

## Original Paper

# The Role of a Modern Organization Supporting Business Based on the Recommendation on the Example of the BNI Poland Group

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### **Abstract**

*The aim of the study is to analyze the functioning of the BNI Poland Group as an organization operating on the principle of networking and to show the role of recommendation in contemporary competitive conditions. The method of analyzing the academic literature, secondary sources, internal documents of the studied group as well as primary data in the form of a questionnaire have been used in the article. The article shows that a membership in a business support group based on the recommendation principle in the era of increased competition helps to remain on the market and raise the number of clients. This work can be used as a source of knowledge for every entrepreneur who is open to business contacts kept according to a strictly defined structure and procedures. The issue of the business support group on the basis of recommendation is quite a recent matter in Poland. The BNI Poland Group was established in 2010, while in the USA it has been functioning since 1985. Due to these dates, you can direct more attention to this form of marketing. This paper is not a commercial but scientific analysis of an organization which could be an instrument of competitiveness at market.*

### **Keywords**

*networking, marketing, recommendation marketing, promotion, marketing communication*

### **1. Introduction**

Facing a growing competition, enterprises are forced to look for solutions that help them function on the modern market. One of the ways to remain on the market is association in business support organizations that allow you to develop your business. The BNI (Business Network International) Poland Ltd. is the example of such an organization operating on the basis of business recommendations.

The organization functions under the license of the American company BNI-Business Network International. This article presents this form of marketing fight against competition and describes its history and structure. In order to check how members evaluate their participation in the organization, a survey has been carried out. The aim of the article is to examine the ability of functioning the group as a business support organization. The academic literature, internal documents of the organization and the analysis of the results of the survey realized by the induction method have been used in the article. The survey confirm the fact that this Organization is able to compete in such a significant competition. Marketing is a field of science that evolves with the changing social, political and economic environment, and the dynamics of the Polish market induces a constant search for the best opportunities in order to choose ways to reach customers with offers (Widawska-Stanisiz, 2011, p. 483). Changes in the political system have caused in marketing a redirection of the orientation from a product to a customer who is currently in the centre of interest (Rybowska, 2009, p. 477). Following the words of Peter Drucker: “the only correct definition of a business goal is to create a client”—we mean that marketing is aimed at acquiring a new client and maintaining the present one (Baskiewicz & Kempa, 2016, p. 20).

## 2. Literature Review

For an entrepreneur, so a person who has a certain capital and is responsible for its multiplication, marketing is first and foremost an opportunity to reduce the risk of failure on a competitive market. Marketing imposes a certain discipline of thinking and making decisions. It sets the entrepreneur in the right position in relation to the consumer, the user of his products and services. It allows you to understand properly and to shape the role of your own company in the market. Marketing rules force you to “think before an action” and, in turn, the principle of operating a coherent set of marketing instruments—to act in a concerted manner, using all the necessary measures in a given situation. The more expensive is marketing, the more information and the richer means to influence the market it needs. Business recommendations (Altkorn, 2006, p. 33) are one of such low-cost instruments.

The company’s marketing messages are passed on to market players via the specific information channels: personal or non-personal. Personal channels allow for a personalized and direct contact with recipients of marketing communication. It can be a personal, telephone, letter or Internet contact. The non-personal communication channels consist of all the media transmitting the message without a personal contact from the auditorium (Szymoniuk, 2016, p. 26). The organization referred to in this article uses a personal contact as a channel of communication between members and the client. One can seek new communication channels emerging on the market which would ensure a high credibility of the message and at the same time a desirable feedback. The word-of-mouth marketing meets the requirements of these expectations (Wyrwisz, 2011, p. 421). Consumers’ behavior is a very complex process, which to a large extent results from the fact that this behavior is shaped under the influence of the environment. One of the most important groups of factors influencing consumers’ behavior are

interpersonal influences coming from other consumers. The group that exerts the strongest influence is a compact group (when members of the group are close to each other) which has an appropriate knowledge on the topic interesting for the consumer (Kowalska-Styczeń, 2013, p. 158).

The basis for the effectiveness of networking is the creation of selfless relationships based on trust. It is also the key to healthy relations in the group. Members should compete with each other only in the respect who can do as much as possible for others. This is a constructive competition (Misner Morris, 2014, p. 2).

BNI is the largest global networking organization (Misner Morris, 2014, p. 3). According to Ivan Misner, “building a business through a recommendation networking reminds more a soil cultivation. Unlike hunting, immediate results are not expected. Instead, contacts are cherished by offering recommendations, help from the experts and other benefits. A long-term, based on trust recommendation partnership is built. If you are persistent and patient, your efforts will be rewarded and you will collect abundant harvest—business opportunities offered by your new networking partners” (Misner Morris, 2014, p. 99).

Business recommendations are the most trustworthy marketing tool, especially considering the costs. People who undertake cooperation with some hesitation on the uncertain market, are usually willing to cooperate with trusted persons. Membership in the networking organization is also a safe harbor in difficult years (Misner Morris, 2014, p. 113). A natural recommendation of products is the only instrument of communication or promotion which does not generate any costs. Its main essence is a message by word of mouth. In other words, free distribution of information about a product, brand and a company without its participation occurs (Al-Noorachi, 2014, p. 170). Communication with the clients by the use of recommendation is a simple process based on the natural predispositions of every person (Sorokin, 2014, p. 24). Americans are the precursors of a recommendation marketing. In 2001 the first agency specialized in word of mouth actions—Tremor/Vocal/Point was established by the concern Procter & Gamble. In Poland and simultaneously in Europe the first agency of word of mouth marketing—Streetcom Poland was created in 2004 as the second of this type in the world (Niedzielska, 2016, p. 346).

The English term word of mouth, popularized in marketing, can be translated as an oral message, but also as the news, message, public opinion. In the statement word of mouth communication—it means an informal, private communication, in marketing textbooks defined as a sociological channel of interpersonal communication in which the subject are friends, family and even strangers expressing their opinions about a product or company (Józwiakowski, 2015, p. 36). Whisper marketing is a technique that creates image and reputation (Ben Yahia, Touiti, & Touzani, 2016, p. 21). On the basis of research developed by the company Nielsen, it can be noticed that the reception of particular forms of advertising gives primarily an advantage to whisper marketing techniques, i.e., successively (Sitarski, Ścibisz, & Pięta, 2016, p. 169):

- 90% of respondents trust their friends' recommendations,

- 70% of respondents trust posted online reviews,
- 70% of respondents have confidence in the content published on the websites.

### *2.1 The Philosophy of “Givers Gain”*

The principle of BNI is as follows: “I will help the others, and the others will want to help me” (Misner Morris, 2014, p. XIX). BNI is a classic example of a working synergy—the whole is much larger than the sum of individual parts. Everyone brings something good, positive and meaningful to the organization, but only when the elements are combined in the whole, the result will exceed everything what we could expect (Misner Morris, 2014, p. 2).

The “givers gain” philosophy distinguishes BNI from the other organizations and enables building an extremely positive company. It allows to create a unique organizational culture, which can be described in two words: the giving one gets—this is the keynote of all the members of the BNI group (Misner Morris, 2014, p. 2).

People encouraged to cooperate with BNI have specific personality types. Because the supreme principle of the organization places giving above receiving, egoists occupied only with their own interests do not appear. Very few members are pessimists, marauders or cynics. It is difficult to get involved in something you do not believe in (Misner Morris, 2014, p. 3).

### *2.2 The History of BNI*

The BNI Group was founded in the United States in 1985. Its originator was Dr. Ivan Misner. The original name of the organization is The Network. The first group was created in Arcadia. In the same year, more groups were open: in Pasadena, Los Angeles, and Diamond Bar, finally reaching the number of twenty regional groups (Misner Morris, 2014, p. 1). The first official BNI meeting took place in January 1985 in Arcadia. All the participants invited friends to come and see what the idea was based on. As a result, 20 members attended the meeting and most of the same day decided to join the group (Misner Morris, 2014, p. 12). In the years 1986-1987, BNI already operated in three states (Southern California, Phoenix, Arizona), opening 20 groups each year. The following year, the group was opened in Hawaii and in Indiana, Montana, Nevada, Oregon and Texas. In 1990, the 100th group was opened and it was located on the east coast (Misner Morris, 2014, p. 41). The early 1990s was the period of growth and maturation of BNI. In 1991, operations were started in nine new states. These were: Florida, Ohio, Washington, Missouri, Illinois, North Carolina, Alabama and New York. Delaware and the second part of Texas arrived in 1992. Maine, Oregon, Iowa and Utah joined in 1993. In 1991, a fundamental change was made. The name was changed from The Network to Business Network International, and soon simply to BNI for simplicity and commercial purposes (Misner Morris, 2014, p. 52).

In the mid-90s of the last century, the BNI franchise was on the territory of the entire United States. There were about three hundred and fifty groups scattered from coast to coast. The new ones were created at the rate of one or two a week. In 1994, the first BNI group was opened outside the United States, in Ontario, Canada (Misner Morris, 2014, p. 64). In the same year, the following countries:

England, New Zealand, Sweden, Germany, Switzerland, Austria, the Netherlands, Spain, Italy, Malaysia, Singapore and Barbados joined BNI (Misner Morris, 2014, p. 65). Although the BNI organization was developing in the expanding world market, it was growing even faster in the times of the global economic crisis that began in 2007 and in the subsequent recession. In the years 2009-2010 more members joined the organization than ever (Misner Morris, 2014, p. 112).

The mission of BNI is to help its members to develop their companies by a professional whisper marketing program that will enable them to evolve long-term, significant relations with top-class specialists (Misner Morris, 2014, p. 97). One of the strengths of BNI is that all the members are friends for each other. It is also one of the group weaknesses, because the behavior of friends is usually assessed reluctantly. This may result in transforming a networking organization meeting into a social event (Misner Morris, 2014, p. 104).

### *2.3 The Structure of BNI*

The basic rules for the functioning of groups have been established. First, to avoid competition, only one representative of each industry can join the group. Secondly, once a week, at the same time and in the same place, you should meet for breakfast. Presence is compulsory. It is important to stick to the agenda of the meeting, start and finish it on time, because each member has commitments that cannot be ignored. The first part of the meeting is devoted to presenting products and services within 60 seconds. Later, the guests are presented. Further in the weekly rotation, one of the members prepares a 15-minute speech in which he presents his own business history, useful advice or a product (Misner Morris, 2014, pp. 10-11).

The first members of the group (core team) have the task of inviting guests. Their main task is to bring from 40 to 60 potential new members to the first meeting-kickoff. It gives them a pretty good chance that during this meeting, 20 to 25 new people will join the group. Joining additionally 15-20 people to the core team means that approximately 30-40 people will appear at the meeting. To achieve it, they have to invite even more than 80 friends who have not been associated in BNI yet (Misner Morris, 2014, p. 11).

In 1993, BNI became a decentralized, franchise organization. The annual May conference was transformed into the conference of Managing Directors intended only for franchisees. The November conference of directors has remained open to all the directors, including Regional Directors, Local Directors and their assistants (Misner Morris, 2014, p. 55).

## **3. Method**

The aim of the study is to examine the effectiveness of the BNI Poland Ltd. as capable of operating in the conditions of increased competition. This goal will be achieved by a short survey in the form of a questionnaire. Respondents will be the members of one of the local BNI Poland Ltd.-BNI Partners. A logical inference will be made on the basis of this study. The study was conducted in January 2018 on the sample of 30 surveyed companies being members of BNI Partners. The selection of target sample

was used. It is a new group in a growing province of Poland. It is very important that the new group was studied because the result can not be adulterated.

#### 4. Result

This chapter presents the results of a survey conducted on the sample of 30 members of the BNI Partners group officially founded in June 2017 from the city Żywiec in the Silesian Voivodeship. Answers to the respondents' questions are presented in the graphical form in the Tables 1 to 8 for a better depiction of information. As it can be seen from the Tables 1 and 2, the vast majority of respondents are people who have been the members of the BNI group for 6-12 months, and they have learned about the existence of the group from their friends. The Table 3 shows that members of the group recommend membership in the group to their friends. The highest number of respondents recommend up to 5 friends, while the others from 6 to 20.

**Table 1. Period of Membership in the Study Group**

How long have you been a member of the BNI group?	% answers
Less than 6 months	20%
From 6-12 months	70%
12-24 months	7%
Over 2 years	3%

*Source:* own elaboration.

**Table 2. Source of Information about the BNI Group**

How did you find out about the existence of the group?	% answers
Friends	78%
Internet	0
Social media	0
Contractors	22%
Another source	0

*Source:* own elaboration.

**Table 3. The Number of Friends Who Have Been Recommended to Join the Group**

How many friends did you recommend to join the group?	% answers
0-5	47%

6-10	27%
11-20	23%
21-30	3%
Above 30	0%

Source: own elaboration.

**Table 4. Number of Recommendations Made by a Member**

How many potential clients have you recommended suppliers from the BNI Partners group?	% answers
0-5	10%
6-10	33%
11-20	37%
21-30	7%
Above 30	13%

Source: own elaboration.

Statistically, it is much better to do recommendations than recommending a group membership to friends. The vast majority provides from 11 to 20 recommendations and from 6 to 10 (Table 4). There are also people who give over 30 commands. It's up to 4 people for such a small research group.

**Table 5. Involvement of Members in the Group's Activities**

How do you evaluate your involvement in the group activity?	% answers
Very good	14%
Well	54%
Neutral	29%
Poorly	3%
Very poorly	0%

Source: own elaboration.

**Table 6. The Effectiveness of the Group's Functioning**

How do you evaluate the effectiveness of the group's functioning?	% answers
Very good	33%

Well	61%
Neutral	3%
Poorly	3%
Very poorly	0

*Source:* own elaboration.

The respondents definitely assess positively their involvement in the group's activities. As it can be seen from the Table 5, the majority of respondents appreciate their contribution to the functioning of the organization. As for the efficiency of the group's operation, according to the data in the Table 6, the vast majority of respondents also assess it well and very well. Respondents also express their satisfaction with a group membership, almost completely assessing it as positive.

**Table 7. Satisfaction with a Group Membership**

Are you satisfied with your membership in the group?	% answers
Definitely yes	46%
Rather, yes	48%
I have no opinion	3%
Probably not	3%
Definitely not	0%

*Source:* own elaboration.

**Table 8. Assessment of the Number of Clients Gained by Recommendations**

How do you rate the number of clients you received thanks to the recommendations of other BNI members?	% answers
Very good	37%
Well	30%
Neutral	20%
Poorly	7%
Very poorly	6%

*Source:* own elaboration.

Respondents also assess the number of obtained recommendations in a positive way. The data presented in the Table 8 clearly shows that the respondents rate the number of recommendations very



well and well. Of course, there is a small percentage of respondents dissatisfied with the group's functioning with a very small number of received recommendations.

## 5. Discussion

On the basis of the presented results of the short study, it can be stated that the goal set at the beginning of the study has been implemented. The analysis of the functioning of the BNI group and the role of business recommendations in the conditions of increased competition have been considered. The surveyed group members confirm themselves that recommendations are a very important element of business creation and bring measurable benefits in the form of recommended clients. Considering the fact that the BNI Partners group was founded in June 2017, the development of the group seems very significant. Group members express their satisfaction with participating in the group quite strongly. This means that in fact the role of recommendation in the present business environment is of great importance and the ties that are formed between members are permanent and strong. Therefore, the BNI organization can be considered as an entity that enables business development despite increased competition. Therefore, recommendation marketing turns out to be a useful tool in the fight against competition nowadays.

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