handelskontakt föredras? 
   - Oberoende, opersonlig 1 2 3 4 5 Interpersonell, nära
4. Hur är varaktigheten av handelutbytena? 
   - Diskret, sporadisk 1 2 3 4 5 Kontinuerlig, fortlöpande
5. Ledningen förespråkar ofta: 
   - Kundattraktion 1 2 3 4 5 Interaktion, samspel
6. Vad fokuserar ledningen mest på? 
   - Produkt och varumärke 1 2 3 4 5 Relationer mellan företag och individer
7. Var placeras mest investering? 
   - Interna marketingtillgångar 1 2 3 4 5 Externa marknadstillgångar
8. Vem blir involverad i marketingprocesserna? 
   - Funktionella marknadsförare 1 2 3 4 5 Ledare från olika funktioner och nivåer.
9. Vilken tidssyn är dominant? 
   - Kortsiktigt fokus 1 2 3 4 5 Långsiktigt fokus
10. Vilken marketingfunktion är mest populär? 
    - Marketing mix (4Ps: product, promotion, place and price) 1 2 3 4 5 Interaktiv och nätverksinriktad marketing
11. Hur är dina kunders ställning till pris? 
    - Kunderna är känsliga för pris 1 2 3 4 5 Kunderna är inte känsliga för pris
12. Vad är viktigast i ditt företag? 
    - Kvaliteten på produktionen 1 2 3 4 5 Kvaliteten på interactionerna
13. Hur mäter ni kundstillfredsställelse? 
    - Genom övervakning av marknadsandel 1 2 3 4 5 Genom förvaltning av kundlistan
14. Hur är informationssystemet om kunder gjort? 
    - Temporära undersökningar om kundstillfredsställelsen 1 2 3 4 5 Genom förvaltning av kundlistan
15. Överlappen mellan marketing, operationer och personal tillsammans är av: 
    - Låg strategisk vikt 1 2 3 4 5 Hög strategisk vikt
16. Intern Marketings roll för att lyckas är av: 
    - Låg vikt 1 2 3 4 5 Hög vikt
17. Vad är viktigast för att bli bättre år efter år?
   - Kvantitet 1 2 3 4 5  - Kvalitet

18. Kärnkompetenserna (vad företaget är bäst i) är:
   - Stabila 1 2 3 4 5  - Växande

19. Det finns ett engagemang i företagets tradition av:
   - Kvantitet 1 2 3 4 5  - Kvalitet

20. Viktiga kompetitiva fördelar i denna bransch är:
   - Forskning och utveckling, ny kunskap 1 2 3 4 5  - Kärnkompetenser och underförstådd, implicit kunskap

21. Företaget är av tradition:
   - Flexibel 1 2 3 4 5  - Statisk

22. Företagets värderingar får alla att fokusera på:
   - Kvantitet 1 2 3 4 5  - Kvalitet

23. Företaget stimulerar arbetarnas lojalitet genom:
   - Regelmässiga normer 1 2 3 4 5  - Generositet

24. Hur jobbar företaget för att förbättra kvalitet och input?
   - Individuellt 1 2 3 4 5  - Tillsammans med leverantörerna

25. Ledare jobbar för att förnya och anpassa erbjudanden:
   - Individuellt 1 2 3 4 5  - Tillsammans med kunder

26. Goda relationer med samhället lockar:
   - Medelmåttiga arbetstagare 1 2 3 4 5  - Utmärkta arbetstagare

27. Företaget fokuserar värdekedjan (Leverantör-kund) för att få:
   - Enkla transaktioner (one-time deal) 1 2 3 4 5  - Partnerskap, samverkan

28. Det primära marknadsmålet är:
   - Pris-Kostnad relationen 1 2 3 4 5  - Partnerskap

29. Ledare tänker konstant på förbättring av processer
   - Håller INTE med 1 2 3 4 5  - Håller starkt med

30. Åmötstiden av företagets toppledning är traditionellt karakteriserade av:
   - Korta perioder 1 2 3 4 5  - Långa perioder

31. Investeringar är gjorda för att bilda goda relationer med partners i värdekedjan
   - Håller INTE med 1 2 3 4 5  - Håller starkt med

32. Företaget jobbar för att bli mottaglig för relationsutveckling med stora kunder?
   - Håller INTE med 1 2 3 4 5  - Håller starkt med

33. Omfattande lobbying förbindelser hjälper att påverka transaktioner?
   - Håller INTE med 1 2 3 4 5  - Håller starkt med

34. Partnerskapen är betonade av:
   - Brist på samarbete 1 2 3 4 5  - Samarbete
35. Bemanningen som möter kunderna är: Otränad 1 2 3 4 5 Tränad och coachad

36. Innovationer är separerade tidvis av: Korta perioder 1 2 3 4 5 Långa perioder

37. Vad är viktigast för företaget? Kommersialisering av produkter 1 2 3 4 5 Förbättring av produkter

38. Företaget själv erbjuder produkter som är: Nya, fräscha 1 2 3 4 5 Obsoleta, gammalmodiga

39. Folk tror djupt på organisationens värderingar och mission? Håller INTE med 1 2 3 4 5 Håller starkt med

40. Företaget investerar mest i: Resurser 1 2 3 4 5 Långsiktiga Innovationer

41. Produktiva innovationspartnerskap är bildade med kunder Sällan 1 2 3 4 5 Ofta

42. För att anpassas för innovationer och möjligheter företaget är: Långt ifrån marknaden 1 2 3 4 5 Nära marknaden

43. Produktiva allianser och samarbetsbolag existerar mellan ditt företag och andra organisationer för att nå innovation Håller INTE med 1 2 3 4 5 Håller starkt med

44. Hur passar mässan in i din marknadsföringsstrategi? I låg grad 1 2 3 4 5 I hög grad

45. Hur mycket av din marketing budget spenderas på mässor? Mindre än 30% ☐ Mellan 30% - 60% ☐ Mer än 60% ☐

46. På vilket sätt utvärderas företagets Mässdeltagande? Finansiella resultat 1 2 3 4 5 Kundrelationer

47. Produktiva innovationspartnerskap är bildade med kunder Sällan 1 2 3 4 5 Ofta

48. För att anpassas för innovationer och möjligheter företaget är: Långt ifrån marknaden 1 2 3 4 5 Nära marknaden

49. Produktiva allianser och samarbetsbolag existerar mellan ditt företag och andra organisationer för att nå innovation Håller INTE med 1 2 3 4 5 Håller starkt med

50. Hur passar mässan in i din marknadsföringsstrategi? I låg grad 1 2 3 4 5 I hög grad

51. Hur mycket av din marketing budget spenderas på mässor? Mindre än 30% ☐ Mellan 30% - 60% ☐ Mer än 60% ☐

52. På vilket sätt utvärderas företagets Mässdeltagande? Finansiella resultat 1 2 3 4 5 Kundrelationer
Appendix 3 – Interview Questions

Case Study: TILLBILEN.se

1. Is your business network dominated by (1) activities of production and transportation; (2) by a large, fixed resource; (3) or by a powerful actor or company?

2. Do you use any kind of relationship portfolio or classification, based on return on relationship?

3. How do you learn about your customer’s needs in terms of resources, technologies and operations? Do you use Joint training or development programs? How do you tech your customer about your company?

4. How do you manage social interactions between individuals in your own firm and your customer firms in order to reduce social, cultural and technological discrepancies?

5. Do you give your customer benefits at an early stage in the business relationship?

6. How do you adapt to your customers in terms of offerings? Do you adapt informally, i.e. out of what agreed in the contract?

7. How do you develop and demonstrate commitment and trust to your customers? Do you adapt your offering or promise to do it?

8. How do you manage interdependence and power in your customer relationships? Usually is it you or the customer who is very dependent and has less power on a business deal?

9. Conflict may increase if collaboration increases as the firms coordinate more activities and actions. How do you manage conflicts in close relationships?

10. How do you manage and coordinate interaction and communication with customers? Do all functions communicate with customers or is there a special unit/person who does it all?

11. How important is the family reputation of integrity to start a close relationship? How do honor of the family and reputation influence the firm’s way of doing business?

12. How openly do you work together with partners? Do you pool talents, exchange information, couple logistics and/or other systems?

13. Would you wait years to get the payoff from an investment in a relationship?

14. How many resources would you invest to develop a strong relationship? Would you dedicate Logistics infrastructure or factories to a single customer?
15. Do managers stay in place long enough to form deep relationships with outsiders?

16. Do family leaders make sure to pass on their contacts to later generations to extend the web of contacts and prolong status and reputation?

17. Can you often assure confidentiality to your business partners?

18. How often do you attend to trade shows? Why?