# Blurring the lines: is there a need to rethink industrial marketing?

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**Abstract**

**Purpose** – Given the dramatic changes in the business environment, the purpose of the paper is to stimulate readers to challenge their mental models of business and industrial marketing, and consider the implications of the blurring of the lines between industrial and consumer marketing.

**Design/methodology/approach** – The paper is a reflection on the evolution of the discipline of industrial marketing since the author's first publication in this area 40 years ago, and an analysis of the impact on this discipline of five interrelated forces of change including: the convergence of B2B and B2C driven by the advances in the internet and rise of small businesses; the prevalence of outsourcing and creation of value networks across firms and countries; the opening of corporate R&D, manufacturing and marketing to the involvement of empowered customers; bridging the functional silos within the firm; and the movement from an "industrial" to a "knowledge" based society and the blurring of products, services, and customer experience.

**Findings** – The lines between consumer and business marketing are increasingly blurred by new technologies and business models. Researchers and practitioners need to re-examine their mental models of business and industrial marketing in light of these changes.

**Research limitations/implications** – The blurring of the lines has many implications, including moving from focusing on buyers to stakeholders, recognizing new forms of relationships with empowered consumers, re-examining the role of outsourcing, bridging disciplinary silos, recognizing the importance of brand equity, utilizing information and communications technology, focusing on the total customer experience, addressing emerging markets, re-examining the role of marketing research and modeling, and rethinking the use of dashboards. By recognizing these changes, one can build upon the foundation of the field to develop innovative approaches to both business and consumer markets.

**Originality/value** – A call to debate the need to redefine and rethink the discipline, and even rethink the title and focus of the *Journal of Business & Industrial Marketing*.

**Keywords** Industrial marketing, Consumer marketing, Organizational buying behaviour, Marketing theory

**Paper type** Viewpoint

When I began my work on organizational buying behavior in the mid-1960s, the primary focus of marketing research was consumer marketing. A few pioneering studies had been completed in business and industrial marketing, including the work of Robert Davis, Franco Nicosia, Fred Webster, Richard Cardozo and David Wilson. In my own work on organizational buying, I focused on the buying center and the buying process. We examined how the buying situation dictates the process and the people involved (Robinson *et al.*, 1967; Webster and Wind, 1972) and explored the interrelationships between buying organizations and selling organizations (Nicosia and Wind, 1977). We recognized that organizations are heterogeneous and so we need to segment them, but that segmentation must go beyond simple demographics to look at the deeper relationships between buying and selling organizations (Wind and Silver, 1973; Wind and Cardozo, 1974; Wind, 1979). We recognized the richness of available data within the buying organization and its applicability to rigorous quantitative analysis, leading, for example, to measures of industrial source loyalty (Wind, 1970).

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Even then, we recognized that the core principles of marketing from the consumer side could be modified and applied to business-to-business interactions for goods and services as well as the sale of raw materials to "industrial" buyers. On the other hand, we also saw that, with slight variations, some of the insights developed in industrial marketing were relevant to consumer markets. One of the early insights, for example, was the recognition that buying is a complex decision process and that there was a need to look at "buying centers". In the household, it is not uncommon for purchase decisions to involve the husband, wife and even children as well as other influencers. Both organizational buying centers and buying processes vary by the buying situation ("new task", "modified rebuy" and "straight rebuy"), a finding that been robust across diverse industries. Not surprisingly, a similar conceptualization was developed independently by Howard and Sheth (1969) for consumer markets. The buying criteria of organizational buyers and consumers are multidimensional and involve relational and emotional characteristics, not only a consideration of feature functionality delivery and price. Research methods such as conjoint analysis can be applied with equal effectiveness in both markets. (see, for example, Green and Wind, 1974).

While there were some obvious parallels between consumer and industrial marketing, in the early development of these fields, it did make sense for the two to advance independently. This allowed researchers and practitioners to develop in-depth understanding of the context and content of and approaches to the different markets. We have been so successful, however, that we have created our own silos.

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Over the years, there have been occasional voices recognizing that there are similarities and one can benefit by creating better crossover of concepts and methods from one field to another, yet momentum prevailed and industrial marketing evolved quite independently of the advances in consumer marketing. But now the separate fields have matured and the environment has changed so dramatically that we cannot continue with this separation.

While we do not want to lose the depth that results from focusing on either business or consumer markets, we also need to recognize that the lines are blurring in five important ways:

(1) a convergence of B2B and B2C markets, driven by the development of the internet and the rise of small businesses;
(2) a blurring of value chains through outsourcing and other relationships that allow networks of firms to do what was once done within the firm;
(3) a blurring of relationships with customers, as customers are invited to participate with companies in the design and delivery processes;
(4) a blurring of functions within the firm as marketing and other functions are more integrated through EDI and other systems; and
(5) a blurring of products, services and customer experience, moving from an "industrial" base to a knowledge-based society.

This article examines these changes, their interrelationship, and their implications for rethinking our approaches to business and industrial marketing.

## A changing business environment

When the *Journal of Business & Industrial Marketing* was established in 1986, it was the standard bearer of a new field. Two years after its launch, editor Peter LaPlaca noted in 1988 that only about 10 percent of US business schools even offered a *course* in industrial marketing. With the emphasis on consumer packaged goods, industrial marketing issues were virtually absent from most general marketing textbooks.

Over the years, this pioneering journal – together with *Industrial Marketing Management*, *The Journal of Business-to-Business Marketing* and other related journals – has helped to define this new field. *The Journal of Business & Industrial Marketing* alone has published over 500 articles, on topics such as B2B relationships, international industrial marketing, sales forces, organizational buying, customer satisfaction and industrial marketing research. The journal helped to shape a discipline and focus attention on this important area of marketing that had been largely overlooked. This work also helped to draw attention to the fact that even within business and industrial marketing, there is considerable variation across different industries. There was much to discover in this area, and we have come a long way in our understanding of this important field of research and practice. While recognizing the importance of industrial and B2B markets and a concentrated attention to this area, we also have to acknowledge the limitations of this separate focus on business and industrial marketing, particularly in a rapidly changing world.

Even as the field of industrial marketing has firmly established itself, the lines are beginning to blur between industrial marketing and consumer marketing. Many of these shifts are driven by new information technology that has connected consumer and industrial markets in new ways and changes in management practices. Consider a few examples of how the lines between consumer and industrial markets are being blurred.

### Blurring of B2B and B2C

eBay has become one of the planet's largest retailers, but without stores and display shelves and without holding any inventory. Instead, it serves as a massive, virtual flea market for buyers and sellers. These customers may start out small but then emerge as industrial sellers and buyers as their volumes increase. Many corporations such as Sun Microsystems, recognizing the perishable nature of their products, have begun to sell merchandise directly on eBay's auction platform. There are business partners involved in the sale process, such as companies involved in bill payment, escrow and shipping. Customers lead in creating new services such as automotive sales, so that when a category reaches a critical mass of items, eBay then creates a new section in its virtual store. Are these B2B or B2C interactions? Where is the line between consumer marketing and industrial marketing in such a business model?

The flourishing of small businesses around the globe in recent years, accelerated with reorganizations and layoffs at large corporations, has further blurred the lines. In small businesses, it is very hard to distinguish between the behavior of the entrepreneur as individual and as business owner. The needs of small businesses also overlap with individuals, a fact that is exploited by companies such as Staples or Home Depot that cater to both markets, selling office supplies and building materials to school students and homeowners, as well as offices and contractors. While Costco is primarily viewed as a B2C operation, some 40 percent of its members are small businesses. Where is the line between consumer and industrial marketing?

The explosion of advertising and media channels has also added to the blurring of B2B and B2C. In pharmaceuticals, for example, we have seen the interaction between consumer and industrial marketing. Pharmaceutical firms have long focused on professional audiences such as physicians, hospitals, clinics and insurance providers. In recent years, however, they have recognized the need to combine this approach with extensive consumer marketing campaigns to build consumer awareness and demand for new drugs and treatments. Rather than relying on channels to drive awareness, these companies work from the consumer side and the industrial side simultaneously to create sales in the middle. Physicians, of course, also see and are influenced by the consumer ads and are showing an increased inclination to respond favorably to consumers' requests (a development that has raised some concerns in the medical profession). Again, where does consumer marketing end and industrial marketing begin?

### Blurring of value chains

Li & Fung manufactures apparel and other items through a flexible, virtually configurable network of suppliers across many different countries. A network of seven factories in five countries that is created to deliver an order for 100,000 shirts on one day might be very different from the one used a week later. The relationships are configured on the fly, and Li &

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Fung is the controlling hub of this dynamic network. The relationships between the firms are flexible partnerships and there appears to be little traditional marketing involved. Li & Fung typically contracts for no more than 70 percent of its partners' capacity to ensure their independence and exposure to new ideas from other companies. What are the industrial marketing issues involved in such relationships?

These changes are consistent with the new concept of marketing discussed by Webster (1992) and others, moving toward managing strategic partnerships and positioning the firm between vendors and customers in the value chain with the aim of delivering superior value to customers. In this context, customer relationships are seen as a key strategic resource of the business.

A proliferation of strategic alliances and mergers and acquisitions are blurring the boundaries between firms. When Apple set up its iTunes music store, it brought together a set of recording companies with content and customers who wanted to download their 99-cent tunes. It was a stroke of genius in connecting the desire of producers to have an effective market for digital songs and the desire of consumers to have an easy way to purchase and share digital music files. Where does industrial marketing occur in a continuously reconfigured value chain, with consumers at its core?

## Blurring of relationships with customers

In many industries such as travel, we have seen a disintermediation of retailers and other sellers. Instead of booking travel through an agent, many travelers (including corporate travelers) go directly to a company website. Is this B2B or B2C? There are still important questions raised for business and industrial marketing, but the consumer has a direct relationship with the company. How are the dynamics of the interaction different through these different channels? What does this mean for business and industrial marketing? Companies are also offering other business services through online tools. Online tools can provide consumers with information and support for decision-making that might have been provided by an advisor or retailer in the past.

Companies are even inviting customers into the lab to become active participants in R&D. Eric von Hippel at MIT, along with other colleagues, has found that the majority of significant product innovations in many industries initially are sparked by lead users and later refined by companies (Von Hippel, 1988). This means that while companies have traditionally looked to their own labs or to partners for ideas, an equally important source of innovation can be their relationships with their own customers. With the emergence of online communities, the opportunities for customers to collaborate with one another and with companies have increased enormously. Companies are finding ways to tap into these customer insights, but this means that innovations that once flowed through B2B channels now percolate out of communities that involve both customers and firms.

Peer-to-peer networks are taking on increasing prominence in many areas. For example, high net-worth individuals, tired of the hard sell of wealth management firms, have created networks to share financial advice and ways to manage their money with one another. They exchange ideas and offer advice, as well as making investments together or obtaining group discounts on services and products. Open source software and the Wikipedia online encyclopedia are other examples of how people have come together in grassroots networks to develop new products.

Customers are also taking on the job of communicating to other customers about the performance of sellers. Relationship and trust have always been important but in addition to trust building through marketing initiatives and the selling power of real performance, we also have peer-to-peer rating systems such as eBay's ratings. Buyers rate sellers after each interaction (and sellers can also rate buyers), offering buyers a cumulative scorecard for assessing a specific seller.

The importance of this peer-to-peer interaction is also seen in referenceability. Recent studies have found that a customer's willingness to refer another consumer to a company, and act as an advocate in promoting the company, is a clearer sign of customer satisfaction and much better than traditional measures of satisfaction. There is a shift from a transactional focus to building relationships with customers. In this context, is this relationship a consumer relationship or a business relationship?

## Blurring of functions within the firm

Through electronic data interchange (EDI), companies such as Procter & Gamble and Wal-Mart have transformed their relationships by connecting retail shelves and inventories directly to manufacturing. This has blurred the lines not only between firms but between operations, marketing, sales, IT, finance and other functions within the firm. These relationships would seem to bypass some marketing issues in a traditional sense but also raise new challenges for industrial marketing. How are these relationships developed in the first place? How do new entrants break in? In a certain sense, this is a classic example of the "straight rebuy" that we talked about in the 1960s, with a direct computer link between the two companies. But these links have proved to be much more robust and interactive, bridging disciplinary silos.

## A blurring of products, services, and customer experience moving from "industrial" models to knowledge-based businesses

Many of these changes reflect the changing nature of business. In contrast to the industrial model of the past, our businesses are increasingly based upon knowledge networks. This presents a very different set of challenges for companies. In contrast to the industrial market focus on finding raw materials and turning them into finished products, adding value through manufacturing, the focus is on adding value through knowledge. Where purchasing raw materials is a procurement and marketing challenge, finding knowledge is much more of a human resource challenge encompassing all the management disciplines. What is the role of industrial marketing in this context?

As the examples above indicate, the current model for business and industrial marketing may be too narrowly defined. Where does B2B begin and B2C end? The very term "industrial" speaks of a different era that is far removed from the experiences of many current businesses. Does the term "industrial" capture the array of businesses in the current B2B world, such as consulting, financial institutions, healthcare, government and non-governmental organizations? There is no pure B2B world. Marketing cannot be separated completely from other disciplines that shape the offering and interaction with customers and other firms. And, finally, the whole

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concept of the firm is being challenged by outsourcing, strategic alliances, empowered customers and peer-to-peer design and production. If we see more fluid boundaries and question the whole theory of the firm, it is clear that the concept of marketing from one firm to another is on shaky ground. The world has changed in fundamental ways. Is there a need to rethink industrial marketing? Why are we still calling it "industrial" when most of the activities have nothing to do with industry? Are the current mental models we have for "business" versus "consumer" markets still useful?

These changes have significant implications for the theory and practice of business and industrial marketing. The field was established based on the understanding that business markets are different from consumer markets and require different marketing and business strategies. But as both consumer markets and industrial markets have changed in fundamental ways, we need to re-examine our approaches. Has some of the distinctiveness of these two streams of marketing disappeared?

## Rethinking our mental models

Given these challenges, we may need to rethink our mental models of business and industrial marketing. Mental models play a very powerful role in shaping our perception and actions in any field. The development of the field of business and industrial marketing represented a shift in our view of marketing. It expanded the view from a narrow focus on consumers to the broader relationships among businesses, creating opportunities for new areas of research and approaches to practice.

But every new mental model can become a set of blinders as well. At a certain point, particularly when the world changes, we need to challenge and rethink our models so they do not hold us back. As an example of the power of these models, consider the four-minute mile. Running a four-minute mile was considered impossible until 1954, when legendary athlete Roger Bannister ran it in three minutes 59.4 seconds on an Oxford track. Within three years after he broke this barrier, 16 other runners followed in his footsteps. This progress was not the result of some leap in evolution that made humans run faster, but rather a breakthrough in thinking. After Bannister, runners considered it possible (Wind and Crook, 2004).

Breakthroughs in business such as the creation of overnight delivery by FedEx or the design of the Palm Pilot personal digital assistant required a similar shift in thinking to create different models. The design of the overnight packaging business challenged traditional mail and delivery services with a hub-and-spoke system. The developers of the Palm Pilot realized that they could train human operators to learn a simplified character set much more easily than designing a machine that could recognize diverse handwriting styles. This shift in thinking built a huge market for devices had been initially slow to take off. What shifts in thinking in business and industrial marketing might produce similar payoffs?

It is not just business and industrial marketing that is being challenged by these changes, but marketing across the board. As Jim Stengel, global CMO of Procter & Gamble commented, "Today's marketing world is broken. I give us a 'D' because our mentalities have not changed. Our work processes have not changed enough. Our measurement has not evolved".

This and similar attacks on the current relevance of marketing have led a number of practitioners and academics to challenge the mental models of marketing. For example, in 2004, a conference on "Does marketing need reform?" brought together a wide range of presenters to consider the implications of recent changes for the field (Sisodia and Sheth, 2006). At that conference, I proposed that there is a need for a new mental model for marketing (Wind, 2006). Shouldn't we be assembling a distinguished group of thought leaders from industry and academia to ask the same question about the more specific area of business and industrial marketing?

In the executive suite and the corporate boardroom, we have seen a crisis in marketing as it seeks to gain a seat at the table. Much of the published marketing research and modeling have questionable relevance to current corporate strategy. At the same time, with an emphasis on growth, companies are recognizing that marketing is more crucial than ever. Chief executive officers are concerned with both increasing the return on investment of marketing *and* harnessing marketing as an engine of growth. Sophisticated CMOs such as Stengel, who want to play a more central role in corporate strategy, recognize the limitations of marketing. How can marketing, including industrial marketing, address these pressing business challenges?

The separate worlds of industrial marketing and consumer marketing also cause us to miss opportunities to apply insights from one field to another. For example, when the *Journal of Consumer Research* was first conceived as a collaborative effort of ten professional associations, it was clearly recognized that a focus on organizational buying behavior is a legitimate part of the domain of the journal. The reality, however, has been that very few organizational buying behavior articles have been published in this journal. By allowing one lens or another to dominate, we miss opportunities.

The *Journal of Business & Industrial Marketing* and others have played an important role in our understanding of industrial markets and strategies for success. These pioneers recognized the distinctions between consumer and industrial markets. But as these distinctions have become blurred and the world has changed in fundamental ways, do we need to rethink the field? What can we envision in their place? If marketing is broken, how do we fix it?

We cannot understand the complex relationships between customers and businesses by looking through the B2B or B2C lenses separately. While it has been useful in developing the field, it is an artificial division. B2B is only part of a broader set of relationships. Simple B2B relationships don't exist anymore. We need to expand our mental models of marketing to embrace this shift.

## Toward a new model for business and industrial marketing

What should a new model of business marketing look like? While it is too early to define it sharply, I would suggest that there are several important concerns it needs to address[1]. Some of the realities that new thinking and research need to recognize are dicussed below.

### Expanding the focus from buyers to stakeholders

Since business decisions are affected not only by customers but by end consumers, distributors, suppliers, employees,

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shareholders and others who are all heterogeneous, marketing concepts and approaches should not be restricted to buyers but should apply to all stakeholders. With the increasing pressure for corporate social responsibility, it is clear that companies need to develop strategies – including marketing strategies – that address the needs of all stakeholders, not just buyers. Thus, industrial marketing decisions need to take into account the impacts on end consumers and other stakeholders. These cannot be considered in isolation if the company is to understand and manage the full impact of its strategic decisions.

### Recognizing new forms of relationships and empowered consumers

– We need to understand the more fluid relationships between companies (B2B), between businesses and customers (B2C or C2B) and among customers (P2P). All of these relationships may be present in a single market at one time. By looking more broadly, we can see opportunities for innovations such as buzz marketing (despite its recent controversies) where peer-to-peer networks are the channel for spreading business messages. With an emphasis on relationships in both consumer and industrial markets, trust and fair play become even more crucial than in transactionally focused interactions. We don't ever see such possibilities if we are focused only on business-to-business relationships.

In consumer and industrial markets, new technologies have helped create a more empowered customer, leading to a shift in the relationship between companies and customers. Alvin Toffler called this trend the emergence of the "prosumer", a blend of producer and consumer (Toffler, 1980), but advances in technology are far greater than what Toffler imagined. This empowered consumer, who is involved in working with companies to develop or customize products and services, behaves much more like an active buyer in an industrial market.

Instead of buyers and sellers, we see models of co-producers. The customer is not a passive recipient but an active collaborator. We have seen similar shifts in industrial relationships. What does it mean when suppliers and customers are more empowered – not merely delivering or buying a product but carrying some of the core expertise and engaging in core activities of the organization?

In this environment, instead of merely providing marketing messages, we need to deliver tools for customers to create their own products and services. Dell, for example, allows consumers or industrial buyers to customize their own products. Companies can use the internet to provide buyers with search engines and tools that give them the comparative information, and decision aids that help them make optimal buying decisions (Urban, 2005; Wind and Mahajan, 2001).

Instead of customer relationship management (CRM), we need to augment CRM with customer managed relationships (CMR) where customers are in the driver's seat. This is a very different relationship between buyer and seller, and a different role for marketing. This is similar to what American Airlines did in developing its Sabre reservation system, empowering agents with a platform to search and maintain relationships with many different airlines.

Some companies are reluctant to recognize empowered consumers because they fear these consumers will erode information and knowledge advantages that are a source of profits. They are afraid they will lose their control (Wind and Crook, 2006). Yet other companies realize that by giving more power to customers, companies can build deeper and more enduring relationships with them and even shift some of the cost to the customer. For example, Michael Schrage has estimated that Microsoft has effectively received a "billion-dollar subsidy" on Windows 95 from its best customers and developers through engaging them in beta testing (Schrage, 1999, p. 30). Have we changed our approaches to industrial marketing to reflect the rise of the empowered consumer?

### Re-examining the role of outsourcing and traditional "make-buy" decisions

One of the most significant changes in global business relationships has been the rise of low-cost manufacturing in locations such as China and the emergence of business process outsourcing (BPO) in areas such as India (Friedman, 2005). The increased technological sophistication and size of these markets have fundamentally transformed the nature and scope of business relationships. A company with a service center in Bangalore might be interacting with a client firm's end customers, so the partner carries part of the B2C relationship even though the outsourcing relationship would be characterized as a B2B interaction. This is different from the traditional buyer-seller relationship. The development of global markets and the expansion of multinational firms have also changed the practice of industrial marketing. While everyone recognizes the rise of BPO, why isn't it reflected in the way we think about industrial marketing?

In addition to outsourcing, the continuum of "make" versus "buy" options has become more sophisticated with integrated global supply networks. With virtual network organizations, it can no longer be assumed that marketing functions – including research, new product and service development and even sales – are best performed by the firm itself. Companies are moving to "hybrid marketing systems" combining direct sales forces with diverse channels (Moriarty and Moran, 1990) and deconstructing their vertically integrated value chains (Evans and Wurster, 1997) and creating a value network based on strategic alliances ranging from outsourcing of various functions to co-branding, co-promotion and co-marketing.

### Bridging disciplinary silos

Vertically integrated firms, such as major oil companies, often dealt with both consumer marketing and industrial marketing in different parts of the organization (such as gasoline stations and refineries). These let to limited learning and coordination from one side to the other. By bridging these silos, we have opportunities to better harness insights from B2C for B2B and *vice versa*.

We need to bridge the walls among the marketing functions (such as customer service and sales) and marketing and other business functions (such as operations and finance). This is critical given that most marketing decisions are interrelated and, in turn, affect and are affected by the other functions. Is an EDI relationship the domain of marketing, operations or IT? The answer is all three. Any challenge management faces has many perspectives; marketing is only one of them. Marketing is increasingly intertwined with other functions in the organization. We have begun to recognize these intersections of diverse business disciplines with programs such as a jointly taught course on "Integrating Marketing and Operations" that we developed in Wharton's MBA program.

Without discarding the gains we have made by focusing attention on an area such as industrial marketing, we need to take a broader look. Have we become too self-centered as a profession and a field?

### Importance of brand equity

Brand equity is an increasingly important driver of many firm decisions. But building brands can be very expensive so companies are looking at ways to leverage brands across consumer and industrial markets. Companies such as Canon, Hewlett-Packard, Dell and IBM, as well as some pharmaceutical and financial firms, have successfully built meaningful brands across B2B and B2C markets. Brand building in one market thus pays off in the other. There are efficiencies and advantages to creating brands across business and consumer markets.

### Information and communication technology

Even 40 years ago, when I began researching organizational buying behavior, we recognized the potential for computing to change industrial marketing. But at that point, we didn't appreciate its full implications. Now we have seen the reality of these changes. The rise of databases and advances in analytics changed both research and practice, giving us access to empirical data for more rigorous analysis. These databases of all clients and prospects offered companies the ability to create data-driven strategies for industrial and business marketing based on the behavior of each specific buyer – account strategies – and broader market data. But information technology has continued to develop and web-based platforms for interaction transformed relationships between buyers and sellers in both consumer and industrial markets. The rise of blogs has changed the flow of communications to include B2C, C2B, B2B and C2C, and increased their informality, frequency and intensity. We are also seeing a convergence of communications across different channels. Google has become the ubiquitous search engine, replacing the "push" of marketing messages with the "pull" of searches for information, even as it creates a powerful, unconventional advertising platform for businesses.

Interorganizational systems have emerged, with enterprise software that links together buyers and sellers, companies and customers. This technology has sometimes re-routed or short-circuited the traditional value chain, reshaping relationships between business-to-business and business-to-consumer markets. Given these changing information channels, communications increasingly reach both B2C and B2B buyers. While we have recognized the significant changes created by changes in information technology and communications, have we fully appreciated their implications for industrial and business marketing?

### Shift from products to services, and from transactions to the total customer experience

Companies in both industrial and consumer markets are focusing on dimensions beyond product feature functionality and price. They are bundling products with services, and all the financing involved, and concentrating on shaping the total customer experience – from pre-purchase to purchase to use to post-purchase disposal. Vargo and Lusch (2004), for example, have examined the rising importance of services. This is shifting the "dominant logic" of marketing from one based on economic models that were applied to manufacturing and tangible goods to a logic focused on intangible resources, co-creation of value and relationships.

As companies take a broader view of their offerings, there is a shift from transactions between companies and their customers to more interactive relationships. A company that once might have sold an airline engine or other product now offers a contract to provide this service, bundling in all the maintenance involved. This shift away from the old industrial transactions leads to deeper and more complex relationships between companies, corporate customers and end users, as well as new revenue models. The growing emphasis on the total customer experience and the need to coordinate the business offering and model with the revenue models are well known but are they adequately reflected in our current approaches to business and industrial marketing?

### Designing products, services, and business models for the developing world

Much of marketing has been tailored to developed nations. But as Vijay Mahajan and Kamini Banga point out, 86 percent of the world's population is in developing countries and we need new approaches to reach them (Mahajan and Banga, 2005). C.K. Prahalad shows that with new models, even low-income segments can be profitable as companies discover a "fortune at the bottom of the pyramid" (Prahalad, 2004). But these markets require rethinking business and revenue models, product and service offerings, channels and relationships more than ever. For example, ITC created electronic hubs in small villages across India, providing information and trading platforms for rural farmers. This satellite-based network links the farmers to pricing information for agricultural products, markets and suppliers, transforming the process of rural farming while enriching the lives of the farmers (who are both business people and consumers). The opportunity to build a B2B market across India in this way could not have been recognized or achieved through the approaches used in developed countries.

The emerging markets of Asia and other parts of the world have presented tremendous opportunities but also challenges in forging relationships with companies with different cultures and business practices. Cross-cultural acquisitions, alliances and other relationships have been needed to succeed in these markets, but they pose distinctive challenges and present new risks for business and industrial marketing than forging relationships with companies in a domestic market. Have we changed our view of business and industrial marketing to reflect this global reality?

### Rethinking the role of marketing research and modeling

The increased complexity of the business environment requires more effective marketing research and modeling approaches, yet critical business decisions such as mergers and acquisitions are often made with no marketing input at all. (While marketing considerations obviously enter into merger and acquisition decisions, marketing research and modeling are used only infrequently in the merger or acquisition process.) Equally disturbing is the fact that many decisions are being made on non-projectable, non-generalizable focus group interviews or convenience-based samples. (This is not to denigrate the substantial insights that can sometimes be obtained through carefully constructed qualitative approaches. In fact, these can be particularly important in industrial markets where gaining access to large pools of buyers for quantitative research is often difficult.) It is critical to develop more effective data mining and other analytics as part of a decision support system (DSS) as well as marketing research and modeling tools. We are seeing increased rigor and innovation in this area such as internet-based conjoint analysis studies (Moskowitz and Ewald, 2001) and increased use of adaptive experimentation.

In addition, to help managers make better decisions, companies are using a variety of tools such as simulations, game theory and, increasingly, the analytic hierarchy process (AHP) and analytic network process (ANP) to allocate resources and develop and prioritize marketing and business strategies (Saaty, 2001). Are these tools reflected in our current approaches to business and industrial marketing?

### Rethinking metrics and dashboards

With increasing attention to the ROI of marketing, we need to rethink the measures we use to track and evaluate investments in business and industrial marketing (Farris *et al.*, 2006). However, dashboards should not only monitor marketing effectiveness of the firm toward its clients and prospects but also track key indicators of the client's customers. What are the right measures of the success of our industrial marketing activities? We might, for example, need to track the company's share of wallet, account profitability and growth with business customers and the corresponding measures of the effectiveness of these companies with their end customers.

These are just a few illustrations of the ways that we might rethink business and industrial marketing to reflect the changes in the environment. As practice in both consumer marketing and industrial marketing continues to evolve, we can expect that there will be many other opportunities for other innovations.

## Conclusions

I am not suggesting that we discard the important breakthroughs and advances we have made in business and industrial marketing over the past few decades. These advances have helped us to rethink how we approach industrial marketing and have allowed companies to harness the power of marketing concepts and tools in their interactions with one another. We now need to build on this foundation, however. It is time for broader thinking that can embrace both consumer and industrial markets and the changing nature of relationships across firms, such as outsourcing and networked relationships. We need novel thinking and research that can reflect the modern reality of the complex interlinkages among consumers and businesses.

Is it time to redefine the field? Should there still be a *Journal of Business & Industrial Marketing?* Is it time to rethink the title and focus of the publication itself? The challenges I've raised here are designed to encourage a constructive debate. It is clear that our current mental model may be too narrow, but how should we redesign or replace it? How should we change our own thinking? This is the challenge facing us today and, as we did in the development of the field of organizational buying behavior and industrial marketing, in addressing this challenge we once again have an opportunity to lead the way.

## Note

1 This discussion is based in part upon Wind (2006).

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