

## ARTICLE REVIEW

### THE B2B ELEMENTS OF VALUE

Authors: Eric Almquist, Jamie Cleghorn, and Lori Sherer, L.  
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#### Overview

The article is relevant to successfully identifying, improving and proposing the key values in business-to-business (B2B) markets, specifically with reference to business customers, based on both the personal and business objective and subjective supplier selection criteria. Business markets are the markets for product and service exchanges between organizational buyers and suppliers. Organizational buyers include business organizations, government units, or institutions (Hutt & Speh, 2010). Business markets involve different levels of buying decision makers. A similar topic to the article (the Elements of Value) was published in 2016 in the Harvard Business Review magazine. Compared to the past article, the current topic focuses more on business markets and two new authors were invited to contribute in the 2018 issue. These authors have contributed

to several issues of HBR on B2B-related topics. They are also partners of Bain & Company, one of the world's top business consulting firms, whose research findings have been used to support the discussion in this article. Therefore, the knowledge, perspectives, and research intelligence presented in the article are worthwhile. The article also highlights the value pyramid applicable to B2B markets and research-based evidence. Despite ten pages of the article, its contents are concise such that they provide the key elements of value concepts, evidence from research findings, and the methodology for proposing and enhancing accuracy of the value elements.

The article mainly consists of 5 sections:

1. Introduction
2. The B2B elements of the value pyramid
3. Relative importance of value elements

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4. Implementation of value elements
5. Conclusion

The target readers of this article are B2B marketers, buyers, supply managers, B2B marketing academics and researchers, supply chain and logistics officers, as well as marketing students.

## **REVIEW**

Overall the article discusses five different levels of value that guide B2B managers to comprehend and propose to their business customers, ranging from objective to subjective criteria coupled with the personal concerns of buyers and users. Subsequently, the authors present their quantitative and qualitative research findings acquired from an examination on the data from more than 2,300 corporate decision makers in the IT infrastructure and commercial insurance industries. The authors also recommend to businesses the process of conducting a full element analysis in order to prioritize and propose the right value elements to the right business customers. To this point, other industries such as the fast-moving consumer goods industry may find it rather difficult to compare its values with the most significant values identified from these research findings. However, the industries can follow the guidelines of element analysis to identify their respective values.

In the first section, the article begins with an interesting personal buying situation and criteria that can be related to B2B purchasing factors. This section motivates the readers to continue investigating any convergence among those criteria and understanding more regarding B2B values based on personal value elements. The second part discusses five

groups of B2B value elements demonstrated with the B2B Elements of Value Pyramid. They include table stakes (the most objective level), functional, ease of doing business, individual, and inspirational (the most subjective level) factors. This part is helpful for all the readers to understand definitions with a clear example of a complex product purchase.

The third section describes deeper analysis using the authors' research findings to present the highly important values and their effect on customers' loyalty. The authors discuss the research findings of past studies conducted through consultation with companies in the IT infrastructure and commercial insurance industries. Those who may prefer to focus on reading this section can find the remarkable research work and rigorous research methodology. For example, their research employed a large sample of corporate decision makers and also included follow-up interviews.

The fourth section suggests 5 steps of conducting a full elements analysis. These include 1) benchmark, 2) talk with customers, 3) imagine ways to increase value, 4) refine, test, and learn, and 5) apply the acid test, through the objective follow-up analysis, with a company case that performed this last step achievably. These steps are useful for B2B managers of various industries to identify their own vital value elements in comparison with those specified in the pyramid.

In the conclusion, the article provides a useful reminder that the managers of B2B suppliers make careful judgements in prioritizing objective and subjective value elements and decisions in allocating limited resources to improve their offerings competitively with the involvement of stakeholders. However, small companies may find this article difficult to implement due to

smaller budgets or more limited resources as compared to the larger firms. Small companies, as a result, should consider applying this article in line with careful allocation of resources.

## CONCLUSION

This article contributes to both business customers and suppliers in many industries. B2B marketing researchers may empirically investigate value elements in potential industries such as fast-moving consumer goods or telecommunication industries. In general, it is difficult to find articles that discuss supplier selection criteria in B2C and B2B markets simultaneously. Moreover, this article is different from other B2B marketing articles in that it does not only discuss the value concepts, but also provides evidence from the research efforts of the authors.

This is also a very good article, in that it discusses the connection between seller selection criteria in B2C and B2B markets. More interestingly, the authors integrate Maslow's Hierarchy of Needs to develop the value elements pyramid, providing broader perspectives from consumer to business customer levels. Most of us have previously considered these phenomena, but rarely found such an article, which reflects our thoughts.

The article provides general consumers, purchasing, and marketing managers with ready-to-use criteria to more comprehensively consider the product value proposition. In particular, when selecting suppliers, purchasing managers may consult with this article to ensure justifiable supplier selection criteria.

The article recommends not only how businesses should understand or identify their own value elements, but also target samples

whom B2B managers should select to include in interviews and idea enhancement sessions.

Overall, this article is one of the most comprehensive articles that contributes academically and managerially. It provides both academic review and practical feasibility. It expands on the contents that we used to learn from B2B marketing-related textbooks, covering the value elements pyramid with research-based examples.

For future recommendation, in this digital era, it might be questionable to what extent these elements remain vital, where some increasing technological factors are perhaps involved. In addition, the next issue may mainly address the value elements for service industries.

## REFERENCE

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