

**WORD OF MOUTH COMMUNICATION SALIENCE AND
NEW VALUE CREATION IN THE BUSINESS-TO-BUSINESS SETTING**

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ABSTRACT

We propose a holistic business-to-business WOM-communication model and eight propositions as an analytic framework. Herein we argue that B2B WOM-communication salience arises primarily from two sources of economic scarcity: stakeholder salience, and the economic frictions relating to transactions. Thus we employ stakeholder salience theory and organizational economics to analyze the impact on WOM-communication salience (decision makers give priority to competing WOM-communications). Herein we also dimensionalize WOM-communication salience to include: WOM-communication importance, reputation, and adoption salience. As a more holistic approach we also demonstrate how our proposed model integrates and situates most previous B2B WOM-communication studies and thereby helps expand B2B WOM-communication salience theory.

EXECUTIVE SUMMARY

Suppose, in an urgent situation in your business, that you must buy a vast dollar amount of production materials. In most situations you would call someone you know to find out where to go to get the best price and quality. This kind of call happens all the time, and yet surprisingly, the phenomenon that it represents: word-of mouth communication in a business-to-business setting is somewhat under-researched. Also, the research that exists could be more comprehensive, and to develop a more comprehensive model, we start from two basic inquiries about WOM communications:

1. Who matters in B2B communications?
2. How to create new value in B2B communications by economizing on the social frictions within transactions?

The former is a stakeholder-based inquiry, and the latter is a transaction-cost-based question in B2B WOM communications. Together they capture complex B2B phenomena. In this article, tapping into a key underlying driver of B2B action, we develop a “scarcity-based” model to explain complicated B2B WOM-communication phenomena, founded on the idea that entrepreneurial new value creation can occur where time and resource scarcities are managed efficiently and effectively.

We therefore introduce the construct: WOM-communication salience (where decision makers give priority to competing WOM communications) and suggest that its three dimensions have positive relationships with stakeholder-based and transaction-cost-based scarcity as follows: (D1) WOM-communication importance salience may be influenced by urgency (stakeholder-based) and asset specificity (transaction-based); (D2) WOM-communication reputation salience would be influenced by the longevity of cooperative relationship (transaction-based); and (D3) WOM-communication adoption salience could be influenced by power (stakeholder-based), legitimacy (stakeholder-based), uncertainty (transaction-based), and also by the other two salience constructs, importance and reputation salience. This model helps selling firms determine the effectiveness of promotion strategies that depend upon stakeholder-based and transaction-based impacts, and it helps buying firms to assess which WOM-communications are most salient.

INTRODUCTION

The information age brings new challenges and opportunities to entrepreneurs. For example, increases in the salience of word-of-mouth (WOM) communications create new economies in the ways entrepreneurs use person-to-person relationships to create new value. While a vibrant research literature has developed to examine business-to-customer (B2C) or customer-to-customer (C2C) communications, the entrepreneurial challenges and opportunities in the huge business-to-business (B2B) arena have been largely overlooked in the literature, or have only been examined piecemeal (comprehending in any given study, only small parts of a larger whole).

The purpose of this paper is to propose a B2B model of WOM-communication salience that: (1) more comprehensively gathers and situates the key constructs, which (2) affect economies in entrepreneurs' strategic use of person-to-person data, (3) in the burgeoning B2B marketplace. In our study we combine stakeholder salience and organizational economic theory, to focus on the holistic effects of answering two questions (respectively): *Who matters in B2B communications?* (Freeman, 1994; Mitchell, Agle, & Wood, 1997); and, *How to create new value in B2B communications by economizing on the social frictions within transactions?* (Coase, 1937; Mitchell, 2003; Williamson, 1985). We suggest that the answers to these questions lead to the creation of a more comprehensive model of economic organizing because socioeconomic relationships by their

very nature—especially B2B procurement decisions—depend upon stakeholder reciprocity (Buttle, 1998; Phillips, 2003), and transaction cost (first-order) economizing (Mitchell, 2001; Money, 2000; Williamson, 1991). Since one of the main jobs in “economizing” is managing scarcity (e.g., in managing “how much of” or “how little of” Y is available to achieve objective Z); in our model we therefore address the effects of both stakeholder- and transaction-driven scarcities on WOM-communication salience.

This article has three sections. First, we define WOM-communication salience and three of its relevant sub-dimensions: WOM-communication importance, reputation, and adoption salience. Second, we employ the two theories, stakeholder (using the constructs: power, legitimacy, and urgency, Mitchell et al., 1997) and organizational economic theory (using the constructs from transaction cost economics: asset specificity, uncertainty, and frequency [i.e., longevity of cooperative relationships], Williamson, 1985), to discuss their impacts on WOM-communication salience and to suggest testable propositions that flow from the analysis. Finally, we examine the extant literature to see how our WOM model explains findings to date, we discuss the implications of this model for practitioners and scholars, and we suggest directions for further research.

WOM-COMMUNICATION SALIENCE

Word of mouth communication (WOM-communication) strongly influences firm buying decisions, and in the B2C or C2C context is thought to have a more substantial impact than other promotion resources on customer awareness, expectations, perceptions, attitudes, behavioral intentions, and consumer behavior (Buttle, 1998). For example, Day (1971) compared the effectiveness of WOM-communication with advertising, and found that WOM-communication is nine times more effective than advertising at transforming a negative image into a positive one. Also, according to consumer surveys (Buttle, 1998; Desatnick, 1987), “90% or more who are dissatisfied with the service they receive will not buy again or come back. Regrettably, each of those unhappy customers will tell his or her story to at least 9 or more people, and 13% of those unhappy former customers will tell their stories to more than 20 people” (Buttle, 1998, p. 242). In the B2B context, WOM-communication also has a high impact on information search, perception, expectations, and attitudes of buying processes (Buttle, 1998; Lynn, 1987; Stock & Zinsner, 1987). Accordingly, we

further examine WOM-communication because it has a substantial influence in a “buying center,” on transactions between buying and selling firms, and thus presents opportunities for entrepreneurs to use person-to-person relationships to create new value.

Based on our review of the literature we observe, however, most WOM-communication studies in B2B settings capture only a fraction of the entire picture, lack systematic theories to deepen knowledge, and are therefore insufficient to be used in comprehensive considerations that lead to strategy formulation for new value creation. As previously noted, WOM-communication studies in B2B markets are less advanced than in consumer (B2C or C2C) markets (Martilla, 1971; Moriarty & Spekman, 1984; Webster, 1969, 1970). Yet it has been known for some time that B2B transactions are more complex and rational, involve more people and time, tend to be more reciprocal, and require more evaluation than consumer markets (Webster, 1969). Accordingly, not all WOM-communication concepts used in consumer market strategy formulation can necessarily be applied to B2B settings, and the study of these unique elements is, we believe, underdeveloped. Drumwright (1994), for example, argues that industrial buying behavior is substantially different from that of consumers and needs distinct focus and study. In this paper we respond to this call, first, by providing a summary chronology of the development of WOM-communication research since scholars began almost 45 years ago to lay the foundations for a stakeholder salience-based B2B focus, and second, by further developing the notion of WOM-communication salience, suggesting three key constructs that capture how person-to-person relationships create new value: WOM-communication importance, adoption, and reputation salience.

WOM-communication: A Chronology

We view WOM-communication to be part of an informational exchange that occurs through social networks. Disseminative channels via WOM can occur through personal communication or impersonal media (Buttle, 1998). Personal communication, for instance, can consist of a personal conversation or significant others’ suggestions. Impersonal media refers to third-party information sources such as magazines or newspapers. The definitions of WOM-communication are therefore quite diverse. For example, in non-B2B settings, WOM-communication has been defined to be the interpersonal, non-commercial communication for a brand, product, or service (Arndt, 1967). Stern

(1994, p. 7) asserts that unlike advertising, WOM-communication is an interpersonal, oral exchange, and that this communication “vanishes as soon as it is uttered, for it occurs in a spontaneous manner and then disappears.” With the emergence of the Internet, Buttle (1998) considers that WOM-communication is not bound to brands, products, or services and can be organization-focused, and additionally, that WOM-communication can be spread via virtual communities such as electronic bulletin boards or websites. With the introduction of new technology, the definition of WOM-communication also continues to vary depending on the scope or media.

As chronicled in Table 1, the conceptual antecedents of WOM-communication build from the early 1960’s when the importance of WOM-communication in the purchase decision was recognized as it applies to firms.

{Insert Table 1 about here}

Over the next decade (1970’s), WOM-communication was linked to scarcity-driven theoretical antecedents such as risk and time pressure, and its locus and communication methods were identified and documented (respectively). During the 1980’s the factors that affect WOM-communication and the specifics of WOM-communication process were investigated. Then, in the mid- to late-1990’s WOM-communication began to receive serious definitional and developmental attention in the B2B literature, and in the early part of this present decade (2000’s), the foundations for the notion of WOM-communication salience were laid. Accordingly, as derived from its developmental history, we define WOM-communication to be: *the level of information exchange regarding reputation-sensitive subjects such as the quality or value of products, services, or feelings toward organizations and people, through personal communication or impersonal media.* Then, based on the developmental antecedents provided in the research chronology (Table 1) and upon the foregoing definition, we now turn our attention to the rigorous development and definition of WOM-communication *salience* as the dependent construct in our proposed model.

WOM-communication Salience

Usually, before a company makes a procurement decision, there are many WOM-communications competing with one another. Which WOM-communication should be taken into account in B2B decision-making? And, which ones are *most salient*? It is clear that to answer such

questions, the definition of WOM-communication as developed thus far in the literature has been insufficient. This problem is similar to that faced by Mitchell, et al. (1997) when the identification of stakeholders and the definition of organizational stakeholder salience were open questions at the time they wrote. And in a parallel fashion, we adopt a similar solution to the identification and salience problem in WOM-communications: we use power, legitimacy, and urgency of the WOM-communication to assist with identification and salience, and are therefore able to define WOM-communication salience to be: *the degree to which a firm gives priority to certain competing WOM-communications*. The consequence of our adopting this definition is that it articulates to *whom* (identification) and *how* (salience) entrepreneurs should pay attention to WOM-communications.

How does the level of WOM-communication salience relate to entrepreneurial opportunity? In recent years there has been an increased focus on what Venkataraman (1997) suggests is the distinctive domain of entrepreneurship research: to investigate how opportunities are identified. He states:

“Our field is fundamentally concerned with understanding how, in the absence of current markets for future goods and services, these goods and services manage to come into existence. Thus, entrepreneurship as a scholarly field *seeks to understand how opportunities to bring into existence “future” goods and services are discovered, created, and exploited, by whom, and with what consequence.*” (1997, p. 120).

We therefore reason that if the role of entrepreneurship is to bring opportunities into existence, then WOM-communication salience (*the degree to which a firm gives priority to certain competing WOM communications*) must point toward and be supportive of the factors that lead—in socioeconomic relationships—to the primary condition for existence: “continued or repeated manifestation” (Merriam-Webster Dictionary). It is then logical to suppose that continuity-based priority-setting in a business context (which is by its very nature *both social and economic*) has as its primary reference points the self, others, and the interaction between self and others. Accordingly, in terms that can assist researchers to comprehensively dimensionalize WOM-communication salience, these three comprehensiveness-creating conditions would be represented by the constructs: (1) WOM-communication *importance* salience concerning the firm/ self, which we define to be: *the degree of association between a firm’s self interest and a given WOM-communication*; (2) WOM-

communication *reputation* salience concerning B2B others, which we define to be: *the level of positive or negative perception of others toward a given WOM-communication*; and (3) WOM-communication *adoption* salience concerning both the focal firm and its B2B transacting partners, which we define to be: *the level of acceptance by all concerned, of a given WOM-communication*.

In the following section we utilize the foregoing conceptualization of WOM-communication salience, and the underlying logic of scarcity suggested in both stakeholder salience and organizational economic theory to suggest relationships in a holistic model of WOM-communication salience in the B2B context (Figure 1).

{Insert Figure 1 about here}

Based upon our analysis, we develop and present several testable propositions, and then later in the article go on to use previous studies as illustrations to demonstrate the potential explanatory power of the holistic model offered. Of course our hope is that through the development and test of this model, this and future studies can be used to explain, manage, and predict WOM-communication phenomena to benefit new value creation in both research and practice.

PROPOSITIONS

In our research, we have identified an underlying logic to motivate the set of proposed relationships in our model. This logic stems from the tendency of human as social beings to organize in the face of scarcity. As suggested by Durant (1935, p. 2), civilization/ organization occurs when people organize in the face of the potential scarcities that arise due to an uncertain future. The core of both stakeholder salience theory (Agle, Mitchell, Sonnenfeld, 1999), and organizational economic theory (e.g., Coase, 1937) is this driving notion: that economic organization can be explained with reference to the tendency of human beings to create social structure/ organization in response to scarcity. An underlying scarcity-driven logic therefore necessitates the specification of two conditions that situate our model: boundary, and direction.

First, in connection with bounding our analysis, we note that the propositions we develop in this section are not intended to be exhaustive. Rather, they are intended to be sufficiently comprehensive that a more holistic view of WOM-communication salience can be established within the literature.

Second, in connection with the directionality of the relationships presented in the model (Figure 1), we note that under a scarcity-driven logic, all independent constructs are proposed to have positive relationships with the three sub-dimensions of WOM-communication salience. As we shall explain, the main reason for this consistently positive set of relationships flows directly from the underlying logic of scarcity that drives the model. Because the nature of scarcity is “lack, or insufficiency” and the definition of salience is “the first priority,” it is logical for a firm to follow the rationale that WOM-communication salience is scarcity-driven. We concede that it is possible that other non-model constructs might have negative relationships with WOM-communication salience; however, the approach taken in this article sets a scarcity-driven boundary that excludes them. For instance, Money, Gilly, and Graham (1998) in an international B2B WOM study used three variables to measure cultural influence on referral behavior, including individualism/ collectivism and uncertainty avoidance (Hofstede, 1991), and high/ low context (Hall & Hall, 1987). Their study shows that a culture with individualism, low uncertainty avoidance, and low-context seems to have less referral behavior, which demonstrates, as one example, how negative B2B WOM relationships might appear in non-scarcity-driven models. With our model so framed, we therefore proceed to develop the set of independent constructs, the logic for, and the theoretical relationships proposed in two comprehensiveness-creating cases: (1) stakeholder salience-based scarcity, and (2) transaction-based scarcity.

Stakeholder Salience-based Scarcity

Who matters in WOM communication? Freeman (1984, 1994) suggests that those who affect or are affected by an organization are stakeholders: those who *really count*, and this assessment is echoed in many WOM-communication studies (Reingen & Kernan, 1986, Ronchetto, Hutt, & Reingen, 1989; Tuncalp, 1999; Webster, 1968, 1969, 1970). However, despite such common agreement, almost no research concludes that WOM-communication is a stakeholder-related issue. Obviously, without clear stakeholder identification, it is impossible for decision makers to decide on WOM-communication salience. Mitchell, et al. (1997) suggest that stakeholder identification and salience derives from the cumulation of power, legitimacy, and urgency. In the following paragraphs, we explain how stakeholder salience theory helps explain how two types of WOM-communication

salience (concerning “self and others” [WOM-communication “adoption” salience], and “self” [WOM-communication “importance” salience]) are influenced by power, legitimacy, and urgency (Figure 1).

Power and WOM-communication Adoption. Weber (1947) developed the idea of power as “the probability that one actor within a social relationship would be in a position to carry out his own will despite resistance” (Mitchell, et al., 1997; Weber, 1947). Etzioni (1964) describes three types of power and their resources, including coercive, utilitarian, and normative power. First, coercive power is from force or threat, e.g., a gun aimed at a person. Second, utilitarian power comes from material or incentives, e.g., money. Finally, normative power (also called “social or normative-social power”) stems from symbolic influences. Symbolic influences refer to meanings constructed to prompt people to behave in an expected manner, e.g., prestige, esteem, or love. Building from Dahl’s (1957) definition, Pfeffer (1992) defines power to be “the potential ability to influence behavior, to change the course of events, to overcome resistance, and to get people to do things that they would not otherwise do.” Thus, the consequence of power is to bring about the outcomes people desire (Mitchell et al., 1997; Salancik & Pfeffer, 1974). According to this definition, and for purposes of this study, we therefore define power to be *the degree of influential ability gained from force, incentives, or symbols which is embedded in social relationships and dominates people’s behavior.*

We infer from the foregoing definition that power is a reasonable and likely-to-be indispensable construct that influences WOM-communication salience in buying centers. In industrial markets, which differ from consumer markets, organizations conduct reciprocal transactions (Morris, Pitt, & Hontycutt, 2001). That is, consuming firms sometimes are the key suppliers for their selling firms and vice versa; power usually plays a key role in influencing the reciprocal transactions among organizations. Power can be bargaining power to force other parties to buy a given quantity of market offerings (products or services). WOM-communication is core to the information exchange in social relationships and (as noted) power is the potential ability embedded in social relations to influence behavior. We can therefore reasonably expect that power can be used to influence the gatekeepers’ adoption of WOM-communications in a buying center of an

organization. Furthermore, the use of personal power to influence WOM-communication within an organization is not unusual. For example, if the person with a high reputation or top position (symbolic influences) within a firm is one of the gatekeepers in the buying center, he or she may influence WOM-communication salience, and thereby the final buying decision. That is, WOM-communication adoption salience would be influenced by power. Therefore, we may expect:

Proposition 1: The greater the extent to which social actors have power in the B2B relationship, the higher the probability for gatekeepers in a buying center to adopt WOM-communications.

Legitimacy and WOM-communication Adoption. People organize and compete for legitimacy, and as a result legitimacy is one of the critical factors that reinforce patterns of economic success (e.g., Scott & Meyer, 1983; Whitley, 1992). Suchman (1995) defines legitimacy to be “. . . a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions” (p. 574). Legitimacy can be classified into three categories, including pragmatic, moral, and cognitive legitimacy (Suchman, 1995). First, pragmatic legitimacy is defined to be “support for an organizational policy based on that policy’s expected value to a particular set of constituents” (Dowling & Pfeffer, 1975). Second, moral legitimacy is “a positive normative evaluation of the organization and its activities.” Finally, based on the aforementioned passive/ active support, cognitive legitimacy may “involve either affirmative backing for an organization or mere acceptance of the organization as necessary or inevitable based on some taken-for-granted cultural account” (Suchman, 1995, pp. 578, 579, 582). Hence, Suchman’s definition of legitimacy is sufficient for our analysis.

What is the logic that relates legitimacy to WOM-communication adoption? When seen in light of the stance taken by buying centers in adopting particular WOM-communications, we argue that the generalized perception or assumption that the actions (WOM-communications) of an entity are desirable, proper, or appropriate will be highly related to WOM-communication adoption, for pragmatic, moral/ normative, and cognitive reasons: (1) pragmatic, because when purchasing materials for producing its finished products a company must consider practicality—the product meets requirements; (2) moral/ normative, because in B2B transactions, the norms of experienced

gatekeepers in buying centers are to seek to secure the highest probability for the best-value procurement (e.g., buying high-quality material or unique technology at a low price) to out-compete rivals in the market; and (3) cognitive, because affirmative backing of all concerned leads to acceptance.

Given, then, that adoption level of WOM-communications can be closely linked to the degree of legitimacy we therefore expect:

Proposition 2: The greater the extent to which selling firms can garner legitimacy, the higher the possibility that consuming firms will adopt their WOM-communications for procurement decisions.

Urgency and WOM-communication Importance. According to stakeholder salience theory (Mitchell et al., 1997), urgency concerns both time sensitivity and criticality. Time sensitivity refers to “the degree to which managerial delay in attending to the claim or relationship is unacceptable to the stakeholder,” and criticality means “the importance of the claim or the relationship to the stakeholder” (p. 867). Both are necessary. A one-sided example (of criticality but not time sensitivity) is a transaction in which the buying firm needs a special model of microprocessor chip that is out of stock in the marketplace to assemble its newly-invented cellular phone that will be promoted in six months. If we change the context and shorten the time to one month, urgency as defined can be seen to be present. Accordingly, we view this definition to be sufficient for our study of WOM-communication salience.

We argue that urgency in relationships between a firm and its stakeholders has most impact on WOM-communication importance salience, because speed or rapidity is an “important” issue for firm stakeholders (Cobb & Elder, 1972; Eyestone, 1978). Thus, in cases where there may be more than one WOM-communication sent from B2B suppliers to decision makers in a buying center (which are competing with one another for a procurement decision) we argue that importance: *the degree of association between a firm’s self interest and a given WOM-communication* will be most salient, and therefore suggest:

Proposition 3: The greater the extent to which the consuming firm perceives urgency of relationships or transactions between itself and stakeholders, the higher the degree of WOM-communication importance will be.

Transaction-based Scarcity

Many previous studies (e.g., Czepiel, 1974; File, Cermak, & Prince, 1994a; File, Mack, & Prince, 1994b; Haywood, 1989; Martilla, 1971; Money et al., 1998; Tuncalp, 1999; Webster, 1968, 1969, 1970; Wong & Tam, 2000) verify the importance of the transaction dimension on WOM-communication salience. The discipline of organizational economics has arisen based on the appealing idea that: the necessity for economizing on the economic frictions of transaction costs drives economic organizing. We argue herein, that the B2B procurement decision—being a very “grass roots” type of economic organizing—therefore suggests that the idea of transaction cost economizing (e.g., Coase, 1937; Williamson, 1985) is appropriate for us to use as an underlying type of “scarcity-driven” logic to analyze WOM-communication salience. To effectively analyze transactions through the perspective of transaction cost economizing, Williamson (1985, p. 72) offers three salience-linked dimensions for describing transactions: asset specificity, uncertainty, and frequency, and we thus proceed to describe the effects of these three independent constructs on WOM-communication salience.

Asset Specificity and WOM-communication Importance. Asset specificity is an indispensable element in understanding transaction cost economizing, and is viewed by Williamson (1985) as “the big locomotive” in transaction cost economics (1985, p. 56). According to Williamson (1991, p. 79), asset specificity is defined as “the ease with which an asset can be redeployed to alternative uses and by alternative users without loss of productive value.” When viewed as a mobility barrier to imitation, the difficulty and cost for rivals to imitate, acquire, store, or exchange specific assets is one of the main reasons why a firm has sustainable competitive advantage (Rumelt, 1987; Williamson, 1991).

Williamson (1985) has classified asset specificity into four categories: site specificity, physical asset specificity, human asset specificity, and dedicated assets. Site specificity is the condition of asset immobility and high relocation costs. Physical asset specificity refers to mobile assets with tangible features. Human asset specificity indicates personal unique expertise or experience adding value to a company’s capability, and Williamson (1985) cites Marshall (1948) as the first one to discuss “idiosyncratic employment” when he described employees to be a unique

asset to firms. Finally, dedicated asset specificity involves “investments in dedicated assets involve . . . on behalf of a particular buyer” (Williamson, 1985). In the B2B buying behavior, these four types of specific assets may each be viewed to exist on a continuous spectrum—from non-specificity to idiosyncrasy.

Asset specificity may therefore be linked to a firm’s core competencies, financial performance, governance structure (e.g., market, hybrid/strategic alliance, or hierarchy), decision making (e.g., make or buy), and strategies (Bensaou & Anderson, 1999; Williamson, 1985). In the B2B context, the level of asset specificity is usually an important consideration in buying or contracting decisions, such as material procurement or human capital investment. Based on the foregoing conceptual antecedents, we consider Williamson’s definition of asset specificity (1991, p. 79): “*the ease with which an asset can be redeployed to alternative uses and by alternative users without loss of productive value*” to be appropriate for our analysis.

Our logic for a relationship between asset specificity and WOM-communication importance salience flows from the idea that scarcity and the need for security are positively associated. It follows, then, that when people organize due to scarcity, they organize at least in part, due to insecurity, and therefore that asset specificity and WOM-communication importance salience (*degree of association between a firm’s self interest and a given WOM-communication*) are related. Accordingly in B2B transactions, we expect a tendency for experienced gatekeepers in buying centers to be influenced by asset specificity, and that as a result:

Proposition 4: The higher the level of asset specificity in a proposed transaction, the greater will be WOM-communication importance in firm buying or contracting decisions.

Uncertainty and WOM-communication Adoption. Definitions of uncertainty are fairly diverse in the psychology, economics, and even in the management literature. Generally, in management research, three definitions of uncertainty predominate: (1) incapability of assigning probabilities to what will happen in the future (Duncan, 1972; Milliken, 1987; Pennings, 1981; Pennings & Tripathi, 1978; Pfeffer & Salancik, 1978), (2) the lack of cause-effect information (Duncan, 1972; Lawrence & Lorsch, 1967; Milliken, 1987), and (3) the inability to know the consequences of a decision (Downey, Hellriegel, & Slocum, 1975; Duncan, 1972; Hickson, Hinings,

Lee, Schneck, & Pennings, 1971; Milliken, 1987; Schmidt & Cummings, 1976). A comprehensive (past, present, and future-spanning) definition of scarcity that relies on the foregoing noted antecedents, and would include: the scarcity of perfect information (past), of sufficient knowledge/ability (present), and of precise predictions (future), according to the following logic. In the past, it is very likely that an organization might not have the ability to collect “sufficient” historical information for a decision. In the present, an organization might not have the “most” appropriate causal analysis of an event. For the future, “precise” prediction would be a problem for an organization to survive in a market. Thus, for purposes of our use of the concept of uncertainty in this paper we define it to be: *as the level of information shortage within the gatekeeper group that results in the inability to predict the outcomes of their decision making.*

Using the foregoing definition, our theory-development reasoning then proceeds as follows: If uncertainty arises from “information shortage,” and if WOM-communication adoption salience is “the acceptance of information exchange,” then due to the scarcity of information, WOM adoption in filling an information gap becomes salient. In the B2B context, where there exists a lack of information to make a quality decision and gatekeepers accordingly have uncertainty about their buying decisions, they will be inclined to adopt WOM-communications that help to resolve these uncertainties. Thus, we expect:

Proposition 5: The greater the level of uncertainty, the greater the extent to which gatekeepers are inclined to adopt a given WOM-communication.

Longevity of Cooperative Relationship and WOM-communication Reputation.

Transacting relationships are thought to arise from loyalty, procurement volume, collaboration, frequency of contracts, technology, and physical distance (Morris et al., 2001; Olsen & Ellram, 1997). The strength of the cooperative relationship among firms can be classified from low to high into five categories: on-off (or one-off) transactions, repeat transactions, source-loyal accounts, relationships, and strategic partnerships (Morris et al., 2001). In on-off transactions, a firm contacts the supplier for emergency needs, fast delivery, or the lowest prices. Usually, both parties have very little loyalty for each other and tend to share much uncertainty with the other party. There is little investment in this kind of relationship. High self-interest or opportunism in this relationship is possible and there is

little likelihood that both parties could cultivate high commitment. At the other end of the spectrum are strategic partnerships. The consuming firm views the supplying firm as an intimate partner, as part of its value chain rather than as only a section or portion of the supply chain (Morris et al., 2001), and the longevity of such relationships as represented by the level of repeat business, thus becomes a frequency-driven means to assess WOM-communication salience in B2B settings. Hence, we define the longevity of cooperative relationship as *the length of time over which a firm is willing to commit to repeated transactions with another*.

The longevity of cooperative relationship is one method by which a company can reduce costs associated with repeated contracts (Coase, 1937; Williamson, 1985). In addition to personal or impersonal sources in organizations, the sources of WOM-communications can be internal (e.g., employees, such as R&D engineers, quality control managers, or procurement agents) or external (e.g., salesmen or trade shows). Employees within organizations usually have abundant experience in product testing, assembling, and selling. Thus, their evaluations based on their own experiences are great sources for procurement considerations. When both parties build a strategic relationship for a long-term basis, the synergy of this relationship rules out rival firms, due to reputation-based salience. Firms view the “willingness to form commitments” as an intangible competitive advantage because it is scarce. When the longevity of cooperative relationship is a commitment made by both cooperative partners, gatekeepers in the buying centers of the firm may tend to trust and commit more to the maintenance of this relationship. Internal WOM-communication reputation salience would be reasonably influenced by the longevity of the relationship. Hence, we expect:

Proposition 6: The longer the cooperative relationship, the greater the level of internal WOM-communication reputation.

As we then view (Figure 1) the relationships posited to this point in our model development, we can see that WOM-communication importance salience is suggested to be simultaneously and positively influenced by urgency and asset specificity. That is, where the stakeholder relationships between firms are high urgency, and where the assets are also highly specific, WOM-communication importance salience is also expected to be high. In such a situation, it is reasonable to expect that WOM-communication importance salience will have a positive relationship with WOM-

communication adoption salience due to the “self-others” linkage. For instance, under time pressure (urgency), a firm needs to buy a specific model of chip (asset specificity) to assemble its new cellular phone; it will likely be most effective where there is a collaborative (self-others) adoption-salience-based arrangement. Seeking WOM communication is one of the fastest ways to gain needed information. Accordingly, we also expect:

Proposition 7: The level of WOM-communication importance salience is positively associated with the degree of WOM-communication adoption salience.

In addition, we argue that WOM-communication reputation salience also has a positive relationship with WOM-communication adoption salience, for the following reason: In the WOM studies of Webster (1970) and Martilla (1971), the industrial buying process was divided into different stages the critical factors that influence repeat business among firms were verified. As previously noted, the longevity of the transactional relationship is expected to be positively associated with reputation, and this “others”-based linkage cannot reasonably be separated from the self-others linkage implied in our definition and use of the WOM-communication adoption salience notion. Hence, we further suggest:

Proposition 8: The level of WOM-communication reputation salience is positively associated with the degree of WOM-communication adoption salience.

DISCUSSION

In this study, we propose that WOM-communication salience, as a dependent construct, is primarily affected by two independent sets of constructs: (1) stakeholders, and (2) transactions. Power, legitimacy, and urgency within the stakeholder construct help to identify and assess the salience of stakeholders (Mitchell, et al., 1997). Asset specificity, uncertainty, and frequency (as represented by longevity of cooperative relationship) within the transaction construct are the bases on which to analyze transactions to economize on transaction costs. All six constructs are proposed to have positive relationships with the sub-dimensions of WOM-communication salience: WOM-communication importance, reputation, and adoption salience. We assert that the model presented is a holistic B2B WOM model, because it includes theory from most prior WOM studies and also expands the understanding of B2B WOM-communication phenomena for scholars and managers. In the following paragraphs, we discuss the implications of our analysis: (1) for the development of a

holistic theory of B2B WOM-communication, (2) for research and management, and (3) as bounded by limitations that should be taken into account.

A Holistic B2B Model

Our proposing a more comprehensive model has the potential to serve a holistic purpose. We see such a purpose contributing to synthesis: enabling many different parts of WOM analysis to find coherence within an integrative framework. Our having started with the basic economics: the drive toward organizing to manage scarcity, we think, offers integrative concepts to the literature, as we further explain.

As a source of economic motivation, scarcity implies both needs and disposition. Due to scarcity, people *need* to organize to compete for resources for their survival. Such an organization is based on scarcity “sense” with respect to several key constructs: power, legitimacy, and urgency (time and criticality)—as stakeholder-based constructs, and asset specificity, uncertainty, and frequency/ longevity—as transaction-based constructs. Where such needs are managed through organization with respect to the foregoing constructs, we assert that WOM-communication salience for such firms will be greatly influenced, with scarcity-coping/ value-creating results. In our arguing that the occurrence of WOM-communication salience is affected by stakeholder- and transaction-based constructs, we also argue that decision makers need to identify: Who matters in B2B communications? and, How to create new value in B2B communications by economizing on the social frictions within transactions? The former (stakeholder emphasis) implies the firm tries to seek reciprocity with its most critical stakeholders, and the latter (transactional emphasis) focuses on the reduction of new-value-creation-preventing transaction costs. As noted below, compared with this holistic model, previous studies only explain a portion of the relevant relationships in B2B WOM-communication salience. Some only differentiate types of WOM-communications, while others focus on buying process and decisions.

For example, in differentiating types of WOM-communication sources, Rogers (1962) classifies WOM sources into two categories: personal and impersonal WOM. He distinguishes and defines both terms, stating: “. . . personal communications involve a direct face-to-face exchange between the communicator and receiver (Rogers and Beal, 1958) . . . impersonal communications do

not involve a direct face-to-face exchange between the communicator and communicatee” (p. 98-99). Martilla (1971) used Rogers’ typology to conduct B2B WOM studies. Similar classifications were also used by Tuncalp (1999) to evaluate 14 kinds of industrial information sources in the Arabian Gulf from a sample of 67 companies. However, both studies were concerned only with the sources of information (as comprehended by the stakeholder constructs in Figure 1), but did not address the importance of transactional frictions on WOM-communication salience.

In the buying process, Rogers (1962) proposes five-stage “adoption of diffusion” model (awareness, interest, evaluation, trial, and adoption). Webster (1970) used Rogers’ model, and Martilla (1971) collapsed the five-phase model into three stages (introduction, consideration, and post-purchase) of industrial buying processes to study B2B WOM sources and their impact on repeat business. And then File et al. (1994a) empirically studied WOM effects on professional services purchase and found the connection between input WOM (gaining information during pre-purchase process) and output WOM (disseminating post-purchase WOM) was highly related. In Figure 1, longevity of cooperative relationship introduces the possibility of repeated transactions covering the repurchase issue (adoption in Webster, 1970; post-purchase in Mantilla, 1971; and output WOM in File et al., 1994a) in their research. It is readily apparent that these studies, however, represent only part of the holistic model, either stakeholders or transactions, but not both.

Other cases of partial v. holistic research occurs where Webster (1968) proposes a three-construct framework, including motivation, risk, and information, to understand industrial buying communication and decisions. A social ties and WOM referral study by Reingen and Kernan (1986) used network analysis to study the dissemination of WOM. Czepiel (1974) used similar network analysis with WOM communication. Additionally, Richins (1983) conducted a pilot study to explore the influence of negative WOM communication. These studies are comprehended by the stakeholder construct within our model as shown in Figure 1, but once again being only a partial model because the foregoing studies do not completely identify the stakeholders and their salience with appropriate factors within stakeholder theory (Mitchell, et al., 1997).

Implications for Research and for Management

In making its contribution to the research literature by starting from the basic subjects of WOM occurrence (i.e., analysis of stakeholders and transactions), this B2B WOM model merges concepts from previous “partial”-phenomenon studies into a more complete and concise blueprint, and (as noted) also provides scholars with a holistic view for explaining complex and sometimes chaotic B2B WOM-communication phenomena. Our proposed model recommends eight propositions for further systematic studies, which have implications for future research.

For instance, we make explicit the notion that WOM-communication salience can be influenced by transactions or stakeholders separately *and* together. Earlier we discussed the holistic approach in more depth. However, there are research opportunities, we believe, for more targeted analyses. Thus, if scholars are interested in WOM-communications among people, they can choose the stakeholder-based constructs and deepen the discussion about stakeholders’ impacts on WOM-communication salience, or they can use a case study to test whether there are other latent dimensions to decide *who matters* in WOM-communication salience. Conversely, if some are interested in the impacts of transactions on WOM-communication salience, such as product or service procurement, they can choose the transaction-based construct set, and research the completeness of the three proposed dimensions for a firm to achieve the goal of economizing on transaction costs. This type of study may stress how to achieve economizing on transaction costs during WOM communication process.

As we think about the implications for management, especially entrepreneurs, WOM-communication salience as reflected in WOM-communication importance, reputation, and adoption helps decision makers to prioritize exchanged information to make their decisions. Overall, using a “higher-order logic” rooted in organizational economics, we are asserting that WOM-communication salience is in effect driven by a type of economizing on managerial/ entrepreneurial attention. And by our making this model explicit, we hope that decision makers—especially entrepreneurs—now have the opportunity to judge levels of WOM-communication salience for themselves using these three WOM-communication salience dimensions and can begin to assess in their own entrepreneurial/ value creation circumstances how to apply our propositions (Figure 1): that: (1) WOM-communication importance salience is likely to be the result of urgency and asset specificity; (2) WOM-communication reputation salience is very likely to be influenced by the longevity of

cooperative relationship as it represents transaction frequency in the model; and, (3) WOM-communication adoption salience has consequences from power, legitimacy, uncertainty, as well as from the other salience constructs—WOM-communication importance salience and WOM-communication reputation salience. Noteworthy here is our assertion that power and legitimacy directly contribute to WOM-communication adoption salience. According to stakeholder theory (Mitchell et al., 1997), if a stakeholder possesses power and legitimacy, “it seems clear to us, at least that the expectations of any stakeholders perceived by managers to have power and legitimacy will ‘matter’ to managers,” thus called “dominant stakeholders” (p. 876).

This model provides entrepreneurs and managers the concept that if a selling firm can utilize power, legitimacy, urgency (time and criticality), asset specificity, uncertainty, and longevity of a cooperative relationship, it is high likely that this selling firm will be able to out compete its competitors due to high levels of B2B WOM-communication salience. To maximize WOM-communication salience in a buying firm, the selling firm can make efforts to increase its impacts on the six dimensions. Therefore, the six dimensions of the model can be the focus for a firm’s opportunity-seeking and strategic management. Finally, we offer this model as a means to provide an organization with a framework to evaluate its competitive advantage in sales.

Limitations

This current research may have three readily foreseeable limitations which need further exploration: (1) the search for unidentified/ latent independent constructs, (2) the requirement for testing the propositions in empirical studies, (3) (related to the latter) the ever-present measurement issues. Thus we ask (Limitation 1): “Do the two independent constructs or these six independent sub-dimensions in Figure 1 thoroughly cover or represent the primary impact on WOM-communication salience?”, and “Besides the eight connections proposed herein, are there any new relationships or inverse directions between different dimensions?” Such further study will, we believe, more firmly establish B2B WOM-communication theory. The second inquiry considers the eight propositions. We also ask (Limitation 2): “Will these eight propositions hold, and can we generalize them in different B2B contexts such as different cultures or industries?” These questions will likely, in our view, call for many future empirical studies.

So What?

What does our model do for practitioners? In the real world, word-of-mouth communications matter, and even though B2B settings might seem to be more sophisticated, we expect that the credibility that comes from asking people we know for advice about big and sometimes urgent decisions, will continue to mean that B2B WOM-communication salience will matter a lot in: (1) which communications are most influential, and (2) which ones create the most new value. So, while our model provides a very comprehensive research approach, it also provides a very practical checklist for practitioners. Entrepreneurial buyers and sellers who are alert to our model can effectively assess the power, legitimacy, and urgency of WOM communications to determine their salience—because we all know that by definition stakeholders matter: a lot. And the frictions in transactions also matter. In our experience in dealing with entrepreneurs in the B2B WOM setting, we notice an almost “gut-level” sensitivity to the potential “hostage” implications of asset specificity, to the evaluation of uncertainty, and to the value that results from frequent/ long-term relationships.

Our point?

By pulling all six of these factors together in value-creating decision making, entrepreneurial practitioners can better position themselves to create the new value that comes from managing and minimizing the scarcities implicit in both stakeholder and transactional relationships. This more comprehensive checklist means a more complete set of options when opportunity knocks.

CONCLUSION

Given the complicated nature of B2B WOM-communication phenomena and the relative lack of systematic knowledge of B2B WOM-communication salience at present, the purpose of this research has been to establish a holistic and parsimonious B2B WOM-communication salience model for scholars and practitioners. In addressing the research questions: Who matters in B2B communications? and, How to create new value in B2B communications by economizing on the social frictions within transactions?, we use stakeholder theory and organizational economics as the basic pillars of analysis to see behind the veil of WOM-communication salience. We offer this B2B WOM model both as a way to effectively encompass most previous studies and as a guide for entrepreneurial value creation.

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Table 1: B2B WOM-communication: A Research Chronology

Year	Contribution
1962	WOM-communication is important in the purchase decision. Rogers, 1962—“Personal influence is defined as communication involving a direct face-to-face exchange between the communicator and the receiver, which results in changed behavior or attitudes on the part of the receiver” (p. 218); “Personal influence is most important at the evaluation stage in the adoption process and less important at other stages” (p. 219).
1968	Decision maker and firm are distinguished. Webster, 1968—“One major conceptual problem in studying industrial markets is whether to consider the firm or the individual buyer or manager as the decision-making unit...It is often helpful to view the firm’s objectives, policies procedures and past experiences...” (p. 426); “To the buying firm, incremental profit estimated or predicted from increased revenues or decreased cost is the basis for the buying decision. Therefore, the various kinds and sources of information available in industrial markets can be evaluated in terms of their ability to help the decision maker make estimates of incremental profit” (p. 427).
1970	WOM-communication is linked to scarcity/ economy/ risk. Webster, 1970—“Purchase decisions involve uncertainty and risk; buyers seek information which will help to assess the consequences of alternative purchases” (p. 186).
1971	WOM-communication made explicit in B2B context. Martilla, 1971—“One question of particular relevance is whether WOM communication observed in consumer product adoption applies to industrial markets as well” (p. 173); “The impersonal sources of information in this industrial market are the counterparts of mass media sources in the consumer market, since they are characterized by standardized message rather than the specially tailored message of personal sources” (p. 174).
1975	<p>Risk-driven search is refined. Grønhaug, 1975—“It is our opinion that product-performance risk is the predominant risk-type in organizational buying. The basic hypothesis (in) organizational buying (Cardozo and Cagley, 1971; Håkansson and Wootz, 1972) is that search for information is positively related to the magnitude of the risk perceived” (p. 16);</p> <p>The time pressure linked w/ scarcity. “A common assumption is that the organizational buyer very often has to work under time pressure (Robinson, et al., 1967; Sheth, 1973) and that this will result in less search compared to what is the case in situations without this pressure” (p. 16).</p> <p>WOM-communication becomes key under scarcity constraints. “Given the same opportunity cost for time invested in buying, it seems reasonable to assume it is more ‘profitable’ to search for those who have great insight because these will ‘reap more’ for invested time and mental energy than others” (p. 16).</p>
1978	Location of WOM-communication is identified. Dempsey, 1978—“Contacts with <i>other departments</i> (emphasis added) such as production, and engineering departments will influence the purchasing agents’ behavior” (p. 263); “Buyer oriented categories included sources found <i>outside</i> (emphasis added) the buying organization, which were: investigation of vendors’ facilities, outside purchasing managers, credit and financial reports, local purchasing chapter, and trade shows.... The other buyer oriented category included <i>internal</i> (emphasis added) readily available sources, viz., purchasing records, other departments such as production or engineering, and purchasing directions. (p. 265).
1979	Method of WOM-communication is documented. Doyle, Woodside, & Michell, 1979—“Postpurchase evaluations were made verbally among the buying centers” (p. 10).
1982	<p>Some factors affecting WOM-communication are distinguished. Krapfel, 1982—</p> <p>Level of activity. “Not only do more verbally active members have greater decision influence, they are more often perceived as leaders...” (p. 149).</p> <p>Power. “In the French and Raven power taxonomy, expert power accrues to those who are sole possessors of task-relevant information (p. 149)</p>

	<p>Status. “High/ status persons communicate more, communicate with greater effect, and inhibit communication by less powerful counterparts (Collins & Guetzkow, 1964; Patton & Griffin, 1973; Fisher, 1974)” (p. 149).</p> <p>Relevance. “However, it has also been shown that, by itself, sole possession of task relevant information, while conferring expert power, does not determine the extent or manner of information use; the individual must be confident that the information is truly relevant to the choice task and that it comes from a reliable, competent, and trustworthy source” (p. 149-150).</p> <p>Gatekeeping. “Gatekeepers determine, to some extent, the information-based from which buying center members operate” (p. 150).</p>
1983	<p>Similar factors are confirmed. Rogers, 1983—“(Purchase decisions) are made by a relatively few individuals in a system who possess power, status, or technical expertise” (p. 29-30).</p>
1984	<p>Process specifics are developed. Moriarty & Spekman, 1984—</p> <p>Impersonal v. personal. “Relatively few studies have examined impersonal commercial information sources . . . Part of this problem stems from the fact that industrial and trade advertising traditionally has (been less important) in the industrial communication mix decision” (p. 138).</p> <p>Internal v. external. “As the procurement decision progresses, reliance shifts markedly to internally generated, impersonal noncommercial information sources. For instance, Dempsey (1978) has shown that internal purchasing documents (i.e., vendor reports/analysis) gain in importance as the decision process proceeds toward supplier evaluation and selection” (p. 138).</p> <p>Formal v. informal. “That is, large organizations support formal mechanisms for greater information exchange and facilitate development of better information sources; however, large size also breeds bureaucracy which tends to inhibit decision participation and informal communication flows (Rogers & Agarwalla-Rogers 1976; Webster, 1980)” (p. 139).</p> <p>Vendor v. product attributes. “The pattern of information utilization is based on those vendor/product attributes and information sources deemed pertinent to the buying problem. In addition, the buyers’ information utilization extends beyond the salesperson to include a number of manufacturer-generated as well as other sources of procurement-related information” (p. 139).</p>
1987	<p>Increased attention paid to WOM-communication. McTavish & Guillery, 1987—“Talks with other users are an extremely popular source in industrial capital purchase (Czepiel, 1974), although there is disagreement on which party usually initiates these contacts” (Webster, 1970, p. 34).</p>
1994	<p>Both “input” and “output” WOM-communication should be considered. File, Cermak, & Prince, 1994a—“Input WOM (obtaining WOM from third parties during the pre-purchase process) and they are known to provide Output (post-purchase WOM to third parties) . . . To compensate for the higher perceived risk associated with professional services, corporate buyers often rely on endorsements of specific providers; that is, they both solicit positive word-of-mouth (WOM) from other customers and weigh WOM input heavily in their service provider selection decisions” (p. 301); <u>but subject to size</u>—“Larger firms, with their more extensive ranks of managers, internalize more competencies than smaller firms and may tend to conduct internal evaluations of suppliers only, which would reduce their use of WOM as input” (p. 304); <u>and to ownership</u>, e.g., File, Mack, & Prince, 1994b—“. . . family business owners exchange information about business practices, products and vendors. These are the venues which are used to reduce risk during the pre-purchase phase, and they are the outlets for post-purchase information about vendor performance” (p. 66).</p>
1998	<p>WOM-communication begins to be defined in the B2B literature. From Buttle, 1998—</p> <p>A foundational definition is reintroduced. “Arndt (1967) . . . characterized WOM as oral, person-to-person communication between a receiver and a communicator whom the receiver perceives as non-commercial, regarding a brand, product or service” (p. 242).</p> <p>The focus is widened. “WOM, however, need not necessarily be brand, product or service focused. It may be organization focused. Neither in this electronic age need WOM be face to face, direct, oral or ephemeral. There is some evidence that virtual WOM through electronic bulletin boards functions analogously to face-to-face WOM” (p. 243).</p> <p>Characterizing constructs are suggested. “WOM can be characterized by valence, focus, timing, solicitation and intervention.” . . .</p>

	<p>“<u>Valence</u>: From a marketing perspective, WOM can be either positive or negative” (p. 243);</p> <p>“<u>Focus</u>: We have assumed thus far management’s focus is only on WOM between consumers. This need not be so. . . .marketers are concerned with building and maintaining mutually beneficial relationships in a variety of domains: customers (which may be end users or intermediaries), suppliers/alliances, employees, influentials, recruitment and referral markets” (p. 243);</p> <p>“<u>Timing</u>: Referral WOM might be uttered either before or after a purchase. WOM can operate as an important source of pre-purchase information. This is known as input WOM. Customers may also utter WOM after the purchase or consumption experience. This is known as output WOM” (p. 245);</p> <p>“<u>Solicitation</u>: Not all WOM communication originates from customers. Indeed, WOM may be offered with or without solicitation; it may or may not be sought” (p. 245);</p> <p>“<u>Intervention</u>: Although WOM can be spontaneously generated, an increasing number of companies are pro-actively intervening in an effort to stimulate and manage WOM activity. Managed WOM may operate at an individual or organizational level” (p. 245).</p> <p>The cross-cultural dimension is noted. “Although WOM is undoubtedly a universal phenomenon, most published English-language research has been undertaken in Western economies. In Western culture the person is viewed as a self-contained, autonomous individual. According to Markus and Kitayama (1991, p. 224) ‘the Western view of the individual as a self-constrained, autonomous entity who (a) comprises a unique configuration of internal attributes (e.g. traits, abilities, motives, values), and (b) behaves primarily as a consequence of these internal attributes’ has dominated the scientific literature. However, not all cultures view the person as independent. At the opposite end of the spectrum, there are cultures which take an interdependent view of personhood. According to Markus and Kitayama (1991, p. 227) ‘experiencing interdependence entails seeing oneself as part of an encompassing social relation and recognizing that one’s behavior is determined, contingent on, and to a large extent, organized by what the actor perceives to be the thoughts, feeling and actions of others in the relationship’. This paper’s review of WOM research has captured only that conducted at the individualist end of the individualist/collectivist spectrum. The relevance of this research in Asian, African, Mediterranean, Middle Eastern and Latin American cultures is questionable. If persons in collectivist cultures subordinate their individuality to the collective, this may well have relevance to WOM activity, whether seeking or giving and whether positive or negative. For example, in a collectivist culture negative WOM about a personally unsatisfactory experience may not be more likely to develop strong emotional ties to products and services when they are signs of group membership and to want to develop strong, trusting relationships with supplier. Some researchers have begun investigating cultural differences in attitudes towards complaining (Arndt et al., 1982; Thorelli, 1983; Richins and Verhage, 1985). Watkins and Liu (1996) discussed the cultural limitations of WOM research. It does not appear that culture is an extrapersonal condition which impacts upon WOM behaviors” (p. 249).</p> <p>“Input” and “Output” notions are further developed. (citing File et al., 1994a) “The culturally situated extant research does, however, indicate that a number of other extrapersonal conditions impact upon WOM seeking and WOM utterance. The seeking of input WOM may be particularly significant for high risk or intangible-dominant products” (p. 249); (citing Fornell & Didow, 1980) “Output WOM has also been associated with conditions in the business environment. Voice and exit behaviors vary inversely with the level of concentration in an industry. The more concentrated, the fewer alternatives the customer has in the face of dissatisfaction” (p. 250)</p>
2003	<p>The importance of WOM-communication salience is foreshadowed. McGee & Sawyerr, 2003—”Who you know’ is often more important than ‘what you know,’ because the people known often can compensate for what is not known . . . it is important to develop a web of personal contacts since such networks can play a vital role in reducing uncertainty by facilitating the collection and synthesis of information” (p. 398).</p>

Figure 1: B2B WOM-Communication Salience

