



Rules of THUMB for B2B Research

Some thoughts on what works
and what doesn't for
today's B2B researchers.

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When I was in graduate school in the '70s,

marketing research courses focused on consumer research and rarely discussed B2B research. Lectures on sampling and statistical reliability usually assumed large populations. Techniques, like conjoint analysis, required the kind of laborious input from respondents that only consumers with a lot of patience might be likely to give. And my bible, Robert Ferber's *Handbook of Marketing Research* (McGraw-Hill, 1974), focused almost exclusively on consumer topics. Out of scores of chapters, not one focused exclusively on B2B research.

The situation in today's marketing research literature is not very different. In 1999 and 2000, *Marketing Research* published 34 feature articles. Of these, only one had a recognizable focus on B2B research. While I have heard several conference speakers talk about their B2B research, this information does not usually find its way into the literature. This leaves business researchers grappling with the special challenges of B2B research on our own. I vividly recall working on my first few B2B research projects, trying to determine what standard consumer approaches would work, and realizing that none of them would quite do the trick.



EXECUTIVE SUMMARY

Traditionally, marketing research has focused on consumer issues, leaving B2B research professionals to grapple with these issues on their own. To shed some light on this often ignored area, the author provides 10 rules of thumb for today's B2B researcher. She lists the challenges researchers may face, suggests solutions, and invites readers to share their opinions as well as their war stories from the sometimes rough B2B research terrain.

Over the years, I have developed and used many rules of thumb for B2B research. I offer some here in the hopes of starting a dialogue with *Marketing Research* readers so we can share our insights. I have organized these suggested rules of thumb around the typical flow of a research project. (See sidebar.)

Design research to foster customer relationships. The first rule of thumb applies across all the phases of research. Because there are fewer B2B customers than there are consumers, and because the average B2B customer represents a larger sales volume than the average consumer, I try to design the research process to enhance or strengthen the relationship with these valuable and difficult-to-replace business customers. This affects the recruiting process, the tone of the questioning session, and the way research results are reported. I believe the value of B2B customers places a special burden on us researchers to see our work as part of a relationship management process and to do all in our power to use our research to build that relationship.

LAY THE GROUNDWORK

Allow extra time to talk to the staff, especially those with customer contact. Laying the groundwork for consumer research is usually straightforward. We typically talk to a senior marketing, advertising, or product manager who is looking for a way to build sales through a new product or an improvement in some element of marketing. Once we have agreed on the objectives and approach for our research with the person commissioning the research, we are ready to begin.

However, in firms that market to businesses, many people have customer contact and insights. For instance, the salespeople at a corporation that provides aircraft and engine parts and maintenance said respondents should be contracting officers because they make the purchase decisions. However, the CEO and CFO said the vice presidents of purchasing and senior executives were important. And the staff who fulfilled orders said the customers on the hangar floor were the people to please. This information had a major impact on our selection of respondents and saved the project from a serious oversight.

There are several reasons for talking to as many people as possible. First, we want to notify them that the research is going to be conducted, so they aren't blindsided by questions from their customers. Second, we want to address any concerns the staff may have about the research because this will help increase the acceptance of the research. In one firm, salespeople were

very suspicious that the research might be a way to evaluate them personally and were reluctant to give us the names of their customers. So it was important to listen to their concerns and explain the true purpose of the research. Third, we want to be sure the real research objectives are defined. It's common for different functions to have different goals for the research, which we need to uncover before beginning the research. So plan to spend extra time laying the groundwork by talking to as many people as possible who have contact with and knowledge of the customer.

SELECT AND PULL THE SAMPLES

Expect multiple respondents from each business customer organization. Customer firms frequently have several types of individuals who are potential respondents. These typically include some of the following:

- **Senior executives.** They focus on the strategic relationship between their firm and the vendor firm, interact primarily with senior executives at the vendor firm, and hear only about major problems between the two firms.
- **Contract administrators or purchasers.** They focus on the financial and contract terms, meet with vendor counterparts periodically to discuss performance and contract renewals, and hear about major daily problems between the two firms.
- **Daily interactors.** They interact with their customer service or operations counterparts at the vendor firm, have daily or frequent contact, experience problems firsthand, and may be unaware of cost or contract terms.

There is often disagreement about which individual customer types should be interviewed. In one case, the salespeople of a medical products firm insisted we interview only physicians because they focused their sales efforts on physicians. But the CFO insisted we interview hospital administrators and nurses because he had read they were making more of the actual purchase decisions. We finally resolved the issue by conducting a snowballing research study of purchase influencers, which showed that many people played a role in purchase decisions. As a result, I often find myself interviewing all three types of customers, although each one may be asked slightly different questions.

Expect compiling a customer sample list to be challenging, but worthwhile. Most businesses that market to other businesses cannot buy a ready-made list of customers (even potential customers), and most do not have complete existing customer lists, so you can expect pulling sample lists to be challenging. While the situation appears to be improving with the advent of customer relationship management (CRM) databases and the understanding of their power, many firms do not have good customer lists where they can find a suitable sample. I have had to assemble lists by asking people to go through their Rolodexes or to review bills and contacts. The challenge is compounded when we want to interview potential customers. Then we have to try to combine purchased lists or databases with our

customer lists. About the only experience I have not had is finding a customer list that's ready made and up to date.

Given the effort involved in developing a good customer sample list and the natural resistance to the task, I emphasize that the list can be used repeatedly and be the basis for a powerful CRM database. For instance, one company had more than one dozen separate business units, many sold to the same business firms. Once we had laboriously collected their customer lists, this formed the basis for a linked CRM database that covered all business units and demonstrated how many customers they shared. It also demonstrated the power of joint marketing.

SELECT THE RESEARCH APPROACH AND METHODOLOGY

Be creative in selecting interview methodologies. When selecting an interview approach, it's important to respect the respondents' busy schedules. A large oil firm wanted to survey its major customers each year, but the customers were extremely busy people who got many requests to do surveys. We decided to conduct our research during the annual performance review meetings with these customers. These meetings provided a chance for the top executives from the oil firm and the customer to talk for an hour or two about strategy, performance, and plans for the future. We got almost universal cooperation because the business customers valued the meetings and were in the mood to confide.

Another firm that supplied enterprise software for universities wanted to conduct focus groups but knew the clients could not travel to a central site. We took advantage of an annual users' group meeting hosted by the firm to hold the focus groups. We also conducted research at the annual industry conference with great success. With customers spread out around the country or world, researchers often can conduct face-to-face interviews most effectively when combined with other scheduled events.

We also face the challenge that business customers are often not at their desks (or may not even have desks) and work at unpredictable hours. This calls for creativity in selecting an interview method. For awhile, when faxes were new, many business respondents answered fax surveys—especially if they were in other time and language zones such as Asia. Now, if we have their e-mail addresses, they sometimes respond to e-mail surveys. For instance, one high-tech organization has had great success in e-mailing surveys to its technology customers because it has all their e-mail addresses and because the respondents are used to communicating by e-mail. In fact, we find that open-ended answers on e-mail are far more eloquent than answers to mail surveys (probably because respondents can type answers more quickly than they can write).

We all know we need to use highly specialized interviewers for highly valued business customers. However, I have repeatedly faced situations where the firm wants to do its own interviewing—sometimes to save money and sometimes because they think the customer will be more willing to talk to them than to a professional interviewer. Sometimes they are correct, and I have used their people after training them how to interview well. One firm wanted to use its executives and salespeople to conduct a simple survey with its top accounts while holding regular sales and review meetings. I put together a two-hour training program

for them on the dos and don'ts of interviewing (no desk pounding, no arguing, and no selling instead of listening) and then had them practice in several humorous scenarios (with one person playing a difficult customer and one playing the interviewer). This worked well and gave the executives a new listening skill many of them had lacked.

One interesting downside of this method is that busy executives gradually lose their enthusiasm for doing these interviews. This means that the most important customers (those assigned to the top executives) are not being heard. I try to watch this carefully and offer remedial training and incentives if we are going to make this method successful. While no interview method is always perfect, I have found we can increase our cooperation rate by offering to share the results with the respondents.

DESIGN THE QUESTIONS

Keep questionnaires as sweet and short as possible. The questionnaire probably has the biggest impact on respondents' satisfaction with the interview and their feelings about the company conducting the research. A questionnaire that asks engaging or interesting questions and allows the respondents to express their own opinions in a conversational way (instead of just giving dry lists of ratings) can be a relationship-building experience.

For example, one industrial business unit was required by headquarters to measure customer satisfaction each year using a lengthy standardized questionnaire. However, respondents told us they hated the interview and would not repeat it. So we selected the three most important quantitative questions and asked them at the end, after we had engaged the respondents in a conversation based on qualitative questions. This eliminated all objections to the interviews and, in fact, gave us richer information than the original survey. It also allowed us to track our performance based on the three key questions.

Phases in a B2B Research Project

1. Lay the groundwork
2. Select and pull the samples
3. Select the research approach and methodology
4. Design the questions
5. Record and analyze the data
6. Report the results
7. Plan, communicate, and act

Busy customers like short and simple questionnaires. While short surveys may leave some questions unanswered, they can become the basis for a continuing dialogue with valued customers. For instance, one insurance firm uses a very short survey mid-way through each year's contract to ask whether the customer plans to renew, why, and whether they have any suggestions for improvements. This allows the insurance company to call the customer back to discuss any concerns or suggestions for improvement and to thank the customer for the renewal. The answers to these follow-up calls are then added to the survey database.

Don't automatically make replies anonymous. Most of us have grown up with the idea that respondents should be kept anonymous to prevent firms from using their replies in unscrupulous ways. The classic how-not-to case was a survey created by a funeral home asking consumers if someone in their family was seriously ill. The funeral home then created a call list to prey on the distressed families.

However, in B2B situations, the customer often feels a bond with the supplier and may prefer to have his or her answers reported by name. One customer spent nearly half of its annual budget with one supplier and did not want its answers to be anonymous. In fact, the customer asked that the results be reported by name, and it prepared its own evaluation of the supplier, which it shared each year with them. In cases where the supplier is important to the customer and where relationships have been established, the customer is almost always willing to waive anonymity. So I recommend asking the respondent at the beginning of the interview if he or she is willing to answer on the record.

RECORD AND ANALYZE THE DATA

Put extra effort into recording and analyzing qualitative information. Almost every business has a way to record quantitative information, but almost no business has a way of capturing all the qualitative information it acquires. For instance, it is common for businesses to hear from their customers during sales meetings, annual executive or supplier review meetings, contract renewal discussion, industry conferences, and calls to customer service. However, it's uncommon for them to have a way to record and analyze this information.

Let's take the example of a questionnaire—administered by salespeople during an annual contract renewal meeting—that primarily asks qualitative, free-form questions. Let's assume dozens of interviews are completed and we need to develop a process for recording and integrating this information effectively. There are several steps to this process.

First, each salesperson must do a good job of recording what was said. This can involve tape recordings and transcriptions or taking good notes and writing them up as soon as possible after the meeting. I have found it helpful to train the salespeople how to organize their information around the key questions covered in the interview or around key points, such as likes, dislikes, suggestions for change, or future needs.

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The second step is to code the open-ended responses so we can see what issues are discussed. Some firms use a cross-functional team to review the replies and discuss codes (along with what this means for the firm). Other firms assign the task to researchers or have the executives code the answers to the interviews they conducted (based on pre-determined codes).

The third step is to put all this information into a common database where it can be analyzed and retrieved. Many firms like to put the information into a CRM database or Lotus Notes so they can keep track of what each customer

firm has said over time. Ideally, they also connect the customer databases to a research tool (e.g., Access or Excel) so the information can be turned into codes and percentages for analysis. It also allows us to segment replies by size or type of account.

While the process of recording and analyzing qualitative information is time-consuming and expensive, it is the best way to make use of this valuable customer feedback, and I see more and more firms doing it well.

REPORT THE RESULTS

Personalize results with customer reports to increase credibility and action. Just as some consumer marketers respond better to focus group quotes than to quantitative reports, many B2B executives find results reported by business customers to be more believable than ones that are aggregated. Take the case of a business that leased huge pieces of equipment and had only about 25 current customer firms, with 20 of them responding to the survey. We realized that reporting aggregated statistics was useful for certain key questions (i.e., overall evaluation and intention to lease again), but the managers preferred to hear exactly what each customer firm said. We prepared two types of reports because we could have more than one respondent from each firm.

The first type was a report by customer organization, showing the exact answers that each respondent in that firm gave to each question. It showed the individual and combined rating answers and provided the complete text of all open-ended answers. This report allowed the account teams to study their accounts, determine what needed to be done, and then respond individually to each account and the individuals in the account. The second type was an aggregated report that showed some overall statistics and then discussed the similarities and differences in the answers of the various accounts. For example, it was able to report that 18 of the 20 accounts had one problem in common and that the firm might want to have representatives of its account teams work together on that common problem. Reporting by account is a powerful tool that I recommend whenever the budget permits and when the customers are valuable enough to warrant it.

PLAN, COMMUNICATE, AND ACT

Communicate with customers and involve them in implementation. One of the best ways to boost response rates and to foster a relationship with customers is to communicate to cus-

tomers what has been learned and what is planned. I first saw this used by an insurance company in communicating with the insurance brokers. It sent every broker (even those who had not participated in the survey) a letter stating, "Here's what we learned from the study; here's what we are planning to do as a result; and here's what you can expect to see happening soon. Please tell us if you think we are on the right or wrong track." This letter did several things. It showed the brokers that the company really cared and based its plans on their answers. It alerted the brokers to coming changes and increased satisfaction more quickly than would have been possible if the brokers weren't looking for improvements. And it got some brokers to volunteer to discuss changes and act as sounding boards for future improvements.

Communicating with customers allows us to involve them in implementing whatever action the research dictates. Many firms establish customer advisory groups, which are made up of customers willing to offer periodic advice to the firm about decisions it is contemplating. For instance, a dental insurance firm has advisory groups for its participating dentists and for the employer groups that buy its group insurance. These groups are asked to comment in depth on why certain issues arise on surveys and to critique new products or new marketing efforts

before the firm implements them. The firm also asks its closest customers to take part in its annual strategic planning process. The benefits of involving customers in implementation are obvious, and B2B customers are more likely than consumers to participate without pay and on an ongoing basis because it is in their own interests to do so.

NEXT STEPS

I hope these rules of thumb will be the beginning of a general conversation about what works and doesn't work in B2B research. I am sure many other researchers have developed their own rules of thumb, and I hope they will share their ideas by writing letters to the editor or submitting articles here about what they have learned. I'd love to hear whether people agree or disagree with what I've said and whether they think I've missed something important. And I'd like to think these letters and articles will be the foundation for literature in B2B research—a neglected, but vital activity. ●

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