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## **Intensifying the interactive B2B customer-supplier dialogue with social media to create additional value**

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# **1 Introduction**

During the past few years, social media and its implications for business use have been a topic of raging conversation among researchers and business practitioners. The possible potential of social media implications for business purposes is inevitable, but not so many companies have gained insight on how to utilize it and harness its tools for their own use. Most of the research on the subject of social media is implemented from the viewpoint of business-to-consumer (B2C) markets and usually the reference cases are also of such market situations.

This thesis pursues to give insight on the potential of social media for business-to-business (B2B) communication between the customer and the supplier. The emphasis on the issue of communication is on the interactive dialogue between customers and suppliers, which is a vital part of a successful customer-supplier relationship. The possible implications of social media for intensifying the dialogue between the customer and the supplier in business-to-business context is a subject that suffers from a severe lack of research, which probably is one of the main reasons why companies often fail to understand the potential it holds. That is also the reason why this issue is a very current and interesting subject for this thesis.

## **1.1 Research subject and goals**

This thesis studies the possibilities social media provides for the communication between a customer and a supplier in the B2B context. The main emphasis is on the interactive dialogue, which necessitates a long-term focus from the relationship and strives towards an open exchange of knowledge, learning and grown additional value.

The general goal of the theoretical part is to provide a profound introduction on the scholarly literature on the interactive dialogue between the customer and the supplier and to enlighten its significance on developing mutually beneficial relationships. The discussion of interactive dialogue bases on a brief literature overview on the situations companies are facing today from the viewpoint of customer relationships. Presented are also the key points of social media and new information technology, followed with their possible implications on interactive customer-supplier dialogue.

The empirical part of the thesis is implemented with a qualitative interview to study how social media can be utilized to intensify the interactive dialogue between the customer and the supplier in the B2B market. The discussion provides an overview on the specific features of social media –based communication in B2B use, practical examples of how companies can use social media to interact with their customers and finally presented are concrete examples of the benefits and the additional value that can be gained from utilizing social media to intensify the interactive dialogue.

## **1.2 Research problems**

The research problem underlines the basis for this study. The purpose is to provide insights for the research problem, and thus it illustrates the goal of the study and provides the direction of research. The sub-problems are chosen so that they provide necessary background information for the research problem. Piece by piece they clarify the fundamental structures that the research problem and this thesis are based on. The research problem, together with the sub-problems also provides the basic structure that this thesis is built upon.

Research problem:

*How can interactive B2B customer-supplier dialogue be intensified with social media?*

Sub-problems:

*What is social media?*

*What are B2B customer-supplier relationships?*

*What is interactive customer-supplier dialogue?*

*What is the role of interactive customer-supplier dialogue within B2B customer relationships?*

## **1.3 Research method**

The empirical part of the thesis is carried out with qualitative research in the form of an interview. The interview is implemented with Helene Auramo, the CEO of a Finnish social media expert organization Zipipop. They have a lot of experience in utilizing social media for their customer inter-

actions and thus provide excellent insight on the subject. The interview implemented was a semi-structured, one-on-one in-depth interview. The data produced by the interview was also transcribed, so that it was easier to use as a reference.

An interview was the most suitable research method for this thesis because it offers the best results when the answers might need to be specified and when examples are needed. (Metsämuuronen, 2006, 113) Also a major advantage of an interview-based data collection is its flexibility and it enables a sufficient study on the motives behind the actions. (Shiu et al. 2009, 208)

Because using social media for B2B use is a relatively new subject that has not yet been studied very extensively, this research has an exploratory approach. Due to the lack of scientific research on the subject, this study doesn't pursue to provide conclusive information to determine courses of action. (Shiu et al. 2009, 61) However, with the help of empirical examples it introduces possibilities and suggestions on how it could be possible for companies to achieve additional value by utilizing social media for communication. The issues raised and the potential benefits gained from the interactive dialogue via social media are thoroughly justified, so that they provide solid and rational evidence of the correctness of the discussion.

## **1.4 Literature review**

The subject of social media in general has not been studied very extensively. In addition, most of the exiguous research conducted on issues concerning social media focus on the B2C market. Usually the implications presented under these frames are not directly applied to the B2B situations. Therefore the subject of utilizing social media for B2B purposes provides a lot of gaps for research.

The most important theoretical research and background information on dialogue is applied from the researches of Ballantyne (2004), Grönroos (2004, 2011) and Cornelissen (2004). They offer insight which represents the latest research development and is most suitable for this study. Where Cornelissen (2004) identifies the basic structure of customer-supplier dialogue, Ballantyne (2004) and Grönroos (2004, 2011) manage to discuss dialogue from multiple, slightly different angles and therefore offer a diverse view on customer-supplier interaction.

Nevertheless the existing literature supply on the subject of the interactive dialogue is quite narrow. There are not many studies conducted, and Ballantyne (2004), Grönroos (2004, 2011) and Cornelissen (2004) represent the newest and most thorough discussion about the subject. The major part of the theoretical discussion about interactive dialogue is implemented from the researches of Ballantyne (2004) and Grönroos (2004, 2011). They describe interactive dialogue as the fundamental basis of learning and therefore as an irreplaceable element within creating additional value for both the customer and the supplier.

Gallaughar & Ransbotham (2010) have studied the social media dialogue from the point of view of business-to-consumer markets and provide valuable insight applied in this study. However there is a notable gap within the subject, because the issue of utilizing social media for intensifying the interactive dialogue within B2B markets has not yet been distinctly studied. Companies are starting to understand the potential social media holds for their purposes, but only a few of them properly understand how to gain benefits and additional value from it. Within the B2B markets the lack of knowledge is perhaps due to the gap within the research of the subject. Because the emergence of social media is one of the biggest phenomena of the 21st century, studying the possibilities it offers for the communication between the supplier and the customer is very relevant, and this study pursues to give insight to the gap within the research.

Theoretical research information provided on customer relationships, social media and information technology is mostly applied from different scholarly articles. Intention is to provide a versatile and extensive enough overview on the important issues around the topic of dialogue and of course introduce the concept of social media. Excluding a few exceptions, all research used for this study is relatively new and therefore represents the latest information on every aspect of the study.

## **1.5 Theoretical frame**

The theoretical frame of this thesis is derived from the research problems. It braces on the concept of interactive dialogue between a company and its customer. The study builds up on customer relationships and especially long-term customer-supplier relationships within the B2B –context. Further explained are the concept of interactive dialogue within customer-supplier collaboration and its role in B2B customer-supplier relationships. Finally, the last theoretical part considers the opportunities

that social media and new information technology offer for the interactive communication between a firm and its customers.

The fundamental idea behind the dialogue between the customer and supplier is the transfer of knowledge which generates the learning that finally enables greater value creation. This chain of actions can be seen as a cyclic process which feeds itself and is grounded on the principle of continuous development of actions and processes. The picture below illustrates the theoretical frame of this study as explained.

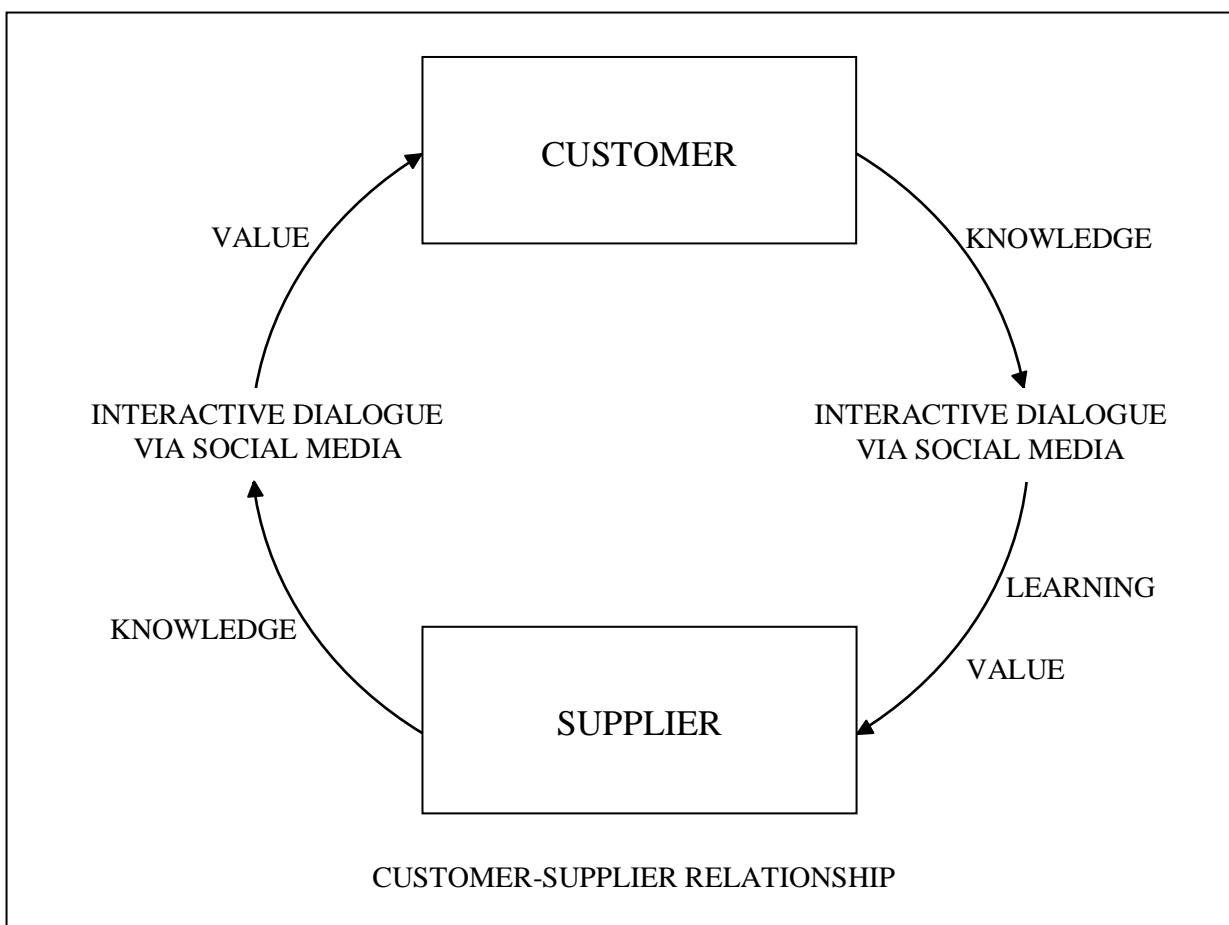


Figure 1: Theoretical frame

## **1.6 Structure of the thesis**

This thesis begins with the theoretical part, which is followed by the empirical research. The theoretical part is built on a logical manner. It starts with defining the significance of the interactive dialogue within the B2B customer-supplier relationships and enlightening the importance of long-term B2B relationships in general. This is followed by a profound study on the nature of interactive dialogue and its role within the development of B2B relationships and value creation. The last section of the theoretical part introduces important aspects of the development of information technology and the possibilities it can provide. Finally defined is the concept of social media and its role in the interactive dialogue between customers and suppliers is illustrated. The theoretical part provides a solid basis and sufficient background information for the empirical discussion.

The empirical part proceeds by first discussing the general situation for utilizing social media for communication within the B2B context. Secondly presented are practical implications for intensifying the customer-supplier dialogue with social media, which is followed by an illustration of the benefits and the additional value that is created by intensifying the interactive dialogue with social media. The examples and illustrations used in the empirical part are implemented from the interview with Helene Auramo.



## 2 Interactive dialogue in B2B relationships

The goal of this thesis is to enlighten the significance of customer-supplier dialogue within business-to-business (B2B) relationship settings and to explore how social media could be used for intensifying the dialogue. One of the key issues why customer-supplier dialogue has such a tremendous impact on customer relationships is the fact that companies are shifting their customer relationship emphasis towards longer-term relationships instead of the more traditional transactional way. (Kandampully, 2003; Theron & Terblanche, 2010) In order to properly understand the importance of customer-supplier dialogue, also the issues behind long-term customer-supplier relationships and B2B relationships in general have to be considered.

The purpose of all business is to create additional value for the parties of the transaction. A key element within that value creation process behind the physical products or solutions is information and knowledge. Learning how to support and enhance the knowledge is very important for companies to be able to achieve value that is difficult for competitors to copy. Dialogue offers an excellent resource for this kind of knowledge. The interactive dialogue between the participants creates trust and enables the learning for the knowledge creation process. Ballantyne (2004) defines dialogue as an interactive process of learning together, which enhances mutual value in customer-supplier exchanges. The concepts of dialogue and interaction are widely discussed both together and separately. (Ballantyne, 2004)

Schein (1993, 29) approaches dialogue from the point of view of cross-cultural communication and organizational learning and sees dialogue “*at the root of all effective group action.*” He argues that it is important to learn about dialogue, because it facilitates and creates new possibilities for communication and also that dialogue is necessary and integral for organizational learning in the intercultural settings of his research. Ballantyne (2004) sees interaction beginning always when an action generates a response, which is a fundamental base of learning. The idea behind communicative interaction is that it allows interplay between actors through communication of emotions, ideas, facts, arguments, opinions and plans. In order for the communicative interaction to take place, the receiver of the message has to derive meaning from the message received. The exchange and interpretation of messages enables learning and thus the development of processes is possible. With the terms of traditional one-way message making this kind of learning is not possible and therefore the interactive dialogue is fundamental. (Ballantyne, 2004; Schein, 1993)

## **2.1 Importance of long-term customer-supplier relationships within B2B markets**

In order to achieve better understanding about the motives of customer-supplier interaction, also the characteristics of customer-supplier relationships need to be considered. Under this section the goal is to enlighten what is generally understood by B2B customer relationships and what is the current trend on their development. Later presented is the long-term focus on the customer-supplier relationships, which is particularly important considering the interactiveness of the communication.

Effective B2B customer-supplier relationships are essential for companies' own ability to be more competitive within their market. It has been commonly agreed by academics and practitioners that business relationships' combined resourcefulness in creating competitive advantage is a key element in firms' ability to survive and succeed in a competitive market. (Clements, 2009) This naturally makes beneficial, customer-supplier relationships very important for companies. Thus relationship management and relationship marketing have become very important. It has been said that business-to-business sales role is changing to relationship management and the traditional transactional focus is moving towards a more relational perspective. The practice of personal selling and sales management is growing into a more complex entirety due to the increased attention on long term customer relationships. (Davies et al. 2010)

It is very important for companies to notice that business performance is significantly affected by the nature of the relationship - good or poor - and therefore there is an increasing concern with achieving better and deeper understanding of relationship development with business partners. An understanding like this is not possible to achieve without good customer relationships. *“Suppliers in a committed relationship gain greater access to market information, which enables them to select a better customer-oriented assortment.”* (Lages et al. 2008, 686) A longer-term focus on both parts of the relationship helps in developing the relationship into more beneficial and mutually rewarding.

Watkins & Hill (2009) argue that the underlying premise of relationship marketing is that it has to lead towards successful and mutually-rewarding associations among parties that persist over the longer time horizon. The long-run perspective is essential within relationship building, because the social bonds need a longer time period and open information exchange to form. Stanko et al. (2006) have argued that in the B2B setting, it is especially social bonding and tie strength that affect inter-firm relationships and holds customer and supplier together. Tie strength is affected by the openness

of information transfer and use between the relationship partners. This information or knowledge enhances creativity and helps in gaining access to new opportunities which might generate additional value and competitive advantage. (Stanko et al. 2006)

The long-term focus on customer-supplier relationships is essential in order for the parties of the relationship to be able to carry out the requirements of interactive collaboration. The more traditional short-term or transactional based way of customer-supplier connection doesn't offer a proper base for additional value creation. During these times of continually emergent competition, companies are forced to put a lot of emphasis on their customer relationships and they are focusing more and more on caring for existing customers and providing them with relational benefits instead of putting the major marketing resources into acquiring new customers. (Kandampully, 2003; Theron & Terblanche, 2010) Studies have shown that acquiring new customers can be five times more expensive than maintaining the already existing relationships. (Harrison-Walker & Neeley 2004) There is also considerable evidence showing that strong relationships lead to positive profit impact. (Theron & Terblanche, 2010) It has been shown that firms emphasizing strong cooperation with their customers often achieve greater economic benefits compared their competitors who are more oriented to zero-sum-based notion of competition. (Cannon et al. 2010; Paulraj et al. 2008) Therefore the significance of well-functioning long-term relationships is remarkable and companies cannot neglect on putting a lot of emphasis on them. Customers are also increasingly demanding more and more individual service and customized solutions. It is clear that when competing over customers, the companies providing the product or service must have a deep understanding of their customers' needs if they want to be able to close deals.

The long-term orientation in the customer-supplier relationship is essential in forming, developing and maintaining value-enhancing relational exchanges. Partners with orientation like this are likely to have agreed on their norms of fair dealing, such as solidarity, flexibility and mutuality. Agreements like these help the partners reduce transaction costs and thus increase profitability. The long-term relationship orientation can also be seen as providing the strategic context necessary for fostering collaborative communication, which enables mutual gains. (Paulraj et al. 2008) Within the conditions where both partners have accepted the long-term orientation, it has to be clear to both of them that the positive profit impact of the relationship might not show immediately. Firms must be willing to sacrifice short-term gains in favor of the future profits. It is in the long run over time when the benefits of the relationship become obvious. (Cannon et al. 2010)

One of the key issues in building a long-term relationship is also mutual trust. Relationship partners need to be able to trust each other in order for the relationship to function properly and to be as profitable as possible. Through corporate research, several models have been proposed that show trust as a determinant of relational outcomes. (Cannon et al. 2010) In their research, Stanko et al. (2006) found that mutual trust and confiding are important aspects in customer-supplier relationship development and have a positive impact on commitment. Partners need to understand each other's goals, and interactive dialogue is necessary in communicating these goals and issues. Mutual confiding necessitates forward looking and tacit information. This kind of collaboration has been linked to increasing information use, creativity, joint problem solving, opportunity identification and efficiency. Over time this kind of interaction creates shared values and understanding, which eventually leads to increased satisfaction. (Stanko et al. 2006) More about the importance of customer-supplier interaction is provided in the following section.

## **2.2 The nature of interactive dialogue between a customer and a supplier within B2B markets**

The interactive dialogs between the company and its customers are pretty similar whether it comes to business-to-business or business-to-consumer markets. Still a few differences exist, for example within the length of the relationships and organizational learning. Also the value-enhancing effects and competitive advantage generation on the behalf of customer-supplier interactions are more significant within the B2B market. In this chapter the concept of interactive dialogue is approached especially from the business-to-business point of view.

Cornelissen (2004, 56) has identified three different informational strategies in which organizations communicate with their stakeholders. The first strategy is informational strategy, in which the company only makes information available to the stakeholder. The communication is always only a one-way monologue and no feedback from stakeholders is gathered. The second strategy is called persuasive strategy in which the company collects feedback from the stakeholders, but instead of trying to change itself towards stakeholders' preferred direction, it tries to change stakeholders' attitudes and behaviors. (Cornelissen 2004, 55)

In order for these two strategies to be effective the company has to be quite perfect, so that nothing can make its' processes more effective and nothing could create more value to its' customers. In

real life however, the situation hardly ever is like this, and therefore collecting feedback from customers, and actually using the data to elaborate own operations is essential for improving the customer value creation process.

The third strategy Cornelissen (2004) identifies is called two-way communication strategy or dialogue strategy, which has also been argued by many other authors before and after Cornelissen (2004). Dialogue enables a mutually beneficial exchange of information and knowledge in both directions. The strategy involves both parties working towards the same goal and both understanding each other's objectives and purposes behind their actions and processes. (Cornelissen, 2004, 55)

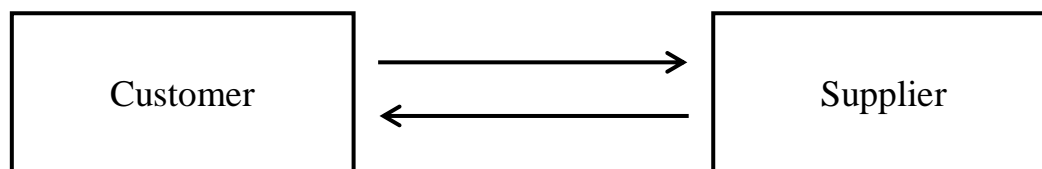


Figure 2: Dialogue strategy: two-way symmetrical model of communication, adapted (Cornelissen 2004, 56)

The dialogical exchange of knowledge and the collaborativeness of the communication is essential in fostering and maintaining value-enhancing inter-organizational relationships. Therefore they are also a few of the most important things enhancing customer-supplier performance and creating competitive advantage. (Paulraj et al. 2008) Regarding competitive advantage, the right way of communication is fundamental. When firms are collaborating with their business partners and customers, constructive feedback is essential for the development of processes. Only by collecting data of customers' ideas, feelings and experiences, companies can become better at adding value to their customers. Therefore the interactive dialogue between the customer and the supplier is essential for the creation of additional value.

Grönroos (2004) has discussed the interactive dialogue very comprehensively, and places interactive communication to the basis of all relational actions. He argues that in order to develop a commercial relationship, interaction is essential. The dialogue process, which is only possible after value-enhancing interactions, is required for sharing and creating knowledge. Therefore in the long-run the monologue –based way of communication will not enhance long-term customer-supplier relationships. (Grönroos, 2004)

The knowledge sharing process through dialogical communication between the supplier and its' customer fosters inter-organizational learning, which is crucially important to competitive success. Sharing tacit, critical information and knowledge, and also being open to feedback and criticism concerning own operations are the key factors in the learning process. For the learning within these value-enhancing relationships, it is also essential that the communication is as open and frequent as possible. This kind of collaboration can facilitate knowledge development, increase customer value and decrease transaction costs. (Grönroos, 2004; Paulraj et al. 2008)

Gönroos (2004) also attaches the dialogue –approach to the relationship marketing context. According to Grönroos (2004), the core of relationship marketing is the interaction process, and when the interaction generated dialogue as a knowledge platform enables additional value for both parties, relationship marketing is facilitated. The purpose of the process is to get insights for the value-creating collaboration through access to a common meaning. (Grönroos 2004)

### **2.2.1 The role of interactive dialogue in the development of B2B customer-supplier relationships**

In the B2B markets the customer relationships are often complex and demand significant effort from both sides. Customers are demanding more individual products and personal service from the supplier companies. Therefore the interaction between the partners becomes especially important for the development and the profitability of the relationship. This chapter highlights the reasons for the importance of interaction in the development of the relationship between customers and suppliers within the B2B markets.

In 1987, Dwyer et al. (1987) argued that even though strong relational exchange can provide competitive advantage, suppliers often fail to understand the importance of managing their customer relationships (Dwyer et al. 1987). Today however the situation has changed. Now besides the suppliers, also the customers are recognizing the importance of good customer-supplier relationships. It is becoming more common for customers to forego traditional transaction-based marketing and favor relationship marketing instead. Especially companies in service organizations often wish to be so called “relationship customers” and require personalized communication with the company representative. Therefore it is becoming even more obvious that aiming for long-term customer-supplier relationships is very efficient and beneficial to both participants. For the relationship to

develop into a mutually rewarding partnership, the interactive dialogue is essential. (Harrison-Walker & Neeley, 2004)

In addition to this, customers are demanding also even more individual, tailored solutions and products. The need for flexibility, adaptability and efficiency has forced companies to better manage their supply processes. Because companies are becoming more and more individual, the need for unique solutions has transformed the traditional model of widespread range of suppliers towards fewer suppliers and therefore a greater degree of higher dependency and complex relationships on the customer point of view. (Cousins, 2002) On the supplier side, the development towards relationship building is the common title change from a 'seller' to a 'key account manager,' key accounts meaning established relationships with important, profitable customers.

This rising need for specialization has also highlighted the importance of inter-organizational collaboration. Highly specialized and tailored solutions for example in the IT business require profound knowledge and understanding of the customers processes from the supplier side. The processes need to be clearly monitored on both sides and everyone involved have to know what is going on. The knowledge of processes develops rationality, and the rationality in business behavior enables the settings in which it is possible to achieve competitive advantage. All this necessitates interaction. (Winger, 2005)

The interactive dialogue between organizations enables the straight feedback which is the best tool for a company to develop its supply towards customers' needs and develop the relationship into more personal collaboration. The problem with new customers can be that the supplier might not appropriately understand the needs of their customers, even though the solutions could easily be implemented. Therefore huge amounts of time and money can be wasted even before the actual manufacturing or tailoring has begun. Properly understanding customers' processes is the best way of minimizing the transaction costs of meeting their needs for customized products and solutions, which is the reason why creating established relationships is very important for companies.

### 2.2.2 The role of interactive dialogue within value creation

The goal in business is to create additional value for both parties of the transaction. This chapter strives to underline the importance of interactive dialogue within the value creation process. The co-creation of value necessitates both parties of the dialogue participating in each other's processes.

Clements (2009) has identified four elements that generate customer-supplier relationship value. The four value types are reduction in transaction costs, reduction in levels of uncertainty, trust and commitment and mutual development, all of which personify a collaborative level of relationship. As stated before, collaborating through interaction decreases transaction costs due to improved efficiency. Mutual development necessitates interactive information sharing, which for one reduces the levels of uncertainty and improves trust and commitment. Thus all of these elements can be improved with better interaction, which in the end generates added value for both parties of the relationship. (Clements, 2009)

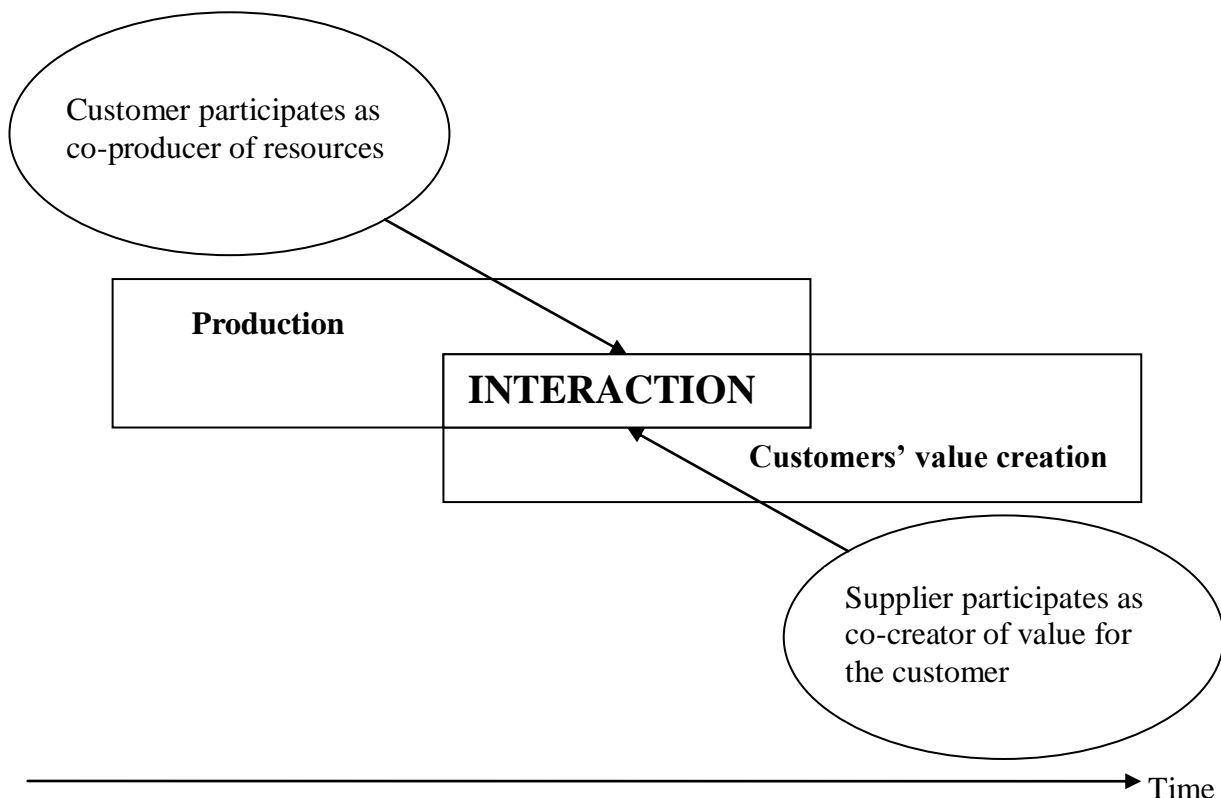


Figure 3: The value –generating process (adapted, Grönroos, 2011, 244)



The value creation process has been clearly outlined by Grönroos (2011). The process includes the supplier providing their customers with resources and thus participates as a co-creator of value for the customer. The supplier's interactions with their customer enable additional opportunities for suppliers to influence their customers' value creation. These interactions are of dialogical nature, which means that both parties have an influence on each other's' actions. The role of the customer is also significant within the mutual value –generating process. The customer engages oneself with the suppliers' production work or processes and thus works as a co-producer of resources for the supplier. (Grönroos, 2011)

The joint value creation and co-creation of value necessitates interactive dialogue between the customer and the supplier. Both of the two participants of the process need to have an effect upon one another. For example R&D (research and development) activities and product and service development provide interactive platforms for collaboration. The customer can express their expectations on the desired outcomes and also on the other hand the supplier can engage itself with its customers' practices and thus influence them and their outcomes. The interactive dialogue, as well as the constructive outlook on the feedback is essential for the emergence of mutual gains. (Grönroos, 2011)

### 3 Social media

The goal of this thesis is to enlighten the significance of customer-supplier dialogue within B2B relationship settings and to explore how social media could be used for intensifying the dialogue. So far this study has introduced the theories and logic behind customer-supplier interaction and B2B relationships in general. From this point on the emphasis is on social media, new information technology and their implications for customer-supplier interaction. Before going any further, the concept of social media within this thesis has to be defined.

Currently there exists a rich and diverse variety of social media sites which are different in terms of their scope and functionality. Facebook has over 500 million users, and even though it is mainly made for regular people, over 700 000 businesses had active pages in 2010. (Briones et al. 2010; facebook.com) LinkedIn is designed for professional purposes and many companies use it for recruiting. The 'blogosphere' contains over 100 million blogs, more than 145 million Twitter users send the average of 90 million 'tweets' or maximum 140 character micro blog posts per day and every minute 10 hours of content is uploaded to YouTube. (Kaplan & Haenlein, 2010; Kietzmann et al. 2011)

The term social media is very closely linked to the term Web 2.0. In order to define social media, the meaning of Web 2.0 has to be clarified. Kaplan & Haenlein (2010) state, that it means the way in which software developers and end users started to utilize the internet as a platform where all users participate and collaborate in creating and modifying content. (Kaplan & Haenlein, 2010) Simplistically it can be said that Web 2.0 includes blogging, social networking and sharing. (Wattal et al. 2010)

Social media can be defined as "*a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of User Generated Content,*" (Kaplan & Haenlein, 2010, 61) as a site that gives internet users the ability to add comments, feedback, ratings, etc., (Owen & Humphrey, 2009) or as a wholeness of blogs, company-sponsored discussion boards and chat rooms, product and service rating sites and forums and multiple types of media content, discussion boards etc. (Mangold & Faulds, 2009) Whatever the definition is, the key elements of social media are interactive communication, sharing and discussion.

Thus the significance of social media also within the possibilities of corporate communication is revolutionary. Communication has become easier, faster and most of all cheaper by the simplicity and huge, rapidly growing user volume of social media. Because one of the key issues of social media is that it allows members to add user-generated content, it enables the dialogue between a company and its stakeholder. (Owen, 2009) Although social media provides the basis of almost unlimited communication opportunities within business-to-business settings, the problem is that not so many companies know how to take advantage of it. Part of the problem is also that most of the literature and scientific articles are concentrated on the possibilities within business-to-consumer settings. Despite this, some organizations are taking social media seriously and have started to utilize it. Recently, for example The New York Times hired a social media editor and the car manufacturer Lexus uses the photo sharing platform Flickr on their website to share pictures of their cars. (Kietzmann et al. 2011; lexus.com) Clear is that social media has potential when it comes to communicating information, but when it comes to seizing the opportunity not all executives know what to do.

Because social media applications have a very wide range of different possibilities for communication and business use, almost every company could find ways to utilize it. The unique features and characteristics of different applications make it possible for companies to choose the right channels for their individual purposes and to create innovative mixes of communication. For example the difference between Facebook and Twitter can be illustrated by describing Facebook as a cocktail party where the user is surrounded with friends and acquaintances, whereas Twitter is more like shouting to a crowd of people with a megaphone. The differences can also be used to augment the impact of communication. For example the user can use Twitter to broadcast a link to their blog and also automatically send their Twitter messages to their Facebook page. This way the level of other users reached, and thus the effectiveness of the communication is multiplied. (Fischer & Reuber, 2011)

### **3.1 The significance of new information technology as the basis for interaction**

To discuss the possibilities and implications of social media within the customer-supplier interaction field, the current technological framework has to be considered. The possibilities of interaction between customers and suppliers have grown exponentially with the rapid technological development over the past decade. The rapid speed and relatively low costs that are normal today and the

possibilities of customizing information transfer add considerable value to business exchange. On the other hand as these things create possibilities for additional value, they have also become necessities for doing profitable business. (Clements, 2009)

A very important matter considering the interaction between customers and suppliers is the fact that along the rapid technological development the significance of electronic business implications has become greater. The problem of being tied to a specific place in order to be able to communicate has lessened. Almost all organizations (even small or medium sized companies) in almost every business are aiming towards the international markets. When doing business internationally, the role of communication is significant and the rapidness of communication is essential. The possibilities of interactive communication around the world in real time have become significantly better and cheaper with the development of information technology. Partly for these reasons the importance of face-to-face communication has begun to lessen and the shift to digital communication is approaching. (Winger, 2005) Also as the pace of business life is growing more hectic, rapid, easy and cost-effective communication is needed more than ever. When talking about customer-supplier – relationships, the suppliers' ability to be able to communicate and act rapidly according to customers' needs is essential for the firms' competitiveness.

The internet enables instant customer specific information access and exchange. Interaction is not anymore tied to a specific time and place but on the contrary transactions and information exchange can be completed on a 24/7 basis, anywhere in the world. This naturally saves time and therefore also money. Because the internet technology helps in developing, deepening and maintaining customer relationships, it also increases customer satisfaction and therefore trust and commitment between the partners of the relationship. Trust and commitment on the other hand are necessary in building stable customer-supplier relationships. Therefore it can be seen that using the internet as a tool for interaction can help in building beneficial long-term relationships. (Harrison-Walker & Lake 2004; Sigala, 2007)

To increase the trust and commitment in the relationship, and to properly answer to the needs of their customers, firms must strive to treat all of them as individuals by giving them possibilities to control the timing and the customization of products and services. The development of information technology and internet offers firms possibilities to carry out interaction and individualization better than ever before. With internet, it is possible for firms to interact with many firms and still treat them all as individuals. (Harrison-Walker & Lake, 2004)

Kandampully (2003) sees internet as a global network of networks, which can provide unique infrastructure for global commerce. Internet enabled digital marketing channels offer unique opportunities for personalization and interactivity compared to more traditional marketing channels. These aspects of relationship marketing bring customers surplus value, which makes the relationship more interesting and beneficial. Internet enhances valuable interaction and communication possibilities, which are vital in building long-term customer-supplier relationships. (Merisavo, 2008)

### **3.2 Interactive customer-supplier dialogue with social media**

Before the emergence of social media, companies interacted directly with their customers mostly individually. These interactions could occur for example through face-to-face settings or e-mail. Because social media technologies offer both customers and suppliers to consume, produce and redistribute content, they greatly enrich the traditional interaction methods and enable the supplier and its customers to monitor what other customers are saying. (Gallaugher & Ransbotham, 2010)

The increase of interactive dialogue through social media has strengthened the customer-supplier and supplier-customer communications. The changes in the easiness, volume, speed and nature of interaction are fundamental. For example idea websites and online forums encourage customer-supplier dialogue and generate innovations far better than the classic suggestion box. With social media platforms companies can also respond to customer ideas in a very short period of time and thus better engage customers. Also the level of customer service can be significantly improved through listening and rapidly responding to customers' reactions. (Gallaugher & Ransbotham, 2010; Ramsay, 2010) Also, if desired, social media enables the exposure of customer-supplier dialogues to other customers and stakeholders. This can generate innovative information and insight exchange. The spreading of knowledge and ideas enables learning over the boundaries of a closed customer-supplier relationship. (Gallaugher & Ransbotham, 2010)

The ways of utilizing the social media applications differ because of the individual characteristics of the applications. In Facebook, the discussion board allows the company to create a trusting relationship by answering the questions or statements of the “fans” or “friends” (to follow a particular Facebook –page you need to be either a fan or a friend of the user in question) honestly and most of all promptly. The possibility for the fans and friends to easily post questions and statements for the company on their Facebook –page, and the ability of the company to react rapidly on these posts

assists the interactive, real-time conversation between the partners. Also a relevant feature that Facebook offers is the possibility to post pictures and videos. For example posting images of their staff performing their regular everyday job or videos from the company's summer party makes the relationship more individual to the customers and thus lowers the threshold for interacting with the company. This enables the transparency of the actions of the company and thus creates a deeper and more trustworthy relationship between the customer and the supplier. (Hackworth & Kunz, 2010)

Also Twitter enables an interactive dialogue between the customer and supplier. If a customer or a potential customer wishes to be up-to-date with what the company is doing and striving towards, they can become followers of the company. The relationships can be further built with the dialogic communication flow on the Twitter page. Customers can for example share their recent experiences with the company or recommend potential ideas for product development or new products. Based on this feedback the company learns from its customers and may develop its actions and supply to create more value for the customer. (Hackworth & Kunz, 2010)

These interactions are mutually beneficial to all the parties involved. The positive feedback and customer experiences work as free references to the company and its potential new customers who follow their Twitter page. On the other hand the company itself learns from the negative or constructive feedback, which enables the learning process towards greater customer value. Thus, Twitter is becoming a very important channel for companies to interact with their customers. Headlines in the business press, such as *"One bad Twitter 'tweet' can lose companies as many as 30 customers"* or *"Dell reports \$30 million in Twitter revenue"* make it very clear that companies cannot neglect the growing importance of social media within their customer relationship management processes. (Fischer & Reuber, 2011, 3)

YouTube is a social media platform that allows its users to easily upload and share videos, and everyone to view these videos. Similarly to Twitter, YouTube viewers can subscribe to the channels of those users or companies they are interested in. This way they receive updates when the user they follow adds new videos and they can post comments and feedback under the video being played. (Hackworth & Kunz, 2010) The possibility to post feedback and create conversations again enables the interactive dialogue between the customer and the supplier. The company can provide those customers and potential customers that subscribe its YouTube channel for example reference videos about previous projects or tutorial videos about using a software or an application. Also the subscribers can request the company to post videos about things that they are interested in or that they

need guidance in. This way the company learns from its customers and customers gain greater value.

Web 2.0 applications create innovative opportunities for firms to collaborate with their customers and social media platforms have the potential to add additional value beyond the familiar e-commerce activities because they enable virtual customer environments. Culnan et al. (2010) studied the Fortune 500 firms' use of four social media platforms; Twitter, Facebook, blogs and client-hosted forums. They found on their research that 53% of the firms use Twitter, 46% Facebook, 20% blogs and 11% client-hosted forums frequently for engaging with their customers. They also found that interaction through social media is really popular. For example Hewlett-Packard uses all four of these earlier mentioned social media platforms for customer interaction, and Coca-Cola's Facebook page has more than 10 million fans and attracts tens of thousands of new fans per day. (Culnan et al. 2010)

Gallaugh & Ransbotham (2010) have identified three kinds of dialogical social media interactions; firm-initiated dialogs, customer-initiated dialogs and customer-to-customer dialogs. The key for successful interactions is for the company to establish a recognizable social media presence. With strong presence and suitable platforms the firm can attract conversation and encourage their customers to share their insights and other feedback. (Gallaugh & Ransbotham, 2010) Also, because one of the bearing ideas of social media is that it is voluntary, apart from the fact that organizations need to strive for building communities, they need to distinctly learn from the interactions in order to actually benefit from their social media presence. (Culnan et al. 2010)

In order for social media to be an effective tool for company's interaction with its customers, the company needs to implement a special social media strategy, and especially decide a few things considering their actions on social media. It goes without saying that the company's social media actions need to be aligned with their actual strategy and culture, and their actions need to be clearly organized and integrated to their other systems and workings. Also, because in some cases the dialogues via social media may be visible to third parties, the direction and voice of the company's messages have to be consistent and linear throughout all their interactions. (Gallaugh & Ransbotham, 2010)

## **4 Empirical discussion about the interactive dialogue via social media**

On the following section of this study, the theories discussed earlier are put to a practical context. The ways in which social media can be utilized, the benefits and additional value it generates and the reasons behind the companies' rising need of implementing social media strategies and creating social media presence are further discussed. This empirical part of this study is carried out with interviewing a representative of a company that has experience within utilizing social media in their operations. The company chosen is a Finnish social media expert organization Zipipop. The person interviewed was Helene Auramo, CEO and founder of Zipipop.

When Zipipop was founded in 2007 it started with just producing products. It was for example the first company in Finland to produce Facebook applications. Later on Zipipop has transformed purely into a consulting company. Now in 2011 Zipipop consults companies on social media strategies, social media marketing and social media training. In 2010 at the Barcelona Mobile 2.0 event Zipipop was awarded the best early-stage startup company in Europe and the Finnish information and communication magazine Tietoviikko has nominated the company as the most interesting start-up company. The chairman of the administrative board of Zipipop is the former CEO of Accenture Nordic Markku Silén. The person interviewed for this study is Helene Auramo, the CEO and founder of Zipipop. Auramo is also a blogger on Tietoviikko and she has been nominated as an innovation leader in 2010 in Microsoft's Finnish Innovation Management and Economy Programme. (zipipop.com; wikipedia.com)

Zipipop was chosen for this study because they are one of the leading social media consulting organizations in Finland and thus have excellent expertise in the field of utilizing social media for corporate use. In Finland they have noteworthy customers such as Valio, TDC, Skanska and TEM (Finnish Ministry for Employment and Economy). Later in the study, these reference customers will serve as concrete examples of utilizing social media within B2B environment. Also the national and international recognition the company has got not only shows that Zipipop is an excellent case company for this study, but also indicates that the subject of this study is relevant and interesting.

The empirical part of this thesis is implemented with qualitative research, because normally it is used in exploratory research to gain preliminary insights into decision problems and especially opportunities. (Shiu et al. 2009, 173) The data collection is executed with a one-on-one in-depth interview which was implemented via the internet phone -application Skype. The qualitative interview



as a research method suited the requirements of this thesis very well, because the answers often needed further specification and also concrete examples were required. (Metsämuuronen, 2006, 113) The very informal and almost conversational style of the data collection allowed the interview to focus on the most important issues. As the discussion went along, many new things relevant for this study transpired, and they could easily be further discussed. The flexibility of the qualitative interview also enabled a more profound discussion about the motives behind the actions. (Shiu et al. 2009, 208) The interview material was transcribed, so that it was easier to use as a reference, and because the interview was implemented in Finnish, the quotations used for the discussion were translated into English.

#### **4.1 Specific features of social media –based communication in B2B markets**

This chapter identifies the overall situation and attitudes towards communication through social media in B2B markets. The issues raised on this chapter are based on the interview with Helene Auramo. As discussed earlier, Auramo has profound knowledge of the issues regarding B2B interaction via social media. With the following quotes from the interview and the discussion regarding the issues raised, the actual situation and important factors are enlightened.

*“For companies’ I define social media as personnel interacting with the customers, personnel interacting with each other and personnel interacting with partners. This interaction is carried out with utilizing different tools. ”*

Social media is all about communicating and having conversations with others. As discussed earlier, it creates unique possibilities for people and companies to interact with each other. The interaction via social media is very comprehensive. Over department, hierarchy and company borders it easily participates everyone to the conversation and thus enables a very unique channel to raise issues, share insight and discuss.

The tools of social media are very diverse. Because of this very wide variety of different social media applications, it is possible to find the right channel for every kind of message. Also, if a company utilizes many different social media applications simultaneously, they all support each other and also multiply the effect. The communicated message reaches easily different target groups through

different channels, and with just one message it is possible to share information to a bigger crowd at once. Also if a company creates a strong social media presence, it gains other benefits as well:

*“We have a Facebook account, a Twitter account, a Flickr account and we have a blog...  
...because we are strongly present in social media, we are easily approached.”*

Zipipop is very strongly present in social media. Because they are a social media expert organization, for them it is especially necessary, but also other companies can gain notable benefits from a strong social media strategy. Auramo highlighted the fact that social media presence makes a company more easily approached. Through social media a company can become more well-known with very little or no money. Because social media presence makes a company more transparent, it is very easy for potential customers to acquire information about the company culture and their ways of action. Also being in touch with the company becomes very effortless via social media.

An important aspect about social media is that the quantity doesn't overcome quality. It is not enough that a company has accounts on ten different social media applications, but they also have to be used right. Being present in social media means that the company has to regularly update their information and messages on their social media pages. A key element of social media is that the information provided there is real time. This is very effective also for the companies, because for example linking the company website to Facebook makes it possible to provide up-to-date information in many channels with just one update.

*“There often are people who are forced to be present in social media... it might for example be hard for an IT-person to come up with a Facebook –update every Friday, unless he/she is very creative and inspired.”*

Also, for the interaction through social media to be effective and worthwhile, the answers or comments from the company side need to be rapid and nipping. The rapidness of responding in many cases defines the felicity of a company's social media strategy. Auramo also highlights, that companies should not neglect that many people require training for using social media. Social media has its own hectic culture which can be totally un-understandable for many people. Therefore it is up to the management to see that everyone involved has sufficient skills for proper implementation of the social media strategy.

*“Usually in companies the management wants to develop social media strategy and they realize that something has to be done. In many cases the pressure comes from the customers who demand it... marketing and communications usually have become acquainted with social media relatively well. This year though I have noticed that also other departments have started to understand it.”*

The situation with corporate social media use is starting to appear as if it is a standard for companies to be present in social media. Customers and prospects, partners and other stakeholders expect companies to participate in social media and, as Auramo stated, in some cases customers may even demand it from the company. One of the reasons for this is that the more users there are, the more useful and beneficial social media becomes. It is the same thing as with telephones; if there was only one telephone in the world, it would do no-one any good. On the other hand as the number of telephones grows, the more useful a one single telephone becomes. These are the times when social media is daily becoming more and more useful for corporate use.

Auramo also highlighted that as customers often are very pleased about the cooperation with the company they are doing business with, they want to get closer to it. The communication becomes more frequent and casual, and the exchange of feedback increases. Often especially when the customer-supplier relationship has a long-term focus, the two companies become almost as friends and both of them benefit from the open exchange of insight. The interactive communication through social media makes communication between the companies very effortless, fast and effective.

Also the comprehensiveness of social media in corporate use is starting to show. As before only the marketing and communications departments of companies have been interested in utilizing social media, now also other departments are starting to realize the benefits of it. An important aspect of interaction through social media is that it participates many departments to working together. As Auramo stated:

*“When a company goes along to social media, they also have to think a lot about their internal ways of action. For example teams that haven’t worked before earlier now have to co-operate.”*

The information flow through interaction in social media participates all very comprehensively. When social media is used for example for project management purposes, it is not unlikely that for example the marketing and IT departments communicate together. This is a feature that would not happen as interactively with other communication tools as with social media, because the infor-

mation flows on real time, without any middlemen. In social media it is very easy to give a straight answer to a straight question. When all the project participants use the same communication channel, everyone sees the dialogues and automatically the person with the best knowledge can give the answer to the question.

## **4.2 Practical implications for intensifying the interactive customer-supplier dialogue with social media**

Based on the interview with Helene Auramo, this chapter enlightens the ways in which Zipipop utilizes social media for interacting with their customers. The interactive dialogue happening through social media is presented, and the process of customers' participation within the value creation process becomes clearly illustrated. The examples used are discussed in a general manner, and they are easily implemented in other companies as well.

*“With one of our customers as much as 80 percent of all communication goes through social media. In fact for the last two weeks all communication has happened via social media.”*

Zipipop utilizes social media very extensively for their use. Because of the wide variety of different types of channels on social media, it is possible to find suitable solutions for many different situations. Auramo points out that depending on the capabilities and preferences of the customer they try to center as much communication to happen via social media as possible.

*“We choose a channel with the customer and as soon as possible we try to communicate without e-mail... when the customer already uses a specific channel, the link is easy to create.”*

The interactiveness of the dialogue is the key factor of utilizing social media for corporate communication. In social media, unlike with e-mail, both parties involved are present at all times and thus the collaboration can happen interactively. E-mail is a very impersonal and unimaginative way to communicate, and it doesn't give an effective basis for the communication in contrast to social media. In the interactions via social media the transparency of the messages and the intimacy of the relationship play a much greater role. More on the benefits of social media compared to e-mail in the next chapter.

The choice of the communication channel is vital for the implementation of the interactive dialogue. The social media channel chosen has to be suitable for the purpose of the communication. For example, the need to share images, videos or sound, and the length of the messages are important things that have to be considered. Notable is also that people in different organizations have different skills for when it comes to social media. As discussed earlier, for some people the world of social media is unknown, and therefore it is fundamentally important that the channel chosen is user-friendly. Also as Auramo stated, if the companies already use a certain channel or are familiar with it, the specific line of communication is easier to create and thus the interaction is more effective.

*“We have access to the customer’s discussions and we take part in the conversation always when it considers social media.”*

Zipipop as a social media expert organization monitors their customers’ conversations in social media, and participates when the viewpoint of a professional brings valuable insight to the discussion. The customer-supplier interactive dialogue is especially efficient, because the customer doesn’t necessarily have to separately ask for help or consultation. The discussion flows by itself and every time when the customer is faced with a challenging issue, the supplier is already present. The presence of supplier and the transparency of the conversation bring the two companies closer together, and the communication becomes more informal, especially when the relationship has a long-term focus. Auramo reported that besides straight questions about different things regarding for example their projects, she has got several invitations for tenders through Facebook’s chat –feature.

In Zipipop, also a large part of their product development happens very democratically through social media. Zipipop utilizes a social media solution Userve, which is a feedback forum, where customers and employees can create, discuss and vote for ideas. ([uservoice.com](http://uservoice.com)) Userve has been designed particularly for this purpose, but basically it can be done with many other social media applications as well. Auramo unfolds that at Zipipop, all products come from their own or customer’s needs. This way, when both suppliers and customers can collaborate in real time interactions through social media, the suppliers learn from the ideas and hopes of the customers and thus can create more value for the customers. In Zipipop the customers have not yet been able to participate in the interaction considering product development, but Auramo tells that that is the next step for them.

*“...everyone adds comments about the features they feel that should be added and everyone else vote if they want the same features... the next step is that we invite customers in...”*

These kinds of operations are extremely customer oriented. When the customers can initiate the project and also participate in the product development, they can effectively and relatively effortlessly bring their knowledge and insights to the process. Through the dialogue also the supplier becomes better aware of the customer's needs and demands. Through the interaction the customer's situation becomes clearer to the supplier and thus they are better able to give solutions to the customer's problems and create additional value for them. Especially when the products are highly tailored or customized, the participation of the customer is vital. Through their output they also strongly participate in creating greater value to both themselves and the supplier company. Because social media functions so uniquely transparently, the value creation process is even more efficient.

*“...we want the messages to be so transparent that basically anyone from within the customer company can read them.”*

The transparency of the process is very important. Auramo presents that in situations, when the new solution is not individually designed for a particular company, it is possible that for example three different customers participate simultaneously on one product development process. This way time and money is saved from all participants. Because everyone sees each other's comments, repetition doesn't exist and everyone can concentrate on developing new ideas and development proposals. Also the products become significantly better when all aspects are noticed. The interactivity of the communication in these processes is very emphatic. The nature of this kind of communication emphasizes suggesting and responding. The interaction and transparency also strongly involves the customers to the project.

*“...when people see that others have commented on their ideas, they are much more interested in it... this also makes pressure for the company to react on the feedback.”*

This kind of interactive dialogue also evolves the long-term relationship between the companies involved. When both the supplier and the customer participate in the product development process, the customers are more involved to the supplier company, and feel that the product is their own. Auramo describes the people involved on the product development through social media as a small

community who all strive for making the product better. This community will also most probably be the first people to promote the product when it is finished.

### **4.3 The additional value gained from utilizing social media for the interactive customer-supplier dialogue**

This chapter more closely identifies the benefits of social media in the interactive dialogue between the customer and the supplier. Additional value is generated to both of the parties involved, but the main emphasis is especially on the value gained by the customer. The B2B customer-supplier relationships usually have a long-term focus, which through the interactive dialogue enables learning which generates additional value. Utilizing social media for the interactive dialogue between the customer and the supplier can significantly intensify the learning process, and thus these aspects are emphasized in this chapter.

As stated before, in B2B markets, the customer-supplier relationships most often have a long-term focus. The purpose is to create additional value by developing a partnership, which helps in reducing transaction costs, makes the transactions faster and easier and creates a special bond between the companies. Especially under these circumstances social media as a channel for interaction between the customer and the supplier brings indisputable benefits compared to other ways of communication.

*“Using social media has brought the relationship closer. When talking about partnership, I feel that it’s very important that after the training the company doesn’t just disappear somewhere but is present at all times helping the customer if there are challenges.”*

As Auramo stated, interaction via social media brings the two companies closer. Strong social media presence and an individual channel for communication between the customer and the supplier make it possible for the supplier to be present at almost all times. For consulting companies such as Zipipop, the after-care of trainings is essential and with the strong presence of the supplier company, the value the customer gains is notably greater. The value is gained by a reciprocal learning process. The learning of the customer is strengthened when the issues discussed in the training are put in practice and the expert from the supplier company is present via social media, helping and an-

swering possible questions. On the other hand also the supplier company learns from the interactions via social media.

*”All the time you learn about what situations are challenging or hard for the customers... For example a few times we have found out that a customer doesn’t know how to update Facebook, what I have taken as a matter of course... If for example a training is for twenty people, there always are people who are more quiet and don’t ask questions. These kinds of people have felt that it is easier to ask a more ‘silly’ question via Facebook.”*

The supplier company continually learns from the interaction with the customer. There might be issues that the supplier don’t realize being difficult for the customers and thus don’t mention in the actual training situation. Through the dialogue in social media these things often come up and the supplier company learns what the issues that are difficult for the customers are. Through this learning the supplier is also able to develop their products and processes, so that the additional value gained by the future customers becomes greater. Auramo highlights that especially in cases of long-term relationships the importance of learning is significant. Naturally the longer the relationship is, the more issues are raised, and the more the supplier learns.

Another important factor is that, as Auramo pointed out; social media is an easy channel for customers to raise questions. Often there might be issues that people are ashamed to ask or don’t even think of asking before they are faced with the actual situation. In these cases the social media presence of the supplier company is essentially important. When these questions or issues come up, it is significantly faster and easier to ask the question or raise the issue when the supplier is already present via social media. The way in which social media can make communication more personal, bring the customer and supplier closer together and intensify the interactive dialogue between them is unique and very efficient.

*“Compared to other ways of communication, social media is much more transparent. One message reaches more people when anyone can read it. Instead of answering each and every customer feedback individually, you can answer once in social media and everyone knows what the situation is.”*

Social media is much more transparent and in many cases also faster than for example e-mail. The transparency of communication builds trust both within the employees of the company and between the customer and the supplier. When everyone involved can monitor and participate in the interac-



tion, there will be no rumors or false information spreading. The transparency of the communication enables that everyone knows what is going on, which would not be possible with the more traditional e-mail –based communication. A clear benefit also is that with one single message it is easy to reach a larger crowd simultaneously.

Communication through social media can often be very personal compared to faceless e-mail. The strong presence in both sides when communicating via social media brings the customer and supplier closer together. The feeling of presence also makes it possible for the supplier to be personal to many customers simultaneously. This again saves time and helps in deepening the relationship, which correlates as additional value for the customer.

On the product development process of Zipipop, the use of social media has brought notable benefits not only for themselves, but for the customers as well. The transparency of the communication and the open exchange of ideas and feedback enable a continual development and improvement process. When everyone is able to see the discussions, one of the biggest benefits is time efficiency.

*”...there is no point that everyone writes the same comment. It only loses working hours. This saves time and everyone giving feedback can already develop the actual features of the product...”*

Time efficiency correlates as new products finishing sooner, which of course creates additional value for the customers as their waiting time becomes shorter. At the moment the product development channel has been only open for Zipipop’s personnel but they are going to open it to their customers in the future. This will bring even more value to the customers, because they can better participate in the development process and thus the finished product will even better match their need. Also everyone participating in the product development strongly feel that the finished product is their own and they are very motivated and involved in the process.

## 5 Conclusions

This thesis was set up to study how social media could be used to intensify the interactive B2B customer-supplier dialogue and for justification to underline the additional value that companies could gain from utilizing social media for these purposes. In addition, discussion about the other questions framing this study defined social media, B2B customer-supplier relationships, interactive customer-supplier dialogue and the role of the interactive customer-supplier dialogue within the B2B customer-supplier relationships. The theories from scholarly literature were applied to the empirical evidence from the interview with Helene Auramo, the CEO of the social media expert organization Zipipop.

Scholarly literature and empirical evidence show that both supplier and customer companies in B2B markets are becoming more long-term oriented in their relationships. In addition to the long-term orientation, also for example the need for individually tailored products and services makes the role of communication between the customer and the supplier increasingly important. By building trustworthy partnerships, both parties of the relationship can achieve additional value from, for example, lower transaction costs or time savings. The additional value gained by the supplier and especially by the customer is based on the knowledge transfer and learning process, which necessitates unrestrained exchange of ideas, feedback and insight. This two-way information flow, i.e. interactive dialogue has a notable significance within the development of the relationship.

On the basis of companies rising interest towards creating long-term customer-supplier relationships, the interactive dialogue between the companies is increasingly gaining more significance. Because of this, new and more effective possibilities for implementing the interaction are very valuable. The empirical discussion on the basis of the interview with Helene Auramo clearly illustrated that social media can very effectively be utilized for intensifying the interactive dialogue between the customer and the supplier. The unique characteristics of social media enable an open exchange of information and a truly interactive dialogue between the customer and the supplier. Compared to more traditional ways of communication, utilizing social media can bring notable additional value to all parties involved in the interaction.

A strong social media presence can help in deepening the relationship and making the interaction stronger. Social media as a channel for interactive dialogue makes the communication between the customer and the supplier more open and effective. Through social media it is easier for customers

to for example ask questions, participate in the supplier's processes and be connected to the supplier. The transparency of social media as channel for the interactive dialogue helps in generating trust between the parties of the relationship, which is a key element within developing long-term relationships. These characteristics eventually set the scene for the knowledge transfer and learning process which correlates as additional value for the customer.

Social media provides a very wide range of opportunities for companies to utilize. Especially the benefits gained from using it for communicational purposes are inevitable. At the moment though, the research on these possibilities is quite narrow especially within the B2B context, and the majority of companies could achieve greater additional value if they knew how to effectively take advantage of social media. Therefore it is important that this extensive source of additional value is further studied and thus the possibilities it enables can be harnessed for creating economic growth. Examples of possible future studies under the subject could be the potential of social media in creating nets and communities of companies or a further study on the benefits that could be gained from implementing product development processes completely with social media in the B2B market. This exploratory thesis pursues to give basic information about the interactive dialogue and to provide insight on how it could be intensified with social media. Hopefully with its input it can offer ideas and inspiration for seizing the opportunities considered and set a solid basis for the truly necessary further research on the subject.

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# **Appendix 1.**

## **Question themes of the interview with Helene Auramo**

How would you define social media?

Is it necessary for companies to be present in social media today?

What kind of experiences do you have of utilizing social media for B2B use?

Does Zipipop utilize social media for communicating with its customers?

How does Zipipop interact with its customers via social media?

Has Zipipops customers felt like they have gained benefits from utilizing social media?

What are the benefits of social media compared to more traditional ways of communication?

What is the general attitude towards utilizing social media for corporate use?

Can social media be used for tailoring individual products and developing new products?

What is the product development process in Zipipop like?