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Customer based execution and strategy: Enhancing the relevance & utilization of B2B scholarship in the C-suite

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ABSTRACT

Given the economic importance of the business-to-business (B2B) sector, scholars and practitioners devote significant resources to understanding B2B marketing and strategy. Yet, utilization of academic scholarship among senior B2B executives remains low. This article describes three issues relevant to senior B2B executives and scholars: (1) factors inhibiting the utilization and value of B2B scholarship among senior B2B executives; (2) challenges faced by B2B CEOs in customer based execution and strategy; and (3) the B2B strategy journey framework as a means of aligning executive and academic perspectives. Taking an outside-in perspective, this article provides a framework for senior B2B executives to formulate customer based strategy and execution and outline a range of future research opportunities for B2B scholars.

1. Customer based execution and strategy for business-to-business firms

The business-to-business (B2B) sector constituted 51% of the U.S. GDP in 2018, and brought in \$9.17 trillion in revenue.¹ Iconic brands such as ExxonMobil, Salesforce, Oracle, Caterpillar, and Boeing are integral parts of the B2B sector. Several companies, including Apple, Microsoft, Google, and Facebook, derive substantial revenue through their B2B customers. Pharmaceutical giants Johnson & Johnson, Pfizer, and Merck have a dominant presence in the B2B sector through their detailing salesforce.

Recognizing this, marketing scholars and practitioners have devoted significant resources to understanding and guiding B2B marketing from a theoretical and empirical perspective. A number of research streams have emerged to examine and inform B2B marketing practice and its evolution over eight decades. Yet, recent historical reviews of B2B marketing (Cortez & Johnston, 2017) show a poor utilization of B2B academic scholarship among senior and middle managers in B2B companies. Based on interviews with several B2B CEOs, we have also learned that B2B scholarship struggles to find applicability in helping senior executives link their companies' ongoing strategy and its execution to their financial goals and targets.

This article describes several issues relevant to the utilization of customer based execution and strategy in B2B companies. We provide

an overview of extant research in this area and highlight the factors that inhibit the utilization and value of B2B scholarship among senior B2B executives. Based on in-depth interviews with CEOs and dozens of strategy assessments of B2B senior leadership teams, we identify four challenges faced by B2B CEOs in customer based execution and strategy. We find the manner in which these challenges manifest for senior executives in a B2B companies differ from how academic scholars conceptualize them, likely impacting the utilization of B2B scholarship by senior executives. Building on an outside-in marketing approach, we provide a B2B strategy journey framework for bridging the gap and elevating the stature of B2B scholarship in the C-Suite. Reviewing the challenges and the opportunities presented by the B2B strategy journey framework, we are optimistic about the future of B2B scholarship and its ability to positively influence the C-suite.

2. Evolution and scope of B2B marketing

Cortez and Johnston (2017) provide a historical analysis of B2B marketing. They state the field was pioneered by John Wannamaker in 1899 who argued for a balance between profits and customer satisfaction through close coordination between suppliers, retailers, and end consumers. Subsequently, an economics-oriented perspective dominated the field. The emphasis was on characterizing market homogeneity and rational decision-making, and focus on product

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quality and pricing as key decision-making criteria (Cortez & Johnston, 2017). During the mid-1900s scholars began incorporating behavioral theories (Alderson & Cox, 1948) to understand B2B markets as organized behavioral systems that allow for market heterogeneity, information requirements for evaluating product and pricing, and the need for salesforce as a means for selling products and services to customers and communicating with them (Hadjikhani & LaPlaca, 2013). Since the 1970s, B2B-marketing scholars embraced perspectives and constructs from psychology, sociology, and even consumer behavior. Concepts such as inter-firm relationships and interactions, relational uncertainty, and buying center were introduced within the context of organizational buying behavior (Webster & Wind, 1972). Over time, B2B scholarship also included concepts such as buyer-behavior, relationships, innovation, new product development (NPD), marketing strategy, and distribution channels (LaPlaca & Katrichis, 2009). Of late, there has been an effort to incorporate customer analytics as well as social media within elements of B2B marketing (Lilien, 2016).

With this evolution, many different theoretical perspectives have emerged to examine and inform B2B marketing. They include: organizational buying center (Johnston & Bonoma, 1981; Lewin & Donthu, 2005), exchange theory (Bagozzi, 1975; Lambe, Wittmann, & Spekman, 2001), relative value theory (Anderson & Narus, 1998; Anderson, Narus, & Van Rossum, 2006), relationship marketing (Dwyer, Schurr, & Oh, 1987; Palmatier, Dant, & Grewal, 2007), transaction cost theory (Anderson & Weitz, 1992; Rindfleisch & Heide, 1997), sales force design and management (Mantrala, Sinha, & Zoltners, 1994; Weiss & Anderson, 1992), commitment (Ganesan, Brown, Mariadoss, & Ho, 2010; Tsiros, Ross Jr., & Mittal, 2009), trust (Friman, Gärling, Millett, Mattsson, & Johnston, 2002; Morgan & Hunt, 1994), and customer satisfaction (Bowman & Narayandas, 2004; Mittal, Han, Lee, & Sridhar, 2020). Each of these approaches has not only made valuable contributions to improving our understanding of B2B marketing, but also raised several issues relevant to B2B practitioners and academics.

First, one may evaluate the existing B2B approaches in terms of the C-Suite executive who is seen as the focal client for the research output. Extant approaches are aimed at the chief marketing officer (CMO) or the chief sales officer (CSO) as their focal client in the C-Suite. Current approaches seek to answer questions such as: Who comprises the customer/client base? What branding elements resonate with, and how should they be communicated to, client organizations? What is the optimal way to structure sales force to win contracts? How can a B2B company establish and deepen relationships with its customers? As an example, the theory of organizational buying center can guide the CMO/CSO to identify the most consequential departments and customers within a client organization toward whom sales efforts should be directed. A CMO/CSO can then develop and nurture long-term relationships with critical customers using approaches such as key account management (Gupta, Kumar, Grewal, & Lilien, 2019) and expression of gratitude (Palmatier, Jarvis, Bechkoff, & Kardes, 2009).

Second, several approaches concern themselves with the customer-supplier exchange—the value given and received during the exchange, the structure of the exchange process, and how the exchange may be approached from a communication perspective. Scholars have used techniques such as conjoint analysis (Bendixen, Bukasa, & Abratt, 2004) and field experiments (Gill, Sridhar, & Grewal, 2017) to quantify the value customers derive from a B2B company's offerings. Regarding the structure of the exchange, research scholars have examined issues such as the use of sales force (Mantrala & Albers, 2012) or distribution channels (Jeuland & Shugan, 1983) in serving customers. In terms of communication strategy, scholars have examined the effectiveness of increasing the frequency of interacting with clients (Palmatier, Gopalakrishna, & Houston, 2006) as well as utilizing traditional and new media communication strategies (Murphy & Sashi, 2018). Insights from this perspective may guide the CSO or CMO about sales-force management, channel structure optimization, or communication.

Third, B2B marketing scholarship has concerned itself with

understanding the design and development of product and service offerings using methodologies such as conjoint analysis for product and supply chain design (Reutterer & Kotzab, 2000) and quality function deployment for feature identification (Griffin & Hauser, 1993). Rooted in operations management and economics, these approaches help CSOs create customer value by delivering the best products and service levels.

Fourth, scholars have taken a psychology-based perspective to inform B2B firms' branding, communication, and positioning strategy (Worm & Srivastava, 2014). Brand management approaches identify different psychological benefits for clients: higher confidence, risk/uncertainty reduction, increased satisfaction, greater comfort, and customer-company identification (Leek & Christodoulides, 2011). Scholars in this research tradition have identified ways to improve firms' positioning and communication to ensure they communicate and fulfil the right brand promise (e.g., Lynch & Chernetony, 2004). They have developed B2B-specific branding approaches such as ingredient branding (Oliva, Srivastava, Pfoertsch, & Chandler, 2006) and component-supplier branding (Ghosh & John, 2009).

To summarize, scholars have taken a multifaceted approach to examine B2B marketing. It is interdisciplinary, building on basic disciplines such as economics, psychology, sociology, and operations management. It is multi-method, incorporating surveys, experimental design approaches such as conjoint, optimization, econometric modeling, and qualitative research. Scholars have also approached B2B marketing from a variety of vantage points, borrowing from, but not limited to, consumer behavior, marketing strategy, empirical modeling, game theory, and so forth. Despite these efforts, there has been a lack of utilization of B2B research and scholarship by practitioners—managers, senior executives, and consultants.

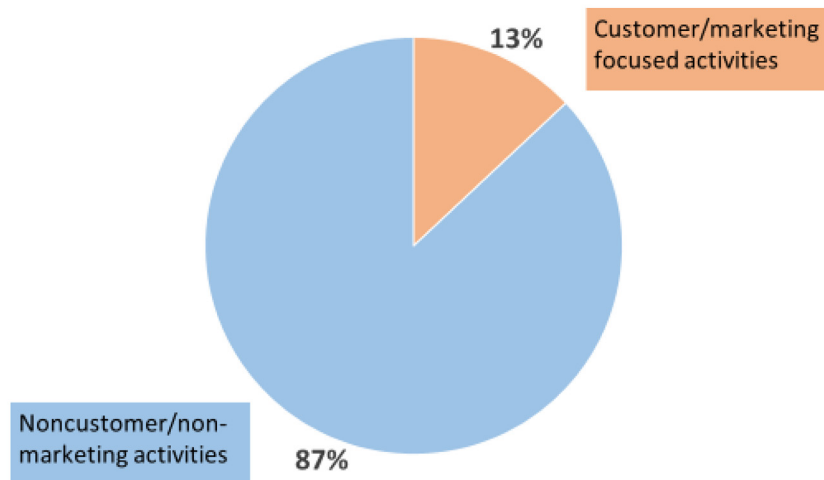
3. Factors inhibiting the utilization of B2B scholarship among senior executives

Utilization of academic scholarship in the practitioner community is low to nonexistent. Cortez and Johnston (2017) contacted 172 marketing and sales managers of B2B companies from different industries in the U.S. and only 2.31% of the practitioners had read at least one academic marketing paper per year! Separately, Gummesson (2014) interviewed senior executives in 21 consulting companies who, presumably, serve as a bridge between academia and practice. Among them only six (28.6%) claimed to read or skim scientific marketing literature, citing barriers such as lack of useful managerial implications. In our interviews and interactions with over 200 senior executives from the B2B sector we could not identify a single executive who had used academic B2B research to inform strategy! Supporting Gummesson (2014), executives viewed academic research as too narrowly focused on marketing communication and product design, and lacking strategic implications.

Another reason for this lack of utilization may be that a customer-focus is not woven into the strategy-planning process used in most B2B companies. We find the focus of strategic planning in most B2B companies is heavily oriented toward finance, accounting, and operations, rather than marketing. We measured various aspects of strategic planning by surveying over 150 senior executives across four B2B companies. As Panel A of Fig. 1 shows, senior executives spend only 13% of their time on customer and marketing related activities. As Panel B of Fig. 1 shows only 46% of senior executives agree that their B2B firms track customer/marketing metrics. In contrast, 93% of senior executives agree that their B2B firms track financial metrics, 83% agree that their B2B firms track safety metrics, and 77% agree that their B2B firms track employee metrics.

There are many structural factors for this lack of utilization—fewer marketing executives in the upper echelons of B2B companies, lack of focus on customer-related activities, and poor use of marketing metrics. These structural issues are exacerbated by a view among executives that

Panel A. B2B Executives' Time Allocation



Panel B. Strategy Planning Metrics Tracked by B2B Firms

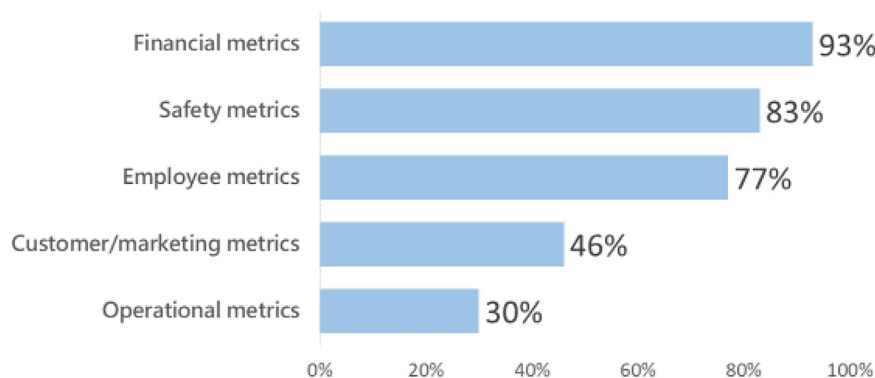


Fig. 1. B2B strategy: Evidence from senior executives.

B2B scholarship lacks relevance due to its narrow focus and reliance on concepts and theories that do not capture the reality faced by B2B executives. Executives are wary of academic B2B research, despite the scholarly community's desire to increase research relevance. There are several reasons for this.

3.1. Overreliance of B2B research scholars on extant consumer theories

In his article on the theory-practice gap in the B2B domain, Gummesson (2014, page 619-20) states, "it is unfortunate that so much of marketing talent is wasted on marginal refinements of fragmented B2C marketing models and statistical survey techniques." In our interactions with executives in scores of B2B companies we have uncovered a similar sentiment. As the dean of a prominent business school and a key scholar in B2B marketing stated privately (Mittal, 2018, page 18):

Most of what B-to-B companies do relies on recycled concepts from consumer companies. Consumer goods and services are focused on customer experience, customer delight and hedonic consumption, and rightly so. But B-to-B is different. It has so many utilitarian value

drivers like sales, bidding, billing and project management that go beyond experiential aspects of value. Simply put, B-to-B customers are different than traditional consumers of goods and services.

Yet, "the majority [of academics] claimed that extant marketing theory, based on empirical evidence from consumer goods marketing, was adequate" to inform B2B research (Gummesson, 2014, page 620). In many ways, this attitude and approach has constrained B2B scholarship, rendered B2B scholarship derivative of mainstream B2C scholarship, and diminished both its stature and perceived usefulness among senior B2B executives. As one executive stated, "B2B is not B2C lite, it's its own creature."

Table 1 describes our review of the extant B2B literature aimed at capturing customer value elements in a customer satisfaction context. In extensive discussions—informal and in-depth interviews, as well as focus groups—with B2B managers, we identified eight strategic areas that can explain 70%–80% of customer value (R²) in B2B contexts. These eight strategic areas include: (1) product/service quality, (2) pricing and billing, (3) sales and bidding, (4) project management, (5) safety, (6) communication, (7) corporate social responsibility, and (8)

Table 1
Strategic areas included in extant B2B research^a

References	Context	Product/Service quality	Pricing/Billing	Safety	Sales and bidding	Project Mgmt.	CSR	Communication	Ongoing serv. Supp.
Aheame, Jelinek, and Jones (2007)	Survey of 358 physicians				✓			✓	
Blocker et al. (2011)	Survey of 800 customers of information and communication technology services	✓	✓		✓			✓	
Bowman and Narayandas (2004)	Survey of 596 customers of a major vendor in the processed metal business	✓			✓			✓	
Chandrasekaran et al. (2007)	Survey of about 4000 customers of a service organization	✓			✓			✓	
Davis et al. (2008)	Survey of 389 retail customers of a consumer durables manufacturer	✓			✓			✓	
deLeon and Chatterjee (2017)	Survey of 123 U.S. organizations from diverse industries	✓			✓			✓	
Eggert and Helm (2003)	Survey of 301 purchasing managers in Germany	✓	✓					✓	
Faroughian et al. (2012)	Survey of 167 executives in UK-based small- and medium-sized enterprises	✓	✓					✓	
Flint, Blocker, and Boutin (2010)	Survey of 414 purchasing managers across multiple industries	✓						✓	
GI, Berenguer, and Cervera (2008)	Survey of 194 office managers of a Spanish bank	✓	✓					✓	
Grace and Weaven (2011)	Survey of 263 Australian franchisees in multiple industries	✓	✓					✓	
Homburg and Stock (2004)	Survey of 164 salesperson-customer dyads in manufacturing industries	✓			✓			✓	
Homburg, Müller, and Klarmann (2011)	Survey of 56 sales managers, 195 sales reps, 538 customers across multiple industries	✓			✓			✓	
Janita and Miranda (2013)	Survey of 197 vendor-side users from construction firms operating in a Spanish e-marketplace	✓	✓					✓	
Kumar (2002)	Survey of 249 representatives in customer organizations in IT industries	✓	✓		✓			✓	
Lam et al. (2004)	Survey of 268 corporate customers of courier services	✓	✓		✓			✓	
Lewin (2009)	Survey of 560 purchasing professionals	✓	✓		✓			✓	
Matzler et al. (2004)	Survey of 259 customers of a supplier in the automotive industry	✓			✓	✓		✓	✓
Mittal et al. (2020)	Study 2: Secondary data merged with a survey of 11,435 B2B managers in publicly-traded U.S. firms; Study 3: Survey of 4590 customers of a national service supplier	✓	✓	✓	✓	✓	✓	✓	✓
Mohr, Fisher, and Nevin (1996)	Survey of 125 owners/managers at personal computer dealerships	✓						✓	
Patterson, Johnson, and Spreng (1996)	Survey of 128 clients in a consultancy industry	✓						✓	
Ramaswami and Arunachalam (2016)	Survey of 180 dealers and 600 customers of an equipment financing firm	✓			✓			✓	
Spiteri and Dion (2004)	Survey of 220 veterinary physicians	✓	✓		✓			✓	
Stan et al. (2007)	Survey of 124 customers of a radio service provider	✓			✓			✓	
Stock and Hoyer (2005)	Interview/survey of 111 salesperson-customer dyads in multiple industries	✓			✓			✓	
van Doorn (2008)	Survey of 220 customers of a large European logistics company	✓	✓		✓			✓	
van Doorn and Verhoef (2008)	Survey of about 850 customers of a European logistics service provider	✓	✓		✓			✓	
Walter et al. (2003)	Survey of 230 purchasing professionals in German companies	✓	✓		✓			✓	

^a Adapted from Mittal et al. (2020). References for Table 1 are listed in Web Appendix P of Mittal et al. (2020).

ongoing service and support (Mittal et al., 2020). As corroborating evidence, Mittal et al. (2020) conducted an additional analysis of Form 10-Ks of the 50 largest publicly traded B2B firms in the U.S. by annual sales for 2016. The analysis revealed 4697 sentences that included the word “customer” or “client” in the 10-Ks, reflecting a firm’s customer-relevant perspective. Out of these 4697 sentences, those containing the eight strategic areas account for 73.79%, reflecting a firm’s customer focus (Mittal et al., 2020). At the very least, this suggests these eight strategic areas are seen as highly relevant by executives in B2B firms, and should be the sine qua non of B2B scholarship that aims to understand sources of customer value and increase sales and margins.

Yet, as shown in Table 1, a review of B2B studies in the area of customer satisfaction shows disheartening findings. With the exception of Mittal et al. (2020), no other study incorporates all eight strategic areas in its theoretical or empirical analysis. Inclusion of product and service offerings, quality, and communication may be consistent with the 4-P framework. Among the excluded value drivers are safety, project management, sales and bidding, billing process, ongoing service and support, as well as sustainability and social responsibility. As a first step, adopting these eight pillars of customer value and consistently including them in academic B2B studies would ensure their relevance to senior executives in B2B firms. The rigor and relevance of these eight strategic areas can be a potent distinguishing hallmark of B2B scholarship, helping to set itself apart from B2C scholarship.

3.2. Lack of functional linkages to address broader C-suite issues

The implications section of a majority of B2B articles are focused on areas such as product design and development, communication, innovation, branding, sales-force management, pricing, and so forth. There is no doubt they are important for marketing and sales, and they resonate with the CMO or CSO of a B2B company. Yet, the limited scope of such implications does not resonate with other senior executives such as the COO, CFO, CEO, and others. More generally, the limited perspective fails to broaden the CMO/CSO’s horizon beyond traditional marketing issues such as product, price, sales, and communication. No wonder, many C-Suite executives responsible for functional areas such as manufacturing, health and safety, finance and accounting, project management, sustainability, and operational excellence find it difficult to relate to CMOs. Worse, since marketing is deemed to represent an expense that must be monitored and controlled, the marketing function simply reports into the COO or CFO in many B2B firms.

Most B2B theories are narrowly focused and remain silent about issues that members of the C-Suite must jointly confront. Relationship marketing focuses on strengthening buyer-seller relationships, but a Chief Operating Officer or the Chief Administrative/Human Resource officer may not see it as providing any strategic value to the firm. Even as C-Suite executives recognize the importance and primacy of the customer as the primary source of cash flow for their company, they fail to see how marketing contributes to sales or margins. C-Suite members such as the CFO, COO, and CEO seek guidance on strategic aspects like operational execution, employee management, safety, and financial allocation—all of which have a direct impact on a firm’s strategy but may be seen as only tangentially related to marketing. To gain a foothold in the C-suite, B2B scholars need to arm the CSO/CMO more broadly. There is a need to go beyond traditional marketing topics and explicitly address a broader set of strategic objectives that cater not only to the CSO/CMO but also to other members of the C-Suite. This can be accomplished by breaking the narrow mold of “marketing” and embracing the broader set of functions—manufacturing, safety, human resources, and others—that are relevant to customer value.

Our research, based on semi-structured in-depth interviews and focus groups with senior B2B executives, shows that the eight strategic areas that provide customer value (see Table 1) also map onto key functions. As shown in Fig. 2, the strategic areas transcend inside-out functions (e.g., manufacturing, operations, environmental health and

safety, and human resource management), outside-in functions (e.g., sales), and support processes (e.g., R&D and engineering, purchasing and accounting, customer service delivery) (Day, 1994; La Rocca, Moscatelli, Perna, & Snehota, 2016). By developing B2B theories and conducting empirical studies that enable CMOs/CSOs to work with other C-Suite executives is a reliable way for scholars to raise the relevance of B2B scholarship. Creating value should not be seen as the exclusive domain of marketing or sales; rather, customer value can be created by ensuring close collaboration among different domains to address the eight strategic areas that typically provide 70%–85% of customer value to B2B customers.

3.3. Quantified linkages to financial performance and budget allocation

The majority of studies in B2B are focused on linking marketing activities to outcomes such as customer attitudes, customer intentions, and purchase behaviors. A few studies statistically link marketing activities to sales and profits. Relying on the correct argument that attitudes and intentions are linked to behaviors (Ajzen & Fishbein, 1974; Chandrashekar, Rotte, Tax, & Grewal, 2007), academics believe that investigating attitudes and intentions are good enough as dependent variables. After all, attitudes and intentions predict behaviors, which can be translated into sales (Davis, Golicic, & Marquardt, 2008; Wuys, Verhoef, & Prins, 2009). However, ample research shows that—though positively correlated—the attitude-behavior link is highly contingent and not reliably strong (Belk, 1975).

C-Suite executives too remain unconvinced by this theoretical argument. Using a sample of 1850 B2B managers, Homburg, Klarmann, and Schmitt (2010) find that the correlation between customer brand awareness and sales is only 0.11. They conclude that “*market characteristics (product homogeneity, technological turbulence) and characteristics of a firm’s typical organizational buyers (buying center size, buying center heterogeneity, time pressure in the buying process) moderate the relationship between brand awareness and market performance.*” The contingent nature of the relationship between customer behavioral intentions and sales may be of immense theoretical interest to us but is seen as impractical and unworkable by B2B executives. For senior executives it is not enough to know that a marketing effort is statistically associated with an outcome (existence of an effect) in some situations (contingencies). Rather, senior executives seek guidance on the magnitude of the association (effect size), the stability of the association under different competitive and business-relevant conditions (competition and business-relevant moderators), and their ability to predict outcomes that are of importance to board members, the CEO, the CFO, and the COO. While CMOs/CSOs may be content with measuring attitudes, intentions, and other psychological metrics, many C-Suite executives and board members value revenues, margins, market share, employee retention, and similar such metrics.

To gain legitimacy and acceptance in the C-Suite, B2B scholars must strive to provide quantifiable linkages that can be used to conduct “what-if” analysis with confidence. Of course, this requires adequate and representative samples, going the extra mile to collect financial data (besides survey metrics), and using the best available statistical techniques to predict financial outcomes. Such a stance goes beyond using high-level statistical associations between marketing variables and psychological measures that *may be* associated with sales, since such a stance will not meet the needs of senior B2B executives.

3.4. Integrating frontline and C-suite perspectives in B2B strategy

B2B studies typically take an exchange-based perspective that provides implications for managing the exchange between customers and frontline-employees of a firm. These studies typically utilize surveys of customers, salespersons, frontline employees and others but do not link them to financial outcomes. Notable exceptions include Bowman and Narayandas (2004), Gill et al. (2017), and Mittal et al. (2020). Bowman

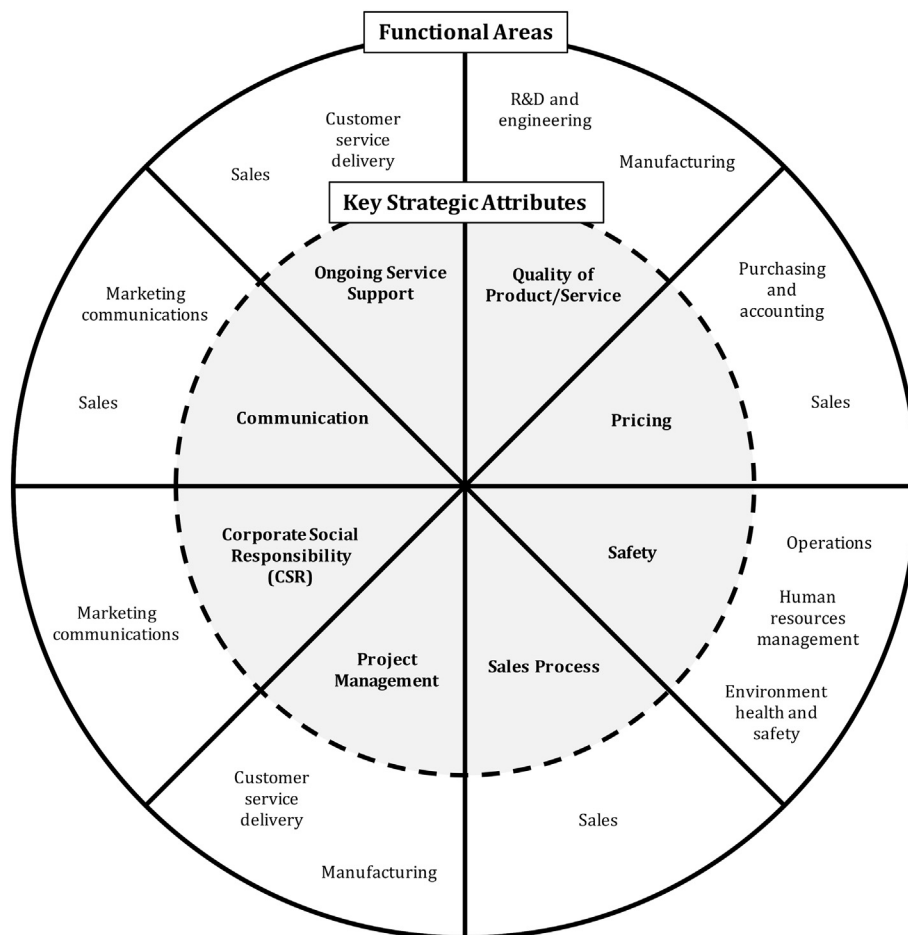


Fig. 2. Mapping of strategic attributes to functional areas *. Source: Mittal et al. (2020)

and Narayandas (2004) adapted the satisfaction-profit-chain framework to the B2B context, linking a supplier's tactical efforts related to five strategic areas (overseen by frontline managers) to attribute performance (overseen by executives). Next, it links attribute performance to customer satisfaction, customer loyalty, and customer financial performance (overseen by the C-suite). Mittal et al. (2020) take a similar approach by integrating frontline and C-suite perspectives. They measure supplier performance in eight strategic areas and link it to customer loyalty and financial performance.

B2B scholars need to evolve their research approach such that it simultaneously provides guidance to frontline employees, middle management, and top executives by linking frontline activities to customer value, and by linking customer value to sales and net profits. Such an approach will not only broaden the conceptual reach of extant B2B frameworks, but also help B2B scholarship gain credence in the practitioner community. Scholarship that is narrowly focused on interactions between customers and frontline employees—although theoretically interesting—does not provide the necessary guidance to senior executives who remain wary that B2B scholarship provides few, if any, usable implications.

In light of these issues, we highlight specific strategic challenges faced by B2B executives. By understanding these challenges and incorporating them in our research, we can reinvigorate B2B scholarship and increase its relevance for practitioners.

4. An outside-in perspective to address challenges faced by B2B executives and to reinvigorate B2B scholarship

Based on our interactions with hundreds of senior B2B executives,

we have observed that every B2B company seeks to address the same critical challenges to maximize return for its shareholders, satisfy customer needs, provide guidance and accountability to employees, and address other salient issues pertaining to safety, environmental, social, and governance perspectives. By understanding the way these challenges manifest for senior B2B executives we can increase the scope, relevance, and impact of B2B scholarship. We outline the challenges below and discuss how an outside-in perspective can help address them.

Rust (2019) explains that outside-in marketing puts primacy on customer value, as measured by customer satisfaction. Importantly, using customer value as its strategic compass B2B firms can implement a dual emphasis which simultaneously helps them increase revenues and reduce costs (Mittal, Anderson, Sayrak, & Tadikamalla, 2005; Rust, Moorman, & Dickson, 2002). An outside-in perspective rooted in customer value helps B2B executives address Challenges 1 and 2 outlined below. This is accomplished by ensuring customer value is used to strategize about revenues and prioritize strategic areas that help maximize revenues. Similarly, an outside-in approach rooted in customer value also deflects B2B executives' singular focus on cost reduction and efficiency. By addressing Challenges 3 and 4 below, executives can judiciously reduce costs by efficiently focusing only on those strategic areas that contribute to customer satisfaction. Our core argument is that an outside-in approach to strategy can simultaneously help B2B firms increase revenue by addressing Challenges 1 and 2, and increase efficiency by addressing Challenges 2 and 3.

4.1. Challenge 1: Manage sales, margins, and EBITDA

Conversations with scores of B2B CEOs reveal they are held

accountable for metrics that provide a reliable and early yardstick for shareholder return—sales, margins, and EBITDA (earnings before interest, taxes, depreciation and amortization). CEOs and board members operate under the strong belief that these three metrics are early indicators of stock-market performance.

The strategic planning process in many B2B companies is driven by quarterly results based on achieving a specific level of sales, margins, and EBITDA. It starts with specific targets for quarterly sales and margins, and cascades down to activities and initiatives that will achieve the targets. In one engineering and construction company, the CEO and CFO would set a quarterly sales target, and the SVP of sales worked with the sales team to develop a bidding pipeline to achieve the target sales number. The manufacturing group and projects group would submit plans to meet the sales. Due to the high cost of preparing a bid, the SVP of sales had to short list projects for bidding and develop a bidding pipeline that would meet the sales objectives. To ensure that revenue from existing projects supported the margin forecast, the company's SVP of manufacturing and projects sought to submit enough change orders to clients, up-sold clients for more project needs, and cut costs as much as possible. The CMO played virtually no role in the strategic planning process. She was only responsible only for managing the company's trade shows and branding elements such as print material and website.

In most companies, the strategic goal of managing sales and margins is directly relegated to the CFO and COO, with cooperation from sales, manufacturing, and project management. A typical CMO of a B2B company oversees marketing communication and branding, but has very little input in managing the sales pipeline, setting sales and margin targets, or cost management. The focus on lead generation and bid winning to increase sales and on reducing operational costs to increase margins is overseen by the CFO and the COO in consultation with the CSO. Both these activities detract from the fundamental goal: creating customer value by satisfying customer needs in a profitable manner. An exclusive focus on sales and cost cutting can make senior executives inward looking. The CEO, CFO, COO, and CSO become focused on driving sales and reducing costs, leaning on the CMO to increase communication and branding as a support activity. Managing customer value by satisfying customer needs becomes a lower-order priority relegated to initiatives such as customer experience management, customer journey mapping, and voice-of-customer research. The prevalence of this inward-looking approach is one key reason why B2B scholarship has not gained the desired acceptance in the practitioner community. Although B2B scholarship starts with customer value, it can go a step further by integrating the customer-value perspective with the challenges faced by senior executives in B2B companies.

To gain the needed traction, academic studies should prioritize linking customer value (e.g., as measured by customer satisfaction) to sales, margins, and EBITDA. This can be done in a way that clarifies the magnitude of the linkage (effect size) and identifies industry-relevant and competition-based factors that can systematically moderate the linkage. Academics should make a clear case as to why increasing customer value would increase sales, margins, and EBITDA. This arms senior B2B executives with a cogent and concrete mechanism to drive their strategy based on customer value, rather than using sales and margins as the dominant drivers of strategy. Fig. 3 shows how linking customer value to sales and margins provides senior executives the ability to prospectively forecast financial outcomes based on their customer satisfaction scores.

From a practical and conceptual perspective, customer satisfaction is one of the best measures of customer value. Past research has shown that customer satisfaction is the only metric that reliably predicts sales, margin, and EBITDA (Morgan & Rego, 2006). Moreover, research shows that the eight strategic areas are strongly related to customer satisfaction. Customer satisfaction is generally measured with a 7-point scale (1 = extremely dissatisfied, 7 = extremely satisfied) and can be easily transformed to obtain a company's customer value score ranging from 0

to 100 (as an example the American Customer Satisfaction Index ranges from 0 to 100). Working with a large engineering, procurement, and construction company, we developed a predictive model showing that a 10-point increase in customer value increased sales by 3.53%, gross margins by 3.40%, EBITDA by 3.97%, and net income by 3.09%. Given that the company generated \$10.09 billion in sales and \$860 million in net income, a 10-point increase in customer value translated to \$355 million in incremental sales and \$26.7 million in net income, a significant upside if the company focused on increasing customer value.

In our experience, once a CEO and CFO can clearly understand the impact of growing customer value on sales, margins, and EBITDA they realize simply cutting expenditures or pushing sales may not be an optimal strategy. B2B scholars need a clear research agenda, demonstrating that increasing customer value is one of the most practical and theoretically defensible ways to increase sales and margins in the long run. From our experience of quantifying the link between customer value and financial metrics like sales, margins, and EBITDA for multiple companies we see two clear pathways for academics to gain traction with senior B2B executives.

First, CEOs seek a reliable link between customer value and financial metrics. Most CFOs have dozens of managers working on the company's quarterly forecast, many of whom are well versed with statistical fit, out-of-sample forecast, and hold-out performance. In fact, several CFOs tend to openly embrace new advances in predictive analytics and machine learning, and seek forecasts that are in the 6%–8% range. B2B academics can help such executives by not only demonstrating the face validity of the link between customer value and financial metrics, but also providing a precise estimate backed by evidence for statistical fit, theoretical logic, and face validity of the underlying empirical model (e.g., Sridhar, Mantrala, Naik, & Thorson, 2011).

Second, B2B CEOs seek to quantify the link between *their* customers' value and *their* company's financial performance. They are skeptical about using estimates from industry benchmark reports, or relying on results from other companies. CEOs share the forecast with the entire C-suite, the board of directors, and other stakeholders in their 10-K reports, and use it for strategic planning. B2B scholars can meet this challenge by ensuring their studies are based on data collected from the company's own customers. They can also use new ensemble and de-averaging techniques (e.g., Chen et al., 2020) to combine customer value data from competitors and its own customers. This can provide improved company-specific predictions, linking a company's customer value and financial performance.

4.2. Challenge 2: Define and prioritize strategic areas

Senior B2B executives support their goal for achieving a certain level of sales and margins with a set of strategic initiatives. Working with scores of B2B companies we have observed an overabundance of strategic initiatives that purport to increase sales and margins. Examples include:

- The COO of a temporary-office-space and equipment-rental company outsourced all equipment delivery and management to an outside party in order to lower operational costs. Within one quarter, several customers defected to competitors due to delivery delays.
- The SVP of HSE (health, safety and environment) of an oilfield services company, who argued that safety would increase sales, started several safety-training programs for the company's employees. Even as margins decreased and sales did not budge, the SVP kept adding more safety-training modules while arguing that safety was a basic corporate value.
- Given the decreased price of crude oil, several companies in the oilfield services sector have embarked on cost-cutting initiatives, reducing both operational and capital expenditures. However,

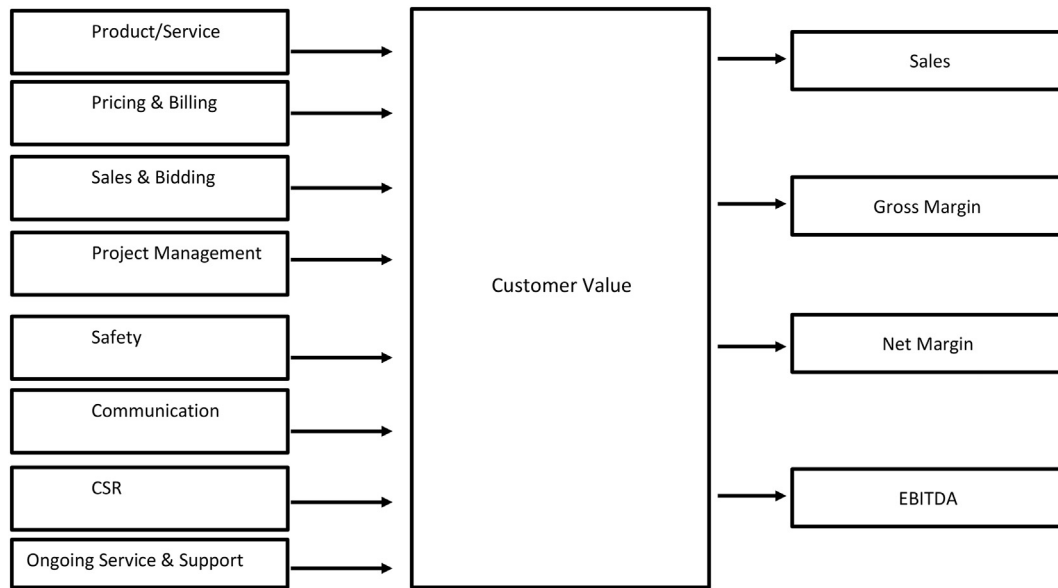


Fig. 3. Linking customer value to financial impact.

despite lower expenditure they have been unable to increase pricing power because of lack of customer focus.

In a majority of B2B companies, most of the strategic initiatives are justified by their ability to either reduce cost or increase sales, or both. Very few, if any, of the initiatives are justified on the basis of increasing customer value. The reason is that most senior executives do not fully understand the link between customer value and increased margins. A handful of CMOs in B2B companies measure net promoter, while other CMOs conduct market research such as a customer experience study, obtaining voice of the customer through qualitative research, branding studies to define key brand features, or even customer journey mapping. These market research studies are conducted as stand-alone products, to drive communication, for website design, to support brand architecture, or to coach frontline employees on managing customer interactions. We were unable to find a single such study where the results were correlated to sales or margins. Yet, we saw CMOs making unsubstantiated and bold statements that implementing the recommendations from the study would increase sales and margins! They were engaging in “internal selling” which eroded their credibility over time.

B2B marketing scholars can help CMOs bridge this divide with other senior B2B executives by showing them the linkages between customer value and financial performance. In addition to making the case for why increasing customer value would increase sales and margins, academics should show how drivers of customer value can provide an effective way to identify and prioritize strategic initiatives.

As mentioned earlier, the *eight* strategic areas have a strong association with customer value; they explain 65%–70% of the variation in customer satisfaction for B2B companies in different industry sectors and among different customer groups of a single B2B company (Mittal et al., 2020). Yet, the exhaustive review in Table 1, covering nearly 30 years of empirical research and 28 studies, shows these eight areas are rarely considered in B2B academic studies. Among the 28 studies, 5 studies (18%) consider one strategic area, 9 studies (32%) consider two strategic areas, 10 studies (36%) consider three strategic areas, and 3 studies (11%) consider four strategic areas. Only one out of the 28 studies considered all eight strategic areas (4%). In other words, 96% of the studies considered four or fewer strategic areas out of eight. Further, the predominant focus among these studies has been on product/service quality (86%), followed by sales and bidding (54%), pricing and billing (46%), and communication (46%). The remaining areas—safety, project management, corporate social responsibility, and ongoing service and support—were considered in fewer than 10% of the studies.

An exclusive focus on product/service quality while omitting safety, project management, corporate social responsibility, and ongoing service and support has several implications. Table 2 shows the relative weight (as measured by regression coefficients predicting overall satisfaction) attributable to product/service quality, sales and bidding, pricing and billing, and communication in determining overall customer satisfaction. The weight is shown for a range of companies. Table 2 shows that safety, project management, corporate social responsibility, and ongoing service and support contributed 58% of customer value across these companies. This is higher than 42% of

Table 2
How strategic areas drive customer value for different B2B companies.

B2B Company Sector	Percent of Value Proposition Attributed to...	
	Product/Service Quality, Sales and Bidding, Pricing and Billing, and Communication	Safety, Project Management, Corporate Social Responsibility, and Ongoing Service and Support
Industrial distribution	51%	49%
Oilfield services	19%	81%
Industrial pipeline	73%	27%
Testing equipment— aerospace	32%	68%
Engineering & projects	68%	32%
Engineering & projects	28%	72%
Software	38%	62%
Banking	24%	76%

customer value attributable to product/service quality, sales and bidding, pricing and billing, and communication—the primary focus of B2B scholarship.

In most B2B companies, project management, safety, ongoing service and support, and corporate social responsibility are distinct departments that report to specific C-Suite executives. By ignoring these strategic areas, B2B scholarship cannot provide broad-based guidance to lead a company's strategy. Empirically, by omitting safety, project management, corporate social responsibility, and ongoing service and support, academic research will produce biased estimates of the remaining drivers of customer value in B2B research. Conceptually, ignoring strategic areas that contribute most to customer value will limit the CMOs' scope of activity to strategic areas that are not as relevant to customer value in B2B organizations.

4.3. Challenge 3: Develop execution levers consistent with strategic areas driving customer value

CEOs seek to understand the relative weights of the eight strategic areas as well as specific execution levers within a strategic area. Execution levers are specific actionable attributes that correspond to a strategic area. Since they are specific and actionable, execution levers can become the basis for an initiative designed to improve operational excellence. The idea is similar to a means-end-chain (Gutman, 1982), where execution levers or specific attributes are the means through which higher-level and more abstract customer needs are satisfied. As an example, a B2B company determined that four specific execution levers corresponded to the strategic area *ongoing service and support*:

- Vendor resolves my problems quickly and correctly
- Vendor provides reliable and timely upgrades as needed
- Online access to technical documentation (24/7)
- Problems are correctly fixed within 24 h of reporting

As another example, execution levers pertaining to a strategic area such as pricing and billing may include, but are not limited to, providing generous credit terms, accuracy of invoices, and keeping prices within 10% of the nearest competitor.

Senior B2B executives prefer to build an overarching strategy map that depicts the linkages among execution levers, strategic areas, overall customer value, and outcomes (loyalty intentions, sales, and net income). Fig. 4 shows the schematic of a chain-linked strategy map for an industrial distribution company, with different execution levers feeding into strategic areas that drive overall customer value. Each execution lever can be a strategic initiative managed by different executives, departments, and functions. Judicious deployment of the initiatives based on the most important execution levers helps reduce cost and increase sales by providing a high level of customer value. The outputs of these customer-based throughputs are sales, margins, and EBITDA.

In most B2B companies, frontline and middle management work on execution levers. By systematically relating the execution levers to a specific strategic area, senior executives provide a coherent and unified view for strategic planning. For B2B companies, the eight strategic areas provide a more sensible and useful approach than consumer frameworks such as customer journey and customer experience mapping. A B2B company did a “customer journey” mapping study and identified 90 disparate initiatives such as providing more detailed proposals, employing knowledgeable sales staff, offering speedier billing, returning customer calls within 24 h, following-up on late deliveries, and resolving problems in a timely manner. Separate teams were assigned to each of the 90 initiatives and each team set a goal to improve the customer journey. However, the teams struggled to quantify the strategic impact of their respective initiatives because no data or methodology existed to link customer journey outcomes to overall financial performance of the firm. Without an overarching

strategy framework, each team thought its contribution to the customer journey was important in its own right with no prioritization or ranking based on customer needs. This led to a lot of wasted resources and politicking. Executives quickly realized it would be nearly impossible to juggle and excel in 90 initiatives across different teams representing different executives, departments, and functions. Most of the executives spent a majority of their time positioning their work as highly strategic, and to win over the CEO for sanctioning more resources. To better understand which initiatives to pursue, the company organized the initiatives into 45 execution levers that together mapped onto the eight strategic areas outlined earlier.

By organizing the strategic focus using this chain-linked strategy map, senior executives were able to quantify the impact of each operational activity in the customer journey to customer value as well as to financial performance. This approach also helped the company focus its limited resources on strategic areas and execution levers that truly moved the needle on customer value, and by extension on sales and margins. As an example, research showed that *ongoing service and support* was the most important strategic area, providing more than 40% of customer value and supported by three specific execution levers shown—in decreasing order of impact—below:

- Problems are correctly fixed within 24 h of reporting (56%)
- Vendor resolves my problems quickly and correctly (28%)
- Vendor provides reliable and timely upgrades as needed (16%)
- Online access to technical documentation (24/7) (0%)

Instead of simultaneously improving 90 different touch points along the customer journey, the senior leadership focused on rapidly resolving problems by empowering frontline employees to take corrective actions, investing in software that tracked the average number of days it took to resolve the problem, and rating and incentivizing frontline employees based on customer feedback. The company de-emphasized 75 out of the 90 initiatives, thereby decreasing overhead costs and increasing margins.

B2B scholars can add the greatest value to B2B executives by ensuring that chain-linked strategy maps are not derivatives of B2C settings. This means focusing on all eight strategic areas and using in-depth interviews and observational research to identify meaningful execution levers that are veridical to the institutional settings, decision-making systems, and the complexity of a B2B context. As an example, Mittal et al. (2020) took several steps to identify execution levers in each strategic area:

- Conducting interviews and focus groups among B2B managers to discover initiatives related to each strategic area. This approach is similar to prior marketing research that identifies new constructs with the use of interviews and literature reviews (e.g., Noble & Mokwa, 1999; Parasuraman, Zeithaml, & Berry, 1985). This approach also mirrors fieldwork to discover attributes (Anderson & Narus, 1998).
- Validating and testing the eight strategic areas and the associated execution levers with senior executives and frontline managers in B2B companies representing many different sectors.
- Creating *specific execution levers* associated with each strategic area and assigning specific initiatives to each execution lever. The mapping of execution levers onto strategic areas was verified with five senior executives in one-on-one meetings lasting 60 to 120 min each. The executives included: Vice President of an engineering, procurement, and construction (EPC) company, President (North America Region) of a large oil and gas company, CEO of a B2B branding agency, Vice President (Marketing) of a large distribution company, and CEO of a B2B consultancy.
- Validating that the execution levers map onto the strategic areas by conducting exploratory factor analysis (EFA) and confirmatory factor analysis (Fornell & Larcker, 1981).

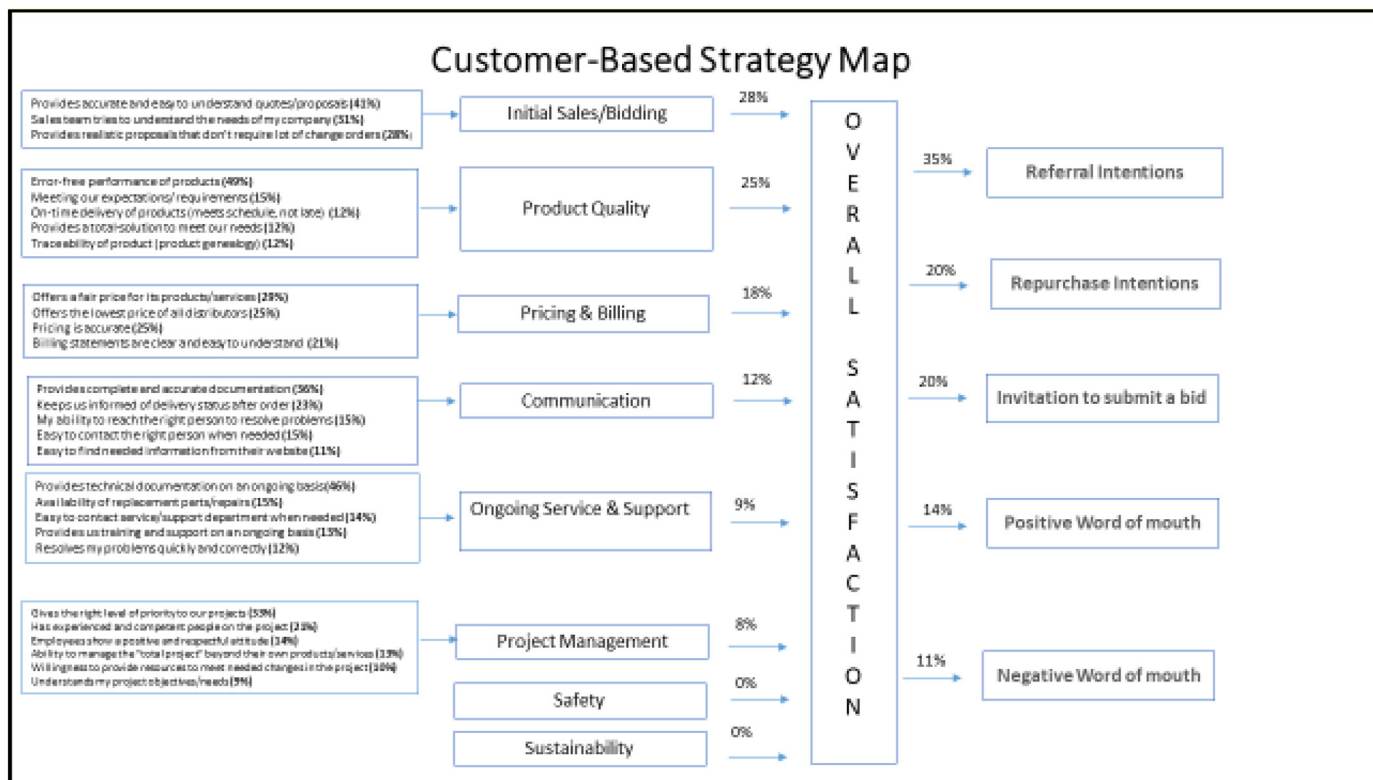


Fig. 4. Customer-based strategy map for an industrial distributor.

4.4. Challenge 4: Develop key performance indicators to drive accountability

To implement strategy, senior executives in B2B companies must hold directors, managers, and frontline employees accountable by measuring and monitoring progress on specific initiatives. This is done using operational key performance indicators (operational KPIs) that are embedded in measurement systems and dashboards. Our work with B2B companies shows that senior executives are typically overwhelmed by a large number of KPIs, with some businesses having over 300 KPIs. They seek an effective approach to prioritize KPIs that measure and evaluate the success of initiatives designed to support the most critical execution levers. Executives at a B2B company with \$2.3 billion in annual sales decided to focus their efforts on project management. The project management division of this company comprised 80 people in all: 10 senior leaders, 26 project directors, and 44 analysts, line managers, and support staff. Every year, the division managed more than 200 projects. While division employees spent 60% of their time fulfilling projects, they spent 40% of their time advancing strategic initiatives related to project management, as well as measuring and monitoring their progress through KPIs. The division had 97 strategic initiatives for improving project management with over 200 KPIs. The KPIs resided among three separate teams that rarely communicated with each other. Interviews with project directors revealed they felt overwhelmed by the demands placed on their time to track the KPIs for each project and the reporting requirements on a daily and weekly basis. In fact, tracking and reporting KPIs took so much time the project managers didn't have adequate time to work on and manage their project. This overabundance of metrics and KPIs was a direct result of the company's inability to prioritize the KPIs based on how they predicted customer value or financial performance. Even though no one had ever correlated a KPI to customer value or to sales or to margins, each manager thought that the KPI they were monitoring was a critical metric for success!

The decoupling of KPIs from customer value manifests through

three problems in a typical B2B company. First, it precipitates a race to measure as many KPIs as possible, overwhelming and demotivating middle managers and frontline employees. Executives monitor and report KPIs, but it is the middle and frontline managers who bear the brunt of the actual work. Second, the large number of KPIs makes it difficult to validate the success of initiatives by linking them to financial outcomes of interest. Senior executives, lacking empirical evidence, make intuitive leaps and judgments based on availability bias when pushing for their favored KPIs. Third, a lack of agreement on the small set of initiatives and KPIs that should be tracked diffuses accountability within the organization. Without knowing which initiatives drive which outcomes, employees and executives focus on their narrow sphere of influence, further disintegrating and decoupling customer value from the metrics. Despite being responsible for specific metrics and KPIs, no one is accountable for customer value.

B2B scholars can build on extant research on marketing metrics to develop specific methodologies and approaches for rank ordering and prioritizing B2B metrics associated with the eight strategic areas, and relate the metrics to customer value. These approaches show the econometric validity of the KPIs but can also help broaden the set of KPIs to include financial, operational, and customer KPIs. For example, in one company interested in improving its sales and bidding process, total sales was deemed a financial KPI, the number of proposal requests and bids won were deemed as operational KPIs, and customer satisfaction with the sales process was deemed as a customer KPI. Needless to say, research questions that only focus on one set of KPIs (financial, operational, or customer) to the exclusion of others are likely to provide weak and insufficient direction to executives on why certain strategic initiatives are successful and others are not. There is a need for B2B research that develops methodologies for selecting the best set of metrics to provide strategic and tactical guidance to firms. This can help B2B companies develop a systematic way to organize and link metrics and focus on a limited set of high-quality metrics. B2B scholarship can focus on three sets of KPIs related to each of the eight strategic areas shown in Tables 1 and 2:

- Operational KPIs, or input-based indicators, measure specific activities, processes, and internal outcomes to which employees can relate. Operational KPIs can include rates and measures of specific activities, internal metrics gathered by human resources and accounting, and other indicators from the operations team. In many companies, supply chain metrics are also included as operational KPIs.
- Customer KPIs, or throughput indicators, measure specific customer behaviors, attitudes, and outcomes. Customer KPIs can be based on surveys, measured customer behaviors, or outcomes like sales.
- Financial KPIs, or outputs, are of interest to shareholders. Financial KPIs typically include sales, revenues, margins, profits, ROI/ROA, and other stock market metrics.

5. Addressing the challenges: The B2B strategy journey framework

The four challenges outlined in the previous section manifest with extraordinary regularity in B2B companies. As outlined, the way these challenges manifest for senior executives differ from the way academic scholars conceptualize their contributions to practice. The unintended outcome is a wide gap between the practice of B2B strategy and the research practices of B2B scholarship. B2B scholars can bridge the gap by augmenting the foundational frameworks of B2B knowledge by more directly addressing the challenges faced by senior executives. Senior B2B executives can directly impact scholarship by implementing insights and inviting scholars to understand the strategy journey they undertake (Bass, 1995). As Bass and Wind (1995, page G2) states, “an examination of ‘folk wisdom’ of industry, beliefs, practices, and the results of proprietary studies can be used as a basis for formal development and empirical examination of suggested propositions.” The folk wisdom of B2B strategy can be consolidated into a process framework, which we term the **B2B strategy journey framework**. This framework captures the key challenges faced by executives and can facilitate stronger relationship between B2B theory and practice. It also provides an avenue for organizing the many different research questions and conceptual issues germane to B2B scholarship. Importantly, the B2B strategy journey framework systematically inculcates an outside-in perspective by using customer value as an organizing framework for linking strategy to revenue enhancement and efficiency improvements. In other words, it facilitates the implementation of a dual emphasis—the cornerstone of an outside-in approach to strategy making (Rust, 2019; Rust, Moorman, & Dickson 1999; Mittal et al., 2005).

milestones include: (1) setting financial goals and targets, (2) prioritizing strategic areas supporting the financial targets and identifying execution levers, (3) implementing chosen initiatives and activities, (4) tracking implementation through KPIs, and (5) measuring and benchmarking results.

The first milestone of the B2B strategy journey is to set financial goals and targets that can be used to hold CEOs accountable to their boards and shareholders, for delivering results. The focal participants at this stage of the B2B strategy journey generally include the CEO and the rest of the C-suite with ratification provided by the board of directors. B2B scholars can help by clearly showing the association between customer value and financial outcomes, thereby helping set the right targets based on how the company is satisfying customer needs. The outcome of this stage should ideally include an integrated set of financial metrics that can provide a measure of the current and future health of the company, which can be benchmarked on a consistent basis and allow the CEO to hold their C-suite team accountable. Models that utilize customer-metrics to help predict financial metrics can strengthen the impact of marketing on this milestone. As Fig. 5 shows, the first challenge (managing sales, margins, and EBITDA) aligns with the first milestone in the B2B strategy journey.

While the CEO and the board are jointly accountable for setting achievable financial goals and targets, Vice Presidents (VPs) and Executive Vice Presidents (EVPs) of B2B companies focus on enabling the CEO to deliver those outcomes. The second milestone of the B2B strategy journey involves EVPs and VPs working together to determine the strategic priorities that can best deliver the financial goals and targets set during the first stage of the B2B strategy journey. We have found that the best way to ascertain and organize these priorities is based on their impact on customer value. All executives agree on the importance and primacy of customers and that the business primarily exists to satisfy its customers. B2B scholars can contribute by developing specific ways to measure the strategic areas and measure their importance after accounting for different sources of unobserved heterogeneity. They can also develop methods to predict how and when the importance of the strategic areas may change based on market conditions. As Fig. 5 shows, the second challenge (defining and prioritizing strategic areas) aligns with the second milestone of the B2B strategy journey.

The third milestone of the B2B strategy journey focuses on implementation of the correct initiatives and supporting activities. Over and over, CEOs face the challenge of channeling their resources into a small set of meaningful activities. Once VPs and EVPs agree on the strategic areas driving customer value, it becomes easier to get them to

Fig. 5 shows the B2B strategy journey with specific milestones. The

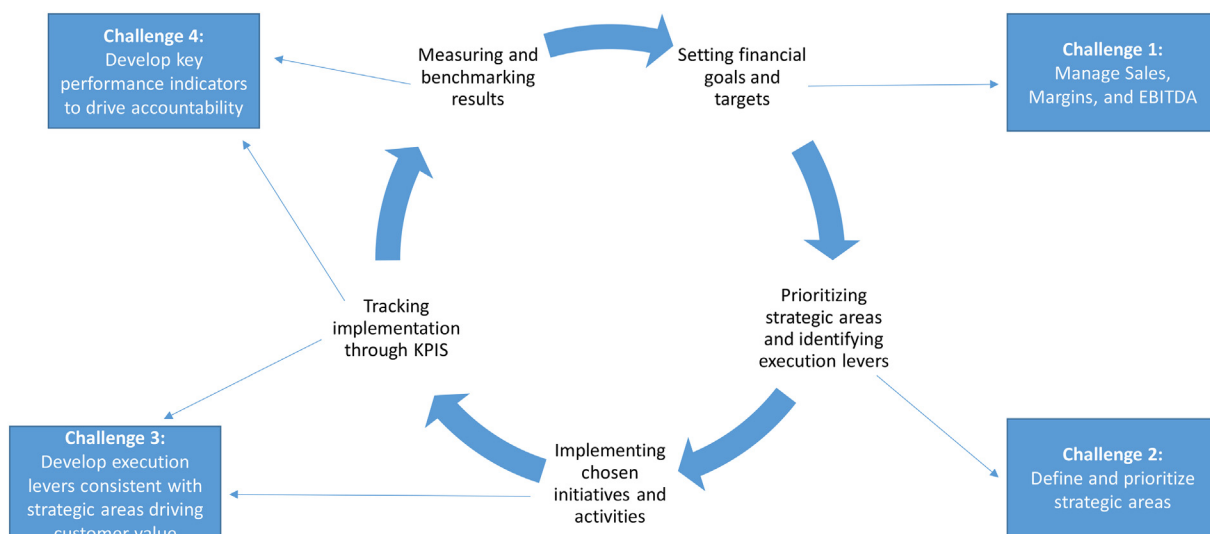


Fig. 5. The B2B strategy journey framework.

Table 3
The B2B strategy journey from an outside-in perspective: Questions B2B CEOs ask.

Strategy milestone	Desired outcomes	Stakeholders involved	Prominent frustrations	Questions B2B CEOs ask
Setting Financial Goals and Targets	An integrated set of financial metrics that can provide a measure of the current and future health of the company, which can be benchmarked on a consistent basis and allow the CEO to hold their C-suite team accountable.	C-suite, Board of Directors	Strategic alignment	<ul style="list-style-type: none"> ● What makes our company more/less strategically aligned? ● How can I measure strategic alignment within my executive team? ● How does strategic alignment affect financial goal-setting? ● What is the right strategy-planning approach for our B2B company? ● How can I see whether our strategy planning positively impacts clarity in goal-setting? ● How should I rethink my strategic planning to drive sales, margins, and EBITDA? ● Why is my company internally driven despite knowing the need for customer focus? ● What initiatives should we prioritize to increase customer focus and drive performance? ● What initiatives should we de-prioritize to increase customer focus and drive performance? ● How does our company's safety culture impact and drive customer satisfaction and financial performance? ● Does improving safety as a strategic area improve our customer focus? ● Do our safety training programs improve employee, customer, and financial outcomes? ● What are the most important initiatives that our B2B company should focus on across disparate functions? ● How can I help my SVPs narrow down the scope of the implementation activities? ● How can I align the success of SVPs and directors alongside chosen initiatives? ● How can we leverage advanced data science to implement our initiatives? ● What essential CAPEX and OPEX investments are needed to ensure that a critical set of initiatives are completed? ● How to evaluate and reward company employees to ensure success in a few critical activities that create value? ● How does the customer value and financial performance provided by our B2B company rank against focal competitors? ● What is the small set of strategic areas that create customer value advantage for our company? ● Did the strategy planning and execution in the last cycle accomplish the financial goals that were earmarked? ● What specific changes need to be made to the B2B strategy journey milestones to achieve success in the next cycle?
Prioritizing Initiatives Based on Targets	A focused statement of the strategic areas and initiatives that the company will be laser focused on and initiatives that the company will de-emphasize	VPs, EVPs	Customer focus	
Implementing Chosen Initiatives	Identifying and executing crucial activities that bring about a successful initiative and align with the chosen strategic area	Directors, Senior Managers	Safety as a strategic area	
Tracking Implementation Success	Ensuring accountability of chosen initiatives through tracking and continuous investments	Directors, Senior Managers	Discovering appropriate implementation activities	
Measuring and Benchmarking Results	Ensuring that customer value and financial performance are competitive	CEOs, VPs, SVPs	Executing on the chosen set of activities	
			Creating accountability in implementation	
			Appropriate benchmarking of customer value	
			Appropriate benchmarking of the B2B strategy journey	

agree on a small set of initiatives corresponding to the strategic areas. They can rally their direct reports—directors and senior managers—to implement the chosen initiatives. B2B scholars can contribute by providing theoretical frameworks to link initiatives to specific strategic areas and execution levers. B2B executives would find it useful to identify initiatives that can simultaneously affect multiple strategic areas, and B2B scholars can bring their expertise to bear. As Fig. 5 shows, the third challenge consists of developing execution levers consistent with strategic areas driving customer value.

The fourth milestone of the B2B strategy journey focuses on tracking implementation through key performance indicators. Frontline employees, their supervisors, and line managers represent the ground reality at the implementation level. These members of a B2B company are typically in direct contact with customers and are accountable for using resources to conduct activities that directly affect customer-relevant outcomes. We believe B2B scholarship has contributed a lot to this area, developing theories and models that link marketing activities to customer responses. More can be done to develop practical metrics, beyond survey measures, to develop performance indicators that can drive accountability inside the firm. As Fig. 5 shows, the third challenge (developing execution levers consistent with strategic areas driving customer value) and the fourth challenge (developing key performance indicators to drive accountability) align with the fourth milestone of the B2B strategy.

The fifth and final milestone of the B2B strategy journey focuses on measuring nonfinancial results and comparing them against financial outcomes. During this stage, the CEO, VPs, and SVPs assess whether the efforts to drive customer value and financial performance bore fruit in terms of nonfinancial outcomes. The effectiveness of these results can be measured by finding the correct nonfinancial metrics that can reliably measure outcomes and predict financial performance. This, in our opinion, is a ripe area for B2B research and will help B2B executives enormously. As Fig. 5 shows, the fourth challenge (developing key performance indicators to drive accountability) aligns with the final milestone of the B2B strategy.

Germinating from the above discussion, we list a series of questions that B2B CEOs ask at each stage of the strategy journey in Table 3. We share these questions, not as research priorities, but as food for thought for our colleagues. These questions are manifold and include issues such as the value of strategic alignment, the right strategy-planning approach to use in B2B companies, methods used to determine the right CAPEX allocation, and so forth. A robust discussion around these questions in the B2B scholarly community could not only help address the big frustrations faced by B2B CEOs but also become the basis for future conceptual and empirical research in B2B.

An underlying thrust of our article is to utilize an outside-in perspective and broaden the scope of B2B research beyond the CMO. We emphasize that the outside-in perspective can be misinterpreted as a call to bypass the CMO. Such an interpretation is incorrect and inconsistent with our goal to strengthen and broaden the CMO's role in strategy planning. Consistent with an outside-in perspective we argue that marketing scholarship can strengthen the role and stature of the CMO by broadening the CMO's impact on the strategic issues faced by their colleagues—the CFO, CEO, COO, and so forth. Each of the strategy milestones is a research opportunity for B2B scholars to broaden and strengthen the CMO's hand in contributing to a B2B firm's strategy. For this to happen, there is a need to consider the entire B2B strategy process, going beyond the CMO. In terms of scholarship, we should not cast our role narrowly as serving the interest of a CMO. Rather, we should cast our role broadly as helping the entire senior leadership to strengthen the firm's strategy using customer value as the focal lens. By helping CEOs, CFOs, COOs and others in the C-Suite to appreciate and understand the benefit of a customer-based strategy, we will eventually elevate B2B scholarship to the stature it deserves.

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