

Social Media in Business-to-Business: A Slow Start but Gaining Momentum

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Social media content is overwhelmingly created and distributed by consumers. It is very popular among consumers and business-to-consumer (B2C) organizations but the same is not true for business-to-business (B2B) firms. Social media has been defined by (Kaplan and Haenlein 2010) as “a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of user-generated content.” Why is it that B2B

organizations have been slow to use this powerful medium? There have been a number of studies that suggest that industrial marketers do not know how they will benefit from its use and social media does not research B2B customers. Social media has also been slow as an aid to an organization’s selling function. The main barriers to utilizing social media in a B2B organization are that it is not of importance within the industry the organization operates in and has not been used in the past; uncertainty whether or how social media could help their brand; unfamiliarity of staff with social media; the perceived big investment in time required; in some cases competitors don’t use social media; and importantly, a lack of social media knowledge and technical skills by the organization's staff.

This been said, there is some evidence that there is some change in B2B use of social media. Thirty-three percent of B2B buyers reported they researched at least 90 percent of products online before purchasing, up from 22 percent in 2013. Forty-four percent of respondents had researched company products on a smartphone or tablet in 2014 compared with 41 percent in 2013 (Acccenture, 2014). Although an increasing trend, social media use in B2B is much lower than in B2C.

B2B markets are different from B2C markets. Turka and Sasan (2015) noted that organizational buying behavior is much more complex than consumer buying behavior. They identified five key differences between organizational buying and consumer buying: First, negotiations are a key element involved in the organizational buying process. Second, relationships are more important in the B2B environment than in B2C. Third, there are fewer organizational buyers when compared to consumers. Fourth, organizations are more rational when purchasing compared to consumers. Last, the organizational buying centre is typically more knowledgeable with respect to the purchase than a consumer buyer.