

# Commentary on “Business-to-Business Marketing Textbooks: A Comparative Review”

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**ABSTRACT.** The proposal by Backhaus, Muehlfeld, and Okoye (2002) to design a business marketing text around a framework of customer-relationship types is provocative and spawns a useful debate on the issue of what should actually be taught in the business marketing course, particularly at the undergraduate level. We believe that the approach may increase the attention given to relationship marketing but do so by sacrificing coverage of core content that students and informed business marketing managers need to know. In the end, we opt for a more comprehensive approach in exploring strategy making for the business market while they chart a narrower and more specialized path. [Article copies available for a fee from The Haworth Document Delivery Service; 1-800-HAWORTH. E-mail address: <getinfo@haworthpressinc.com> Website: <[http:// www.HaworthPress.com](http://www.HaworthPress.com)> © 2002 by The Haworth Press, Inc. All rights reserved.]

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Drawing on Bloom's (1956) taxonomy of educational objectives, Backhaus, Muehlfeld, and Okoye (2002) provide a comparative analysis of business-to-business marketing textbooks, including our volume (Hutt and Speh 1998), and offer some interesting and provocative observations. As an outgrowth of their analysis, they suggest that content and coverage gaps evident in existing offerings might be filled by structuring a textbook around an explicit typology of business relationships or transaction types. Issuing from the commodity school (Sheth, Gardner, and Garrett 1988), they argue that transaction-type approaches address the extreme heterogeneity of marketing processes in the business market. Moreover, they contend that these approaches provide a base for considering the differentiated development of marketing strategies tailored to particular types of customer relationships.

Rather than exploring the appropriateness of Bloom's (1956) framework to the topic at hand or considering findings related to particular criteria (e.g., comprehensibility) we chose instead to center our commentary on the core recommendations that issue from the analysis by Backhaus and his colleagues (2002). In particular, we center attention on the knowledge areas that provide the foundation for a relationship marketing perspective as well as those that define the domain of a business marketing course. We believe that a text built around a transaction-type perspective is likely to suffer on some of the criteria that the authors use in evaluating existing volumes, most notably on the dimensions of breadth, the coverage of current topics (for example, supply chain management) and depth of treatment. Before we begin, we will offer some brief observations on the comparative analysis.

### THE POSITIONING OF THE TEXTS

The comparative analysis of business marketing texts by Backhaus et al. (2002) required a significant investment of time and we commend them for their effort and systematic approach. The textbooks were evaluated on numerous dimensions and some decisive recommendations are offered for consideration. Moreover, the discussion serves to highlight the complexity of organizing the content of business marketing and unfolding it in a way that squarely responds to the needs of both the student reader and the instructor.

While we are pleased with the overall assessment that the authors provide of our volume, we feel compelled to address some positioning issues that emerge in the analysis of competing volumes. In particular, we be-

lieve that Backhaus et al. (2002) err by classifying Anderson and Narus (1999) and Webster (1995) as undergraduate texts. While, no doubt, both can be used effectively at the undergraduate level, we believe the analysis overlooks the way in which the volumes are used. Anderson and Narus (1999) provide a very timely and innovative discussion of the value creation process for business markets. By adopting a clear focus and exploring the value creation process in a systematic and comprehensive way, they provide an important contribution to the business marketing literature. Rather than an undergraduate text, the volume—augmented with Harvard cases—would seem to be best suited to the graduate level. The stated goal of the volume is to provide an integrated treatment of value-creation strategies in the business market and, in our view, they deliver on that promise. In turn, Webster (1995), supported with a selection of cases, has likely been used more at the graduate or executive-program level than at the undergraduate level. On balance, then, the distinct merits of both volumes become more apparent when positioned at the graduate level and used by an instructor who emphasizes a case format. We will now turn our attention to the recommendation by Backhaus et al. (2002) that a transaction-type perspective may provide the most appropriate organizing framework for a business marketing text.

## BUILDING A FOUNDATION

The design of a textbook should mirror the organization of a course, particularly at the undergraduate level. Because students enter the course with limited exposure to the business market, the early chapters of a text must engage the student-reader and provide an important foundation for understanding how buyer-seller relationships operate in the business market. Before the proposed transaction-type framework could be adequately grasped and understood by the reader, important content must be established in at least three areas: (1) the distinguishing characteristics of the business market; (2) the structure and orientation of the purchasing organization; and (3) the organizational buying process.

### Business Market Characteristics

To instill a focus on organizations (rather than households) as the unit of analysis, special attention must be given to the similarities and differences between consumer-goods marketing and business marketing, the types of customers that comprise the business market, and the forces that drive business market demand.

### The Purchasing Organization

As leading-edge organizations like General Electric, Dell, and Honda adopt more sophisticated purchasing approaches, business marketers must respond with well-conceived and timely strategies. In turn, the business marketing course should reflect the forces that are reshaping the purchasing function and how organizations buy goods and services. For example, purchasing managers are giving increased attention to the total cost of ownership, which “considers both supplier and buyer activities and costs over a product’s or service’s complete life cycle” (Laseter 1998, p. 224). Moreover, purchasing managers continue to utilize value analysis and complexity management that seeks cost reductions by simplifying the design of products.

Leading procurement organizations are also giving increased attention to segmenting their total purchases into distinct categories and sharpening their focus on those purchases that have the greatest impact on revenue generation or present the greatest risk to corporate performance. Such a trend has profound implications on relationship marketing strategies. To illustrate, business marketers should define where their offerings are positioned in the portfolio of purchases that a particular organization makes. Of course, this will vary by firm and by industry sector. The profit potential is greatest in those purchasing organizations that view the purchase as strategic. By understanding how customers segment their purchases, business marketers are better equipped to develop customized strategies and target profitable segments. Compared to more traditional buyers, recent research also suggests that more strategically-oriented purchasing managers are (1) more receptive to information and draw it from a wide variety of sources, (2) more sensitive to the importance of longer-term supplier relationships and questions of price in relation to performance, and (3) more concerned with the distinctive competencies of suppliers in evaluating alternative firms (Spekman, Stewart, and Johnson 1995).

### Organizational Buying Behavior

Each decision a business marketer makes is based on the probable response of organizational buying. At a fundamental level, we believe that students should be exposed to the rich research tradition that has emerged in the marketing literature. Understanding the dynamics of organizational buying is a prerequisite for identifying profitable segments of the organizational market, for locating the buying influences within

these segments, and for reaching these organizational buyers efficiently and effectively with a relationship marketing strategy.

#### Hurdles for a Transaction-Type Perspective

Bloom's taxonomy (1956) includes basic capabilities (knowledge and understanding) and skills (application, analysis, synthesis, and evaluation). One of the complexities of organizing a text around a transaction-type framework is the need to provide the reader/student with a strong foundation of knowledge related to the defining characteristics of the business market. Before relationship marketing strategies can be explored beyond the descriptive level, the student must develop an understanding of the distinguishing characteristics of business markets, the perspectives and tools of analysis that purchasing managers employ, and the nature of organizational buying behavior. A central challenge in the undergraduate business marketing course is to unfold the content in a way that moves from knowledge fundamentals and application to analysis and evaluation. Before a transaction-type perspective could be fully grasped, appreciated, and applied by the student, these fundamental knowledge areas must be established.

### DEVELOPING A RELATIONSHIP MARKETING PERSPECTIVE

Backhaus et al. (2002) suggest that a business marketing text might start with a general derivation of transaction types and then, in subsequent chapters, explore particular types of relationships using a marketing management or alternative perspective. We agree that relationship marketing constitutes the heart of business marketing but, of course, adopt an alternative structure in exploring the area. In fact, the seventh edition of our text (Hutt and Speh 2001) clearly demonstrates the significant importance that we assign to the area. Part II of the text, *Managing Relationships in Business Marketing*, is comprised of three chapters—*Relationship Strategies for Business Markets*, *E-Commerce Strategies for Business Markets*, and *Supply Chain Management*. (To provide an objective comparison, we understand the decision by Backhaus et al. (2002) to use our sixth edition in the analysis, thereby centering attention on volumes published in the 1990s.)

### Relationship Strategies

The goal of our relationship marketing chapter is to examine:

- the patterns of buyer-seller relationships in the business market, including the types of customer relationships;
- the relationship connectors that are used in different types of buyer-seller relationships (Cannon and Perreault 1999);
- a procedure for designing effective relationship marketing strategies;
- the critical determinants of success in managing strategic alliances.

### E-Commerce Tools

Because the Internet provides a powerful medium for developing a one-to-one relationship with customers in the business market, e-commerce strategies are explored in conjunction with our treatment of relationship marketing. Leading-edge companies, like General Electric and IBM, are using the Internet to convey information, conduct transactions, deliver a host of new services, and forge closer customer relationships. E-commerce strategies likewise pose a host of relationship challenges with channel members as well as with the firm's sales organization.

### Supply Chain Management

Supply chain management is crucial in the execution of relationship marketing strategies. Supply chain management assures that product, information, services, and financial resources all flow through the entire value creation process in an effective and efficient manner (Cooper, Lambert, and Pagh 1997). Organizational buyers assign great importance to supply chain processes that reduce cost and eliminate the uncertainty of product delivery. Likewise, business marketers invest considerable financial and human resources in creating supply chain connections to serve the needs and special requirements of customers. For these reasons, we elected to give chapter-length attention to supply chain management in the seventh edition in order to provide a more comprehensive examination of buyer-seller relationships in the business market.

### Hurdles for a Transaction-Type Perspective

As supply chain management and a host of e-commerce tools are transforming buyer-seller as well as channel relationships, students are introduced to a new set of theories and concepts that illuminate how business marketers can synchronize activities with suppliers and customers and forge tighter connections with both. In designing a text around customer relationship types, a key hurdle will concern the treatment of these important areas. For example, should the concept of supply chain management be treated in an integrated way before tackling various types of customer relationships or should the treatment be spread across the volume? In the end, the choice, once again may come down to identifying the core topics that provide the reader with the proper foundation for grasping, understanding, and applying a transaction-type perspective. These are the types of questions that make text writing both interesting and challenging.

### CAPTURING STRATEGIC MARKETING CONTENT

Strategic management theorists criticize the marketing literature for its dominant focus on competition in clearly defined, existing markets. For example, Prahalad (1995, p. v) notes: "It is imperative that researchers consider not only served markets, but also evolving markets; not only existing benefits to customers, but also newer (potential) benefits to customers. Existing conceptions of 'served markets' are not a good basis for understanding competitiveness in industries that are evolving." Clearly, high-technology industries, featuring rapidly-changing customer requirements and fast-paced changes in the field of competitors, fall squarely into the business marketing domain. Indeed, high-tech markets represent a rapidly-growing and dynamic sector of the world economy, but yet, often receive only modest attention in the traditional marketing curriculum. The business marketing course provides an ideal vehicle for examining the special features of high-technology markets and for isolating the unique challenges that confront the marketing strategist in this arena.

### Hurdles for a Transaction-Type Perspective

To meet the challenges of new competitors, to respond to the changing needs of existing customers, or to carve out enticing new market opportu-

nities, a range of strategic processes are involved at the product-market, business unit, and corporate levels. A text built around the management of various types of customer relationships must be supported by frameworks that explore strategic decision processes and the innovation management process. Without this strategic perspective, the discussion will be confined to the served market, overlooking many themes that capture the interests and attention of students.

### CONCLUSIONS

Since the first edition of our text was introduced two decades ago, we have found the marketing management perspective to be an effective organizing framework for incorporating new content into a subject area that is growing and developing. Responding to changes in practice, a growing body of research in the business marketing domain, and new theoretical perspectives, some new chapters were added, others were consolidated, and all were thoroughly updated. During this time, increased emphasis in theory and practice have been given to value-based strategies and customer satisfaction, customer relationship management and customer retention, business-to-business services, innovation management, e-commerce, high-technology marketing, and supply chain management. Indeed, a host of new terms and concepts have entered the vocabulary of the practicing manager. Over time, however, our goal and central focus has remained the same: to provide the student/reader with a foundation of knowledge on the core concepts that informed business marketing managers need to know and to provide them with tools and conceptual frameworks for enhancing their decision-making capabilities in the field.

The proposal by Backhaus et al. (2002) to design a volume around a transaction-type perspective is intriguing and particularly useful in sparking a debate on the issue of what should actually be taught in the business marketing course, particularly at the undergraduate level. However, as our commentary suggests, we believe that the approach may increase the attention given to relationship marketing, but do so by sacrificing coverage of core content that students and informed business marketing managers need to know. In the end, we opt for a comprehensive approach in exploring strategy making for the business market while Backhaus et al. (2002) chart a narrower and more specialized path.

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