

**21st Century Applicability of the Interaction Model: Does Pervasiveness Of Social Media In B2B Marketing Increase Business Dependency On The Interaction Model? Conceptualising “Social” IMP.**

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**Abstract**

The IMP interaction model (Håkansson 1982, p.24) survives academic and managerial scrutiny for over three decades. Simultaneously, a techno-economic revolution emerges reshaping B2B communication and interaction while digitising the global economy. In the 21st century, mobile devices directly connect with people and businesses via the exemplary social media of Facebook, Google Plus, LinkedIn and YouTube. This pervasiveness of social media technologies and applications enables not just the generation of online conversations but generates B2B collaboration activities atop business to business and intra business conversations. On this basis, consideration of social media within the context of the IMP Interaction model (ibid) is essential when undertaking any worthwhile contemporary study of B2B marketing.

This paper reviews the original IMP Interaction Model (ibid), a range of current social media and collaborative applications and activities appearing in B2B Sales and Marketing interactions. The researchers map the social media interactions to a select set of Interaction model (ibid) variables generating an IMP Social Media Interaction Framework. This framework focuses the original model (ibid) on social media applications, exchange activities (4 variables of product/service, information, social and financial), cooperation and adaptations. Additional insights include the use of social media for signalling interaction for Information and Social Exchange, and for parallel and extended use of both social media and conventional communication methods in Cooperation and Adaptations. The IMP Social Media Interaction Framework places social media and online conversations environments centre stage of the Interaction Process increasing the relevancy of the IMP approach well into the second decade of the 21<sup>st</sup> Century.

**Keywords:**

Interaction, IMP Interaction Model, social media, conversations, pervasive, communication, signalling, B2B marketing, B2B sales

**IMP, Interaction and 30 Years of B2B Technological Revolution**

The interaction approach (Håkansson 1982) with “the firm as a nexus of exchange relationships” (Moller and Wilson 1995) weathers nearly three decades of network centric technological change.

A techno-economic paradigm based on information processing computerising (or in today’s language, “digitising”) the whole economy, has emerged over the last three to four

decades, producing industries, organizations, products, services – and ways and means for business interaction (Freeman & Perez, 1988). Representative Technologies including as the mobile phone and the Internet have developed through multiple generations enabling international business to operate on an advanced collaborative information-based platform in a “flat world” (Friedman 2006). Recent developments in mobile device technologies and internet-linked devices including Apple’s iPhone and iPad, Google’s Android Operating Environment, and Microsoft’s emerging Windows Mobile 7 environment have become pervasive, thus enabling collaborative applications including social media activities to also become pervasive.

Since 2004, the World-Wide Web has developed rapidly as a platform (essentially a Web 2.0 perspective, see O’Reilly 2005), supporting the emergence of social media as the main form of communication and interaction going into the second decade of the 21<sup>st</sup> century. Social media became pervasive for social communication and interaction from 2005-2009, and is now pervasive for business communication and interaction.

The increasing dependency of consumers on social media spills not only into business but also into communications between businesses. Social media provides an ability to generate content online using social media (e.g. wikis & blogs) and social networking (e.g. Facebook, LinkedIn).

From an interaction perspective, the use of social media in business implies two types of data. Supporting transactions emanating from transactional systems (transactional data) and business relationship episodes (social data) stem from social media interactivity - and “neither the transaction nor the relationship should be prioritized above the other” (Styles and Ambler 2003).

Social data enriches transactional data “complemented by experiential, emotional and/or symbolic data arising from the customer’s experience” (Bonnemaizon, Cova and Louyot 2007). This appearance of social data fosters the creation of a “a relationship-based customer engagement out of a transaction-based business” (Grönroos 2010) with marketing as “complex dynamic adaptive interaction system, revealing a conversational nature” (Varey 2008).

### **Revisiting the 1982 IMP Research Project**

The IMP Group’s Research Project (Håkansson, 1982) contains 24 cases by company name (See Appendix 1) comprising a mix of mini cases. The initial intention of the researchers for this 2011 project is to review each of the original companies and understand the current B2B uses of social media exchanges within these IMP study organisations. Original cases endeavour to capture social exchange as exemplified by:

“...Siderex's limited experience in customer service, the first German customers were found to be very exacting. Trying to live up to the customers' expectations was considered, however, to be a useful learning opportunity...” (Håkansson 1982) and “...in the beginning Bradick was rather `cold' but when it realized that the relationship was a stable and serious one it became more and more helpful in all the problem situations, giving service also at the moment of installation” (ibid).

The researchers of the current 2011 project use the B2B Kompass Database (Kompass 2011) comprising 3 million B2B companies to review the current status and contact details of

the companies of the 1982 IMP study, with the intention of researching company use of social media in B2B sales and marketing activities. Preliminary desk research finds the majority of the companies are not present in the 2011 Kompass listing. Hence, the original companies are not included in the current study. These original IMP cases represent a solid research base to understand the longitudinal fortunes or misfortunes of the companies and prompt the researchers to revisit the companies at a later stage outside of the current research activity.

The researcher review of the IMP Interaction Model as presented in the 1982 research project (Håkansson 1982) commences with focusing on the Interaction Process and Exchange Episodes, Adaptations, and Cooperation. Adoption of the existing IMP model serves effectively:

- a) As a diagnostic tool to understand the current state of B2B interactions in an exchange
- b) To generate a managerial action plan guiding the optimal use of social media for the B2B relationship

In conceptualisation of a “Social IMP Model”, the IMP interaction model (ibid) provides the variables /checklist for B2B interactions and the subsequent logical step is to review the IMP variables in scenarios embodying the use of social technologies in B2B marketing and sales activities. Variables associated with Exchange Episodes, Adaptations and Cooperation are:

1. Product/Service Exchange
2. Information Exchange
3. Financial Exchange
4. Social Exchange
5. Cooperation
6. Adaptations

### **Developing the Social IMP Model**

The researchers regard the IMP model an essential underpinning to a world of social technologies owing to the emphasis of the model on human-to-human interaction lying at the heart of social media interactions and thus providing for an elegant synergy. This further reinforces the drive to create an integrated model of relevant aspects of social media combining with the thoughts of IMP.

Over the last 15 years, the lead researcher in the current project successfully applies key variables of the interaction model in managerial contexts to a wide array of B2B selling and marketing activities as a business developer, an entrepreneur, consulting services account manager, marketer, academic researcher and more recently as a specialist in developing and delivering B2B social media marketing solutions. The lead researcher within the team is classified as an expert in the development and application of social media to B2B selling and marketing activities.

A key insight from this practical experience is social media goes beyond support of securing business in existing markets and through existing relationships. Marketers are able to use social media information flows to shape markets for new opportunities and to create sustainable growth. Furthermore, opportunities exist through use of social media to achieve

B2B co-operation and adaptation. Most importantly, social media allows B2B sales and marketing participants as well as the buying decision making unit to interact without the need to consult IT or supply chain specialists.

The researchers, using social media marketing expert input, analysis of a selection of B2B marketing case studies (see further discussion later in the paper), and building upon previous research on representations of B2B sales and marketing conversation networks (Sood and Pattinson, 2010), select a set of pervasive social media activities.

Mapping and classification of the set of pervasive B2B social media activities to support, enhance, collaborate and develop long-term B2B within the IMP interaction process variables generates the Social IMP Model or Social Media Interaction Framework (figure 1).

Each Exchange layer is potentially definable by social media activities. Product/Service Exchange is shaped not just by a traditional product service description but by online conversations with ratings, discourse and shared value established around the products and services as core.

Information Exchange is substantially shaped by social media both in the type of social media-based conversations and contact patterns associated with them. Contact patterns are established where social media activities can be deemed to be interactive with more than a one-off, or intermittent two-way communication episode.

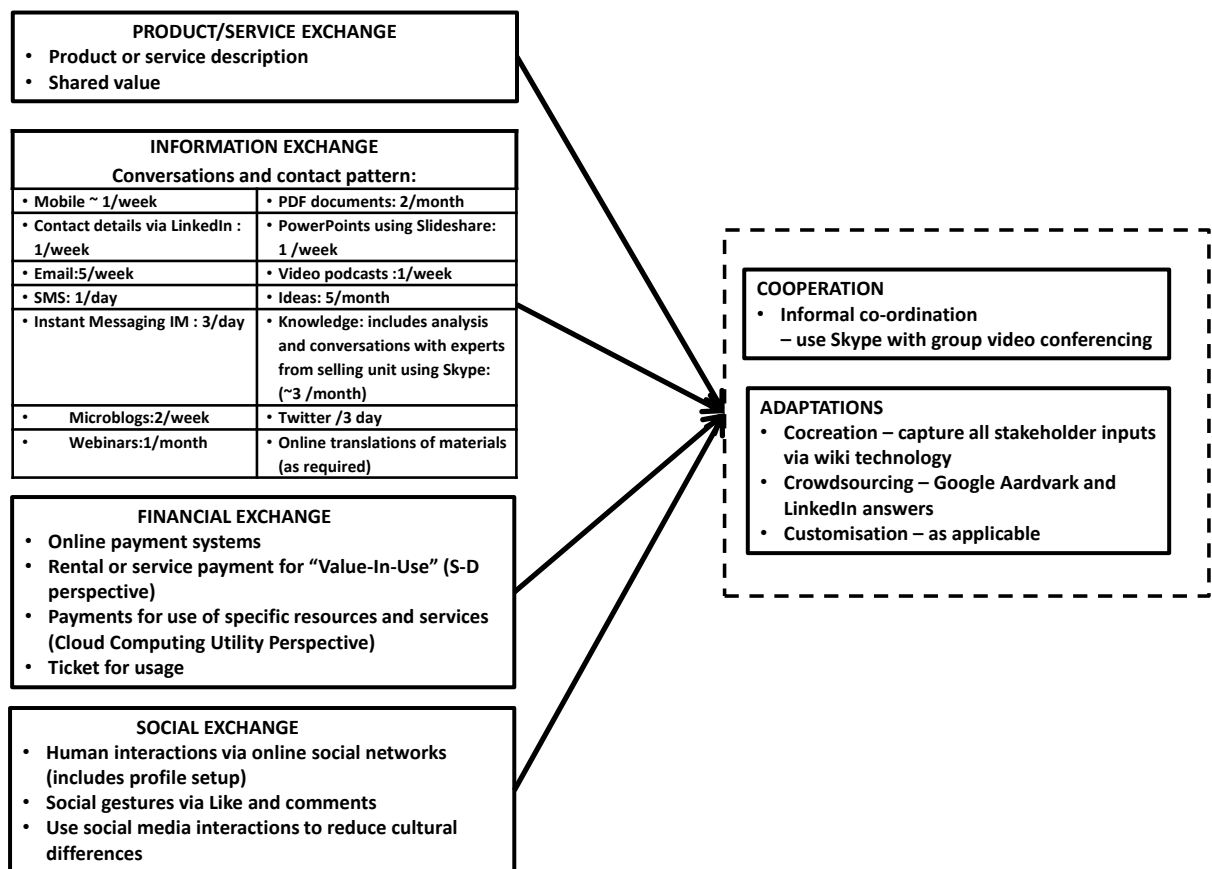


Figure 1: IMP Social Media Interaction Framework (Adapted from Hakansson, 1982, 26)

Financial Exchange focuses on online payment systems where frequently social media applications link directly to the payment mechanism. Financial exchange should address payment for “value-in-use” gained through creation and sharing of content using social media. A Service-Dominant Logic (SDL) perspective (Vargo and Lusch, 2004) focuses on value-in-use and points toward rental service payments as a key form of financial exchange. Cloud Computing services offer insights on financial exchange, based on a utility perspective (similar to power and water utility providers), where users pay for specific computing power and applications usage. A “ticket for use” approach fits with both rental service payments and utility computing services and could be extended to creation and sharing of content in social media applications. Financial exchange enabled by social media is the burgeoning area of social commerce.

The Social Exchange layer of the IMP interaction model is significant for exchanging the short term nuances of human communication including meanings and learning contributing to both a longer-term relationship (Moller and Wilson 1995) and eventually codified process. Social exchanges are inclusive of personal related activities. Here, lunch, golf or dinner activities immediately spring to mind in a B2B context. The Social Exchange layer of the IMP Social Media Interaction Framework recognises for social media and face to face interactions, signalling methods represent the social gestures and contribute directly to social bonding (or otherwise) between parties via social exchange. Signalling methods for conventional communication methods and social media activities are highlighted in Table 1.

<b>Communication Form</b>	<b>Signalling Method and Platform</b>
• <b>E-mail messages</b>	Reply, Forward, Read, Ignore, :cc
• <b>Phone</b>	Voice Modulation, Send/Receive (SMS/MMS)
• <b>Face –To-Face</b>	Turn-Taking in conversation and body language (Goffman 1976; Pattinson and Sood 2005)
• <b>Micro-messages</b>	Twitter/Yammer Short Messages Prefaced By @ or D Google+ Sparks
• <b>Social Networks</b>	Facebook : Status, Comment Like, Share LinkedIn : Accept, Invite, Messages
• <b>VOIP/Instant Messaging</b>	Skype: Telepresence (Chat, Audio, Video), Status, Allow, Ignore, Block, Conference
• <b>Geo social networks</b>	Foursquare, Facebook Places Share Business Location/ Latitude : Address, Map, GPS Coordinates, Invitation To Meet at Location, Other Relevant Businesses In Location Proximity

**Table 1: Social Exchange: Signalling Methods**

Social media applications offer a diverse range of signalling methods for establishing and deepening business relationships. Recent developments, particularly for the mobile device smartphones (e.g. iPhones), tablets (e.g. iPads) and supporting operating environments (e.g. Apple iOS, Google Android and Microsoft Windows Mobile) highlight packaging of a variety of communication forms into streams, apps, screens or folders where voice/video-

calls, SMS text messages, emails, Facebook Feeds, Chat, Skype and other relevant communications can be accessed, and actioned on the mobile device.

Social media activities facilitate interorganisational co-operation and adaptations. Co-operation through informal coordination is supported through a variety of social media applications including Skype group video conferencing. Parallel coordination is achieved where face-to-face discussion is underway but discussion participants and observers (an example of extended parallel coordination) are actually conversing at the same time through the social media applications of Facebook, Google +, Skype and Twitter. . Further, the same social media activities open up new avenues for adaptations. Collective interactions between inter organisational agents create new conversations generates new ideas, new information content and new services. Specifically, wikis enable collective capture and production of conversations and ideas and point towards a collaborative B2B open-source marketing concept (Sood and Pattinson, 2006). The Collective intelligence and crowdsourcing techniques enable discussion, answers to questions, revision, updating and development ideas through Quora, Facebook Questions or Linked In Answers services. The specialised user-ratings of TripAdvisor as well as sharing and synthesis of photos into galleries through Flickr further extend crowdsourcing techniques into the daily lives of consumers and businesses. All of these services may be customised, collectively updated and shared ensuring adaptation is an integral aspect of interaction.

The incorporation of the main social networks Facebook, LinkedIn or Twitter, and Google as a key social media application interface, to impact social exchange radically alters co-ordination amongst actors. B2B stakeholders including the marketer position to influence as opposed to manipulate the organisations and ecosystems the networks and agents touch.

Each operating group or division previously operating in a “silo” is able to work directly with business customers as opposed to working through or with marketing. The existing B2B interactions expand to encompass peer to peer and multi-party incorporating functions beyond traditional IMP sales and purchasing to embed additional skills and knowledge from a variety of departments R&D, New Product Development and professional services (Pattinson and Sood 2005) in the successful implementation of relevant solutions.

The exchange now comprises a number of multipoint exchanges. Consistent with the social gestures and the increasing coverage beyond the buyers and sellers, the supporting informational interactions go beyond request-reply to include publish subscribe (pub/sub - e.g. Tibbr, Twitter or Yammer) with parties only responding if the message is deemed to be noteworthy or of interest. The pub/sub model is consistent with a model of many to many with individuals choosing to pay attention only to the information flows of interest. Beyond, B2B human to human interactions the pub/sub information flows drive B2B machine to machine (M2M) interactions throughout the B2B technology landscape inclusive of supply chain and ERP applications (Beal 2011, Beal 2010, and Finley 2011).

This combination of human and M2M interactions results not only in the use of social media amongst B2B buyers and selling networks but embeds social technologies into entire B2B workplace environments. As an aside, a shared technology contributing (Wilson 1995, p. 13) to the integration of buyer seller computer systems when freely available to both parties, as is the case with social technologies, taken at face value, no longer creates an obligation to reinforce the relationship (Vlosky and Wilson, 1994). Furthermore, social technologies reduce the operating risk associated with doing business with seller (Wilson 1995, 4) through the use of the LinkedIn social networking service.

## **Case Studies On Consumer Social Media For B2B Interactions**

Two Australian case studies in vignette form serve to illustrate the increasing importance of B2B interactions within consumer social media environments outside of traditional B2B use of social media. Facebook is traditionally thought to be a consumer facing channel and minimal importance to B2B.

Tomee Tippee Australia a distributor of baby goods in establishing a Facebook presence (Tomee Tippee 2011) finds conversations and queries from distributors relating to distribution of products while a rare occurrence, nonetheless do appear within this interactive channel.

SSP a renowned B2B brand behind “food travel” normally operates behind key retail food stores at airports and rail station destinations. Through establishing a Facebook presence (SSP 2011), the desire is to encourage employees of businesses within a local catchment area to eat at the relevant properties. These two vignettes serve to illustrate the blurring nature of mainstream consumer social media to embrace B2B interactions.

## **Discussion and Future IMP Interaction Research Agenda**

While the IMP model appears to have stood the test of time some areas are worthy of further development and potential realignment in an environment of social technologies. B2B social conversation represents a key area for better informing the existing model.

The IMP model as it stands today provides a coarse grain description of a buyer seller system. If the model is to be useful in evaluation of social technologies in B2B interactions as well as to generate managerial insights conversations, a finer level of granularity for B2B analysis beyond just occupying placeholders for a social exchange is required.

In a typical B2B interaction with a strong interplay of relationship management (Brodie et al 2003) the exchange situation follows the pattern of a conversation leading to transaction. Here, the conversation excludes short-term episodes directly relating to the transaction information and order placement. Thus, “exchanges in social relationships are viewed as interaction processes where the interaction is any set of observable behaviour [for social media interactions we consider such to include online social gestures – see table 1] on the part of at least two individuals when there is reason to believe that some parts of these individuals are responding to each other” (Hallen 1991,28) requires a framework for information representation and analysis. Pervasiveness of social media activities going into the second decade of the 21<sup>st</sup> century means that demand a high place at any table focusing on B2B interactions.

The researchers have developed an IMP Social Media Interaction Framework (Figure 1) through augmentation of key variables from the IMP Interaction Model with social media activities regarded as significant for B2B sales and marketing interactions. Additional insights on communication and signalling methods including gestures are discussed for all forms of Exchange but particularly for Information and Social Exchange – with packaging and integration of these methods underpinning interorganisational cooperation and adaptations.

The researchers are advocating consistency and a model driven approach (Sood and Pattinson 2010; Pattinson and Sood 2005) as opposed to treating each social IMP B2B research activity uniquely (Falcao 2008) with regard to the increasing usage of social media in business communications. The consistency is driven from a deeper engagement between buyers and sellers as well as many more people emerging as part of the decision-making unit through use of social media. In a world of social technologies, the researcher hypothesis is conversations represent the co-ordination mechanism for business relationships and as such merit further research attention and analysis within a fine-grained B2B framework.

Beyond transforming the IMP model with the inclusion of social media to a conversation framework, many questions emerge and provide ample input for future research direction and activity:

- Do short term interactions using social media influence the long term relationship?
- Does an interaction approach combining with social media information flows (content and networks) provide a suitable overarching framework for managerial decision making?
- Is the proliferation of the different types of social media connecting relationships in a business context consistent with the devotion of managerial effort on the parties themselves?
- The advent of real time marketing using social media results in spontaneous information flows. Is real time marketing likely to hinder robustness of the interaction approach? Under such circumstances where are the potential breakpoints in the model requiring re-conceptualisation after 30 years?
- What types of contact patterns associate with different types of social media (e.g. wikis, blogs and microblogs)?
- Is adaptation of relationships observable in social media?
- What happens to control in a world of social media?
- How do you build a business using the interaction approach in the 21<sup>st</sup> century?

By exploring these research questions, the IMP interaction approach is “open for social conversation” and continues to develop and indeed transform into a sharp marketing instrument of the 21<sup>st</sup> century. Without adaptation the IMP interaction model functions as a blunt tool or historical conversation piece from the last century.



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**Appendix 1: Original IMP Project (Håkansson, 1982) Case Study Base**

<u>Grouping of company and interactions</u>	<u>Company Name</u>
Marketing of raw and processed materials	Siderex S.p.A. Swesteel Stahlwerke AG Britmet Belter Metals
Marketing of components	Sud Composants Autostart Francelec Mekanik & Motor AB Maschinentchnik GMBH Und Motoren AG
Marketing of equipment	Unifix Ltd. Svensk Processteknik Mecamine
Purchasing by companies with unit-production technology	Electra Antriebswerke AG Teximac Salka
Purchasing by companies with mass-production technology	Ace Motors Sprinter Svefo Auto Equipment
Purchasing by companies with process-production technology	Britapaints Colorex Lyon Acier

Source: Case Study Accounts in Håkansson (1982 pp.57-271)