
Effects of Social Media on B2B Sales

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ABSTRACT

Social media already plays an essential role in business-to-consumer (B2C) sales and is profoundly analyzed. Recently, social media in business-to-business (B2B) sales has been gaining increasing attention and differs from the application in B2C sales. For this reason, companies are looking for practical advice. However, studies on social media in B2B sales are rare. That is why this paper gives an overview of social media and its application in B2B sales. Moreover, the paper works out the effects of social media on the sales environment, discusses interdependencies, and gives advice.

Keywords: Social media, Sales, B2B, CRM, Relationships, Web 2.0

INTRODUCTION

Social media is assessed as an essential buyer-seller communication channel (Agnihotri, 2020) and will significantly impact the B2B sales process (Rodríguez et al., 2020). Networking through social media offers beneficial possibilities (Bocconcelli et al., 2017), and social media positively impacts company performance (Lacoste, 2016). Although social media is important for B2B companies, the research on social media is primarily focused on B2C companies (Lipiäinen, 2015). However, social media in B2B differs fundamentally from its application in B2C companies (Iankova et al., 2019). B2B companies are slow in adopting social media, and specific studies on social media in sales are rare (Lacoste, 2016).

For these reasons, this research aims to answer the following questions: *What is social media, and how can it be applied in the B2B sales process? What are the effects of social media on B2B sales?*

This article is structured as follows: Section 2 depicts how social media is defined in the academic literature and how it is typically applied in B2B sales. Based on this, Section 3 outlines the effects of social media on B2B sales. The author describes how social media changes changes the information situation between customers and sales, how it affects business relationships, and how it changes sales customer relationship management (CRM) practices. Afterward, the results are briefly discussed (Section 4), and a conclusion of the results is presented (Section 5).

RESEARCH BACKGROUND

Social Media

Social media is software “that supports group interaction toward establishing communities as well as the creation and exchange of content” (Mattila

et al., 2021, p. 115). This content can be either online text, audio, image, or video (Turban et al., 2016). Important to social media is the involvement of users and co-creation of content on the basis of Web 2.0 (Fraccastoro et al., 2021). In total, six different types of social media can be identified: blogs, social networking sites, virtual social worlds, collaborative projects, content communities, and virtual game worlds (Kaplan and Haenlein, 2010). However, social media is not seen to replace telephone or e-mail communication but to complement or augment them (Andzulis et al., 2012). Recently, literature has seen social media as an important extension of CRM (Meire et al., 2017). It is a powerful tool that affects the sales process of B2B and B2C companies (Lipiäinen, 2015) but is still not used to its full potential (Lacoste, 2016), and its adoption in B2B is slower than in B2C companies (Meire et al., 2017).

Application of Social Media in B2B Sales

The literature reveals that social media can be applied in every step of the sales process and has a high variety of possible applications. The most prevalent application in B2B is social networking sites that enable users to connect and share information (Andzulis et al., 2012). The literature reveals that social media is mainly used at the beginning of the sales process to build relationships (Fraccastoro et al., 2021; Schultz et al., 2012). Sales applies social media tools to attract attention (Lipiäinen, 2015), qualify leads (Rodríguez et al., 2012) as well as identify prospects and business opportunities (Fraccastoro et al., 2021). Despite the high potential of selling by using social media (social commerce) (Zhang and Benyoucef, 2016), studies reveal that social media is not commonly used in B2B markets to close the sale (Fraccastoro et al., 2021). Later in the sales process, some companies make use of it to manage relationships after the contract has been made (Fraccastoro et al., 2021). However, companies prefer social media to attract new customers instead of enhancing existing relationships (Lipiäinen, 2015).

EFFECTS OF SOCIAL MEDIA ON B2B SALES

Information Situation

Social media can enhance information dissemination and thus decreases information asymmetry in the sales process (Zhang and Li, 2019). The literature shows that social media transforms searching for information (Järvinen and Taiminen, 2016) and facilitates information collation (Habibi et al., 2015). It allows gathering more information about customers, employees, and suppliers (Georgescu and Popescu, 2015) in less time than traditional sales channels (Rodríguez et al., 2020). For these reasons, social media changes the information situation for salespeople and customers:

Thanks to social media, sales has more information about customers and competitors (Itani et al., 2017). It can gather and evaluate lead information, track customer communications with customers (Cheng and Shiu, 2019), discover hidden patterns (Itani et al., 2017) can find out the real needs of customers (Andzulis et al., 2012; Cheng and Shiu, 2019), and salespeople

can adjust their behavior based on the information (Fraccastoro et al., 2021). Accordingly, social media positively influences information communication when this new information is adequately processed and presented (Agnihotri et al., 2016).

The literature recognizes that customers are more informed during their product selection and decision process (Ogilvie et al., 2018) and can make informed decisions (Pandey et al., 2020). The customers rely less on traditional information sources such as trade shows or catalogs (Diba et al., 2019) and more on salespeople's ability to analyze their needs and offer consultancy (Ogilvie et al., 2018). Social media gives customers information access to various offers of various suppliers and the experience of other buyers (Diba et al., 2019) before contacting a salesperson (Ogilvie et al., 2018).

Following these literature implications, the changed information situation can have advantages for both sides in the sales process since it improves understanding and contributes to reaching consensus (Zhang and Li, 2019).

Business Relationships

Social media can support salespeople in communicating with customers en masse or in personal and individual interactions (Agnihotri et al., 2016; Andzulis et al., 2012). It enhances interactive dialogues within and between organizations (Guesalaga, 2016). Notably, social media supports sales by improving salespeople's communication quality (Guenzi and Nijssen, 2020), showing connectivity (Marshall et al., 2012), and engaging customers (Lipiäinen, 2015). Moreover, social media leads to better responsiveness of salespeople (Agnihotri, 2020) due to the 24/7 availability via social media (Marshall et al., 2012), and sales is getting closer to its customers (Agnihotri et al., 2012). The new possibilities of social media offer salespeople to communicate with a large set of customers simultaneously (Agnihotri, 2020) and are key to positive interactions between sales and customers (Agnihotri et al., 2016).

Due to the involvement of several participants, the co-creation of value is facilitated (Guesalaga, 2016), and the literature reveals that social media transforms customers from passive to active participants (Moncrief et al., 2015). The communication is no longer two-way but involves multiple intra-business interactions (Diba et al., 2019). However, the customer relationship increasingly loses its human touch (Agnihotri et al., 2012).

Previous research claims more proactive sales behavior to satisfy customer needs (Agnihotri et al., 2012; Alamäki and Korpela, 2021). Social media in sales profoundly changes the relationship between customers and sales, and the new task of sales is to coordinate, improve and engage the interactions within this network (Agnihotri et al., 2012; Mattila et al., 2021). Relationships are no longer dyadic, and thus an ecosystem approach to develop beneficial relationships is required (Alamäki and Korpela, 2021; Wengler et al., 2021).

Social CRM as New Management Approach

Previous research has three viewpoints on CRM. The first viewpoint sees CRM as a tool or set of tools, the second defines CRM as a process, and

according to the third, CRM is a company-wide strategy (Jelinek, 2013; Lipiäinen, 2015; Ryding, 2010). CRM as a company-wide strategy is the most developed thinking of CRM and emphasizes the importance of including all stakeholders in value creation (Lipiäinen, 2015). Researchers revealed that CRM technologies on their own do not provide extensive value to firms, but CRM is most efficient when combined with other processes and resources (Trainor et al., 2014). For this reason, the next development level of this viewpoint is social CRM (Rodriguez et al., 2012).

Despite the lack of a generally accepted definition of social CRM (Marolt et al., 2015), scholars mostly agree on social CRM “as the integration of customer-facing activities, including processes, systems, and technologies, with emergent social media applications to engage customers in collaborative conversations and enhance customer relationships” (Trainor et al., 2014, p. 1201). Social CRM can be seen as an extension of CRM: It uses CRM as the overall company philosophy (Lipiäinen, 2015) and adds the dimensions “people” and “social media” to CRM (Turban et al., 2016). Social CRM highlights social media as a unique information source (Cheng and Shiu, 2019). While CRM was focused on transactional data, social CRM requires more personal information and descriptive data (Lipiäinen, 2015). If social CRM is applied correctly, sales and customers can benefit from it due to higher trust, increased loyalty, as well as better and quicker services (Turban et al., 2016).

DISCUSSION

This research shows that social media can be applied in every sales process step (Andzulis et al., 2012). However, most B2B companies prefer applying it to acquire new customers at the beginning of the sales process (Fraccastoro et al., 2021; Schultz et al., 2012). For this reason, B2B companies are not using social media to its full potential.

Beyond that, the research shows that social media profoundly changes the nature of business environments. Firstly, sales, customers, and even competitors are better informed than ever before (Zhang and Li, 2019), implying a change of sales practices. Since the customers can acquire information independently, they are more self-informed. That is why sales' role as a distributor of information becomes less important. Sales must consider these new well-informed customers, adapt his behavior and engage customers. It is essential that sales knows the shared content on the various internet platforms and considers it by developing marketing strategies, acquiring new customers, preparing sales presentations, and responding to customers.

Secondly, the customer-sales relationship is changing due to social media enhancing en-masse communication and leading to multiple interactions within the ecosystem (Andzulis et al., 2012; Diba et al., 2019). Customers are increasingly reached on digital channels instead of physical ones (e.g., trade fairs). On the one side, the relationship has a less human touch, and sales must handle the complex interaction in the ecosystem. On the other side, sales must individually address the ecosystem's parties to satisfy their needs based on their social profile.

Thirdly, social CRM is an approach to solving information immediacy and handling the new types of relationships since it emphasizes the importance of all parties in the ecosystem (Lipiäinen, 2015). Following this, the whole sales organization must be re-aligned to benefit from the social data gathered through social media, the new information situation, and the resulting new type of relationship. Accordingly, organizational alignment is the key to successfully applying social media in B2B sales.

CONCLUSION

This article gave an overview of social media and presented definitions and use cases in B2B sales. In total, this article discussed three fundamental changes that are triggered by social media: Due to social media, information is ubiquitous, and every content can be shared at every time. The new possibilities of social media lead to changes in the customer-sales relationship and call for a role change of sales. Lastly, an important approach to handle these new requirements is social CRM. For this reason, the whole organization needs to be re-aligned and change its capabilities to satisfy the needs and requirements of the whole ecosystem.

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