THE MARKETING ENVIRONMENT: A NEW PARADIGM

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ABSTRACT

It is axiomatic that a firm must continuously monitor and adapt to its business environment. Additionally, it has long been the prevailing viewpoint that the business-to-consumer (B2C) environment is sufficiently different from the business-to-business (B2B) environment that a different model for examining the business environment is warranted. However, while the models are somewhat different in the B2C and B2B arenas, they share a common tendency of focusing on only one entity in the marketing channel. Not only does this have an effect on strategic market planning, but also on the management of channel networks. While most accept that a change in an environmental factor is likely to affect more than one member of a channel, current thinking as depicted in traditional conceptual models tends to downplay the need to understand the differential impact of that change on each firm in the network. This article presents a new paradigm for understanding the environment that is useful to practitioners, scholars, and educators.

INTRODUCTION

A constant challenge facing marketing educators is that of inducing students to think beyond the obvious implications of a situation. Especially in a marketing principles class, where there are both marketing and non-marketing majors, moving beyond the basics can be difficult. While the whys and wherefores of this is an interesting and important topic, it is one best left for another discussion. Suffice it to say that we want marketing and non-marketing majors to understand the implications for business of events occurring in the environment and begin to grasp the role of marketing strategy in addressing those events. Even for marketing majors, who should have a heightened level of interest and awareness of the role of marketing strategy, thinking beyond the obvious implications of a change in the business environment does not come easily.

In addition to the need for marketing educators to move students beyond the obvious, perhaps an equally pressing need is for academicians to provide marketing practitioners with the tools necessary to operate their businesses effectively. It is often the case that marketing managers face such an incredible array of challenges in their day-to-day operations that they do not have the luxury of developing new ways of thinking about marketing issues. Thus, it is incumbent upon the academic community to develop and share ideas and concepts that will help practitioners more effectively do their jobs.

The importance of monitoring the environmental factors impacting an individual business is fundamental to effective marketing. Issues such as the hostility and uncertainty of the environment have an impact on the innovativeness and the strategic approach employed by organizations (Özsomer, Calantone & Di Benedetto, 1997; Hagberg-Anderson, 2006; Zhao & Cavusgil, 2006). The business literature is replete with examples of companies that failed due to their not adapting to environmental changes in the marketplace. It is axiomatic, then, that adaptation to changes in the business environment is crucial for a business to survive, much less thrive. So, every principles of marketing textbook we have seen devotes some space to adapting to the environmental forces affecting a business. The focus of these discussions is on how changes in the environmental forces can potentially affect the business, and how the company can manipulate the four Ps of marketing while applying the marketing concept to adapt to those changes.

The problem with the models of the business environment presented in current texts is that they ignore the very pertinent issue of the effect the environmental change has on the network of related businesses, both up and downstream, as well as how the change may affect the decision calculus of the end user or final consumer. Educators seem to assume that students are able and willing to make the intuitive leap required for understanding the impact of environmental changes on network partners. Such an assumption is both questionable and short-sighted. The purpose of the paper is to introduce a model of the business environment that brings all the potential channel network members into the equation.

Environmental Scanning

Environmental scanning, the systematic gathering of information pertinent to the organization, not only informs the SWOT analysis conducted by a firm, it also creates an awareness in the organization of the environmental changes it faces. It is an essential part of the strategic planning process (Lozada & Calantone, 1996). Additionally, the developing and sharing of information is a critical element in remaining competitive (Zablah, Bellenger & Johnston, 2004; Chang & Gotcher, 2010; Ling-yee, 2010). The key to effective environmental scanning is to identify trends in the marketplace that will have the greatest impact on the individual organization. Kim & Mauborgne (1999) delineate three characteristics of a trend in the environment that makes that trend worthy of note:

1. The trend must be central to the business.
2. The trend must be taking a decided trajectory.
3. The trend is not likely to quickly reverse itself.

Being central to the business does not necessarily mean that the trend has to initially have a direct impact on the firm, but rather that the trend has an impact on the overall viability of the firm's marketing strategy and channel networks. That is, while the firm must consider the impact of the environmental change on its core business, it must also consider how that same environmental change impacts members of the channel network. For instance, the embargo the U.S. placed on the export of wheat to the former U.S.S.R. to protest their invasion of Afghanistan in the late 70s (change in the Political/Legal & Regulatory Force) certainly was central for and had a direct impact upon wheat farmers in the U.S. It was also central for but had an *indirect* impact on producers of farm implements, rural banks that had loaned money on land values bolstered by projected output rather than real value of the property, and businesses in small farming communities that suffered because of the closing and consolidation of smaller wheat farms.

THEORETICAL UNDERPINNINGS

Researchers have emphasized the importance of considering the level of dynamism in a firm's environment and the difficulty of decision-making in highly dynamic markets (e.g., Maltz & Kohli, 1996). Achrol and Stern (1988) argued that four dimensions—diversity among consumers, dynamism, concentration, and capacity—should be included in any future research on the effects of environments on intrachannel variables. These authors defined environmental dynamism as "the perceived frequency of change and turnover in marketing forces in the output environment" (p. 37). Their research demonstrated that this dimension exerted significant influence on decision-making uncertainty. In later work, Kabadayi, Eyuboglu & Thomas (2007) defined market dynamism as "the frequency of environmental change coupled with the unpredictability of market factors" (p. 197), and recommended that it be considered by practitioners when designing distribution systems.

Complexity

In addition to market dynamism, marketers operate in an environment that is more complex today because firms are increasingly connected to and dependent upon the activities of other firms. Achrol and Stern (1988) defined firm connectedness as "the number and pattern of linkages or connections perceived among relevant organizations," and firm interdependence as "the mutual reactivity and sensitivity to one another's acts perceived to be present among actors competing for output market resources" (p. 37). Kabadayi, Eyuboglu & Thomas (2007) defined market complexity as "the number and diversity of competitors, suppliers, buyers, and other environmental actors that firm decision makers need to consider in formulating their strategies" (p. 197).

Past researchers in channels have argued for development of a broader framework for analyzing the dynamics and complexity of the business environment and its interactions with marketing practice. Achrol and Stern (1988) persuasively argued for "open-system" explanations in channels theory and research that consider the impact of external phenomena on observed channel relationships. Indeed, Stern's seminal work (1967) called for a perspective that included considering channel systems as a whole operating in a complex environment, and not merely as an aligned group of disparate organizations. More recent research has likewise pointed to the need for taking channel members' perspectives into account when making strategic marketing decisions (Wagner & Hansen, 2004; Zhao & Cavusgil, 2006; Samiee, 2008; Mouzas, Henneberg & Naudé, 2008; Hult, Ketchen & Chabowski, 2007; Lai, Bao & Li, 2008; Ling-yee, 2010; Chang & Gotcher, 2010). The proper alignment of marketing strategies with environmental conditions has been shown to be vital to the performance of multi-channel systems (Kabadayi, Eyuboglu & Thomas, 2007).

Unfortunately, many of the tools and paradigms employed for years by both academics and practitioners are simply not sufficient to address the realities of today's marketplace. One of these paradigms that begs for change is the model of the business environment. The model we have employed for years is too simplistic to be of much use today. The purpose of this article is to examine the current models of the business environment and, from that discussion, introduce a new, more comprehensive model of the B2B environment which reflects the dynamic and interconnected nature of the marketplace.

Value Networks

A major force driving marketing strategy is the importance of value creation in attracting and keeping organizational customers. This is especially true for industries that turn out products which are viewed as commodity-like by buyers. Value creation in this setting often amounts to no more than competing on price. Yet, price is only one aspect of value creation, and marketers who can add value to commodity-like products can often avoid or at least diminish the instances of cutthroat price competition. Value creation is essential for marketers to build long-term relationships (Beverland & Lockshin, 2003; Ritter, Wilkinson & Johnston, 2004; Ryssel, Ritter & Geműnden, 2004; Hedaa & Ritter, 2005; Blocker & Flint, 2007). It has been argued that the concept of value creation has morphed into *value networks*, which have their genesis in Customer Relationship Management (CRM) (Ehret, 2004). CRM, according to Srivastava, Shervani & Fahey (1998), is one of the three core business processes. Value networks provide the forum for greater and more complex cooperation between customers and vendors for the purpose of increasing the competitiveness and profitability of both. Additionally, it is incumbent on the marketer to understand value from the customer's perspective (Flint & Woodruff, 2001; Flint, Woodruff & Gardial, 2002; Wagner & Hansen, 2004; Hult, Ketchen & Chabowski, 2007;

Chang & Gotcher, 2010). In effect, it is the B2B marketer's ability to make its customers more profitable that opens the door to future business (Hedaa & Ritter, 2005).

Derived Demand

Another dimension of interconnectedness that is not captured by current models is the concept of *derived demand*. *Derived demand* has been defined as "… the direct link between the demand for an industrial product and the demand for consumer products: the demand for industrial products is derived from the ultimate demand for consumer products" (Hutt & Speh, 2007, p. 691). That is, the business-to-business marketer is inextricably tied to consumer demand for the products its customer produces. In the words of Meredith (2007):

> *The importance of derived demand to the firm is a function of both the degree of impact exerted by such demand as well as the number of alternative markets available to the business marketer. Managers dependent on a single end-user market should be especially wary of derived-demand issues because their sales base is not sufficiently diversified to mitigate risk should their principal market fail* (p. 213).

In other words, the B2B marketer has a vested interest in helping its customers stimulate the demand for their products. Li (2007) describes one of the common pitfalls in market assessment as "taking input from direct customers only, without looking at demand from customers' customers" (p. 40). If derived demand means anything, it means that B2B marketers must look beyond the needs of their direct customers and consider the needs of end users as well. According to Anderson & Narus (2004):

> *Traditional corporate strategy seeks demand largely through technology push—sell what you can make. Reflecting this strategy, buying and procurement strive to meet the specifications of manufacturing and the forecasts of sales. Advocates of supply management turn this thinking on its head. Relying upon demand pull—make what you can sell—supply management proactively directs the entire supply network to meet the requirements of end-users. Their primary goal is to efficiently deliver the greatest value possible to end-users* (p. 102).

Looking at the business environment as a three-dimensional one in which the various layers in the chain of supply encounter the same economic forces in different ways allows the marketer to view the market holistically.

Network Development

Another critical element in marketing is the relationship between business networks and the strategic planning process. This relationship extends both upstream and downstream—that is, from the supply side through to the distribution side of the firm. To gain the maximum leverage from this eventuality in marketing, firms need to see those upstream and downstream relationships within the context of the overall network of businesses in which they operate. The situation is characterized by Dwyer & Tanner (2004) thusly:

> *... we focused on the special challenges of developing and safeguarding relationships, which are necessary for the exchange of complex, specialty, and risky products. This focus on buyer-seller relationships can be myopic, however, because the parties are not the only entities in the marketplace. They are connected in a network, a much larger and strategically significant web of organizations* (p. 53).

One-on-one relationships are critical, but to lose sight of the overall network may result in a firm making a decision that, though it helps the individual relationship with a given firm, does so to the detriment of the overall network. Each firm in a network has its own set of goals, and yet all the firms in a network are limited in the power and resources they can bring to bear on solving problems related to providing a satisfactory product to the end user, and thus are interdependent on the other firms in that network (Wilkinson, 2006; Zhao & Cavusgil, 2006; Hult, Ketchen & Chabowski, 2007; Lai, Bao & Li, 2008; Whipple, Lynch & Nyaga, 2010). Garnering the resources of the network is essential to helping customers create products and services that help them compete in their marketplace (Windahl & Lakemond, 2006; Stanko, Bonner & Calantone, 2007; Wittmann, Hunt & Arnett, 2009).

Existing Paradigms

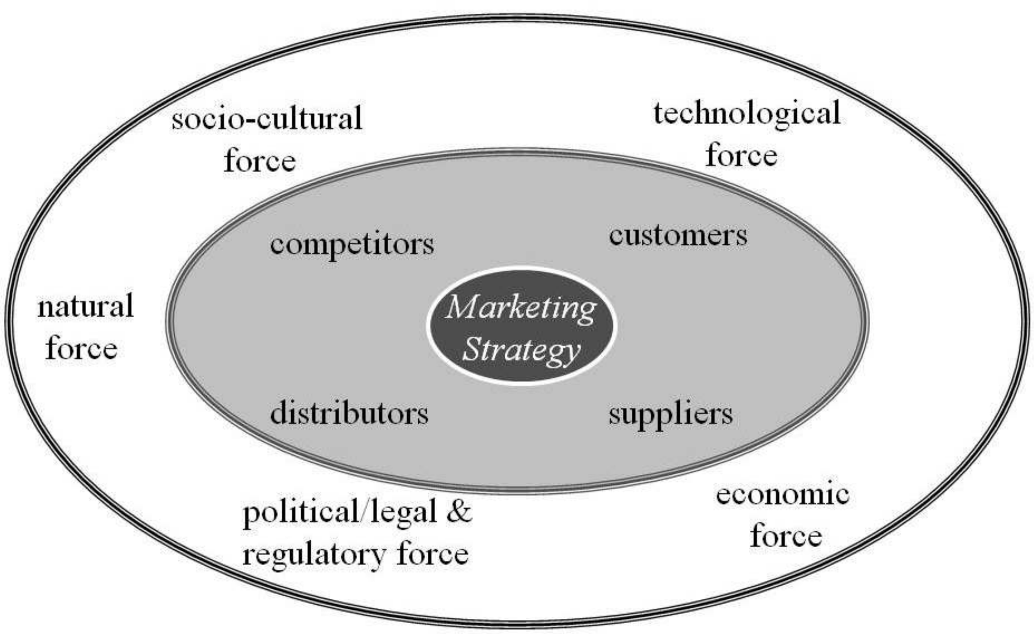
When discussing the environmental forces affecting business in the business-to-consumer (B2C) marketplace, most marketing texts begin by employing a model of the forces similar to that presented in Figure 1.

These forces are described as being interrelated and it is pointed out that though each in their turn will play a more prominent part at a given point in time, they all impact the company's marketing strategy. The point of the discussion is that businesses that are most successful over time are those that adapt best to the changes in these forces. Through effective environmental scanning and/or opportunity and threat analysis, so the argument goes, companies position themselves to make changes that will allow them to address the dynamism in the market. While helpful at some level, these models ignore the impact of the environment on a company's suppliers, distributors, competitors, and the final consumers of the product.

As a response to this deficiency, some B2B marketing theorists have developed models that give recognition to the more critical impact of members of the channel network relative to other factors in the business environment (Figure 2). Consequently, the model shown in Figure 2 is more complete, in the B2B setting, than the one shown in Figure 1. This model also recognizes that changes occurring in and on the four groups included in the inner circle have a larger impact on the marketing organization than those factors shown in the outer ring.

Figure 1: Environmental Forces Impacting Businesses

Figure 2: Forces in the B2B Environment



In this model, *customers* are distinct from *distributors* in that the former highlights the concept of *derived demand*. Distributors are customers of the producer, but are not the only customers with which the B2B marketer must be concerned. Because the B2B marketer's success depends on the demand of the final consumers for products, the impact of the environment on the *customer* (final consumer) is critical. Certainly, any environmental force that has a significant impact on distributors' operations will have an impact on the producer. For example, if economic conditions result in an increase in interest rates, distributors will find it more costly to obtain the financing necessary to support their operations and inventory. This could in turn lead to higher distribution costs for the producer. Similarly, technological improvements in logistics or warehouse operations could reduce costs for both the distributor and the producer. Because B2B distribution channels are shorter than B2C channels (Dwyer & Tanner, 2002), the distributors and suppliers that comprise these channels play a more important role in the B2B marketplace.

Suppliers certainly are critical to the operations of the marketer. Strategically managing the relationship with suppliers is a key element to gaining and maintaining a sustainable competitive advantage (Sheth and Sharma, 1997; Zolkiewski and Turnbull, 2002). When the environmental factors affecting business have an inordinate impact on suppliers, the producer is, in turn, impacted. This is especially true if the supplier poses a credible threat of forward integration. That these environmental forces merit special attention in the B2B marketplace seems obvious. However, in a real sense, even the model depicted in Figure 2 is deficient in terms of providing a basis to examine the external environment in the B2B marketplace.

A NEW PARADIGM

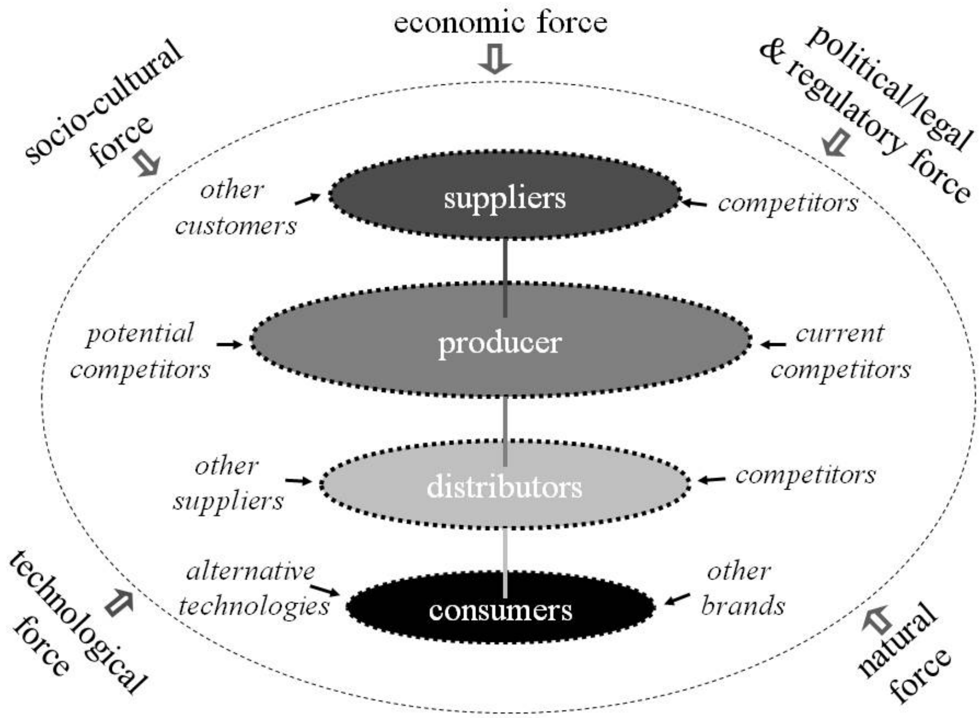
To fully grasp the effect of the business environment and the impact of changes in that environment, marketers need to view that environment in a different context than the one traditionally used (Hedaa & Ritter, 2005; Neill, McKee & Rose, 2007; Mouzas, Henneberg & Naudé, 2008). This need is highlighted by Bean and Robinson (2002) when they say, "The notion of embracing new, relevant conceptions of the environment, contrary to the inclination toward the conservative position that sometimes cements academicians to outmoded frameworks, is just one element required in developing renewed efforts toward an updated marketing strategy model to guide the discipline" (pp. 206-207). The expanded model depicted in Figure 2 is certainly an improvement over the traditional model shown in Figure 1 when considering the B2B marketplace. However, it is not sufficient for fully accounting for the differential impact of those environmental variables on the network associated with the marketing firm, nor does the model take into account the impact of these environmental variables on the final consumer. Certainly the producer is affected by the major environmental forces: the *Socio-Cultural Force*; the *Economic Force*; the *Political/Legal & Regulatory Force*; the *Technological Force*; and the *Natural Force*. Additionally, it is generally accepted that the producer is affected by the *Supplier*, the *Distributor*, *Competitors*, and the *Consumer* as forces in the environment.

However, according to Kim & Maubourgne (1999), a firm needs to recognize that changes in the environment often affect the company very differently than they affect its customers, and that marketers who maintain a competitive advantage understand, appreciate, and account for that differential effect. Expanding on that, we argue that the marketers need to take into account how the environment affects its distributors, suppliers, and ultimate consumers of the product differently than it affects their own firms. Additionally, the producer is directly affected by its suppliers, distributors, and the final consumers of its products as entities in the overall business environment. Wind (2006), while not advocating completely throwing out the models we have used in marketing, has called for a broadening of how we view the B2B market. Figure 3 presents an expanded view of the B2B environment that is representative of this broadened approach.

The model is three-dimensional, depicting the producer, the suppliers, the distributors, and the ultimate consumers as operating on four interconnected, but separate, parallel planes. While the overall channel system is potentially affected by a change in one of the environmental forces, each organization in the channel network is affected uniquely by that change, and therefore when scanning the environment, each member of the network needs to not only think about the implications of this change for his/her own company, but also for other organizations in the network as well as for customers. This implies a broader, channel-level environmental scanning process, where the marketer considers the differential impact of those five overall environmental forces on the suppliers, distributors, competitors, and consumers with an eye toward anticipating their probable reactions to the changes in those forces. The model also takes into account the impact of competitors on the different members of the network as well as on the final consumers.

Suppliers face the same environmental forces that the other members of the network face, albeit those forces will likely have a different manifestation and impact on suppliers than on the other members of the network. Additionally, they are impacted by their other customers who place demands on them, and depending on the relative size of those customers, suppliers must factor them into any decisions they make. At the same time, the supplier faces its own set of competitors who need to be taken into consideration. The manner in which the B2B marketer interacts with its suppliers and distributors has a major impact on whether they engage in opportunistic behavior that is detrimental to that marketer (Ryu & Eyuboglu, 2007; Lai, Bao & Li, 2008). For instance, when dealing with suppliers, it is necessary to consider whether they pose a credible threat of forward integration and what the B2B marketer can do to curtail such an action (Meredith, 2007). In other words, how likely is it that today's suppliers might become tomorrow's direct competitors? Another issue has to do with how supplier adaptations to changes in the environment affect its other customers. For instance, Lewin and Johnston (2008) found that downsizing by suppliers had a deleterious effect on customer service and satisfaction.

Figure 3: The B2B Marketing Environment



Producers constantly face the challenge of creating, re-creating or enhancing their sustainable competitive advantage. That is, they must continuously create or alter their value proposition. The actions of current competitors are certainly of direct concern to producers; yet, at the same time, there exist in the business environment companies that, given the right set of circumstances, can become competitors. These potential competitors may be drawn from current suppliers and/or current distributors (Meredith, 2007), or they may arise from related or tangential industries. Additionally, there are organizations in the environment who are seeking to enter the producer's industry. So, as producers adapt to the five environmental forces, they must also account for how those forces impact the attractiveness of their own markets. That is, changes in the overall environment impact the barriers to entry and exit in their own market.

Distributors generally carry products from a variety of suppliers, and any alteration in the demands of other suppliers has an impact on the distributors' reaction to the B2B marketer. Space and time are finite assets for distributors and they must constantly assess how those assets are used. Distributors also face a set of direct competitors who play a critical role in their strategic decision-making and whose actions might change the competitive structure of their marketplace in an instant. Additionally, the question of whether the distributor has the wherewithal to backwardly integrate is an important consideration.

As an example of how this paradigm works, let’s consider the impact of an increase in fuel prices (economic force) on an automobile manufacturer and its network of relationships.

Consumers. The impact on consumers is the one that portends the greatest pressure on the auto industry. If the price increase is significant enough and if consumers believe the increased gasoline prices will continue in the long term, they will likely adjust their purchase decisions to reflect the new reality. So, the gas mileage of automobiles purchased will become a more important criterion of selection.

Distributors. The car dealerships have to decide the best way to move existing inventory and how to prepare their service departments for changes in the service demands created by a new generation of automobiles that employ different propulsion technologies. The gasoline costs associated with operating the dealerships will also increase, which may lead to an increase in prices. These changes may also require the dealer to do a better job of targeting its efforts to reflect the reality of the local marketplace as well as trying to optimize the outputs versus the inputs related to its use of autos and trucks to operate its business.

Producers. Certainly this increase affects the auto producer and the other channel members directly, in that it will cost more to operate their own fleet of trucks and corporate-owned vehicles. More importantly, the change in gasoline prices will likely mean a change in the design of autos being produced. The next generation of autos may need to be lighter in weight and yet will need to maintain safety factors. They may need to have hybrid engines or engines that can run on a variety of fuels, or even engines that use a completely different form of energy such as hydrogen or electricity.

Suppliers. The increase in gasoline prices will affect suppliers in that the prices they charge the manufacturer will likely rise to compensate for the increased energy costs. Additionally, they will need to adapt the components they produce for auto makers. For instance, these components may need to be made of different materials or a lighter version of the same materials. This change may well alter the mix of suppliers. For instance, if an auto producer desires to sell a line of electric cars, the components to operate and control the engines will be very different than those used on gasoline-powered cars, and will in all likelihood involve the use of suppliers not heretofore used. Current suppliers, to protect their position in the marketplace, may have to make drastic changes in the mix of products they sell.

Another historical example of how this model works is to be found in the area of computer and Internet technology. As computer technology advanced, the Internet developed into a powerful tool that offered substantial benefits to all members of the B2B marketplace. Let’s consider the impact of the Internet on the same industry (auto manufacturers):

Consumers. Shopping for cars has been enhanced due to a great deal more information about makes and models of cars, as well as the ability to shop at the websites of multiple dealerships at once, or to actually purchase a car online. An additional benefit to consumers of this price transparency brought on by the Internet was cost savings. More information in a marketplace generally leads to lower prices (Sinha, 2000).

Distributors. Information sharing within dealerships and between the dealerships and the manufacturers has been improved through intranets. Follow-up contact between salespeople and customers via email has improved the level of contact and information sharing.

Producers. Communication with suppliers and dealerships has been improved, and marketing communication programs targeted to consumers now include web-based offers and email promotions.

Suppliers. Just-in-time inventory delivery has been aided through intranets as suppliers have aligned their operations with the schedules of major manufacturers. In turn, these suppliers have also improved their purchasing activities with their own set of suppliers of raw materials and component parts.

CONCLUSION

What the previous examples illustrate is the broad effect of environmental changes. They also illustrate the point that such changes have a differential impact on the various levels in chain of supply and production. While this is not presented as some startling revelation, it does illustrate the deficiency in our current models of B2B environments. From a slightly different perspective, it also highlights the impact of environmental changes on channel networks and dynamics.

Market orientation has been defined as an organization-wide generation of market intelligence pertaining to current and future needs of customers, dissemination of intelligence within the organization, and responsiveness to it (Kohli, Jaworski & Kumar, 1993). Siguaw, Simpson and Baker (1998) demonstrated that in B2B markets the adoption of behaviors consistent with market orientation (the generation, dissemination, and responsiveness to market intelligence) is a viable strategy for countering environmental threats and easing channel tensions. This more holistic, multi-layered strategic thinking within B2B markets that has been advocated in this paper builds upon the “benevolent channel leadership” originally advocated by Stern (1967), the “supportive leadership” idea proposed by Schul, Pride & Little (1983), a type of non-market governance (Heide 1994), and the benchmarking and modeling of market orientation behaviors by other firms in the channel (Siguaw, Simpson & Baker, 1998).

Marketing academicians serve the dual purpose of educating future marketing leaders and providing useful insights for marketing practitioners. While the concept of channel networks is not a new one, the model proposed here should prove useful in getting students to understand the dynamic nature and strategic importance of channel networks, and should serve to provide a more cohesive framework for them to examine changes in the business environment. For practitioners, the model should serve as a framework for them to understand changes in the business environment from the perspective of their channel network partners. Doing so will go a long way toward introducing workable adaptations into business practices.

FUTURE RESEARCH

From the perspective of academic researchers, in light of the prior discussion, it is worthwhile to pose some related research issues that merit future consideration:

1. Does channel-level environmental scanning result in better decision-making for a firm operating in dynamic versus static markets? What about in more complex versus less complex markets?
2. What is the relative effect of the three-dimensional model on different learning styles?
3. What are the most effective approaches for getting students to see beyond the obvious implications of a situation, that is, to analyze things on a deeper level?
4. Is there a variation in firms as to their ability to employ channel-level environmental scanning?
5. Does the level of dependency and interconnectedness in a channel affect how often each channel member should monitor the effects of environmental changes on the other members?

IMPLICATIONS FOR MARKETING MANAGERS

Marketing managers must take an expansive view of the environment, but doing so is a challenge. First, it is a challenge because of the urgency of day-to-day operations that tends to force strategic thinking into the background. That is, in the normal course of events, planning for how to strategically react to the environment requires a step back from handling the more urgent, short-term demands that are omnipresent. The second reason that taking the expansive view is a challenge is that it requires B2B managers to examine the world through the eyes of their distributors, their suppliers, and the final consumers. Employing such a level of empathy is no simple task. It requires the B2B marketer to possess expertise in both upstream and downstream operations as well as in the dynamics of the marketplace at the consumer level. Obviously, in such a setting, having access to multi-faceted marketing intelligence is critical (Trim & Lee, 2006). The importance of environmental scanning with an expansive view takes on a new depth. Marketing managers would do well to implement the following approaches:

1. Appoint individuals to be “Environmental Scanning Czars” for each of the members of the network depicted in Figure 3. That is, have a person who engages in active environmental scanning for the supplier groups that are part of the network, have one for the distributor group in the network, and have one for the final consumer groups that buy the products their customers sell. Obviously, as the diversity of suppliers, distributors, and consumer groups gets larger, a company may need more than one “czar” for each of the constituencies.
2. Subscribe to a set of publications for each of the network groups. These publications should be limited to those that provide a good deal of information about competitive dynamics and changes in that industry. Additionally, subscribing to online information services will be useful. Those publications should go to the person appointed as the czar for that particular network group.

3. Set up a regular series of meetings to examine changes in the B2B marketer's environment. The frequency with which such meetings take place is related to the dynamism in the market. Such a schedule should allow for called meetings in the event of a major shock in one of the network groups that promises to have a residual effect on others.
4. Establish a periodic system of conducting research with the final consumer market. This can be done through distributors, through research houses, or by internal people. Such research should be focused on examining how the consumer context for the product is changing. Additionally, at least some emphasis should be placed on determining how the evoked set for those consumers is changing. Focus groups lend themselves very well to this type of research. Such an effort should not only give the B2B marketer insight into the consumer market and help it design components that make the final product more attractive, it should also serve to give the B2B marketer some insight into ways to help their direct customers meet the needs of final consumers.

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