

COMMUNICATIONS, CULTURAL TRENDS, AND COMPETITIVE ADVANTAGE IN BTOB MARKETS. A SURVEY ON SMES IN THE PROVINCE OF AVELLINO*

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Summary: 1. Introduction; 2. Literature review. The role of communication in small businesses: from Resource Based Theory (RBV) to Viable Systems Approach (VSA); 3. Research design and methodology; 4. Field data analysis and discussion; 5. Summary and conclusions.

ABSTRACT

In the current competitive scenario, most organizations base their sustainable competitive advantage on their firm-specific resources and skills. Due to their intrinsic strategic value, such intangible assets (culture, know how, brand equity, reputation, etc.) should necessarily be communicated to stakeholders in order to create a distinctive positioning. The investigation of critical factors within the process of implementation of a proper strategic communication planning is the main aim of this study (funded by Campania Region), carried out about a sample of SMEs adhering to the Industrial Union

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of Avellino. Starting from a review of the literature on communication in industrial marketing, the taxonomy identifies different cultural trends, i.e. specific levels of awareness in engaging in communication activities. Consequently, a classification is presented to compare the cultural attitude to communication of industrial SMEs. Each level of communication orientation shows different skills in developing profitable relationships with relevant stakeholders. In addition to the assessment of the current state of communication in the Avellino Industrial Area, this survey verifies whether frequent marketing/corporate communication behaviour exists in this specific b-to-b context. The results of the study conducted on the province of Avellino show that there is a trend in terms of communication in industrial firms of a sales support or sometime activity kind rather than the application of a "communication culture". This study represents the first investigation on communication approaches of b-to-b SMEs in the Province of Avellino. Furthermore, the study gives interesting insight into the effects of a lack of formal communication policies and practices. On the contrary, from a practical standpoint, it emerges that a proper communication culture/orientation could allow firms consolidate over time their corporate identity, and therefore, their competitive advantage.

KEY WORDS communication culture/orientation | industrial SMEs competitiveness | b-to-b markets.

1. Introduction

The analysis of corporate/marketing communications strategies in the management of industrial SMEs is the main theme of the present study. The urgency of this issue depends on some emerging market drivers (the co-creation of value, the increasingly global competition, the diffusion of ICT) that make the traditional factors relating to the success of SMEs - i.e., flexibility, specialization, creativity - no longer enough to ensure sustainable competitive advantage. In the current competitive landscape, indeed, other key factors, mainly intangible (culture, brand, identity, reputation, etc.), are as important as SMEs traditional ones to offer superior value to their own customers (Abimbola and Kocak, 2007).

However, these "new" factors need to be conveyed with adequate communicative strategies. Indeed, only few contributions have analyzed communication models and practices of SMEs (Moss *et al.*, 2003), especially in comparison with the wide literature on corporate and marketing communications about large companies (Spickett-Jones and Eng, 2006).

The main reasons of this scarce attention can be summarised as follows:

- the trend to develop theoretical models and marketing and communication management techniques for large companies and to overlook the construction of frameworks that can be related and applicable to SMEs (Hogarth-Scott *et al.*, 1996; Siu and Kirby, 1998);
- the poor ability of SMEs to establish a position of market leadership in the majority of industrial sectors (Carson *et al.*, 1995; McGaughey, 1998;

Thrassou and Vrontis, 2006);

- the widespread lack of specific communication functions and competences in SMEs (Moss *et al.*, 2003; Einwiller and Winistoerfer, 2007).

On these premises, the main aim of this contribution is to show whether SMEs take into account corporate/marketing communication activities in b-to-b markets and how the approach to those activities differs among them. Starting from a literature review on communication in industrial marketing, the study first presents a framework to classify and compare the firm's "attitude to communication" and then verify the proposed levels of communication orientation adoption in a sample of firms operating in the Avellino's Industrial Areas (Italy). The final section sums up conclusions and possible directions for future research in this relatively unexplored field of study.

2. Literature review. The role of communication in small businesses: from Resource Based Theory (RBV) to Viable Systems Approach (VSA)

In the last two decades, several studies in Industrial Economics (Gale *et al.*, 1977; Mancke, 1974; Scherer, 1980) reported different theoretical conceptualization referring to the determinants of the value creation process. In other words, several contributions tried to explain the mechanisms through which the competitive advantage is created and sustained.

Many studies focused on the creation/appropriation of "economic rents", that is new combinations of mainly intangible resources, proper to generate distinctive competences on which competitiveness is based.

Many contributions from the Resource Based View (Lippman and Rumelt, 1982; Reed and Defilippi, 1990; Barney, 1991; Amit and Schoemaker, 1993), and the Core Competence Theory (Prahalad e Hamel, 1990), and later from the strand of study called Dynamic Capabilities (Teece *et al.*, 1993), analyse the conditions on which internal resources become sources of the competitive advantage. In fact, deeper is the analysis of the creation of competitiveness, easier to understand the representation of the organization as a cognitive system (Vicari and Troilo, 1999), that is a combination of resources, skills, routines and idiosyncratic and inimitable competences.

The main merit of the RBV and its following advances is the identification of the role of endogenous variables and their impact on the mechanisms of competitive advantage creation. In particular, the RBV focus the attention on the fact that the mere "possession" of resources is not enough to express a competitive power in the current scenario, above all if it is not

linked to the exploitation ability and to the value creation process.

So, given that:

- the ambiguity characterizes the competitive advantage;
- the continuous innovation and the contextual changes influence the stability of the competences so that presuppositions to gain a sustainable competitive advantage become “weaker”;
- an organization, as a system, survives and produces a competitive advantage, due to the established relationships with contexts of reference.

It is felt, above all, the necessity both to define such relationships by means of adequate marketing and communication behaviours, and thus to plan these behaviours aimed to transparency. The analysis of the conditions for communication transparency refers to the examination and to the assessment of the perception of corporate identity, expressed through the behaviours and the processes (tacit knowledge) within the structure of the company (conceived as a viable system). The irreducibility of tacit knowledge and of social complexity, implicit in organizational processes, means to deepen the research of proper solutions in order to diffuse the value created by organizations. Organizational processes must be brought to the mind of the receivers of the planned, formal communication, having recourse to appropriate “identifying” factors.

Nonetheless the exigency of developing stakeholders relationships is more and more felt, and consequently it emerges clearly the need of a “true” communication orientation, many many small and medium industrial firms still focus their attention on productive issues and on professional techno-engineering skills, attributing scarce relevance to the management of relations with relevant stakeholders. In other words, it seems to lack a strategic orientation of communication, seen instead as a variable of marketing mix.

In this respect, Baker and Balmer (1997), commenting on an article entitled “Trappings vs substance in industrial marketing” (Ames, 1970), declare:

“Ames’ article was prompted by a crescendo of criticism from senior executives in leading industrial companies who complained that, while marketing might be all very well for fast moving consumer goods (FMCG), it did little if anything for the performance of firms selling industrial goods. Based on a penetrating analysis of practices in industrial firms, Ames came to the conclusion that the reason “marketing” did not appear to work for them was because they had mistaken the “trappings” of marketing - advertising, public relations, sales promotion, etc. - for the “substance”. This substance was seen to consist of a managerial orientation which started with an attempt first to define

the real needs of customers, and then to focus the organization on the creation and delivery of goods and services which met these needs.”

Even if the situation described refers to forty years ago or so, things have not changed at least as regards SMEs. However, it should be underlined that from a theoretical point of view, right from the Eighties, different strands of research have been emerging that focus on the specificity of industrial marketing and question the traditional approach of marketing management. Marked criticism against the predominant paradigm in marketing has been recorded by different researchers (Berry, 1983; Gummesson, 1987; Grönroos, 1989) who, despite their focus on different areas, have all reached the same conclusion: the inadequacy of traditional marketing, which came into being in the context of the American market of fast moving consumer goods, compared to the specificity of the industrial goods and services market, in which the supplier-client link takes on more and more frequently the connotations of a “relationship” rather than that of a “transaction”, typical of consumer contexts (Hultman and Shaw, 2003).

The industrial goods market is characterized by the presence of a limited number of firms, often of small dimensions which achieve highly profitable exchanges by integrating business processes and competences. In other words, a market in which its relational perspective and the specificity in terms of timescale and duration of the (knowledge) exchanges is core to the success of the organization. In that regard, several management/organization studies have deepened the analysis of the link between the capacity of (inte-firm) organizational networks both to increase the value of individual firm-specific competences and to create social capital (Coleman, 1988; Putnam, 2004). Because of this trend, it emerges that the change from “traditional/proprietary” organizational boundaries to “cognitive” boundaries requires a shared network language in order to guarantee the successful development of the relations among network members and outside the network (Rullani, 2008).

This observation gets the cue from consolidated concepts in the literature:

- knowledge plays a crucial role in the functioning processes of an organization;
- an organization is a cognitive system, able to give economic value to the knowledge generated by organizational actions.

The need for relational continuity is evident, above all in sectors in which competition is based on the possession of specific competences seeing as the continual change of supplier/client would lead to high switching costs and risks linked to the search for a new trustworthy partner and to the re-

organizing of previously optimized systems, processes and competences in starting up a cooperation with a different subject.

The consolidation of a relational approach gives new vitality to b-to-b marketing which is beginning to establish itself as an independent field of study (Fiocca and Tunisini, 2002) suggesting management models which are radically different compared to those of the past (Hakansson and Snehota, 1995).

More systematic and organic research on firms operating in the b-to-b market is not evident, however, in the studies on industrial marketing communication. Originally, the focus of the main academic research was addressed prevalently to the analysis of industrial buying behaviour and to the allocating of budgets destined to communication (Turnbull, 1974; Galper, 1979; Jackson *et al.*, 1985). Webster (1984), for instance, defines industrial marketing communication as "a mix of personal and impersonal communications aimed at industrial buyers". The definition, like all the previous ones, evidences a role of communication which is extremely reductive, addressed essentially to sales. In more recent years, several Authors (Bunn and Clopton, 1993; LaPlaca, 1997) highlight how the scarcity and extreme fragmentation of this area of research are still its main characteristic. In particular, LaPlaca (1997) in a review of 915 articles published in the context of industrial marketing, accentuates the fact that only 38 contributions are dedicated to the communication process in b-to-b contexts and, more specifically, to the techniques and tools used by the industrial sellers to communicate with their industrial buyers.

If communication is considered the main vector for enhancing business relations and business organizations are seen as viable systems (Golinelli 2000-2008), able to survive through a relational competitive advantage developing relationships with its supra-systems, it is clear that it cannot be confined to mere selling communications. Each area of corporate communication (Siano and Confetto, 2003) leads to the developing of relations with specific groups of stakeholders (suppliers and distributors, investors, local community, the media, etc.) and contribute in creating value in terms of intangible firm-specific resources such as image, trust, credibility and reputation, as highlighted in consolidated strands of research (the Resource-Based View and *competence-based* approaches). This field of research (*branding*, *organizational identity* and *corporate reputation*) is of great interest in the current debate on corporate/marketing communication, although specific studies relative to industrial SMEs are extremely limited in number (Abimbola and Kocak, 2007; Kotler and Pfoertsch, 2007).

The organization as a system is addressed to its context of reference neither in an occasional way, nor to adaption purposes, but at a structural level due to a continuous exchange that allows its survival (Luhmann, 1990).

To this end, it emerges a fundamental feature of an organization as a system: the constant search to develop interactions and relationships with other systems/organizations. Such feature makes clear the concept of systemic openness, characterized by a continuous input-internal transformation-output cycle. The degree of openness is partial because it depends from the relevance of the systems from which an organization receives inputs, and it is expression of structural elasticity and systemic flexibility finalized to the adaptability with external contexts. In that way, it becomes clear to propose an approach that allows not only to interpret the reality, but also to favour both the environmental complexity and competitive synergic behaviours.

In short, a significative gap is noted in the literature relative to the use and awareness of the value of (marketing and corporate) communication in industrial SMEs. The aim of the present paper is to analyze and classify the diverse cultural attitudes to communication and consequently, by means of an explorative field study, verify their effective application and possible developments.

3. Research design and methodology

Underpinning the present paper is the concept of firms as social organizations (viable system) whose aim is to create value thanks to their capacity for creating lasting relations with their contexts of reference. A strategic approach/orientation to communication brings about coordination and collaboration mechanisms between the different actors, that lead to differential competitive advantage.

As delineated in the literature review, in the last decades the role of marketing and communication has changed over from individual transaction support tool to strategic orientation, and consequently communication is able to increase the value of corporate culture and philosophy, the expression both of corporate personality and of firm-specific competences. Communication consequently, has to be considered as a variable of the expression and characterization of relations and not merely in terms of visibility. In other words, the correct approach for defining the contribution of marketing/corporate communication in business management has to abandon *mechanistic-linear* models in favour of *interactive-language*

type models in which consumers are not only targets but participate actively in the processes of communication (Marsden and Littler, 1996). In this respect, a classification of the firms is suggested, based on the diverse attitudes held on corporate communication. The scheme reflects the diverse approaches as regards communication, for developing adequate relations with stakeholders.

Elaborated from empirical studies on marketing concept/orientation (Hoolley and Shepherd, 1989; Liu, 1995; Avlonitis and Gounaris, 1997), the classification of industrial SMEs communication approaches is made up of three categories, according to the following levels:

1. value of corporate culture;
2. support for sales;
3. occasional activity.

Value of corporate culture. This approach is part of the guiding values of corporate culture, which become expression of the *modus operandi* of the entire organization. In substance, communication is expressed in the capacity of the firm to activate and stimulate bidirectional relations with the contexts of references (Siano *et al.*, 2006). In particular, this level expresses the firm sensitivity in identifying its market needs, in some cases even creating relations of co-makship finalized to reaching the highest degree of mutual satisfaction. On an organizational level it is often found a department of marketing (or marketing and communication), that welcomes the input on the part of the entrepreneurs, interfacing with communication agencies or consultants, forming a *governance group* (Siano *et al.*, 2007), in order to devise an adequate communication plan for all the stakeholders. In this case the communication is an integral part of the overall marketing strategy of the firm, envisaging measurable objectives and an adequate definition of the *promotional-mix* (determination of the operative budget, elaboration of the messages on the basis of communication positioning, media planning, evaluation of performance, etc.). (Morris *et al.*, 2001).

Support for sales. In many SMEs communication is often seen as a useful visual support (leaflets, posters, packaging, etc.) to convey information to customers and prospects. In this approach, the preponderant tactic is that of the short term opportunity of maximizing sales (Spickett-Jones and Eng, 2006). The typically selling-focused orientation on the part of SMEs (McCartan-Quinn and Carson, 2003) renders the confines between marketing, communication and sales often indistinct (Oakey, 1991). On the other hand, the conflict for the *day-to-day* survival usually make it difficult for entrepreneurs/owners/managers to commit themselves to plan-

ning beyond the short term (Churchill and Lewis, 1983) and to evaluating the communication results. Consequently, proper planning of communication does not occur, but frequently, the entrepreneur (or a figure delegated by the same) interacts with a communication agency (usually a structure with merely executive duties) to devise the below-the-line tools to support sales activities.

Occasional activity. Typical approaches in micro-businesses, because of cultural shortcomings and above all addressed to containing costs (Stokes, 1995), envisages on the spot communication initiatives for specific needs and/or in terms of emulation of leading competitors. The activities, clearly, are not the outcome of planning and are for the most part managed by the entrepreneurs with communication agencies or, even more frequently, with well-equipped printers. Communication approaches of this type can be a symptom of weakness in one or more of the following areas: marketing strategy, corporate culture and formal corporate communication plans.

In short, the more strategic the relations for the firm survival, the more communication covers the role of value widespread in firm organization, representing not only a variable of the marketing mix, but rather the pre-supposition for proper marketing management.

A field research about the firms operating in the Province of Avellino has been required in order to analyse the current state of communication activities.

The firms involved in the analysis have been selected from the registers of the Camera di Commercio (Chamber of Commerce) of Avellino from among the SMEs with over 10 employees, with the exclusion of firms operating in b-to-c. The choice of excluding from the analysis micro-firms (with under 10 employees) is due to the fact that, in most cases, the firms involved do not have any possibility of undertaking formalized marketing and communication plans for lack of funds and specific expertise (Carson, 1985; Matthews and Scott, 1995). In most cases, these firms operate as sub contractors of larger (local or national) companies.

The survey, based on a sample, started from a review of secondary data about potential benefits in the practice of communication of the firms in the Province of Avellino. To this end, it has been contacted the "research" offices of Camera di Commercio (C.C.I.A.A.) and of Confindustria of Avellino. They have provided two different databases of the adhering firms. Consequently, as it did not exist previous empirical study, our research group defined the research plan, as it is shown in Table 1.

In brief, the survey, by means of a field investigation, aimed to deepen

the following issues: 1) the role of communication to the development of organizational competitiveness; 2) the size and the goals of communication investments; 3) the firm-specific factors that represent value to both customers and the other stakeholders; 4) the implemented communication mix; 5) the ability to carry out the effective identity of the organization (corporate personality), by means of communication actions; 6) the relationships with communication consultants (marketing and communication agency, advertising agency, public relations agency, etc.) and their contribution to the creation of the corporate identity; 7) the opportunities of business development through the implementation of an adequate methodology of communication planning.

The combination of the two databases, C.C.I.A.A. and Confindustria, have provided a sample of 124 firms, to which the questionnaire has been sent first by mail¹, afterwards, due to a low response rate (about 10%), all firms have been contacted by phone to re-extend the invitation to fill the questionnaire, sending it by email.

The questionnaire administered is made up of 26 questions, constructed on the basis of the review of the literature consulted and in relation to the research design.

The conceptual dimensions refer to information on the characteristics of the firms (stage of the production chain, core business, turnover, longevity of the firm, etc.), on the organization and the management of communication activities (e.g. existence or otherwise of a function/office dedicated, budget invested annually, recourse or otherwise to consultancy of communication, etc.) on the efficacy perceived of the various initiatives carried out, on the objectives of communication pursued and the satisfaction about implemented communication actions. A significative part of the questionnaire is dedicated to the targets of communication activities effectively implemented aimed at identifying the main stakeholders involved in corporate communication and, in particular, at determining their contribution in terms of information/knowledge that are relevant for the different value chain processes.

The questionnaire is structured principally by means of multiple choice questions (dichotomic or polytomic), as well as Cantril scale batteries, in order to eliminate eventual ambiguity and to facilitate the responses. The analysis was carried out during a six-month period (July-December 2008) administered by mail. On completion a total of 20 questionnaires was considered valid, which corresponds to a rate of response of about 16%, which is acceptable taking into account the rate of response which is usually quite low in the analysis on SMEs (Moss *et al.*, 2003).

Tab. 1 - Research plan

STAGES OF THE STUDY	ACTIONS
Problem definition	To analyse critical factors within the process of implementation of a proper strategic communication planning
Purpose of the research program	To identify different cultural trends and analyse specific communication gaps
Objectives	<ol style="list-style-type: none"> 1) the role of communication to the development of organizational competitiveness; 2) the size and the goals of communication investments; 3) the firm-specific factors that represent value to both customers and the other stakeholders; 4) the implemented communication mix; 5) the ability to carry out the effective identity of the organization (corporate personality), by means of communication actions; 6) the relationships with communication consultants (marketing and communication agency, advertising agency, public relations agency, etc.) and their contribution to the creation of the corporate identity; 7) the opportunities of business development through the implementation of an adequate methodology of communication planning.
Planning	<p>Quanti-qualitative research, based on a sample, descriptive survey.</p> <p>Survey sampling:</p> <ul style="list-style-type: none"> - <u>population</u>: firms operating in the province of Avellino; - <u>units</u>: Smes with over 10 employees, adhering C.C.I.A.A. and/or Confindustria of Avellino; - <u>sample size</u>: 124 firms; - <u>sample procedure</u>: non-probability sample (judgement sample); - <u>timing</u>: 6-month period (July-December 2008).
Data-gathering	Questionnaire
Data processing and analysis	SPSS and graphic synthesis

4. Field data analysis and discussion

The firms involved in the analysis constitute as expected, a quite heterogeneous group in relation to the activity carried out within the productive chain. The respondent firms operate in different industries: construction (residential, road and restoration) in 6 cases, engineering in 3 cases, plastic and rubber moulding in 2 cases and in one case respectively agricultural products, plastic recycling, leather tanning, consulting, software design, printing, wooden structures and tourism services.

The businesses investigated are not long-standing and have been present on the market on average less than 10 years. From the point of view of the number of staff an average of 35 employees per firm, is recorded; if we exclude the three firms with over 100 employees, indeed, the average value is about 20. Half of the analysed firms (10 out of 20) have declared a turnover up to 3 million Euros.

As regards the organisation of the communication function, just over one third (7 out of 20) declared having a unit expressly dedicated to communication. In five cases out of seven, these offices are managed by sales executives, thus highlighting a selling focused approach in carrying out of communication initiatives. This information is in line with findings from previous research (Moss *et al.*, 2003; Einwiller and Winistoerfer, 2007) which attest the scarce presence of specific functions and distinctive competences dedicated to communication in SMEs.

Also with regard to annual communication budget, communication is seen as an occasional activity. The 40% of the respondent firms invest less than 5.000 € per annum and only 5 out of 20 spend over 10.000 €.

As regards the variation in communication expenditure in the last two years, about 30% have declared their investments in communication have been incremented. No variation is recorded for 10 out of 20 analysed firms. An interesting result concerns the budget estimates in communication in the next three years: 45% assume an increase in communication budget, higher than 10% in 6 cases out of 20.

The reasons of such increase are fundamentally “new product launch” or “entering new markets/sectors”. Only in two cases (“higher benefits from integrated communication” and “need to improve corporate image”), the answers seem to indicate an approach that considers communication investments not linked to specific needs.

With reference to managing communication activities, just over one third of the firms declared they availed themselves of communication consultants. No evident association emerged between the dimensions of the firm in terms of turnover and/or the number of staff employed. Only in one case, the same consultants is chosen for over 5 years. In effect, the consultants commissioned were in two cases “communication/advertising agencies” and in four cases “web agencies”, but in all cases even the “printers” are mentioned indicating that their role is more than marginal in the firm’s communication activities.

As regards the relationships with communication consultants, it seems to be an underestimation of specific expertise/competences available outside the firm. Consultants are often identified with press services and printers. Reasons for making recourse to communication consultants in two cases are related to the usefulness of investing in these activities, whereas in 3 cases it depends from past positive experiences with these kind of consultants.

As regards to services offered by communication consultants, they reflect the selected consultants: in 4 cases they created company/product logo,

and in 3 cases devised and realized the product packaging. Only in two cases, communication initiatives have concerned substantial aspects of firm communication, that is the design/implementation (both in terms of copywriting and visual elements) of the adv campaign. None of the firms have declared to have recourse to consultants in order to develop communication plan and/or to choice communication mix.

The survey of distinctive elements to be communicated occurs principally by means of briefings and/or meetings. There is no use of “formalized tools” such as questionnaires or interviews.

With regard to decisional power in communication activities, it clearly emerges two prevalent conducts (respectively 3 answers): on one hand, communication initiatives are carried out by consensus between client (firm) and agency (consultant), on the other hand, communication actions are totally devised by the entrepreneur and the consultant is assigned an operative role.

Back to the majority of the firms, they do not have recourse to communication consultants and reasons can accordingly, be summed up mainly in the following two statements: “I use communication consultants as I already have specific competence in my firm” (3 answers) and “I don’t really need to use them/I don’t consider communication consultants a useful investment” (7 answers). Even in this case the trend seems to be that of relegating communication to the level of residual activity which is possible to manage personally without the contribution of professional expertise outside the firm.

With regard to frequency in carrying out different communication actions, predictably for b-to-b firms, 80% of the firms have a minimum use of mass media (TV, radio, etc.) or outdoor advertising. About one third uses internet for advertising purposes and 50% invest on their corporate website; only about 20% participate frequently in industry trade fairs and/or sector events. The sole activities carried out systematically concern the use of below-the-line tools, such as catalogues, leaflets, headed paper and other materials related to visual identity building.

As concerns the efficacy of communication actions in terms of contribution for achieving better performance for the firm, it clearly emerges that greater efficacy results from the use of catalogues/leaflets/brochures (average 6,21 on a 9-point scale) and from corporate website (5,26). Results just over sufficiency level are referred to public relation activities (4,89) and new media advertising (4,84).

In reality, as emerges from several studies (Quelch and Klein, 1996; Vescovi, 2000) an appropriate knowledge of the electronic means of communica-

tion available could result in significant advantages for the SMEs in improving relations with the market and could reveal new opportunities for development. To sum up, as regards the role of new technologies, most firms recognize their value but in practice their use seem to be in contrast with a formalized strategy.

Moreover it is interesting to note that, although all firms operate in b-to-b markets, personal selling activities (e.g. by field sales representative) are considered not so decisive for firm performance (average 3,37). The result is in contrast with previous studies in which personal selling takes priority in the activities of communication of SMEs (Spickett-Jones and Eng, 2006) in that it is more suitable for developing market relations which are fundamental for the development of the firm in b-to-b markets (Morris *et al.*, 2001).

There are many issues covered in communication activities; about the half of the respondent firms take into account the following topics: corporate identity and culture, product sales and corporate website. The interest towards intangible aspects of communication (culture, identity, etc.) seem still separated from implemented communication initiatives.

Less than one third of the firms (from 4 to 6 answers) has put into practice communication actions aimed:

- to manage and develop their portfolio brands;
- to convey their own mission and/or vision;
- to give technical information about their products;
- to develop relationships with local communities.

Almost no firm (from 1 to 3 answers) considers communication initiatives useful to cope with corporate crisis, to inform its financial stakeholders of economic performance or to show commitment to social and environmental issues (i.e. by means of sustainability reporting).

The main recipients of communication activities are customers in all 20 cases. The other publics are local/national P.A. (8 answers), investors and suppliers (7), employees (5), individual consumers and distributors (4). The other possible stakeholders (local communities, universities and research centres, journalists and media, owners/shareholders) have been taken into account by less than 3 firms. As it lacks a formal communication addressed to shareholders, it emerges the predominance of typical features of family businesses.

The confirmation of the approach towards communication as prevalently as "support to sales" is evinced also from the responses obtained in relation to the question on the three principal aims of communication initiatives (see tab. 2). The most quoted items refer in order, to "improvement

of corporate image” (16 answers), “customer loyalty” (11 answers) e “visibility and notoriety of products” (10 answers), and evidence an approach extremely product-centred and set on building chain relations above all in the short term.

1° OBJECTIVE

	N.	%
Improvement of corporate image	12	60,0
Customer loyalty	4	20,0
Visibility and notoriety of products	2	10,0
Reputation building	2	10,0
Total	20	100,0

2° OBJECTIVE

	N.	%
Visibility and notoriety of products	7	35,0
Customer loyalty	4	20,0
Improvement of corporate image	2	10,0
Reputation building	2	10,0
Exchange of know how with partners of the productive chain (suppliers/distributors)	2	10,0
Internal cohesion and sense of belonging	1	5,0
Recruiting qualified employees	1	5,0
Legitimation and social consensus (to be known and accepted by local community)	1	5,0
Total	20	100,0

3° OBJECTIVE

	N.	%
Recruiting qualified employees	4	20,0
Legitimation and social consensus (to be known and accepted by local community)	4	20,0
Customer loyalty	3	15,0
Reputation building	3	15,0
Improvement of corporate image	2	10,0
Internal cohesion and sense of belonging	2	10,0
Visibility and notoriety of products	1	5,0
Exchange of know how with partners of the productive chain (suppliers/distributors)	1	5,0
Total	20	100,0

Tab. 2 - The three principal aims of communication initiatives

In detail, 60% of the firms indicate as first objective the improvement of corporate image, and even if it emerges an interest towards long-range objectives such as reputation building (on the whole 7 answers) or legitimation and social consensus (5 answers), it is also true that these aims are seldom quoted as first answer. In other words, some firms show interest in the concept of reputation but they do not have realized how is the formal process to create and develop a favourable reputation. To understand which distinctive features should come from communication actions, it was asked to identify three elements on which it is supposed to base its own communication strategy (Tab. 3).

Tab. 3 - *Distinctive features for communication strategy*

	N.
Quality	8
Expertise	5
Credibility	4
Reliability	2
Efficiency	2
Competence (ability)	2
Transparency	1
Success	1
Assurance	1
Services	1
Responsibility	1
Reputation	1
Leadership	1
Innovation	1
Image	1
Identity	1
Experience	1
Availability	1
Dynamism	1
Fairness	1
Concreteness	1
Comfort	1
Territorial identity	1

The prevalent answers (quality, expertise, credibility, reliability) show typical values of b-to-b contexts, in which trust (reliability, fairness, assurance, etc.) is central in the development of network relationships. It is confirmed a b-to-b approach, because communication “receivers” are mainly (intermediate) customers and the principal aim is to convey characteristics – such as quality, reliability, expertise – that represent generic elements of identity, proper of a less formalized industrial marketing.

70% of the firms has declared “satisfied” of implemented communication activities, even if previously only one half give a specific value to communication; a possible interpretation is that for several firms communication, even if properly planned and implemented, do not have relevant effects on firm’s performances because it is considered as a “cosmetic” activity, merely useful to introduce themselves better to their customers.

Only 20% of the respondent firms declared to carry out communication initiatives with other organisations/firms and in most cases it refers to co-branding activities.

The investigated firms seem to lack the awareness that communication creates value above all “[...] to interpret and influence external environment so as to modify itself [the firm], in its internal and external relationships”(Petix, 2002).

As regards the answers to the last question, it is confirmed that commu-

nication is considered useful primarily to take the opportunity and move into new markets. Nearly one half (9 out of 20) believes that communication may lead to advantage in terms of development of new knowledge finalized to devise new products/services. One third of the firms considers stakeholder communication apt to obtain information both to improve production and logistic processes and to acquire new competences on behalf of its employees. 3 firms out of 20 do not see any benefits from communication with stakeholders. On the whole, the answers support the idea of a corporate culture scarcely communication oriented and a lack of sensitivity to exploit related opportunities.

With regard to the assessment of communication activities, only 8 firms out 20 perform some kind of evaluation through “generic tools” that seem inadequate to verify the contribution of communication to firm’s performance.

Lastly, the firms have been classified in function of different communication approaches (or levels of ‘communication orientation’), as shown in Table 4.

Levels of ‘communication orientation’		Indicators considered	Number of firms
L1	Value of corporate culture	Presence of a specific unit/function dedicated to communication, budget invested annually (>30000€), recourse to consultancy of communication, long-term/wide communication objectives, variety of stakeholders engaged in communication actions	2
L2	Support for sales	Possible recourse to communication consultants, budget invested annually (>10000 €), communication objectives related exclusively to sales, focus on customer relations	10
L3	Occasional activity	No recourse to communication consultants, budget invested annually (< 10000 €), low use of different tools of communication, scarce consideration of communication initiatives	8

Tab. 4 - Different levels of “communication orientation”

On the basis of the classification scheme outlined above, it emerges that only two firms considers communication a specific value of their corporate culture (L1); on the contrary, the majority shows an interest in communication considered merely as a support for sales. This attitude even though in some cases, envisaging recourse to consultants outside the firm, has the scope of obtaining short term returns in terms of sale and a focus addressed exclusively to customers relations (L2). The third group identified is made up of just over a third of the firms interviewed which

consider the communication as an occasional activity (L3). In this group, investments in communication are reduced and the initiatives taken are of a sporadic nature and without any strategic value.

5. Summary and conclusions

The present study provides theoretical and managerial implications as well as perspectives for future analysis. The research results show that there is a trend in terms of communication in b-to-b firms of a *sales support* or *sometime activity* kind rather than the application of a *communication philosophy/culture*. These findings mainly depends on a lack of formal communication policies and investments that include other stakeholders (besides customers) among the different communication receivers.

Whereas it emerges the need to pay attention to communication issues, communication initiatives seem to be addressed to “push” sales (L2) or as occasional activities to present their products with attractive visual support (e.g. leaflets, catalogs, etc) (L3). Only few respondent firms give a strategic value to communication actions (L1).

The scarce attention to stakeholder dialogue and involvement is also confirmed from the low response rate. This behaviour seems to show a lack of a proper communication orientation in which the creation of social capital - according to the meaning of the expression by Coleman (1988) and Putnam (2004) - is not considered relevant.

The study also shows that the use of communication tools (leaflets, events, etc), addressed to develop interpersonal relations, is typical of b-to-b contexts. In fact, as all the firms investigated belong to b-to-b industry, the shortage of a clear communication orientation is partly “justifiable”, due to the need of developing one-to-one relationships with primary customers. Actually, communication seems to “over-represent” firm’s results (in terms of quality, reputation, credibility, etc.) and finalized to image development and (short-term) visibility. These findings may help to make the firms more aware of their communication (in)activities and to show the way forward to satisfying stakeholders needs.

This could be analysed from two perspectives. From an endogenous point of view it is necessary to describe all communication initiatives carried out and consequently to systematise them. They will be based on firm-specific features and no longer on generic b-to-b values/competences (expertise, credibility, reliability, etc.). From an exogenous perspective it is necessary to characterize relevant stakeholders in order to individualize their specific needs and to be in tune with them. This last effort should strengthen cor-

porate relationship network in order to identify the strategic ones (strong and/or weak ties) and to reach the competitive survival.

Moreover, the lack of creating strong ties, or better redundant links (Burt, 1992), with other players puts the firm into the risk of being less competitive for: (1) lack of information; (2) shortage in creativity; (3) new opportunities difficult to be identified and exploited.

Lastly, the cost of keeping strong (redundant) ties is certainly higher than that one linked to creating several weak (not redundant) ties. In our approach, this means that not only the sharing of knowledge but also the improvement of reputational competences, are necessary to gain a social role and to connect networks (by means of weak and strong ties), in which a firm operates.

Notes

¹ The folder was also made up of a presentation letter that explained the aims of the research program and a post-free envelope to gather the filled questionnaires.

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