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B2B Marketing Communications in PR China and Singapore – An Analysis of Communication Channels for Software Products

Topic and Research Question

With the growing attractiveness of China and Singapore to the world economy, an increasing number of Western companies aim to arise businesses there in order to benefit from the economic power and size of the two countries. Those companies are facing great challenges, while some often fail to meet them (Zhang 2004: 1). Shaun Mahony, managing director of the EP China Consulting group, sees the reason for their failure in the “[...] lack of understanding of the legal and cultural environment that leads to most failures” (Carlson 2013).

When communicating their products and services, language barriers, lacking information on platforms as well as culturally conditioned differences in buying and business behaviour emerge as problems. This thesis aims at contributing to the debate how to market and sell business products to companies based in China and in Singapore. The research is guided by the main question: How to target the right business customers and to communicate the products to them?

State of the Art

The realisation of marketing principles can be dated many centuries back, when commercial processes were based on an exchange economy. As the pioneer of industrial division of labour, Adam Smith has already declared in 1789, it is human nature to trade and to exchange things (Mefferth, Burmann & Kirchgeorg 2012: 3). Basically, marketing deals with the efficient formation of exchange processes in account with needs.

The main challenge for marketing communications is, however, to determine the best way how to reach customers in order to communicate the benefits of a product (Kotler, Keller & Bliemel 2007: 653). In business markets, marketing mainly aims to facilitate the sale of products by communicating their value to target customers (Oliva 2012: 16). In order to raise the awareness of a firm or of its’ products and services, the right people, the so-called buying centre, need to be addressed (Backhaus & Voeth 2010: 297).

“...The marketing process that matters most happens inside the customer’s head” (Hellmann 2005). Culture delivers the decoding framework and influences the perception. As a consequence, every culture creates its own symbols, rituals, customs, and formats. The way people think and argue applies on the patterns that dominate within their culture (Schmid 2006: 51).

Business behaviour, the way to communicate products and to perceive value, on the contrary, varies with the respective culture (Anderson & Narus 2004: 17-18).

Methodology and Approach

Marketing communications in business markets as theoretical framework provides the basis to understand the given comparison and evaluation of communication channels for example by Brennan, Canning & McDowell 2011, Ellis 2011, Kirchgeorg et al. 2010, Kotler & Keller 2009, Lee & Kotler 2011. Based on the analysis of literature, a list of examined communication channels was compiled to be reduced according to empirical data in order to narrow an optimal channel mix for the given purpose.

The research design chosen for this thesis is to some extent an explorative research. Therefore, as research strategy, three kinds of research methods are chosen: (1) a workshop, (2) a standardised interview using an interviewer-administered questionnaire and (3) a self-administered internet mediated questionnaire.

- (1) The workshop aims at identifying the buying center by creating a prototype.
- (2) The purpose of the standardised interview was to understand which communication channels are used in practice in China and Singapore and why.
- (3) The paired comparison enforced the direct evaluation of communication channels in order to obtain a ranking according to their priority.

The data encompasses the know-how and professional experience of experts working in the marketing field in China or Singapore.

Main Facts

Communication channels were divided into traditional and online communication channels. Traditional communication channels were categorized into advertising, sales support, events, public relations, personnel selling and direct marketing. These categories were analysed and evaluated according to the criteria of successful product marketing communications. The online communication channels were similarly classified into advertising, sales promotion, exhibitions, PR, direct mail, personal selling and the word-of-mouth. It is important to differentiate between different objectives of the marketing communication. As the objectives are

determined, they need to be realised in accordance to the concept of integrated marketing communication (IMC). IMC considers that business marketers set communication objectives in accordance to a response hierarchy model. Thereby, value can be created and communicated through synchronised communication channels. Finally, the business marketer is steadily striving for synchronization of the effects of the communication channels. Online communication channels “enable new forms of interaction and new models for information exchange” (Chaffey & Ellis-Chadwick 2012: 35). Online communication channels are rather pull media since the customer is able to seek information. In contrast, traditional channels are rather based on a push mechanism.

In China, it is important for business marketers to achieve trust since Chinese people place value on demonstrating their commitment in order to enhance recommendation and sales rates. Accordingly, relationships play a crucial role to enter business networks in Singapore.

Results

Based on literature, traditional and online communication channels were compiled and discussed. The communication channels belonging to the communication mix were examined in terms of applicability for proper communication on business markets. In other words, inappropriate channels for the achievement of the predefined research objective were eliminated.

In the light of a constantly fast changing communication environment, it was indispensable to gather empirical data from sources that were as diversified as possible. Therefore, three different types of empirical methods for data collection have been deployed: (1) A workshop, (2) Interviews, and (3) Questionnaires.

- (1) The buying centre was identified as constellation of different generations. The generations were categorized in two different patterns resulting in a matrix. First, the categories were baby boomers, generation x, and generation y. The second categorisation was divided into professionals, Lifestyles of Health and Sustainability (LOHAS), and generation 2.0.
- (2) B2B marketers who were experienced regarding the concerned markets China and Singapore were asked for channels they use, assuming that those

were seen as fulfilling the high requirements. Consequently, the most frequently used communication channels were identified from the predetermined selection of preferred communication channels, namely events, salesforce, search engine advertising (SEA), search engine optimisation (SEO), social media, website, print, e-mail and mobile marketing. This paper assumes that the result also reflects those channels that buying units prefer to be achieved with.

- (3) Based on the results of the questionnaires, a paired comparison of the nine remaining communication channels was conducted for each country in order to obtain a ranking. As a result, the following rankings resulted for China and for Singapore.

China

Rank	Channel
1	Sales Force
2	Events
3	Website
4	Social Media
5	SEO
6	E-Mail Marketing
7	SEA
8	Telemarketing
9	Print

Singapore

Rank	Channel
1	Website
2	Events
3	Social Media
4	Sales force
5	SEO
6	E-Mail Marketing
7	SEA
8	Print
9	Mobile Marketing

References

All references can be found in the full version of the MA thesis available at <http://othes.univie.ac.at/>

About the Author

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