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In This Issue . . .



Gary L. Lilien



J. Andrew Petersen

We hope our Northern Hemisphere colleagues are enjoying a relaxing (or productive) summer (that will be over all too soon) and that our Southern Hemisphere colleagues are dealing with winter appropriately. (Perhaps winter will skip the Northern Hemisphere this year?).

Talking about soon...it is not too late to plan to attend the biennial ISBM academic conference and PhD Camp, coming up August 8-9 at MIT in Cambridge, MA, just before Summer AMA.

The programs will be outstanding (see articles on both later in this newsletter) and it will be a great time as always to network with our B2B colleagues. And (spoiler alert), see Lynn Yanyo's "From the Membership" column for a very special feature.

Our lead article is by Andrew Petersen, *Choosing and Managing B2B Marketing Metrics*, addresses a topic of central importance to academics and practitioners alike. This is an article that should be shared with students and practitioners and should serve as an inspiration for new research on a very important topic.

You may have heard through other media, but we are pleased to announce that Kapil Tuli (Singapore Management University), Ajay Kohli (Georgia Tech) and Sundar Bharadwaj (University of Georgia) have won the 2018 ISBM-David T. Wilson-Sheth Foundation Award for Long Term Impact in B2B Marketing for their 2007 Journal of Marketing paper, *Rethinking Customer Solutions: From Product Bundles to Relational Processes*. The biennial award is made to a paper published in a refereed journal that has made a significant long run impact on the theory and practice of B2B Marketing and the award will be made at the Academic Conference, end of day on August 8. One more reason to plan to be at the conference!

To resolve the spoiler alert, ISBM Executive Director Lynn Yanyo in her "From the Membership" column discusses the upcoming ISBM Members Meeting. The topic is *Customer Engagement as a Differential in B2B Growth and Profitability* and will be held at MIT in Cambridge, MA August 8-9. No, that is not a typo—the ISBM Member's meeting will appear as if it were a parallel track at the Academic Conference, providing an unprecedented opportunity for B2B academics and practitioners to network, exchange ideas and hopefully, provide a platform for some collaborative research.

It is time to begin planning for your PhD students to attend the Fall IPSS programs (ISBM PhD Seminar Series). IPSS will offer two courses this Fall semester: Abbie Griffin (University of Utah) will teach the course *Qualitative Research Methods* and Mike Ahearne (University of Houston) will teach the course *Personal Selling & Sales Management*. More details are provided later in this newsletter.

Finally, September 15th is not that far off...which is the due date for submissions to the ISBM PhD Dissertation Support Award Competition (now in its 28th year)! Please see details in the newsletter and bring to the attention of eligible PhD students. With that, we welcome you to this issue of the newsletter...Enjoy!

Gary and Andrew

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ISBM B2B Academic Conference and PhD Camp for Research in B2B Markets

B2B Academic Conference Still Time to Register . . .

The MIT Sloan School of Management, based in Cambridge, MA will be hosting the 2018 Institute for the Study of Business Markets Academic Conference. This event is held immediately preceding the Summer AMA Educators' Conference in Boston, MA. The venue is the Tang Center (Building E51), 70 Memorial Drive. The conference will kick off Wednesday, August 8 at 11:30am and continue until 5:30pm on August 9, ending with a cocktail reception.

Preview our conference session lineup here:
<https://isbm.org/event/2018-isbm-academic-conference/>

The objective of the conference, as always, is to develop new ideas and new ways to address the pressing issues at the interface of the B2B academic communities; generate new research approaches and ideas; and to provide a forum for interaction amongst the world's leading B2B researchers.

This conference will highlight the Institute's strategic focus on research in three domains:

1. B2B Innovation to Enhance Business Growth
2. B2B Buying Behavior in a Rapidly Changing Global Economy
3. B2B Marketing Analytics

For conference details, please visit <https://isbm.org/event/2018-isbm-academic-conference/>.

If you have any questions or suggestions for the conference, please feel free to contact us. We hope to see you there!

Academic Conference Committee:

J. Andrew Petersen, (jap57@psu.edu), Chair
Sharmila Chatterjee, (shatterjee@mit.edu), Vice-Chair
Gary Lilien, (GLilien@psu.edu), Vice-Chair
Lori Nicolini, (LNicolini@psu.edu), Conference Administrator



PhD Camp for Research in B2B Markets

The 8th ISBM PhD Camp for Research in Business-to-Business Markets will be held August 7 & 8, 2018 at the MIT Sloan School of Management in Cambridge, Massachusetts. The camp is sponsored by the Institute for the Study of Business Markets at Penn State and the MIT Sloan School, with support from the Marketing Science Institute.

The camp welcomes doctoral students who have an interest in B2B markets regardless of their academic domain and specific research interests—marketing, relationships, strategy, management, technology, innovation and R&D, information systems, business logistics, supply chain management and other fields. Students interact with rising young scholars and prominent researchers, learning about research opportunities in B2B marketing, strategy, and management; sources of data, funding and research guidance; and strategies for developing promising research projects that are more likely to achieve publication in top academic journals.

This year over 40 PhD students will benefit from insights offered by featured camp counselors Colleen Harmeling, Mark Houston, Tomas Hult, Ajay Kohli, Gary Lilien, Hari Sridhar, Mahima Hada, and Raji Srinivasan. Gary Lilien and Andrew Petersen will share information about the various opportunities and resources ISBM provides for B2B researchers. Students will also benefit from having their own research ideas constructively critiqued by the camp counselors and other experienced B2B scholars in small-group research workshops.

Many doctoral students participating in the camp also will participate in two optional workshops. Prior to the camp, Professor Ajay Kohli will offer a Theory Construction Workshop designed to help students understand the nature of a theory, the theory construction process, and the skills needed to build interesting and impactful new marketing theory. Following the camp and ISBM Academic Conference, Professor Gary Lilien's Writing Workshop will provide insights about writing attractive, impactful academic articles and making compelling academic presentations at seminars, conferences and job talks.

Although applications for this year's PhD camp are now closed, we encourage faculty mentors and PhD students to pursue other helpful doctoral consortia and symposia and to watch for the next ISBM PhD camp anticipated for 2020.

PhD Camp Directors

Lisa Scheer, Scheer@missouri.edu
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Feature:

Choosing and Managing B2B Marketing Metrics



J. Andrew Petersen

“You can’t manage what you don’t measure.”

- Old Management Adage

In recent years there seems to be no shortage of data that you can collect about your prospects, your customers, your firm, and your competitors. And, you might expect that most firms would want to gather and analyze this data to help make better business decisions. In fact, the results from a recent CMO Survey reported that firms are likely to increase their allocations of their marketing budgets that they spend on analytics-based initiatives from around 5.8% to 17.3%. Which is an interesting finding since those same CMOs reported that they are finding the gains from analytics-based initiatives to be rather modest at best. So why is this the case?

A recent article in Harvard Business Review by marketing scholars from Duke University noted that much of the blame for the lack in results from analytics-based initiatives seems to come from two sources: lack of understanding what data to gather (The Data Challenge) and lack of someone who can actually analyze the data (The Data Analyst Challenge). So if your firm wants to be able to harness the power of analytics to improve firm performance, it is useful to think about a more systematic approach to choosing and managing your marketing metrics.

Choosing the Right Marketing Metrics

There are just so many marketing metrics out there (The Data Challenge). A simple Google search for “B2B Marketing Metrics” provides over 6 million search results. And, the titles of many of the websites that show up in the search engine result pages are things like: “10 Top B2B Marketing Metrics”, “50 B2B Marketing Metrics”, or “13 Critical B2B Marketing Metrics”. So the question arises, what are the marketing metrics that my firm should be measuring?

Well, evidence from the diversity of search results that you get suggest that this answer is not necessarily straightforward. Everyone seems to have their opinion on which marketing metrics are the ‘best’ marketing metrics to measure for your firm. What is missing from many of these lists of the ‘best’ marketing metrics is actually a set of guidelines for how you should be choosing the marketing metrics you want to measure. There are three general rules of thumb I follow when making recommendations for which marketing metrics are right for your firm.

1. There is no set of marketing metrics that all firms should be measuring. Each firm and industry is different in its marketing and sales processes and its business goals. So, never go to a general list of marketing metrics to pick the ones you should be measuring.
2. You need to have metrics that measure business goals. I generally call these the outcome or performance metrics. These are the metrics that the firm as a whole tracks to evaluate the health of the firm. These metrics generally

fall into two broad categories: brand value and customer value metrics.

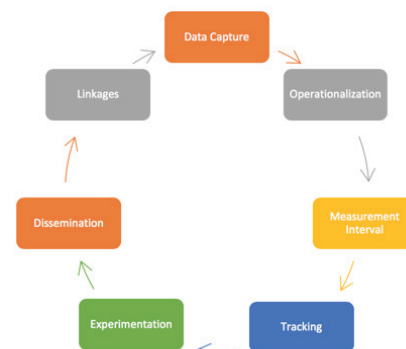
3. You need to have metrics that measure the marketing and sales process. I generally call these input or driver metrics. These are the metrics that should help you better understand how you are converting your resources into the business goals that measure firm performance. There are numerous categories of these kinds of metrics out there. What is important when choosing these metrics is that they should be pretty good at predicting the outcome metrics your firm tracks to evaluate performance. I have found over the years of working with many firms that there are generally 5 categories of these metrics that have been shown to link positively to firm performance. These include: word of mouth and referral value metrics, customer retention and acquisition metrics, cross-buying and up-buying metrics, multi-channel/omni-channel metrics, and product return metrics.

Now, the next logical question is likely, how many metrics do I need to measure? Again, there is no set number that all firms should follow. However, it is the case that there is no single metric a firm should track that will provide all the information the firm needs to track and evaluate performance. At the same time, a dashboard with too many metrics is cluttered and confusing to manage. In most cases, I have found that successful business units within firms usually are tracking and managing at least 3-5 metrics and no more than 8-10 metrics.

Managing Marketing Metrics

Now once you have selected the metrics you want to track, you need to think about how to actually manage these metrics effectively (The Data Analyst Challenge). Again, no two firms are alike in the metrics they want to track. But, there is a systematic way you can manage these metrics using the following framework.

Figure 1: A Framework for Managing B2B Marketing Metrics*



* Adapted from Petersen et al. (2009)

There are two things to take away from this framework. First, there are 7 steps to follow to properly manage marketing metrics.

continued on page 4

Feature:

Choosing and Managing B2B Marketing Metrics *continued*

Second, the process is cyclical. There is always a need to continue managing and evolving within each of the steps of the framework to keep up with what is going on in the marketplace. Now, let me take a moment to briefly discuss what is going on in each of the steps.

Data Capture. There is a considerable amount of data out there that you can be collecting. The key in this step is that you have a process in place that can systematically collect the information you want and that the cost of data collection does not increase as the amount of data you want to collect increases.

Operationalization. After data collection, the next task is to think about how to measure the metric. In easy cases this might be something like the sum of the profit from a customer. In more challenging cases you might want to measure something like customer satisfaction or customer loyalty. In these cases you need to spend time thinking about how to define the metric and how that definition translates into a measure.

Measurement Interval. The next issue to consider is to what level you should aggregate your data. Simply put, how often should you be measuring the metric – weekly, monthly, quarterly? This will depend on the firm, industry, and sometimes even the product category. Ideally, you want to measure only as often as you plan to make decisions with the data. Often, this is based on the average customer purchase cycle.

Tracking. Measuring a metric at a single point in time is not informative. Thus, it is critical that you repeatedly measure the metric over time so that you can get a sense of not only its level, but also its trend. Is the metric growing, declining, holding steady?

Experimentation. To truly know whether there is a causal relationship between an input metric and an output metric (and not just a correlational relationship), it is important to experiment – also known as A/B testing. When you properly design a field experiment with a treatment and control group, you can gain better perspective on how investments in increasing the input metrics actually lead to increases in the output/performance metric.

Dissemination. Just as it is important to select and manage metrics, it is just as important to disseminate that information throughout the organization. Disseminating metrics regularly to top management and other employees can help to communicate what the marketing and sales organizations are tracking as well as further justify ongoing investments by top management in key marketing and sales initiatives.

Linkages. Last, but surely not least, you need to be able to understand the link between the input and output metrics. This can help as you development a dashboard of marketing metrics and also as you begin to test and predict the financial consequences of different ‘what if’ analyses that you want to conduct.

So where do we go from here?

While this article details a process for selecting and managing the right marketing metrics, it is only a start to the process of taking a more analytics-based approach to making better business deci-

sions. The real success comes when your firm begins to implement these frameworks repeatedly over time and continues to learn and improve on data management and analysis.

What are the biggest challenges that lie ahead? Well, most of the issues that future research needs to address is with solving the new issues that are arising in the two challenges discussed earlier: The Data Challenge and the The Data Analyst Challenge.

With regard to The Data Challenge, we are coming across data from so many new and different sources. For instance, in addition to the traditional data we capture on customer transactions and customer characteristics, we also are now thinking about better ways to capture and manage data from new platforms like social media content and user generated content (e.g., product reviews). This data is not only substantial in size, it is also usually more sparse and harder to integrate with our internal data we have on our customers. This makes it imperative that we do more to research better ways to collect and integrate external data into our already (hopefully) robust internal data.

With regard to The Data Analyst Challenge, we have to think about whether or not we have the capabilities within our organization to harness the analytics-based toolkits. As of now it is not entirely clear what kinds of people we have in our organization that have the right skillset to do this job or if we need to go outside the organization to hire the right people, where we might find them. In this case, it is important that we do more research on understanding how marketing and sales teams within our organization can best create and utilize the insights from analytics-based insights in our organization.

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From the Membership: A Focus on Engagement



Lynn Yanyo

In my interaction with ISBM member firms over the last year I have found that all want profitable growth. And they believe that stable long-term relationships and contracts with their customers are critical, so that resources need not be expended or diverted just to keep their current business. And they recognize that under normal conditions, they can cost-effectively manage current business needs and still have resources to improve their internal capabilities and find and engage new customers. But firms fear that they can't control many outside influences or even anticipate them.

Our next meeting will focus on how ISBM member companies are managing the current unpredictable flux in global trade regulations that can upend pricing policies and supply chains in the short term and will surely affect long-term customer relationships. Firms are asking if they are currently “close” enough to their customers to know what they need and how they are managing the changes. And they are worried if it is too late to get close enough.

The ISBM typically organizes two large members' Members Meetings a year with a mixture of leading edge B2B academics and practitioner presenters. And, typically, a half dozen or so academics attend, along with 100 or so practitioners, all focused on a topic of deep importance to the B2B practitioner community.

Unlike all prior ISBM member meetings, the upcoming Member's meeting, will be held *at the same time and in the same venue as the Academic Conference* — August 8-9 at MIT in Boston.

The title and theme of the conference is *Customer Engagement as a Differential in B2B Growth and Profitability*.

As we go to press, we are finalizing the session titles, but you can expect to hear from the following speakers, among others:

- **Gregg Lederman**, CEO, Brand Integrity
Keynote: *Crave: You Can Enhance Employee Motivation in 10 Minutes by Friday™*
- **Dawn Astorino**, Director of Marketing, Parata Systems
Making the Invisible Visible: How Parata is Living Their Brand
- **Lewis (Lou) Carbone**, Founder & CEO, Experience Engineering, Inc.
The Times They Are A-Changin', And A-Changin', and A-Changin'...

- **Joe Fuster**, Global Head Customer Experience (CX) Cloud, Oracle
Accelerate B2B Conversions with Personalized Engagement and Optimization
- **Hari Sridhar**, Center for Executive Development Professor of Marketing, Texas A&M University
The Benefit of Customer Based Strategic Planning
- **Ed O'Boyle**, Global Practice Leader, Gallup
Creating a Customer-Centric Culture
- **Richard Treitel**, President, Treitel Consulting
Best Practices for B2B Product Development Market Research
- **Ralph Cummins**, Strategic Marketer, Brand & Experience Strategist, EMM Group
Your Experience is Your Brand: The Case for a More Strategic Approach to Customer Experience Management
- **Volker Hildebrand**, Global Vice President, SAP Hybris
The Customer Experience Edge

The Members Meeting will run as a parallel session as if it were part of the Academic Conference, providing an opportunity for researchers and practitioners to share their experiences – and we hope to drive interests and transmit understandings in valuable areas of B2B research.

For more detailed descriptions of the sessions and to register visit our events page <https://isbm.org/event/members-meeting-august-2018/>

I hope to see you there!

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IPSS Update

IPSS will offer two courses this Fall semester. Abbie Griffin (University of Utah) will teach the course *Qualitative Research Methods*. This seminar is designed to help students understand and apply the methods of qualitative research to investigate business problems. The course will combine substantive materials on various topics with analysis of published research using these various qualitative research methods in business settings. As the course is designed to be a primer on these methods, it will start from the very basics. By the end of the 10 sessions, which are taught over 15 weeks, students are expected to develop a research proposal for a project using qualitative research methods in a B2B context that could be submitted to ISBM for funding consideration.

Our second course offering will be taught by Mike Ahearne (University of Houston). He will teach the course *Personal Selling & Sales Management*. This seminar will focus on academic research related to improving sales force performance. The objectives of this course are to (1) increase students' understanding of the role, importance and process of personal selling in different marketing situations; (2) enhance students' knowledge of diverse problems and questions that arise in developing and implementing a B2B firm's sales strategy within the context of its overall go-to-market/channels strategy; (3) expose students to variety of approaches including behavioral and economic models, surveys and lab/field experiments useful for investigating problems in sales management.

Thank you Abbie and Mike for returning to teach their courses; 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 few weeks.

Please bring these Ph.D. seminars to the attention of your promising B2B PhD students. Students should register online at <https://isbm.smeal.psu.edu/research/ipss/ipss-admission-procedure>. Registration deadline is September 15, 2018. Additionally, if you have any feedback or suggestions, please don't hesitate to contact me.

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ISBM PhD Dissertation Support Award Competition

Penn State's Institute for the Study of Business Markets announces its twenty-eighth 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 Institute 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, 2018**. 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, 2018**.

Final proposals not to exceed 15 double-spaced pages are due on **November 15, 2018**. Winners will be announced by **February 15, 2019**. 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.