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In This Issue . . .



Gary L. Lilien



J. Andrew Petersen

As we head into summer (in the Northern Hemisphere, at least), we note that this is the first ISBM Newsletter of 2019. That does not mean that there has been no ISBM news this year; quite the contrary. But, as the French say, plus ça change, plus c'est la même chose. So you will see in this newsletter—a number of changes, but much business as usual.

Our Feature this issue is from Mahima Hada, on *Using Experiments in B2B Research*. Experiments are the gold standard of research in the social sciences (and the only known cure for the curse of endogeneity), and, as Mahima points out, B2B presents special challenges for such experiments to have both internal and external validity. Note to PhD students: keep an eye out for an ISBM PhD Seminar Series (IPSS) course on the topic that Mahima will co-teach in the Spring of 2020.

Talking about IPSS, Andrew Petersen introduces the Fall IPSS lineup. IPSS will offer two courses this Fall semester: Sundar Bharadwaj will teach the course *Marketing Strategy* and Rajkumar Venkatesan and Sarang Sunder will teach the course *Metrics and Statistical Models in B2B CRM*. Please bring these valuable offerings to the attention of your B2B (or potential B2B) PhD Students.

We are pleased to announce the winners of the 2018 ISBM Dissertation Support Award Competition: Manuel Berkmann (University of Cologne), Ljubomir Pupovac (University of Technology Sydney), and Alexandru Oproiesu (Ruhr-University Bochum). Note also that entries for the 2019 competition are due on September 15.

And also in the “business-as-usual” category, mark your calendars for the next ISBM PhD Camp and ISBM Academic Conference. Both will be held in San Francisco, 17-19 August 2020, immediately before Summer AMA as is our custom. We are pleased to announce that the Camp and Conference will be hosted by Wharton West. Christophe Van den Bulte will co-chair the conference with Andrew Petersen and Lisa Scheer will direct the PhD Camp along with Kersi Antia.

But several things have, indeed, changed. First, please see Lynn Yanyo’s *From the Membership* column: it describes the philosophy behind and the content of the newly launched B2B Marketing Excellence Curriculum, the key focus of the practitioner side of the ISBM moving forward. Please bring that information to the attention of B2B practitioners you know who need B2B training by B2B specialists. (Isn’t that everyone?)

Second, the ISBM has joined forces with the Marketing Science Institute (MSI), so that future B2B academic research proposals that might previously have been funded by ISBM at Penn State should be directed to MSI. To help ensure continuity and increased focus on B2B at MSI, Gary Lilien has recently been appointed an MSI Academic Trustee. Draft proposal outlines on B2B research can be sent to him for feedback, but formal proposals will need to be sent directly to the MSI Executive Director, Barbara Kahn.

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Third, Stefan Wuyts has agreed to become editor of B2B Pulse. Our goal with B2B Pulse is to make it a global depository of the latest in B2B thinking, both on the academic and on the practice side. Expect to hear from Stefan in the near future with his plans and how you can contribute.

We hope you enjoy the issue and have a great summer!

Gary and Andrew

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Feature:

Using Experiments in B2B Research



Mahima Hada

“Although you take an econometric-based approach to rule out alternatives, you cannot operationalize any of the key perceptual constructs that are core to the theory with this design.”

- Editor of an A Journal; 2018

The above words from an Editor (of an A Journal) emphasized one of main reasons my paper was rejected. A quick background: in this paper, my co-authors and I are studying how a firm’s contract change impacts their relationship with their partners, which, in turn, impacts the firm’s performance. As is often the case with empirical papers, we measure contract changes and firm performance with before-and-after secondary data; we hypothesize what happens through partners’ relational behaviors, but we do not measure the latter. To provide confidence in our results, we use several econometric methods (e.g., hausman test, propensity matching analysis, heckman model) to rule out alternative explanations and other concerns related to endogeneity. We assume that is enough because, after all, we cannot look into the minds of the partner firms’ managers, can we?

But we can. Not through our current design, but through experiments; which, not only answer the question of “what were the managers thinking” but, by design, also rule out endogeneity concerns. The internal validity of experiments makes the method valuable in establishing causality, and mediation analysis can provide support for perceptual constructs (answering the Q “what were the managers thinking”). And yet, the use of experiments in B2B/interfirm settings is still rare. It should not be. To make this case, first, I will address some common concerns regarding the use of experiments in B2B settings, and second, I will present some ideal instances for experiments.

Common concerns regarding experiments in B2B research.

There can, of course, be several concerns regarding the use of experiments. I’m presenting three that I have most commonly faced – either myself or through the review process:

- **Complicated Context:** One of the common, and valid, concerns is that experiments do not capture the complexity of decisions that managers face in organizations. After all, making decisions regarding which food to eat in a restaurant is far simpler than making decisions on which supplier to award a contract to. Though valid, this is not an unsurmountable concern; and can be addressed by constructing scenario-based role-playing experiments, with realistic vignettes that capture the empirical context (see Hada Grewal and Lilien 2013 for descriptions of vignette construction). And (1) show the complex stimuli to managers in an open-ended interview and incorporate their feedback, and (2) include an item that asks respondents to rate the realism of the stimuli. And when reviewers question whether an experiment can capture the complex B2B setting, authors can present this data.
- **Sample:** Yes, undergraduate students and MTurkers are not a valid sample for experiments in B2B settings. Once again, not an unsurmountable concern. There are several options for better samples: MBA/Executive MBA students, Academic Prolific members (who can be pre-selected on the basis of work experience/industry/management level), and firms that specialize in B2B Panels (such as, Dynata Inc.). The sample requires careful selection, is expensive (B2B panels can cost more than \$20 per respondent), and the empirical context in the stimuli needs to be matched with the sample, but these efforts can also make a paper unique. Also, authors do not need an expensive sample for all their studies; in one of my

Feature:

Using Experiments in B2B Research *continued*

papers, one study is done with Purchasing Managers, and two with Executive MBA students (Hada, Grewal and Lilien 2014).

- **Number of Studies needed:** Given the number of factors that can impact organizational decision-making, studying them all would need a large number of studies – something that can be difficult to execute given the financial and time commitments these experiments need. So, authors should try and make one experiment do the majority of the work, by using fractional-factorial or conjoint-like designs (see Wathne, Biong and Heide 2001 and Stremersch et al 2003). Given the multi-study approach, the other experiments can be 2x2s done with less expensive samples.

When to use experiments in B2B Research? A very brief answer for this question would be - whenever possible. However, here are three guidelines:

- **Individual-level operationalization:** The authors should be able to operationalize the dependent variable at the individual level. A note of caution: most decisions in the B2B context are unlikely to be taken by an individual and unlikely to be influenced only by the main variable of interest (e.g., contract price will always play a role, but we are likely studying other factors). Therefore, operationalize the DV in a manner that the respondent can answer to; such as, likelihood of selecting the supplier for the “short-list” (Hada, Grewal and Lilien 2014), or consider multiple stages of the purchasing process (Wuyts, Verhoef and Prins 2009).
- **Small-sample Field Study:** If the field study has a small sample size and the paper hypothesizes moderating effects, authors may not have the power to use some of the empirical tests to rule out endogeneity (such as propensity score matching). Experiments can be effectively used to show support for the hypothesized effects, and rule out concerns related to endogeneity.
- **Improve Theoretical Contribution:** Experiments, especially to establish mediating effects from the perspective of what a customer/manager is feeling/thinking can increase a paper’s theoretical contribution. For a great example, see Harmeling et al 2015, who use experiments to establish support for their theory (with emotions as the dependent variable), and a longitudinal field study to establish their main effects (with customer retention as the dependent variable).

Thus, with experiments, we **can** “operationalize the key perceptual constructs that are core to the theory” (our Editor’s words). And I will be taking my own advice in the next version of our paper studying firm’s contract changes.

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Mahima Hada (Ph.D., Penn State) is an Assistant Professor and Director of Marketing Analytics Programs at the Aaronson Department of Marketing and International Business at Baruch College, City University of New York, NY. Her paper on Referral Equity won the 2016 Naresh K Malhotra Long-Term Impact award, and her paper on B2B referrals was a finalist in the prestigious MSI Paul H. Root Award 2015. Her work on effect of franchisors’ strategies during the recession resulted in her being named the Lang Fellow in 2014. She serves on the ERB of Industrial Marketing Management and the Journal of Business and Industrial Marketing. She teaches Marketing Analytics and Marketing Fundamentals. In 2017 she received Baruch’s “Excellence in Teaching” Award. She has been invited to be a panel member on Interbrand’s panel on B2B relationships in Fintech and Bloomberg’s Panel on Data Science and Machine Learning.

From the Membership: The B2B Curriculum



Lynn Yanyo

ISBM is pleased to announce an updated educational Curricula for our membership. You can find the details of this new Curricula at <https://isbm.org/curriculum/>.

We've broken down the basic elements of B2B Marketing by analysis, design/strategy and execution and then added courses in each area for fundamental as well as full mastery. Additionally, we have a few specialty courses, including one on B2B negotiations.

For academics, I invite you to have a look at the Curricula and let me know what you think. We will be publishing a rolling 12-month calendar of open courses shortly and intend to refresh these courses with your insights as needed annually - what courses should be added, who should teach them (self-nominations en-

couraged). And please pass on information about the Curriculum to the B2B firms you are connected with.

In line with our focus on the Curricula, we are upping our interactions with members through semi-annual B2B Marketing Excellence/Education Roundtables. Our next is September 25 and 26 in Pittsburgh. The discussion will focus on market insights and needs for future educational programming.

As always, I look forward to hearing from the academic community with comments about our offerings to membership, your research interests and important insights and trends for B2B.

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2018 Doctoral Support Awards Competition Winners Announced

Winners have been named in the twenty-eighth annual Institute for the Study of Business Markets Doctoral Support Award Competition. The ISBM's competition provides financial support for Ph.D. dissertations for candidates in accredited doctoral programs.

This year there were two winners and one honorable mention, named ISBM Doctoral Fellows. Each will receive a cash award to support their research.

Award Winners:



Ljubomir Pupovac

Ljubomir Pupovac (University of Technology Sydney)

Paying for Others' Mistakes: The Influence of Product Recalls on Suppliers' Market Value

Ph.D. Advisors: Francois A. Carrillat & David Michayluk



Manuel Berkmann

Manuel Berkmann (University of Cologne)

How to Leverage B2B Field Service Employees as 'Second' Sales Force

Ph.D. Advisor: Werner J. Reinartz

Award Honorable Mention:



Alexandru Oproiescu

Alexandru I. Oproiescu (Ruhr-University Bochum)

Does Digitalization in B2B Sales Really Pay Off? - Contingent Effects of Sales Digital Maturity On Firm Performance

Ph.D. Advisors: Christian Schmitz

This year there were thirty-six entrants from which ten finalists were selected. Dissertation entries are judged on the rigor of the proposed work and the relevance of that work to business-to-business marketing practice. For information about the competition, email the ISBM at ISBM@psu.edu or visit our website <https://isbm.org/for-academics/> for current competition information.

ISBM PhD Dissertation Support Award Competition

Penn State's Institute for the Study of Business Markets announces its twenty-ninth annual Business Marketing Doctoral Support Awards Competition. Up to three candidates in accredited doctoral programs will receive dissertation support awards. Dissertations in any area of business-to-business (industrial) marketing or in any of the methodological areas that support advances in business marketing will be considered. See our "Research Priorities" link for more information: Particular consideration will be given to proposals that address the areas of (1) Marketing's Role in B2B Innovation (2) B2B Buying Behavior and (3) B2B Customer Analytics.

In addition to applications from PhD students in marketing, we encourage applications from students in economics, management science, organizational psychology, statistics, anthropology and other disciplines whose developments help advance our understanding of the operation of the business marketplace.

The award consists of:

- Up to \$5,000 in financial assistance to be used for travel, conference attendance, data collection, and other expenses of conducting and presenting the results of the research.
- Assistance, as needed, in gaining the cooperation of both ISBM member firms and non-member firms for data, interviews, etc.

PhD candidates interested in the competition should submit an abstract of their research, not to exceed five double-spaced pages, along with a current vita and a vita of their dissertation advisor. The abstract should address the potential importance of their work to business marketing practice, its theoretical contributions, the research methodology, and the amount and kind of support requested. The abstract must be submitted no later than **September 15, 2019**. See special note on instructions for Electronic Submissions.

Proposals will be judged by an academic panel, consisting of representatives of the ISBM and qualified faculty members from other universities. The panel will not provide feedback to the entrants at this stage. Finalists will be notified by **October 10, 2019**.

Final proposals not to exceed 15 double-spaced pages are due on **November 15, 2019**. Winners will be announced by **February 15, 2020**. All finalists will receive feedback from the academic review panel.

Any pages of the abstract and/or proposal (not including reference pages) exceeding the page limits listed above will not be considered in the review process. Request samples of abstracts or proposals by sending an email to LNicolini@psu.edu.

Submissions should be sent as email attachments in pdf format, sent to LNicolini@psu.edu.

IPSS Update

IPSS will offer two courses this Fall semester. Sundar Bharadwaj (University of Georgia) will teach the course *Marketing Strategy*. This course is a doctoral seminar that focuses on marketing strategy formulation. Marketing strategy is a broad term with many meanings, and while scope and domain issues for the field continue to be debated, at a fundamental level has to do with how marketing concepts, tools, and processes can be used to help an organization develop a sustainable competitive advantage through the creation of superior customer value. While marketing strategy is a comparatively young field of study, substantive and sustained contributions by many of the discipline's leading scholars over the last 30 years have helped create a rich and diverse literature base.

Our second course offering will be co-taught by Rajkumar Venkatesan (University of Virginia) and Sarang Sunder (Texas Christian University). They will teach the course *Metrics and Statistical Models in B2B CRM*. The main objective of this course is to serve as a guide to the metrics and models in the CRM literature. They will do this by first identifying a way to measure the net present value of a customer to the firm, Customer Lifetime Value (CLV), and a set of metrics by which customers can be managed. Then, they will follow the lifetime of a customer with the firm by analyzing empirical models that allow us to better understand how managers can improve at each stage of the customer's relationship with the firm: acquisition, retention, growth, churn, and win-back. Finally, they will discuss how to implement CRM models with firms and to design and implement field experiments with firms to enhance the contribution of research.

Thank you Sundar and Raj for returning to teach their courses and Sarang for joining Raj to co-teach for IPSS; we appreciate your time and support of this program. The details on both courses will be available from <https://isbm.org/for-academics/> within the next week.

Also, we have already started planning for IPSS in the spring of 2020 with a great lineup of instructors and courses. There has been so much emphasis on establishing causation in marketing research. So, we have two courses scheduled which will provide an excellent survey of research techniques (empirical and experimental) for establishing causal relationships. They are:

- *Marketing Strategy Research with Causal Effects* – Hari Sridhar (Texas A&M)
- *Establishing Causality: A Multi-method Approach* – Mahima Hada (CUNY Baruch) and Alok Saboo (Georgia State University)

Please bring these Ph.D. seminars to the attention of your promising B2B PhD students. Students should follow the "Admission Procedure" on <https://isbm.org/for-academics> to register online (which will open in a couple of weeks). Registration deadline for the fall courses is August 31, 2019. Additionally, if you have any feedback or suggestions, please don't hesitate to contact me.

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Wharton West to Host 2020 ISBM B2B PhD Camp and Academic Conference

Mark your calendars! We are pleased to announce that the Wharton School will be hosting the 2020 Institute for the Study of Business Market's Biennial PhD B2B Student Camp for Research and the B2B Academic Conference at the Wharton West in San Francisco.

We plan to begin on 19 August with our PhD Camp for a day and a half followed by the Academic Conference kicking off at noon on 18 August 2018 and continue through the end of the day on 19 August. These dates are just prior to the AMA Summer Educator's Conference which will be held in San Francisco beginning on 21 August.

Some features of the events:

- **PhD Camp:** Designed for students who have completed at least one year of doctoral work and have interest in or are thinking of pursuing work in B2B marketing and management. There are no geographic or field restrictions; we anticipate that students studying in fields including marketing, strategy, management, R&D management, information systems, and business logistics/supply chain management will find the Camp attractive and beneficial.
- **Invited plus competitive paper sessions:** We will hold many concurrent sessions. The Institute is currently focused on three main domains that have emerged from the B2B Agenda: 1) The B2B Marketing-Innovation Link, 2) B2B Buying Behavior, and 3) B2B Analytics. Special consideration will be given to these topics.
- **Call for Proposals and Special Sessions:** will be emailed in early in 2020.

In the meantime, if you have any questions or suggestions for the committees, please feel free to contact any one of us.

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