



**HÁSKÓLINN Í REYKJAVÍK**  
REYKJAVIK UNIVERSITY

**Exploring Social Media Use of B2B Companies in  
The Icelandic Fisheries Industry  
Master of Science in International Business**

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## **Abstract**

With the rising power of new web 2.0 technologies, consumer market companies are racing to be the first to reach consumers through new social media channels. A recent survey shows that Icelandic companies are in general early adopters of social media, but there are some limitations in the degree to what extent companies solely engaged in business-to-business relationships perceive social media. Research from high tech industries shows that early adoption of successful strategies between sectors can, if implemented correctly, help companies gain competitive advantage over their competitors. Social media is already popular for internal and external use in various consumer based industries, but has yet to establish itself in the more traditional industries involving business-to-business companies. Recent literature from B2B marketing academics shows that marketing tools such as branding can be of great utility within corporations to help enhance a corporate brand. Therefore, there could be potential for B2B companies to incorporate strategies from established consumer companies.

In this paper, it is researched to what extent business-to-business companies in the Icelandic fisheries industry are making use of social media as a medium for external or internal use. Semi-structured interviews of 10 decision makers within Icelandic business-to-business companies in the fishing industry were analyzed along with strengths, weaknesses, opportunities and threats of social media usage in the business-to-business sector. Participants varied from being sales managers to CEO's and average industry work experience was 17 years while the average age of participants was 46.5 years.

Results show that Icelandic B2B companies are in the initial stages of incorporating social media platforms for internal or external use, but that they seem to lack resources, time and a general understanding of the subject. Moreover, the study shows strategic direction, formal objectives and procedures are needed in order for the respective companies to make effective use of social media. However, much potential remains, since companies are aware of and interested in using social media. For marketing purposes, there is huge potential for companies in Iceland to make use of social media for market entry into new markets, building of a strong corporate brand online or simply to enhance image marketing with cost-cut alternatives such as company blogs, social networks or multimedia platforms.

**Keywords:** Social Media, Branding, B2B, Marketing, Icelandic Fisheries.

## **Affidavit of student confirmation**

This work has not previously been accepted in substance for any degree and is not being concurrently submitted in candidature of any degree. This thesis is the result of my own investigations, except where otherwise stated. Other sources are acknowledged by giving explicit references. A bibliography is appended.

By signing the present document I confirm and agree that I have read RU's ethics code of conduct and fully understand the consequences of violating these rules in regards of my thesis.

.....

Date and place

Kennitala

Signature

## **Preface**

First of all, I want to thank my dear sponsors who took a great chance on me as a commercial value and decided to proceed in a new direction with advertising. My utmost respect and gratitude goes to you, Kaffitár and Ömmubakstur. My coffee sponsor, Kaffitár, gave me fresh coffee which helped me enormously during long days and nights of writing, while my sponsor of pastry and other delicious bakery products made sure I had something to enjoy while drinking great coffee. Thank you Kaffitár and Ömmubakstur.

Secondly, I want to thank my supervisor for guidance and giving up valuable work hours from his own projects and article writing to meet with me, have Skype conversations and answer numerous emails. His feedback has been much appreciated.

I would also like to thank my participants as the research would not have been completed without their valuable feedback.

Lastly, I wouldn't be where I am today without the support of my family. Thank you for your support.

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# 1 Introduction

As online engagement increases from year to year, marketers and businesses are starting to realize that their presence online is becoming more important. A recent survey by the Icelandic Statistical Agency (2014) shows that Iceland scores highest in Europe with 95% of the population being regular users of the internet. Moreover, the survey reveals that 85 % of Icelandic companies have their own website and 59 % of respondents make use of social networking sites. Figures A-1 and A2 in Appendix A list further relevant information from the survey. Although the use of social networking is more apparent by B2C companies (Dragon, 2013), there is enormous potential for B2B companies and enterprises to make use of the internet. As such, even Icelandic congressmen and congress women have started making use of various platforms for personal and professional needs as well as the needs of their respective political parties to create increased transparency at congress (Helgason, 2014).

Kaplan and Haenlein (2010) state that social media today in the newly formed Web 2.0 is currently going back to its initial purpose, noting that it is now becoming “a platform to facilitate information exchange between users” (60). In essence, Web 2.0 is an evolving umbrella term for various means of communication and platforms for online interaction — the so called social media. In *Exploring uses of social media in a global corporation* (2012), Mrevi Vuori provides a case study on how Nokia, the Finnish telecommunications producer, transformed its internal and external use of marketing with social media. Although the case study of Nokia could act as a guide for companies on the benefits of social media, the potential use and applications still do not seem to be fully understood (Jussila, Hannu Kärkkäinen, & Heli Aramo-Immonen, 2013; Brennan & Croft, 2012).

Nokia began using of social media internally with the launch of a Wiki site exclusively for employees. Through in-house Wiki site the company was able to improve discussion, creation of content and sharing. The company then encouraged internal blogging and collected all blogs and idea creations together. For external marketing use, Nokia engaged on common platforms such as Facebook, Twitter and LinkedIn to reach consumers and strengthen the company brand (M. Vuori, 2012). The website *Beta Labs* helped Nokia participate in an open, web-based community where Nokia receives feedback and consumer interaction on products that are in development. The company also launched a crowdsourcing service (Ideasproject.com), where Nokia advocated the

sharing of ideas and then used analysis to target the most popular terms and ideas for help in developing its own products (M. Vuori, 2012).

For the company's business-related functions, Nokia hopes to improve and augment its value chain with two similar approaches. First, Nokia is trying to adapt the *Ideasproject.com* to a B2B setting where partners and suppliers of Nokia will be able to collaborate and communicate in an information-sharing and idea-creation platform for the whole value-chain. The second approach is Nokia's experiment to connect with supply chain partners and try to increase their involvement in collaboration communities, thus benefitting the whole supply chain. Nokia has had great success with its social media channels so far and states that its main drive is to "be present where the customers are" (M. Vuori, 2012, p. 160).

### **Current trends and projected trends**

It is only logical to believe that companies will follow suit with corporations such as Nokia and start making increased use of social media, be it for internal or external use. Current trends and future directions in both Europe and the United States are headed toward social media and its almost limitless adaptations of Web 2.0 related technologies. The European Union has launched an initiative called *The Digital Agenda for Europe* (Giannakouris & Smihily, 2014). The initiative will look to enable key social media technologies and further enhance the opportunities for enterprises to exploit these new technologies to:

- Increase their presence on the internet;
- Improve marketing opportunities;
- Facilitate collaboration and knowledge-sharing within the enterprise;
- Communicate and interact with partners, customers and other organizations. (Giannakouris & Smihily, 2014)

Overall, the initiative is set to generate smart, sustainable and inclusive growth for European companies (Giannakouris & Smihily, 2014). Although there is no such initiative in the United States, social media usage has risen substantially, and 73 % of Fortune 500 companies became engaged on Twitter between 2012 and 2013, while 68% set up Facebook pages in the same period.

Only 15 % of Icelandic companies are engaged in content creation (Statistical Agency, 2014). Vuori (2012) advocated that social media tools can be of use when it comes to generating content, building communities or harnessing information (Jussila et al., 2013). As noted by Saldanha, and Krishnan (2012), companies are increasingly recognizing the potential value related to using Web 2.0 in a business context; however, research on using Web 2.0 in organizations is still lacking.

## **1.1 Context of the Study**

Recent findings in a study by Jussila et al.(2013) on social media use in Finnish B2B technology companies showed a significant gap in business-to-business companies with respect to information-sharing between customers and partners. The “gap” discussed by Jussila et al.(2013) is built upon an earlier study by Helfenstein and Penttilä (2008) and states that the reason for missed social media adaptation is lack of knowledge or understanding<sup>1</sup>, measurement of ROI, performance, generic resources or time.

However, there is reason to believe that those statements will not hold for long. Cisco, the San Francisco based manufacturer and seller of networking equipment, paved the way for B2B companies to incorporate social media in their corporate strategies. Similar to Nokia, Cisco has had outstanding results with respect to listening to customers (Lau, 2012), as the company has used analytical tools to analyze direct customer feedback on areas where improvement is needed. Cisco’s first social media initiative began in early 2000 with the launch of an internal news site, where press releases and original content were stored together for employees (Earnhardt, 2010). Since then, Cisco has had much success with its internal social media strategy around employment collaboration and idea sharing while, more recently, it has had tremendous success with its external marketing strategy. This has been achieved with its appearance on customer-oriented media such as Facebook, YouTube and the photo-sharing site Flickr (Dragon, 2013). On the business site, the company is doing its best to enhance the supply chain, so Cisco has been hosting in-person and online training to partners and suppliers (Dragon, 2013).

This research question formulated for the study is as follows:

*To what extent do Icelandic B2B companies in the fisheries industry make use of the social media*

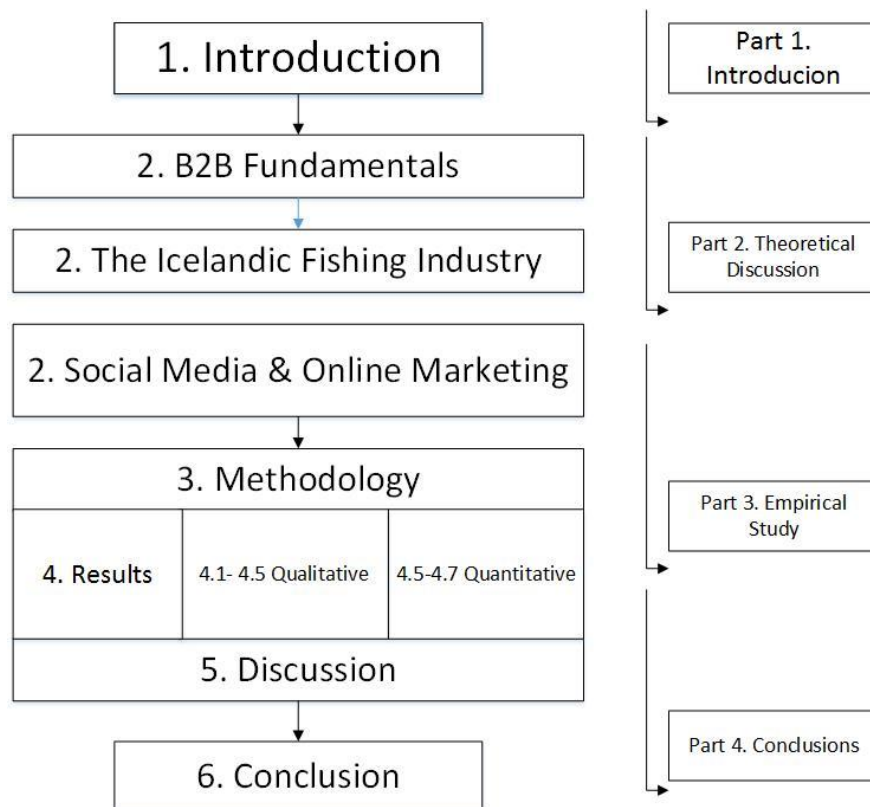
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<sup>1</sup>Of social media

Company executives and sales personnel were interviewed on the basis of determining to what extent social media serves as a medium for internal and external modes of communication, for department collaboration and for marketing and sales of products. The importance of the topic can be covered from a few important questions which help the reader understand its importance. Moreover, the research reveals more about Icelandic companies' perception of social media and whether they deem it important for future businesses, or whether they have a more indifferent view on the subject. The research will give valuable insight and additional information into the Icelandic corporate view on how value-based business strategies can be implemented with the use of social media.

## 1.2 Structure of the Thesis

The thesis is divided into four parts. The aim is to cover the subject from a wide perspective and then narrow the scope of the project, before reaching the discussion and conclusion where research findings and comments will be summoned. Figure 1 illustrates the thesis structure.



**Figure 1 Structure of the Thesis**

Part 1 provide insights into the general principles underlying business-to-business companies, the scope of the research, the research question, the general trends and the future prospects of the subject.

Part 2 includes business-to-business fundamentals and how some commonalities in business-to-business enterprises have higher value than consumer-oriented companies. After a thorough introduction of common business-to-business functions, a marketing section will summon how the business-to-business functions differ from consumer oriented businesses. Part 2 will also introduce social media and the emerging transformation of B2B marketing functions and online marketing. It will list external and internal benefits and drawbacks, before introducing the theory of SWOT analysis.

Part 3 defines the relevant methodology to answer the research question and then goes into analysis of the data. Analysis of the data will be reflected in themes which emerged from the interviews.

Part 4 concludes the thesis and give indications for future research. The research question will be summarized, and general wrap up of research findings, and limitations to the study will be shown.

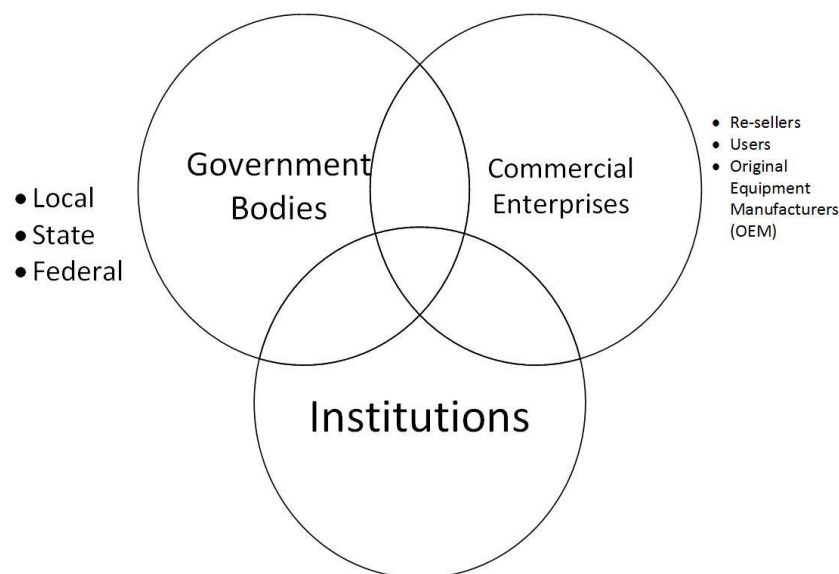
## 2 Theoretical Background to the Study

### 2.1 Business-to-Business

The fundamental purpose of business-to-business companies and consumer oriented companies is the same (Brassington & Pettitt, 2006), however, there are different approaches and methods associated with how the two organisational functions proceed with their business. In essence, business-to-business companies are more devoted to the exchange of products, enabling goods and services to have added value, be developed further, or re-sold (Jussila et al., 2013). This chapter will introduce concepts related to B2B companies, introduce the Icelandic fishing industry, before giving an overview of social media, marketing and how it may all be evolving into one.

### 2.2 Types of B2B

Business-to-business companies are generally divided into three types of company ‘classes’ (Brassington & Pettitt, 2006), as illustrated in Figure 2.



**Figure 2 Business-to-business classes. (Brassington& Pettitt, 2006; Author)**

Commercial enterprises, often labeled as the profit-making organizations (Brassington & Pettitt, 2006), are focused on the production or sale of goods and services for economic profits. Moreover, the commercial enterprises can be users, original equipment manufacturers or re-sellers depending on the roles they play in the supply chain (Brassington & Pettitt, 2006). Brassington & Pettitt (2006) further note that users buy products or services for their own usage such as management systems, office equipment, consultancy services and many other products or services’ to enhance

business operations. Secondly, original equipment manufacturers (OEMs) are enterprises where a product is incorporated into the manufacturer's product (Dwyer & Tanner, 2009). For further elaboration and to relate this to the fishing industry, an example would be where a foreign canned cod producer sells an Icelandic firm's product under its own labels. The last class of commercial enterprises are re-sellers, a type of enterprise which commonly buys finished products and then takes them to market (Brassington & Pettitt, 2006). Moreover, re-sellers can vary from being wholesalers, brokers or industrial distributors (Dwyer & Tanner, 2009). These include both domestic and foreign companies in the fisheries industry.

Government bodies are comprised of a different 'landscape' than enterprises. Government bodies can represent a very large customer in the global market place (Dwyer & Tanner, 2009), often demonstrated by their enormous spending on agriculture, education, and defense, or on the building of infrastructure such as commercial construction, roads or tunnels (The Heritage Foundation, 2014). Due to bureaucracy and public requirements on purchase procedures, the buying process can often be explicit, formal and complex. The government body can range from local agencies to the national government (Yorke, 1984) and is therefore a much diversified branch within B2B. When it comes to fisheries management, the role of government can be debatable (Eddie, 1983). This is especially the case with the marketing function of national resources such as fisheries. Rothschild (1980) argued that taxpayers should not be paying for government actions devoted to price and increased demand of products (Eddie, 1983). In Iceland, the Ministry of Fisheries and Agriculture governs a research institute to help with selection of quota limits. There is also the Directorate of Fisheries which serves directly under the ministry (Ministry of Fisheries and Agriculture, 2014).

The third 'class' of company operating in B2B markets is institutions. This group includes non-profit organizations such as universities, churches, and independent schools. These institutions (Dwyer & Tanner, 2009) are largely governed and based on the same principles as government bodies', although they are more flexible (Yorke, 1984). Of interest in the Icelandic sea sector are associations which are based around certain levels of the value chain in order to protect corresponding sectors, e.g. an association protecting the rights of fishing vessel owners. Government issued institutions is the Directorate of Fisheries which was mentioned in the previous paragraph.



As the basis for understanding the main B2B institutions has been concluded, there is the need to further explore one fundamental characteristic of B2B markets; how demand patterns and structure have a wholly different impact on B2B buyers than on regular consumers and consumer market companies.

## **2.3 Derived Demand**

According to Kotler (2012), one of the fundamental differences between B2B and B2C is based on the principle of demand. Furthermore, Dwyer and Tanner (2009) point out how demand in B2B markets is commonly described using two concepts; derived demand and joint demand. As explained by Brassington and Pettitt (2006), demand is derived from the consumer. For illustration, Figure B-1 in Appendix B shows how demand is created for consumers two years in advance as business-to-business manufacturers are often not as agile and adaptable as consumer selling corporations (Brassington & Pettitt, 2006). For elaboration, using an example from the fishing industry, quota capacity is selected before fishing season every year. Judging on the amount, wholesalers and re-sellers have to value whether they can get enough supply from fish processors or manufacturers in Iceland or whether they should look to other countries. . In similar manner, the manufacturers have to take into account and value their market operations. The economic principle of derived demand is further explained under demand volatility.

### **2.3.1 Demand Volatility**

The volatility within derived demand can prove to be very problematic. Unexpected or sharp increases in demand can result in shortages in materials, production capacity, or labour (Bishop, Graham, & Jones, 1984). To elaborate, it is clear that ineffective forecasting and causality in volatility could have devastating effects on the process cycle. Furthermore, Bishop et al. (1984) presented examples of how the volatility of derived demand can exert its significance on industrial marketers, and explored the implications of this volatility on marketing strategies. More importantly, with effective marketing strategy and alignment of the four P's, namely price, product, place, and promotion (Bishop et al., 1984), demand patterns and changes in volatility and elastic price behavior can be controlled from within. Two of these are explained in the next two sections. The Icelandic Fisheries industry has experienced much volatility for the past century and since World War Two II there has been higher growth and more volatility in Iceland than any other country (The Central Bank of Iceland, 2012).

### 1) Diversification Strategy

Bishop et al. (1984) believe volatility and derived demand can be avoided and give examples on how it can push companies into a safer strategy through marketing. The product strategy put forward by Bishop et al. (1984) is built around diversification. Diversity within marketing is a common term surrounding the four P's and signifies different values to competitors (Burman, 1968). Moreover, Bishop et al. (1984) demonstrated through exploratory research that high correlations with increasing/decreasing oil prices in the 1970s demanded marketers to create "diversity of operations, in markets and product lines" and therefore reduce volatility (p. 99). Diversification can be achieved by using marketing based tools- market research, social media, networking platforms- to seek new customers in foreign markets, thereby liquidating the risk of supplying/buying from a single producer. When applying this to the fisheries sector, this is crucial in the event of a collapse in large customer markets, so companies are able to shift rapidly to new continental markets. This notion of having a wider supplier base than a single source for products is known as adversarial sourcing (Newman, 1989).

### 2) Promotion

Bishop et al., (1984) advise that advertising be countercyclical to sales; i.e. as sales are up, advertising should be kept to a minimum and vice versa. Increased advertising during downswings may help companies achieve new sales. Social media is a clear contributor to this argument (Okazaki & Taylor, 2013) as various platforms have become significant promotional channels for firms, both domestically and internationally. Moreover, it was with the appearance of the internet that companies started trying to advertise across borders (Okazaki & Taylor, 2013).

Derived demand and volatility are certainly big factors affecting how marketing manager's and CEO's need to draft their marketing strategies, because of the associated uncertainty. However, the structure of the demand is also a contributing factor to B2B marketers worry list.

## **2.4 Structure of Demand**

In recent literature, structured demand has been put up in two sections; industrial concentration and geographic concentration. Industrial concentration is one of the greater differences (Ellison & Glaeser, 1997) between B2B and B2C as B2B has a small number of easily identifiable customers. Industrial concentration demonstrates that consumers can consume whatever they want to while a tuna producer only has a very limited selection of buyers. Besides having a fewer buyers, Brassington and Pettitt (2006), argue that industrial concentration offer all kinds of marketing possibilities. These include relationship building and personal contacts to facilitate the sharing of knowledge and experience, and building trust between actors of the value chain can be beneficial to all (Ghosh, Joseph, Gardner, & Thach, 2004; Grewal, Chakravarty, & Saini, 2010).

The second demand structure, geographic concentration, is not necessarily applicable to all B2B markets as there are some industries which have what Brassington & Pettitt (2006) call, a “strong[er] geographic bias”. The norm is that B2B companies tend to set up operations in so called ‘clusters’ in a relatively small geographical span from one another. Furthermore, ‘geographic concentration’ develops due to available infrastructure, resource availability (raw materials and labour) or national and government incentives (Brassington & Pettitt, 2006). Geographic concentration of the Icelandic fishing industry will be discussion in section 2.8.3 covering effects of the Icelandic quota system. Since the quota is now transferable between owners, efficiency and the effective use of quotas has moved into fewer and fewer “hands” in an effort to increase efficiency. This way, the geographic span becomes more concentrated.

As for ocean related technological advancements, Iceland has gained positively from the development of geographic concentration. This evident within the sea sectors as there is a non-profit cluster called the Icelandic Ocean Cluster whom has the role of connecting people and firms in ocean related fields and facilitating new opportunities between like-minded individuals and companies.

## **2.5 Supplier Selection**

As noted in marketing literature, in B2B relationships the selection and number of suppliers varies greatly between industries and companies (Brassington & Pettitt, 2006; Dwyer & Tanner, 2009; Ghosh et al., 2004). The adversarial purchasing ‘phenomenon’ was based on having several vendors for a single product, believed to result in lower

prices and increased levels of service and attention (Dwyer & Tanner, 2009). As explained from the customer's perspective (Brandenburger & Stuart Jr., 1996), adversarial picking by firms will result in suppliers who provide a higher quality service and help form the supply base to better suit both players' needs. In recent years, adversarial relationship management has been on the decline as companies are starting to see value in the building of long-term relationships with suppliers over having various small suppliers (Brandenburger & Stuart Jr., 1996). However, Newman (1989) argued that strong customer relationships may result in higher costs. This is because, as suppliers gain greater volumes, improved consistency, and lower transaction costs, the cost of doing business with the customer may also increase. Further, key suppliers are often required to provide internal cost data and, therefore, pressured to invest in the relationship. On that point, Armstrong and Kotler (2012) advocate that the internet has been used to develop CRM tools between suppliers and help strength relationships. On the other side, sceptics have pointed out that life-long relationships can be destroyed as companies find new suppliers with the help of the internet, holding suppliers up against the wall (Armstrong & Kotler, 2012).

## **2.6 Value**

One of the fundamental terms surrounding B2B markets and companies in modern literature is the notion of value, value-creation and value-claiming, as was briefly touched upon in the supplier selection. Ulaga and Eggert (2006) studied the value-based differentiation in supplier relationships which advocated stronger points in favor of a relational approach over cost-reducing ones. This relationship status is based upon becoming a key-supplier of a firm and consists of the attributes listed in Table 1. Table 1 points out the three differentiating factors for vendors to gain a key-supplier status. It can therefore be speculated that points which are not important on the scale, e.g. low-quality and bad-delivery performance, can apply to companies that seek to gain two or more suppliers to compete for low priced products. And, in similar manner, product quality and delivery performance are the benefits worth seeking.

**Table 1 Value Drivers in Key Supplier Relationships (Uлага & Eggert, 2006)**

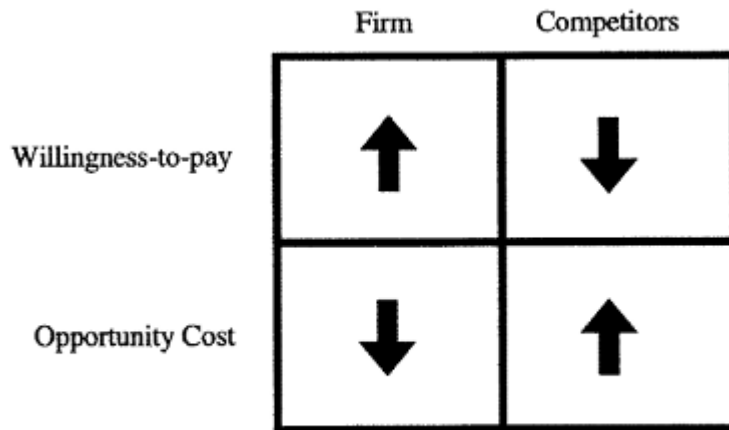
Source of Value Creation	Relationship Value Dimensions	
	Benefits	Costs
Core Offering	Product Quality Delivery Performance	Direct costs
Sourcing Process	Service Support Personal Interaction	Acquisition costs
Customer Operations	Supplier Know-how Time to Market	Operation costs

### **2.6.1 Value-Based Business strategy**

As advocated by Uлага and Eggert (2006), the talk surrounding the value around business-to-business relationships is evident. For the Icelandic market, which claims to deliver high quality fish products<sup>2</sup>, the aim should be to strive for excellence. When it comes to B2B, value creation has been cited to depend on the whole value chain as firms, suppliers and the end-buyers are what builds up the value creation (Brandenburger & Stuart Jr., 1996). Uлага and Eggert (2006) split the value creation into three categories based on the core offering, the sourcing process and customer operations, while other sources cite value as that which is claimed beyond what the buyer purchases (Dwyer & Tanner, 2009). Meanwhile, academics have listed value as what is created by the whole vertical chain (Brandenburger & Stuart Jr., 1996). Nonetheless, with the focus on the firms, Brandenburger and Stuart (1996) advocate that the road to positive added value has been seen in the existence of a favorable asymmetry between firms and competitors. Therefore, there is a guideline for four value-based strategies which will provide greater detail for corporate value creation.

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<sup>2</sup> Oral testimony of Icelandic Group CEO Magnús Bjarnason during a presentation of the company's products and global markets.



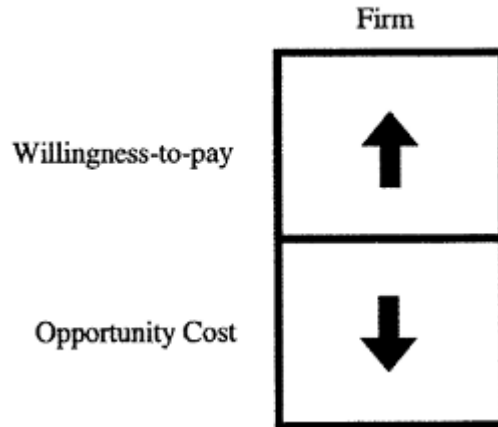
**Figure 2 Value Based Business Strategy Brandenburger and Stuart (1996)**

As can be read from Figure 2, there are four possible strategies based on four dimensions; the two vertical dimensions (1) and the horizontal dimensions (2).

(1) Willingness-To-Pay and Opportunity Cost.

(2) The Firm and Competitors.

The upper left strategy is based on differentiation and focuses on the firm finding ways to meet buyers' needs and do so better than its competitors. The bottom left strategy is based on resource sharing between firms and suppliers and therefore reducing opportunity costs. The upper-right is associated with bad mouthing competitors and therefore decreasing the customer's willingness to pay for their products. The last strategy is the desire to increase the competitor's opportunity costs by providing resources to other firms at a lower cost.



**Figure 3 Firm Related Value Strategy**

The thesis will focus on the inner-firm capabilities and how to either increase willingness to pay or reduce opportunity costs with suppliers through the use of social media. For further reading, it is the author's intention that higher willingness-to-pay will be achieved through value-creation from within by use of external social media marketing methods.

As such, the thesis will also explore how Brandenburger and Stuart's (1996) model of value-based business strategy can apply to B2B companies in the way that opportunity costs will be lowered with the sharing of resources through the use of internal social media applications and methods. Willingness-to-pay is externally focused while reducing opportunity costs is associated with supplier-partner relationships.

## **2.7 B2B Marketing**

The thesis will now define how the B2B marketing might be changing with the increased effort of branding for B2B markets as in retrospect to the value proposition focus which has been held in higher regard to this date.

### **2.7.1 Transformation of B2B marketing**

Brennan & Croft (2012) and Naude & Holland (2004) proposed that business-to-business marketing has moved from the transactional approach, through the relationship approach, and into a new era that they call information marketing. In this new era (Naude and Holland, 2006), marketing becomes primarily an information-handling problem. Brennan & Croft (2012) noted that branding and marketing for B2B companies, using social media, are considered soft marketing. The study explains how social media focus on relations and brand development rather than being used for 'hard sells' (Brennan &

Croft, 2012). As social media are not generally seen as direct selling platforms, this might give reason for it to not be too important within a company.

### **2.7.2 B2B Branding**

When it comes to consumer marketing, branding can be of an essential value in order to capture a sale, while the notion isn't quite as single minded in B2B. As B2B transactions and sales are more generally built upon functional qualities of products (Brennan & Croft, 2012) rather than intuitive purchases as within consumer oriented companies, business-to-business companies are generally sceptics on the actual notion of allocating expenses to branding. Marketing is about improving the odds for success, regardless of corporate structure (Keller 2013). Although there are several legitimate and valid definitions of brand (K. L. Keller & Kotler, 2012), the brand can be a name, term, sign, slogan, symbol, design or a combination of them all with the intention of identifying the goods and services of seller, or sellers, to differentiate them from the competition (Kevin Lane Keller, 2013; Leek & Christodoulides, 2012). Furthermore, Keller (2013) advocates that branding creates mental structures which help consumers organize knowledge of products and services.

Keller & Kotler (2012) state that the most important step in building a brand is that the process is recognized and embraced from top to bottom in the organisation. Moreover, branding in B2B firms demonstrates that it is useful to emphasize that all departments of the firm participate in the internal branding effort, vertically and horizontally (Keller & Kotler, 2012). Sceptics and those who do not fully embrace the "power" of branding are the biggest fallacies in companies' brand building stages (Keller & Kotler, p. 212). Internal brand alignment is one of the fundamental parts of the whole process, and as employees are engaged, it is important to introduce some of the other requirements of brand implementation.

It is encouraged that internal staff develop a 'Brand Mantra' which is a sort of brand slogan used internally for added coherence of staff (K. L. Keller & Kotler, 2012). Brand mantras and demonstrations of their use can be seen in Table B-3 under Appendix B. The 'mantra' (K. L. Keller & Kotler, 2012) is in itself a tool to guide which products to produce under a brand, communication style, and where and how to sell the product. Disney and Nike are two of the world's most known B2C companies and consist of worldwide brand awareness and success. Keller (2013) later states that brand mantra's are for motivating employees and attracting customers. Therefore, internal branding as a



management priority should not be neglected (Kevin Lane Keller, 2013). In short, brand bantra is a tool used to drive external growth from within.

### **2.7.3 B2B Marketing and Social Media**

According to Brennan & Croft (2012) there are examples why social media can contribute to B2B marketing. Firstly, there is an ongoing trend for marketing to be an information handling task (Naudé & Holland, 2004). Secondly, in B2B, the development of relationship-based marketing is believed to be on the rise (N. F. Piercy, 2010). Lastly, critics are claiming for marketing to be market driving rather than market driven (Sarin & Mohr, 2008). Although those remarks were pointed towards high-technology industries (Brennan and Croft, 2012), history shows that fast adaptation of successful strategies between industries will prove to be effective if done rightly (Jussila et al., 2013). As is with promotion on television, in radio, using newspapers or simply standing at a trade show, there are always associated risks and opportunities. The introduction of the thesis introduced studies from Finland (Jussila et al., 2013) which showed that there are some drawbacks of why social media in B2B hasn't prospered as much as in B2C. These included:

- lack of understanding the benefits;
- lack of resources;
- Companies not being able to measure social media success; and other objectives being more important (Jussila et al., 2013).

### **Branding with Social Media**

The profession of online advertising did not even existing a mere 10 years ago, and information technology has hit business with a bang. In *Marketing: an Introduction* (Armstrong & Kotler, 2012), it is stated that information technology is changing the B2B marketing process. As was advocated earlier with the notion of branding, brand mantras with the purpose of driving external awareness from within could easily be applied with expert opinion from staff or employees whom blog or tweet their knowledge on behalf of the brand. This will be further discussed in section 2.9.2.

Branding in B2B is becoming more and more important where marketers seek to accomplish themselves as market thought leaders online (Brennan & Croft, 2012). Furthermore, branding in B2B is a development where companies make use of social

media by blogging and enhancing the brand as leading experts who work for the companies (Brennan & Croft, 2012). What it comes down to in branding according to Leek & Christodoulides (2012), is the qualities of the product which are perceived to have the most important functionality. Therefore, companies are in a position to apply branding strategies to become market thought leaders online.

#### **2.7.4 Product vs corporate branding**

However, for B2B markets the corporate brand is more important than product brand (Leek & Christodoulides, 2012). As with much of the B2B section, there is a lack of research to fully test these hypotheses. Nonetheless, as face-to-face communication and personal relationships have paved the way for B2B marketing for the past decade or so, there is evidence that branding and social media may be changing the environment. Järvinen, Tollinen, Karjaluoto, & Jayawardhena (2012), point out that only a proportion of communication takes place in personal space. Backing up previous claims, Baumgarth (2010) says that corporate branding dominates in the B2B environment and lists current thinking and practice as the reasons why. But today, the most common platform for buyers and sellers to meet in person is at trade shows.

#### **2.7.5 Trade Shows**

Trade shows have developed from being gatherings for manufacturers, suppliers and distributors to an industry of meet and greets for business related purposes in the 20<sup>th</sup> century (Geigenmüller & Bettis-Outland, 2012). Also known as trade fairs, these are periodic events where buyers and sellers exhibit products and services, along with providing information to all bystanders (Geigenmüller & Bettis-Outland, 2012). The shows have become an important part of the B2B marketing channel as all included can benefit from:

- Meeting existing customers;
- Identifying new customers;
- Evaluating new channel partners;
- Enhancing corporate image;
- Carrying out market research; and
- Spying on competition

(Geigenmüller & Bettis-Outland, 2012)(Herbig, O'Hara, & Palumbo, 1998).

Lastly, Herbig et al. (1998) note that trade show effectiveness is not only for the potential increase in the number of customer contacts or leads, but, is also an important tool for relationship marketing (Geigenmüller & Bettis-Outland, 2012). For the Icelandic fishing industry, roughly 1000 company representatives of the industry meet in Brussels every year for the industry's largest trade show, known as Seafood Expo.

## 2.7.6 Wrap up of B2B Fundamentals

As has been covered in the B2B section the overall structure and environment of the common business-to-business company is relatively different from the consumer selling enterprise. This has implications for marketing and Table 2 lists some of the key differences in marketing between consumer and marketing to businesses or organizations.

**Table 2 Common Differences between B2B & B2C Marketing (Grewal & Lilien 2012; Brassington & Pettitt 2006; Author)**

B2B	B2C	COVERED IN
Production culture	Marketing culture	Section 2.4
Market towards value chain	Market towards end-consumer	Section 2.3
Small number of customers	Large customer segments	Section 2.6
Large transactions	Small transactions	Section 2.2
Process connection (e.g., customer's product consists of supplier's components)	Transaction connection	Section 2.2
Complex purchasing process	Direct purchase	Section 2.2
Network of decision makers	Consumer decides	Section 2.2
Personal Selling	Mass media communication	Section 2.7
Value in use: often quantifiable	Value in relation to brand name	Section 2.7

The notion of production culture was discussed in section 2.4 which was about structure of demand for B2B companies. The section briefly introduced industrial concentration and its applications for that marketing of products in the business-to-business sector. This was then compared to basic functions of the mass marketing culture of consuming companies.

Marketing towards the value chain is something that business-to-business companies have to focus on due to the previously mentioned derived demand which demands companies to think well in advance. E.g. a typical re-seller of Icelandic cod is not necessarily concerned about how to market to end-consumers in markets like Spain or Britain. An Icelandic company would rather focus on having a steady supplier who handles end-consumer marketing. This has been discussed in sections 2.3- 2.5 but was

explicitly explained in section 2.3. Moreover, section 2.2 briefly discussed how B2B purchases are generally much higher than consumer oriented companies'. Additionally, section 2.2 mentioned complex purchasing processes and the decision making in B2B relationships.

The concept of brand value was discussion under section 2.7 and personal selling aspects in relation to trade shows was also mentioned in section 2.7. The B2B fundamentals have now been introduced and Table 2 shows the comparison to consumer companies. The thesis will now introduce the Icelandic fishing industry before explaining social media and the online tools available to make use for B2B companies.

## **2.8 The Icelandic Fishing Industry**

The Icelandic fishing industry has definitions which vary from activities related to catching and processing fish to government branches, machinery-related operations, marketing and sales companies, and technical firms (Knútsson & Gestsson, 2006). The following section will not go into great detail on the industry but rather touch briefly on points necessary for readers to gain sufficient depth of understanding of the industry. Overall, the Icelandic marine sector (The Central Bank of Iceland, 2012) is highly diversified in terms of the product, markets, processing and marketing. As stated in Engineering, Economics and Fisheries management (Eddie, 1983):

The catching and landing of fish is ... just one part of the closely-integrated system for bringing fish in the sea to the consumers' plate. Landing fish on a beach or quay or jetty is not in itself a useful economic activity. It may, therefore, be very misleading to think in terms of, and legislate for, an entity called the fishing industry, and better to think in terms of the fish industry as a single system or set of systems (37).

As has been demonstrated in section 2.2, there are various types of government bodies, associations and commercial enterprises which work within the fishing industry.

### **2.8.1 History and Development**

The fishing industry in Iceland has been very important to the country. However, until the 19<sup>th</sup> century, fishing was not an industry but rather a practice of farmers and other people who owned boats to row. Under these conditions it was highly seasonal and not practiced throughout the year. Throughout the 20<sup>th</sup> century it became the country's main export industry (The Central Bank of Iceland, 2012). The first engine boat in Iceland,

a trawler, came into use in 1905 (Knútsson & Gestsson, 2006). This caused massive change in the sector and created an industry. Shortly after the First World War, the total catch of all species was around 340,000 tons (Einarsson, 2008), but the catch level stagnated in the great depression of the 1930s and the closing of markets during the Second World War. In 1945 the Icelandic government renewed the fleet resulting in 47 trawlers being in operation roughly twenty years later, in 1966 (Jonsson, 1985; Knútsson & Gestsson, 2006). A year later, in 1967, there was a complete collapse of herring catch which provided grounds for robust changes in the industry for the coming years. In 2013, there were 51 registered trawlers and 783 decked vessels (Statistics Iceland, 2014). These implications will be discussed under sections 2.8.2 and 2.8.3 which will provide better explanations for how the industry operates in modern times.

### **2.8.2 Territorial Waters**

In 1958 the jurisdiction for Icelandic fisheries was 12 nautical miles from the shoreline, having increased by 8 miles since 1952. However, in 1952 the Icelandic government decided, due to much over-fishing and a decline in fish stocks, to increase the jurisdiction from 12 to 50 miles. This was increased further from 50 to 200 miles in 1976. This caused diplomatic struggles between Iceland, West Germany and Britain as the two latter countries were fishing around Iceland. Both imposed landing bans on Icelandic ships until they reached an agreement in 1976 on the 200 mile limit.

**Table 3 History of Iceland's Sea Mileage**

<b>Year</b>	<b>1901</b>	<b>1952</b>	<b>1958</b>	<b>1972</b>	<b>1976</b>
Miles	3	4	12	50	200

### **2.8.3 Quota system**

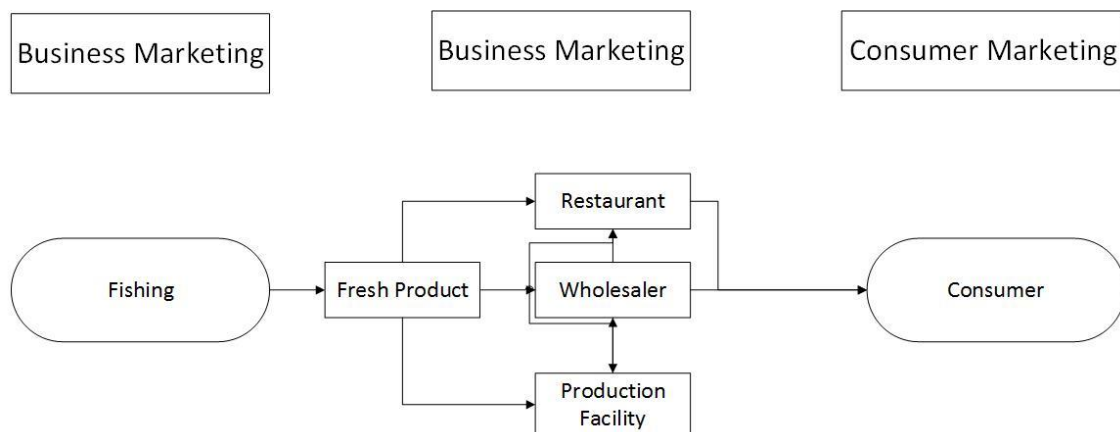
Market conditions in the fishing industry are largely controlled by the biomass of the stock of fish. From 1952 to 1975 the government had complete control and this period was flavoured by high limits and much fishing. After some stocks began to decline heavily due to over-fishing of stocks, the first quota system was introduced in 1984. The system composed of limits on important species, numbers of days that ships could work and catch quantity. The evolution and key steps of the Icelandic quota system can be seen in Table D-5 in Appendix D. In 1990, in order to make the system more effective, laws concerning the quota system were changed. This system is called individual transferable quotas and its main aspects are:

- Exclusive owners of fishing vessels with a valid license can hold quotas;
- Holders of quotas must catch at least 50% of their quota every second year (Knútsson & Gestsson, 2006).

With the increased quota system there has been much concentration in the industry and between 1992-2001 quota share of the twenty biggest companies had increased to 59 % from 36%, which indicates that much ‘switching between hands’ has taken place between owners of quotas(Cooper Smith, 2013).

#### 2.8.4 Markets

The market conditions of the Icelandic fish market are somewhat different from many other industries. To a large extent, most of the fish is defined as an industrial product (Knútsson & Gestsson, 2006) because much is sold directly to foreign distributors, into secondary processing or straight to restaurants. The Icelandic fishing industry is the country’s third largest in terms of export revenues (The Central Bank of Iceland, 2012). Figure 4 is a simplified picture of how fresh fish from manufacturers goes straight to few, players in foreign and domestic markets. As can be seen, fresh products can go straight to restaurants, be sold to wholesalers – re-sellers- or into further processing at production facilities. Therefore, two out of three initial steps include B2B Marketing. It underlies the characteristics of the Icelandic B2B condition and the importance of B2B marketing.



**Figure 4 An Example of the Icelandic Fish Process Flow (Author)**

Appendix B has relevant stats and figures to better inform of the industry. Figure B-2 in Appendix B gives another process overview of the outflow of fishing products from Iceland as some is sold directly abroad. Moreover, Table 4 shows Iceland’s categorization of fish before exportation. These are the country’s most common export products and

respective FOB value and quantity. Whether the products are frozen, processed or simply iced at sea varies greatly.

**Table 4 Most Common Export Products of Fish (Statistics Agency, 2014)**

2012	Total	Frozen	Salted	Iced	Dried	Fish oil	Other
Quantity	748519	417701	34364	60745	20564	179764	35480
Fob Value Millions/ISK	268631	141920	26929	44226	12924	36927	5705

As can be seen in Table B-1 in Appendix B, Iceland's largest markets in 2012 were Britain, Norway, Spain, Russia and France. Noteworthy changes for Icelandic marketing and sales personnel are the massive proportional increases of Asian countries for the three year period 2009-2012. Figure 5 shows Iceland's largest export markets and the thickness of the line represents the degree to how much business is conducted.



**Figure 5 Iceland's Export Markets (Vigfússon & Gestsson).**

When it comes to marketing of Icelandic fish products to the respective markets, Eddie (1983) wraps up a lot of surrounding issues when he stated:

“There can arise situations where the best opportunity for improvement in the wellbeing and prosperity of the fishing fleet may lie in some development in the system of marketing and distribution. The reverse is also true: it is not sufficient to assume that the solution to the industry's problems will lie always or merely in better marketing, or in better physical systems of preservation and distribution on shore” (37).

The government's role for marketing of Icelandic fish is discussed under section 2.2 but noteworthy is *Promote Iceland*, an institution under the government which promotes Icelandic products abroad. This is controversial to Eddie (1983) and Rothschild's (1980) notion of the government's role for marketing of industries. On another note, a 2013 report by Bjarki Vigfússon and Haukur M. Gestsson (2013) for the Icelandic Ocean Cluster states that Icelandic fisheries are under pressure due to few factors; stagnation in main export markets, increased supply from main competitors Norway and Russia, and lack of marketing for the Icelandic fisheries industry. As noted earlier, the report applauds Islandsstofa (*Promote Iceland*), a public-private partnership which promotes the Icelandic fishing industry through the Iceland Responsible Fisheries program (Islandsstofa, 2014). Although the report states that Icelandic fish abroad has a good reputation, brand recognition and awareness is much needed for the industry.

The following section has now briefly introduced the Icelandic fishing industry. The characteristics of the industry combined with the fundamentals of business-to-business marketing show some interesting implications for why social media is a potential tool to be used in company's operations as the industry operates very far from the main markets.

## **2.9 Social Media**

The thesis will now introduce social media and some 'tools' before listing up the theoretical tool SWOT analysis to better understand a common business practice for analyzing internal and external environment for marketing oriented strategic directions.

### **2.9.1 Definition of Web 2.0**

In order to get full understanding of the term 'Social Media', it is important to know that the term is simply a term under Web 2.0. The term Web 2.0 (Constantinides & Fountain, 2008) came into common use in 2005 and is supposed to demonstrate how the internet has evolved in usage. However, it is still a controversial term and even the internet's founder, Tim Berners-Lee shows dissent on the term Web 2.0 (Laningham, 2006). Nonetheless, the term Web 2.0 has stuck and is, in short, a simple collection of open-source online applications which supports the creation, editing and refining of content (Constantinides & Fountain, 2008; Kaplan & Haenlein, 2010; Jussila et al., 2013). As such, the term Web 2.0 (Constantinides & Fountain, 2008) is an umbrella term used to describe a number of applications which fall under its use (Kaplan & Haenlein, 2010).



Table 5 categorizes the main social media forms based on a combined listing from Constantinides & Fountain (2008) and Kaplan & Haenlein (2010).

**Table 5 Social Media Categorization (Constantinides & Fountain, 2008; Kaplan & Haenlein)**

Social Media "Form"	Main Function
Blogs	Online Journals
Social Networks	Application allowing users to build personal websites
Multimedia Sharing Sites	Websites organizing and sharing partial types of content
Wiki Based Sites	Application allowing full customization of content

### 2.9.2 Blogs

Kaplan & Haenlein (2010) noted that blogs represent social media in its earliest form and all under Web 2.0 applications (Constantinides & Fountain, 2008). From their early beginnings, blogs have been seen as being personal webpages (Kaplan & Haenlein, 2010). Variations in use have evolved and today mostly include

- personal webpages;
- corporate blogs;
- journals; and
- news sites.

(Kaplan & Haenlein, 2010; Constantinides & Fountain, 2008).

Blogs which are included in corporate structures can have a positive and/or negative use on brand, company or personal image (Brennan & Croft, 2012). For further elaboration, Kaplan & Haenlein (2010), demonstrate how Jonathan Schwartz, CEO of Sun Microsystems (a former computer and component seller) enhanced transparency within the company by using blogs to update employees on current affairs. There is evidence that the influence of blogs and podcasts is increasing because of the fast expansion of the audience and contributors (Brennan & Croft, 2012). Therefore, companies can use personal blogs to post within corporate blogs, or keep the two separate.

Personal blog sites can, however, also bring risks as well as benefits for companies. In 2006, Microsoft had an employee leave after finding out he "fiercely criticised" the company in his blogs on technology (Kaplan & Haenlein, 2010). Fifteen percent of Icelandic companies are engaged in blogging and microblogging (Statistical Agency, 2014). Lastly, as the call for new and fresh information is in constant demand, companies

can establish themselves as market leaders with informative blogs and information (Brennan & Croft, 2012). This can lead generation and spark interest in the companies (Kaplan & Haenlein, 2010). Moreover, Dell stated that its use of twitter, a microblog, has generated 1 million in sales revenue (Kaplan & Haenlein, 2010).

### **2.9.3 Social Networks**

Iceland ranks highest in Europe in the use of social media networks, with 59 % of Icelandic companies being active users. The first universal system for people to interact and discuss subjects online was the Usenet, a 1979 creation by Duke University graduates Tom Truscott and Jim Ellis (Kaplan & Haenlein, 2010). Twenty years later, in 1999, *Open Diary* was launched, and is what modern academics speculate to be the foundation of today's popular social networking platforms (Kaplan & Haenlein, 2010). Open Diary was a social networking site that allowed online diary writers to gather together in one community. Four years later, or in 2003, the first modern social media network site (Myspace) was founded, before emergence of other social media networks such as Facebook, Twitter, and LinkedIn etc. A list of the most common social networks can be seen in Figure C-1 in Appendix C. Social networks are used for exchange of content and communication (Constantinides and Fountain, 2008). Most commonly, social networking sites have become personal pages where users connect with friends and colleagues, have access to their profiles, and are able to send instant messages (Leonardi & Treem, 2012; Kaplan & Haenlein, 2010). As an indication of the magnitude and size of these networks, Facebook is the largest networking site in the world with around 1.115 million active users online (Cooper Smith, 2013).

Social networks were found to be one of the factors impacting organisational knowledge sharing (Pi, Chou, & Liao, 2013). Additionally, internal use of social networks has proved to allow for more free and secure data sharing between employees, increased communication and more connected employees, and has facilitated new opportunities for learning and the sharing of personal knowledge between co-workers (V.Vuori, 2011). B2C companies have been active on social media (Järvinen et al., 2012), but in more recent years B2B companies are gradually waking up to the potential of this medium, and are starting to make use of the platforms for professional use (Jussila et al., 2013). Some of the considerations for those companies is not necessarily whether they should be engaged in social networks, rather, in which ones. Should companies in B2B be engaged

(Brennan & Croft, 2012) in networks built for professional users, LinkedIn, or more generic use such as Facebook.

#### **2.9.4 Multimedia sharing**

Third on the list is multimedia sharing sites or networks (Constantinides & Fountain, 2008). This is comprised of content communities where users are able to upload videos, photos, podcasts or whichever format they please, varying in length, style and field. These content communities are very popular. However, there is also surrounding skepticism associated as anonymous sharing can have both devastating effects on status and copyright infringements of companies (Kaplan & Haenlein, 2010).

Internal use of multimedia sharing communities could enhance learning processes within companies since a database of study videos or examples can help facilitate learning processes (Kaplan & Haenlein, 2010). Video, audio and picture related content has huge potential for companies as they can engage in low-cost, high-quality content and attract attention. Sites such as YouTube have been used to increase customer reciprocation where companies encourage amateurs to perform experiments with their products and post them online. For B2B, the videos may not always be relevant, but one recent example is that of movie star action figure Van Damme (*Volvo Trucks - The Epic Split feat. Van Damme (Live Test 6)*, 2013) doing the splits between two Volvo truckers which are driving along and moving apart. What's interesting is that the commercial garnered so much attention it gained over 70 million views on YouTube, and became the most watched automotive commercial on YouTube.

#### **2.9.5 Wiki Based Sites**

Wiki sites are websites where users are able to make changes to text-based content. This includes adding, removing, improving and editing where there can be many collaborators on the same site or page (Kaplan & Haenlein, 2010). The most famous of these is [www.wikipedia.org](http://www.wikipedia.org), which is an online encyclopedia available in over 230 different languages and combines information and articles on various different subjects ranging from animal species to corporate information.

Wiki sites for internal use were studied and it was shown that they have increased in use over time (Leonardi & Treem, 2012). The internal application of social media for collaboration and knowledge sharing is not a new phenomenon for business. Computer cooperative work (CSCW) and other technology to support knowledge sharing and

cooperation has been used for almost twenty years now (Leonardi & Treem, 2012). However, these tools are not very effective. Therefore, companies have started making use of them for internal knowledge sharing. M. Vuori's (2012) case on Nokia explains how the company began using social media internally with the launch of a Wiki site exclusively for employers. The corporate Wiki site was able to improve discussion, creation of content and sharing. The company then encouraged internal blogging and subsequently collected all blogs and idea creations together. For external use, Wikipedia has been used to create false content (Kaplan & Haenlein, 2010), which online users may not necessarily understand is false (V. Vuori, 2011). Additionally, reliability and accuracy of content can often be questioned as there is a lack of validity of authors in this form of medium (V. Vuori, 2011). Nonetheless, most companies have wiki sites.

## 2.9.6 Forums/Bulletin Boards

Forums and bulletin boards are on the decline as web entities, but can in a large scale be found within social networks. A typical forum would be a page or site where like-minded individuals share information and exchange ideas on a related subject (Constantinides & Fountain, 2008). Facebook and LinkedIn, for example, now have groups formed based on common interests (Pi et al., 2013). Little research is available on this transformation and therefore forums will be excluded from future discussions in this dissertation. Forums and bulletin boards are also not mentioned in the survey of the statistics agency. However, the notion of common interest groups could have potential implications for B2B industries as these are concentrated venues where like-minded individuals may wish to collaborate on common platforms.

The various applications different usages and how they can be used externally or internally is showed as according to Vuori's (2011) research. These are listed in Table 6 and have been covered in sections 2.9.2- 2.9.6

**Table 6 Internal and External Social Media Applications (Vuori, 2011)**

Application	Internally focused applications	Externally focused applications
Communication	Blogs, discussion forums	Blogs, microblogging, social networking, online broadcasting
Collaboration	Internal idea crowdsourcing service	External idea crowdsourcing service
Connecting	Internal networking site, corporate wikis	Customer forums, online communities, virtual worlds

Table 7 combines all of the categories mentioned under sections 2.9.2- 2.9.5 and how their respective internal and external functions can be demonstrated with use of social media. Table 7 is a comprehensive guideline for how the functional values of Table 6 combine with the categorization in Table 5 and give examples of social media tools.

**Table 7 Review of Internal & External Social Media Tools (Kaplan & Haenlein, 2008; Vuori, 2011; M. Vuori, 2012)**

<b>Social Media</b>	<b>Main Function</b>		<b>Examples</b>	
	<b>Internal</b>	<b>External</b>	<b>Internal</b>	<b>External</b>
Blogs	Discussion forums, increase transparency	Blogs, Microblogs. Can lead generation and spark interest	WordPress, corporate homepage	Corporate Homepage, Twitter
Social Networks	Knowledge sharing, increased learning	Social Networking, Exchange information, Communication	Yammer,	LinkedIn, Facebook
Multimedia Sharing Sites	Idea crowdsourcing, enhance learning	Attract attention, low-cost high quality content	YouTube, Slide share	YouTube, Slide share, Pinterest, Tumblr
Wiki Based Sites	Knowledge sharing, improved sharing	List relevant facts and company information	Wiki-based software	Wikipedia

### **2.9.7 Structure of Social Media Objectives, Policies and Procedures**

Although there has been much increase in social media use in the recent years, there is evidence that many companies lack strategic orientation in its use. Evidence from the survey of Icelandic companies, as seen in Appendix A, shows that such policies and objectives were present in only 20 % of Icelandic companies in total. Magro (2012) researched whether companies, government bodies or users of social media as enterprises were drafting comprehensive guidelines with policies, set objectives or formal rules. According to Magro (2012), the use of social media requires the development of two main types of policies:

- policies for those in the general public accessing the site(s) (e.g. comment policies); and
- Policies for employee use.

The need for social media strategy or policy implementation emerged in 2010 and provided value in its research. However, it has also been noted that emerging social media policies may interfere with existing policies which already restricted use of social media (Magro, 2012). Nonetheless, examples of both internal and external uses in the various categories of social media from section 2.10 show that employees can both be of harm to companies as they can be beneficial. This was touched upon as policies need to cover

issues such as unprofessional conduct online (N. F. Piercy, 2010) (Rive, Hare, Thomas, & Nankivell, 2012).

## 2.10 SWOT Analysis

The SWOT analysis is one of the most common analysis tool in modern business marketing literature and widely recognized for strategic implications (Kotler, 2012; N. Piercy & Giles, 1989). Kotler (2012) advocates how the art of marketing lies within finding, developing and valuing the strengths, weaknesses, opportunities and threats of companies. Opportunities and threats (N. Piercy & Giles, 1989) are considered external analysis tools for companies while strengths and weaknesses can show internal processes. Businesses can evaluate own strengths and weaknesses from a variety of forms and guidelines but the list doesn't have to be scientifically concrete (Chaffey, 2009). Often, companies and managers are fully aware of their current marketing situation and capable of performing internal analysis of where they consider themselves strong or weak (Armstrong & Kotler, 2012).

Opportunities and threats are external and often uncontrollable by the company. For example, opportunities are market or business activities or situations where the company has potential to enter or make better use of (Brassington & Pettitt, 2006). A threat for a company can perhaps be purely environmental more human related such as political instability or societal problems. Table 8 gives examples from a SWOT analysis of social media by Vuori (2011). However, Table 8 lists strengths and opportunities as benefits and risks are weaknesses and threats.

**Table 8 Examples of Benefits & Risks of Social Media (Vuori, 2011)**

<b>Benefits (Strengths &amp; Opportunities)</b>	<b>Risks (Weaknesses &amp; Threats)</b>
Collaboration and knowledge sharing	Immediate publication equals immediate copying
Employee empowerment	Uncontrollable publicity
Ease of use	Copyright violations
Wider reach	Bullying, defamation
Lower costs	Empty crowd: unused media has no value
	Anti-campaigns and strike backs

Most of the items in Table 8 have already been mentioned under the characteristics of internal and external uses in social media. However, noteworthy are the challenges to use which can be summoned up as online behavior, violation of rights and costs. The benefits are the media low costs, compared to traditional advertising, distribution and

empowerment of employees. Employee empowerment combined with internal social media for branding could be a powerful weapon for companies (Jussila et al., 2013; Brennan & Croft, 2012).

It can be useful in strategic analysis of business procedures to apply known business methods based on valuing strengths, weaknesses, opportunities and threats. As taught in E-Business and E-Commerce Management Strategies (Chaffey, 2009), the SWOT analysis can be of greatest value when not only used for current use, but to combine and form a strategic structure. That means, e.g., mixing strengths and opportunities for an attacking strategy as can be seen in the upper left box.

**Table 9 SWOT Strategy Formulation**

<b>Corporate View</b>	<b>Strengths</b>	<b>Weaknesses</b>
<b>Opportunities</b>	SO Strategies = Attacking Strategies	WO Strategies = Building Strengths for Attacking Strategies
<b>Threats</b>	ST Strategies = Defensive Strategies	WT Strategies = Building Strengths for Defensive Strategies

The following section has now listed up the most common ways of categorizing social media, listed importance of having clear-cut objectives and shown how social media and marketing are an evolving term. Lastly, the SWOT analysis was introduced.

### 3 Methodology

The following section shows what methods are used for the research of the dissertation. The scarcity of academic literature on B2B companies in Iceland and the under-utilisation of social media by the fisheries industry sparked interest in the following research question:

*To what extent do Icelandic B2B companies in the fisheries industry make use of the social media?*

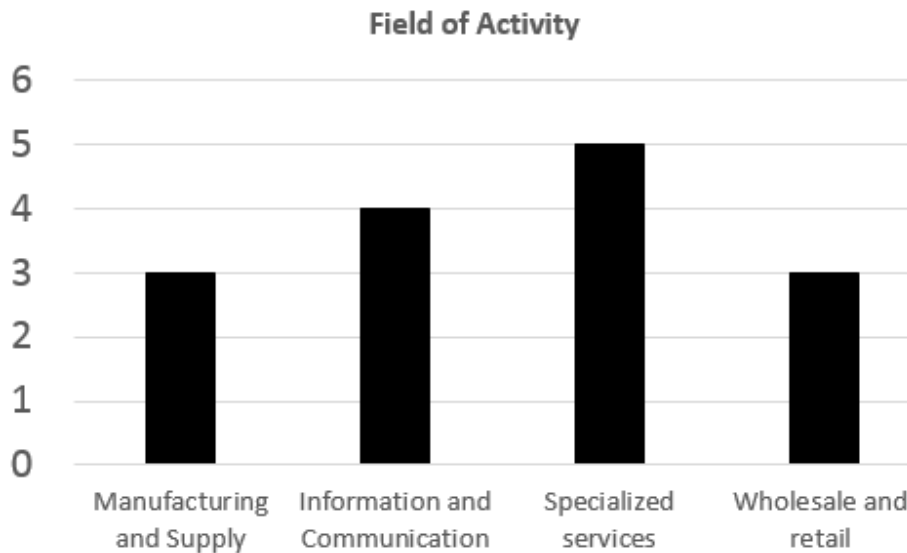
The question was analyzed with use of qualitative method and questions whether social media is being used for internal or external use, how companies value strengths and weaknesses, opportunities and threats. Whether they see social media as a tool for further collaboration and which online media companies are making use of. The research questionnaire under section 3.2 will further explain the research settings.

#### 3.1 Participants

The sample of the study comprised of ten individuals from companies working in the Icelandic fisheries industry or its sub sector. The companies were consistent with Brassington's (2006) definition of B2B entities mentioned in section 2.2 of the literature review (commercial enterprises, government bodies and institutions). Eight of the participants were males and two were females. The education of interviewees varied from social sciences such as business and journalism to industrial related studies such as fisheries studies, or biology. The average age of participants was 46.5 and the average industry experience was 17 years. Further information regarding participants can be seen in Table D-1 in Appendix D.

The participating companies were representatives of the four fields of activity as used by the Statistical Agency's (2014) survey in Appendix A and Figure 6 on Page 32. Since three of the categories (*Construction, Accommodation & Food Service* and *Transportation and Storage*) were unused and didn't apply to the survey, only those four depicted in Figure 6 were represented. Although the chart shows thirteen companies, three of them were double labeled. For example, Company four, which is an association for a related sector within the industry, is defined as a company providing *specialised services* and works in *information and communication*; to the companies which sponsor the association.





**Figure 6 Field of Activity**

### **3.2 Research Setting**

The research setting is exploratory research and aims to seek insights into a problem, and Aaker, Kumar, Leone & Day (2013) note that it is of a qualitative nature and discusses possible decision alternatives and other variables (2013). Granot, Brashear, & Motta (2012) advocate that qualitative studies “enable deeper understanding of behavior, rather than a shallow representation of intentions” (547). Therefore, the qualitative approach is beneficial as there is little previous knowledge or academic research in the Icelandic fisheries industry and sub-sections (Sheth & Sharma, 2006).

Interviews took place in the participant’s offices in all instances but two. These two were in the homes of the interviewees. There was a relaxed atmosphere during the interviews although surroundings were as variable as the interviews. It is assumed that interviewees were relaxed and they did not mind being on tape.

All participants were promised full confidentiality and results will not be traceable to either the interviews or their respectable companies. Interestingly, several participants allowed for responses to be open but, as according to a mutual agreement and plan set out before all participants, confidentiality will be held. The promise of confidentiality is more lucrative in the B2B environment as fewer companies tend to be reluctant to let out important information for the competition to see (Baines, 2002). A post interview questionnaire on company size was compiled and can be found in under Figure D-2 in Appendix D. Due to confidentiality, relevant tables or figures of other information

regarding the companies will not be listed. As stated in section 3.2, the field of activity has already been listed.

### **3.3 Procedure**

As according to King (2010), the four steps in constructing and carrying out qualitative research interviews were followed as this four step approach demonstrates:

1. Defining the research question;
2. Creating the interview guide;
3. Recruiting participants;
4. Carrying out the interviews.

The interview guide can be seen in Figure D-2 in Appendix D. The questionnaire was influenced from a marketing thesis written by Hermann Grétarsson (2010). The first four questions ask general questions and provide background information. As many of the interviewees' companies are not active users of social media, question five helped navigate the interview away from simple 'no's and towards the more in-depth direction of asking why and how the interviewees perceived social media. This is inherent in qualitative research as unique interactions between participants and researcher have few boundaries and often end in flexible and open research.

Themes from V. Vuori (2011) and Grétarsson (2010) encouraged the discovery of the current use, opportunities and strengths and weaknesses and threats of social media to B2B companies. The question 'Do you see social media as a platform for either internal or external use?' was put up for observation purposes as the internal use of social media within companies is a heavily underestimated avenue.

The first interviews were arranged through an online search of companies. The selection of interviewees was largely through online search although two of the respondents were referred by other companies. When sending out emails to get respondents, the guide from Baines (2002) was used to battle "respondent fatigue" which surrounds B2B environments due to the low number of companies and information of high value. The following points were followed partially when drafting the email that was sent to participants:

- Personalizing the covering letter to include the respondent's name and job title;
- Keeping the questionnaire as short as possible, requesting easily accessible information, and using simple, pre-coded questions;

- Providing assurances that anonymity and/or confidentiality will be maintained.

King (2010) pointed out that the qualitative research interview is the most appropriate method for exploratory studies where there is little depth of data about a particular field or phenomenon. The research question will be answered in the form of in-depth interviews with professionals and experts on the matter for clarification and insights into the respective climate of the industry and companies. According to Banister (1994), interviews permit exploration of issues that may be too complex to investigate by using quantitative methods. In this instance, the semi-structured interview was chosen rather than structured or unstructured interviews. According to Coolican (1990), a semi-structured interview is an informal but guided form of interviewing. Since the semi-structured interview gives great value to personal opinions and enables participants to raise their own views or perspectives while under the guidance of the interviewer, it was felt the most appropriate method of research for this study.

It would have been problematic to compile a questionnaire relevant to the research question in the dissertation, let alone determining what theory should be used. Later, positivistic research will become more relevant to the study of business-to-business industries, adaptation of social media and the internal and external effects as the field will mature and issues become more transparent. It is felt that the insights gained by this study have supported the choice of qualitative methods.

### **3.4 Analysis**

Analysis of data was two-fold. Qualitative open structured questions were read thoroughly, the researcher became familiar with the data and then conducted thematic analysis of answers (King, 2010). The five emerging themes will be covered in the analysis section. Quantitative analysis was conducted from questions which were open ended but quantifiable. Although these results are not significant they will be in the analysis for the brief overview of how the answers relate to some of the literature from both social media and B2B commonalities.

## **4 Results**

This chapter will present themes which emerged from analysis of the interviews. Additionally, section 4.7 will present coded data for some of the questions which could have yes/no implications.

### **4.1 Social media: for selling or image related marketing purposes**

All respondents saw social media as a medium to enhance brand image and corporate culture rather than a tool to sell. This is because the companies do not see Iceland as their market and therefore marketing in Iceland is used to enhance image and inform respective communities. Literature of marketing for image at home, marketing for selling abroad in B2B is scarce, but the interviews offer some interesting findings.

Participant 1, whose company has held a quota for over 20 years, noted that the only priority for marketing is for image. He stated that his products and fishing vessel have a reputation for quality. Participant 3, who works for a sub-sector company related to technology for fish processing, also believes that marketing domestically is only to enhance image and be attractive as an employer. Participant 2 was also in agreement with the other two and stated that the situation is difficult since the company operates in a double market; domestically for image, abroad for sale of products.

These statements were also made in a similar manner by Participants 5 and 10, employees of a marketing firm and the fisheries association respectively, since their home pages are only supposed to be an 'online face' to foreign sellers. Moreover, the homepage is only believed to be a contact site providing information about the products, images of sales personnel and for informative use (8, 9 & 10). In a similar manner, respondent 8, who runs a wholesale on fishing products, saw the importance of a homepage as his company normally refers buyers to it to view their products. However, he harshly criticised its time consumption and said that he does not want it to be a news site nor does he wish to keep it active. Moreover, he said his homepage is going through renovation and he aims to meet with a marketing firm once per year to set guidelines for what he wants them to do for the homepage (Participant 8). Without going into more detail, it is speculative whether his assertiveness towards an active home page or social media website is more in line with what participant 5 had to say on the matter.

Participant 5, whose company sells fish to multiple markets, said the following: “there are no sales through the internet, besides email or phone... We don’t use Facebook, LinkedIn, Twitter or other social media for marketing... selling of fish products online is hard and those sales sites have not sustained.” It is apparent that participants only see social media and its use as ‘soft’ marketing. This was mentioned in the summary of the social media chapter under literature review. Furthermore, most participants seem to be more reluctant to put time and effort into the use of social media.

## **4.2 Marketing: In-house versus outsourcing**

One notable response in the questionnaire was that social media, online marketing and the whole process is too time consuming and new for withstanding staff to oversee. Therefore, many speculated whether they simply have the skills, time or knowledge to do their marketing in house. This gives some valuable insights into the industry and whether the Icelandic market is simply headed towards leaning on external marketing services rather than using internal staff. One noteworthy information from the questionnaire was also that only 3 out of the 10 companies had a position named marketing manager. This can be seen in Table 11 in section 4.7 at the end of the Results chapter.

Interviewee 1, whom also mentioned that he only sees Iceland as a market for image related marketing, said that there is no reason for his company to do his marketing homework at home since it isn’t his company’s market. Instead, for illustration purposes, they have their marketing agency in Spain do their own marketing and marketing agency in Britain have their own marketing. Exact opposite of this approach is respondent 10, whom spoke highly of how the company’s PR agency in one of the company’s market was able to catch wide attention when publishing information that the Icelandic nation was mourning the loss of a public figure in that respective market. This is one example of how the corporate branding strategy was implemented within a set frame, decided by the company. On the other hand, Participant 10 also mentioned that one time she had to correct one of the company’s marketing agencies as the agency published a wrong word for the company’s fish.

Participant 5, who is a sales manager for a fish re-seller answered in similar manner to respondent 1 and mentioned that domestic marketing demands a lot of work and that set up of social media and inactivity online will only result in negative image, which the companies may not always deserve. Participant 2 also commented on how unfair it is to companies as they are judged by inactivity online, “you have to be constantly active and

very accurate with what information you put out to the public”. Moreover, Participant 5 added that while there wasn’t the pull for his company to be active online, the company will wait to take the step in that direction. It is noteworthy to mention that it is more the time demands rather than the market’s ‘pull’ that appears to be deterring the company from making use of social media.

### **4.3 Social media to help with differentiation**

Kotler (2012), in Principle of Marketing, states that “a critical step in business-to-business marketing is to create and communicate relevant differentiation from competitors.” (184). Furthermore, Kotler & Pfoertsch (2007) noted of how ignorant B2B companies often are due to over belief in own products and the fact that customers know how great their products they have in comparison to competitors. Respondent 1 doesn’t see any reason for much marketing as his ship, fish and company have rich history and do not need to be in direct selling online. Moreover, he believes the quality of their offering is well-known. Marketers of Icelandic fish products must therefore act quickly and in order to truly differentiate make use of newest technology and marketing mix. Respondent 5 noted that his company simply picks markets based on where the company can get the best prices and how the currency plays a role. Interestingly, his company does not use any social media. Meanwhile, respondent 8 said that one of the biggest values in social media would be market selection and diversification. He stated that he can pick a city almost anywhere in the world and make use of the internet to enter into that market. However, there is the notion of whether social media can be used for ‘hard’ sales or whether it’s simply a ‘soft’ marketing tool. Respondent 5, and perhaps one reason for why his company isn’t more active online, is because he states that there are no sales that take place online. The amount of money is simply too high for online transactions.

However, whether soft marketing or hard, respondent 10, whose line of business is in *information and communication* and *specialized services* category seems to be furthest ahead of all companies and associations when it comes to social media. Having explored all sorts of social media, they are able to market their brand almost simultaneously across three different markets. As can be seen in Table 11 and as was stated in section 4.2 the company has set clear policies and strategies with its use of social media, but differs from other companies in the way how they operate the marketing.

#### **4.4 Online behavior**

One theme which may have unknown effects on how the future implications of social media will be perceived is the ethical dilemma that managers and directors seem to see with it. What's interesting is that these companies are very wary of their status in the community. This fear was evident and some answers touched on the lack of control. Participant 2 spoke of how little control companies have over what takes place and how toxic it can be to companies if the online usage is wrong. This is most likely due to the controversy around the industry and the quota system. Participant 4, a representative of a re-selling company who doesn't own quota, commented on how social media can easily light the spark on robust communication and discussion on a particular matter; however, they do not see it as a threat, rather as a challenge. Participants 3 and 6 also mentioned this threat and spoke about a historical struggle in Iceland when, in 1913, landlines were first connected from Scotland. Ethical behavior and eavesdropping were the big problems of the time. Today, almost 80 years later, the problem is different kind of behavior. Participant 10, representative of an association, had this to say, "There are always individuals who may have compulsive behavior towards companies".

#### **4.5 The missing link of internal social media use**

All participants were asked whether they see social media as an internal or rather as an external marketing tool. Notably, the two companies that had some sort of internal social media in place spoke positively about its use. However, most participants refuted internal use due to company size or simply not seeing the value. Participant 2, who is currently in talks with a software manufacturer of in-house social media software, said, "Of course this helps both as staff can be better engaged but also externally as a marketing medium". And Participant 3, whose company has over one hundred employees in multiple countries and a social media platform in use was also positive. He further stated that the company will likely increase its use in the future and these semi-social networks which can only be used at work hours are helping, "there's a lot of people here don't understand the value of this [social media] here, think email and telephones is the only way to do things".

However, the more likely consensus among participants was in lines with what participant 8 said when he noted that if there is a message that needs to be disseminated across the office, he will simply walk into the office floor and call out what he needs to say. Participant 9 simply stated that the company size is too small for any use of internal

social media. In addition, she mentioned that she is a novice when it comes to these matters, but she believes social media is interesting and the company is looking forward to exploring the potential possibilities of social media. Although practical assessment lack regarding the use of social media internally to date, internal wiki sites have shown that new hires pick up ‘on-the-job’ skills faster than those who do not have similar sites (M. Vuori, 2012).

#### 4.6 SWOT Analysis of Respondents Answers

As was briefly introduced in the literature review, the use of SWOT analysis is common in academic and practical use of companies and industries for measurement of tools which can and are often affected by external environment. The following section lists up respondent’s answers to the four questions which asked of the identifiable strengths, weaknesses, opportunities and threats of social media. In comparison to the SWOT analysis introduced in section 2.10, there are clear similarities with respondents of Vuori’s (2011) research. These can be seen in Table 10 which combines the findings of the study to Vuori’s study. Reason for why the risks and benefits approach is used is due to complexity of listings from respondent’s answers. Some participants listed ease of use as an opportunity while others listed it as a strength; therefore, it will be listed as a benefit. Same goes for answers which were both mentioned as weaknesses and threats.

**Table 10 Comparison of SWOT Analysis**

<b>Benefits</b>	<b>Vuori's SWOT</b>	<b>Participant's SWOT</b>
Collaboration and knowledge sharing	x	
Employee empowerment	x	
Ease of use	x	x
Wider reach	x	x
Distribution		x
Lower costs	x	x
<b>Risks</b>		
Immediate publication equals immediate copying	x	
Uncontrollable publicity	x	x
Copyright violations	x	
Bullying, defamation	x	x
Empty crowd: unused media has no value	x	x
Problems more visible		x
Anti-campaigns and strike backs	x	

Respondents listed strengths of social media, and not many similarities were found between the company representatives. Cost efficiency, distribution and ease of use were



the most mentioned strengths. Some valued the strengths of social media in the same way as others mentioned the opportunities. Some notable strengths mentioned by respondents were:

- Participant 2 stated that he believes that online media is taking over in the distribution area and therefore social media has a clear strength and advantage over traditional media.
- Participant 1 believed that the strength of social media rests in its ability to reach younger consumer groups.
- Participant 3 also touched briefly on a similar concept when he stated that he believes his generation, the age group 40-50, is starting to see the value of social media and that all generations below him will do so as well.
- Participants 2, 8& 10 noted cost efficiency, or cost reduction in comparison to more traditional approaches. The costs of social media use are not only mentioned because of reduced need for services from other sources, but mainly because how easy it is for the companies themselves to distribute and publish their own content.

One common answer was found both under weaknesses and threats; the way that people use social media, as previously mentioned. The earlier section of online behavior was a compilation of these answers. The fear of defamation, bullying and empty crowd mentioned in section 2.10 were evident and Icelandic companies seem to be battling similar weaknesses and threats of social media use as previous research of the medium has evidence for (V. Vuori, 2011).

Interestingly, respondents saw various different opportunities for uses of social media. Respondent 8, whose company sells fish abroad says social media could help substantially with market entry and marketing in new markets: “I see social media as a closer connection to markets. A tighter approach can be pursued now than before. I can pick a town wherever and decide to sell my products there. Before, you had to have more of a shotgun-approach”. This is more in line with the diversification strategy mentioned under section 2.3.1, demand volatility, and therefore respondent 8 noted that social media can help diversify and enter new markets.

Respondent 1 said, “There are certain opportunities for increased communication among partners and companies in Iceland”. Respondent 6, an employee of an association,

also talks of communication as he believes there could be more space for improved communication and efficiency with use of online media. These notions of increased communication and collaboration between partners back up claim in supplier selection stating that fewer suppliers and increased communication. Unknown, are the effects whether this demands more costs besides training but in general, respondents also saw opportunities in social media as it helps substantially cutting costs versus more traditional media.

Participant 3 mentioned an interesting perspective on how the threat of social media is a double-edged sword. “I don’t see a real threat, but social media is making problems more visible, which is both good and bad. I can take care of issues more quickly now but they are also more visible as well”. As can be seen, when comparing the SWOT analysis responses from respondents of the study to other similar studies on social media, there are strong similarities.

Perhaps, most notable differences are this study’s missing link to how employee empowerment and knowledge sharing can be utilized with social media. Combined with branding it could be a deadly combo. Although they acknowledged that they see opportunities in collaboration and knowledge sharing with social media not one listed it as a strength for the company, rather a notion of something they would like to accomplish.

#### **4.7 Post Questionnaire analysis**

The following section will present simple coding of questions 3, 4.3, 4.4, 4.5, 4.6, and 7. This information included company’s internal strategic directions, and sets of rules and procedures on social media. These questions were open ended so it was up to the researcher to convey the message. For example, when asked, “Does your company have a policy for social media use?”, Participant 2 answered, “No, it is basically both our objective and policy to inform what we are doing well and tell from the company so both staff and the communities involved can follow what’s taking place at the company”. As can be seen in Table 11, six out of ten said no to having a social media policy and four said yes on having a social media policy within the company.

**Table 11 Analysis of Questionnaire**

#	Q.3 Marketing Position	Q. 4.3 Formal Policy	Q. 4.4 Objective	Q. 4.5 Procedure	Q. 4.6 Do you Measure ROI?	Q.7 Collaboration
1	no	no	no	no	no	yes
2	no	yes	yes	yes	no	yes
3	yes	no	yes	yes	yes	yes
4	yes	no	no	o	yes	yes
5	no	no	no	no	no	no
6	no	no	no	no	no	yes
7	no	yes	yes	tes	no	yes
8	no	yes	yes	yes	yes	yes
9	no	no	yes	no	yes	no
10	yes	yes	yes	yes	yes	yes

Question 4.4 was “Are any objectives with use of social media for your company?”

Only three companies of ten said yes to have any objectives with use of social media. So, interestingly as they made note of how important it is to not be online without being active, 67% did not have any formal policies with the use.

Question 4.5 asked whether there is certain procedure within the company before employees post or act on behalf of the company on social media. For those who said yes, the common answer was that there are no formal steps in place, it only goes through the manager and he approves a message before going online.

Table 12 on page 43 lists which social media the companies have made use of. The only one that all companies have in common is a homepage. Interestingly, participant 10 who outsources almost all of its marketing activities to PR agency’s is the one that is ‘active’ on various different social media. The company’s PR agency has to follow the company’s pre-set guidelines, but have full control of the usage besides that. This is in lines with what most studies to date have confirmed; lack of knowledge, know-how, time consumption and costs are clear indicators for why it hasn’t caught more time and effort within companies (Jussila et al., 2013; Brennan & Croft, 2012; Kaplan & Haenlein, 2010). Just as with the listed benefits of blogging, from within or for external use, the perceived benefits are acknowledged. Participant 5 briefly mentioned how his company could make more use of the homepage, “we could start a blog about recipes or something about fish as most of our staff is very knowledgeable on the subject“. This is a good example of how expert knowledge from within could be utilized for greater use. However, the companies aren’t sure whether or for what purpose such knowledge is worth. So, it is speculative

whether the ‘soft marketing’ lingo is what is a setback for companies. Participant 2, who uses Facebook believes it’s a good tool for communication with near communities and people.

**Table 12 Company use of External Social Media**

#	External					
	Blogs		Social Networks		Other	Wiki Based Sites
	Homepage	Twitter	Facebook	LinkedIn	Digital	Wikipedia
<b>1</b>	x					
<b>2</b>	x		x			
<b>3</b>	x	x	x	x		
<b>4</b>	x					
<b>5</b>	x				x	
<b>6</b>	x					
<b>7</b>	x	x				
<b>8</b>	x					
<b>9</b>	x					
<b>10</b>	x		x	x	x	

This concludes the analysis chapter and there are some interesting findings. As can be seen in the SWOT analysis the companies all list some opportunities with social media, however, many of them seem reluctant to take charge of the opportunity and fully utilise social media. The analysis will be further discussed with relevant literature in the discussion section.

## 5 Discussion

The research question: *“To what extent do the Icelandic B2B companies in the fisheries industry make use of the social media”* will now be addressed by combining literature review with statements and comments from the participants. Overall, the study has touched briefly on a range of subjects related to the fisheries industry’s utilisation, and perceptions of social media.

Three earlier studies of B2B companies and social media by Jussila et al. (2013), Helfenstein & Penttilä (2008) and Vuori (2011), were mentioned earlier in the research and introduced some common drawbacks of social media. For the Icelandic participants to the survey, the same answers re-occurred. The general drawback for social media use, as mentioned in section 1.1 is the lack of generic resources, time, knowledge or understanding of the various media.

As was noted under the marketing chapter, soft marketing tools which help in achieving sales objectives are also important for image related facilitation. Brennan & Croft (2012) noted how marketing is driving companies towards establishing themselves as thought leaders and industry experts in various areas. In similar manner, Armstrong & Kotler (2012) mentioned the marketing evolution within B2B as branding is part of the information changing environment online. Furthermore, Leek & Christodoulides’s (2012) statements on product quality and Table 4 by Ulaga & Eggert (2006) which listed values such as service support and supplier know-how as few benefits to the relationship value, show that social media can clearly be of help. Social media, which in general is a low cost medium compared to traditional advertising (Okazaki & Taylor, 2013), therefore offers marketers of Icelandic fishing companies all above mentioned factors to help establish roles as market thought leaders, who represent a quality product and are able to provide exceptional service support besides being hundreds of kilometers from main markets. The notion of soft marketing hasn’t yet reached to showcase its benefits but academics demonstrate and have shown what it is that buyer/seller relationships value.

In similar manner, as companies demonstrate expert knowledge and showcase the high quality fish there is need to emphasize the importance of corporate branding. For B2B companies, Leek & Christodoulides (2012) argued the value of a corporate brand over product branding. Baumgarth (2010), on a similar point, listed the importance of corporate branding and stated that corporate branding dominates the B2B environment. From this research, Participant 1 stated that his product and ship were known for quality.

Reflecting on that statement, it is interesting to speculate whether a buyer will keep faith in a certain product should his personal contact be fired, resign or leave for some other reason. A corporate brand would create an attachment with the company, not a single employee. Moreover, Leek & Christodoulides mentioned the danger of overconfidence in products and the reliance on personal relationships over corporate branding strategies.

As noted in section 4.3 of the Results chapter, there is some turmoil around the strategic direction of companies. In-house objectives, rules and procedures for use of social media seem to be lacking. This, as was demonstrated by some of the participants, is likely due to lack of marketing personnel, distance from markets and outsourcing of marketing to the respective target markets. According to Bishop et al. (1984), in order to avoid demand volatility and better battle derived demand, marketing diversification would be much needed. However, the danger of shifting markets rapidly and having a decentralized marketing strategy lies in the lack of control for the firm. Entering two different markets on different marketing strategies can be successful, however there is the potential pitfall that the corporate brand start dispersing and having different value across markets. By using social media companies are in a great position to diversify product marketing between markets. It is however noted that it be done through a centralized approach where objectives, procedures and strategy be chosen from home, and outsourced marketers can roam within that frame. Participant 10, had clear cut strategies, objectives and policies set out for three various marketing firms to use across three different markets.

As was discussed in the introduction, the EU has launched the initiative *Digital Agenda for Europe* which aims to increase corporate presences on the internet, improve marketing opportunities, facilitate collaboration and knowledge-sharing within enterprises and encourage communication and interaction with partners, customers and organizations (Giannakouris & Smihily, 2014). All respondents in the research besides two showed interest in creating a medium to collaborate and allow the sharing of information. Employee empowerment, internal wiki sites, increased communication and growth from within through brand mantras are all factors which combine under information collaboration (Jussila et al., 2013; Leonardi & Treem, 2012; M. Vuori, 2012). Iceland's largest export markets for fish are in Europe so undoubtedly it would be beneficial for companies to be prepared to take part in corporate actions which counterparts and business partners abroad will most likely also be incorporating into their business structure in coming times.

Brennan & Croft (2012) stated that history shows that early adoption and the effective implementation of successful actions between two different industries can be rewarding if done correctly. As trade shows are a huge part of these companies marketing strategy to date, Rinallo et al. (2010) suggested that memorable and innovative marketers can obtain competitive advantage over their competitors by creating positive customer experiences. Interviewee 5 was very positive regarding his company's uptake of digital media for their products and business cards but hesitant to consider social media as a platform for marketing. These experiences (Prahalad & Ramaswamy, 2004) comprise of complex related behavioral, emotional and cognitive elements (Rinallo et al., 2010). Jussila et al.(2013) advocated that companies that are early adopters of innovative social media solutions for B2B use might benefit greatly from the investment. Just as company 5 has had success with adaptation of digital media for the employee's business cards at trade shows, it is safe to assume that early adaptation of social media strategies to implement throughout other functions of the business could be greatly beneficial. Whether it be marketing, increased employee sharing or external marketing, the various social media offerings discussed in section 2.9 could harness great results for those who incorporate successful plans from other industries.

As has been discussed in section 4.5, there were some similarities with how participants of the research valued and listed internal and external benefits and risks of social media, meanwhile, this could be a guiding point for how they can make use of the information. Under the theoretical background of the study, section 2.10 introduced how the SWOT analysis can be used as a strategic tool for companies. And on that note, companies could craft a strategy from the upper left box of Table 9 to create an attacking strategy using social media low cost and ease of distribution to gain a wider reach, combining mentioned strengths and opportunities by participants. In similar manner, in order to battle unused media value, through a defensive strategy, employee empowerment could be enforced by asking various employees to blog as a side project, spreading the workload on various employees in order to keep the site active instead of having one person to do it in a small company.

## **5.1 Significance of findings**

In an effort to answer the research question, *“To what extent do Icelandic B2B companies in the fisheries industry make use of the social media?”*

It can be revealed that the current use is moderate, or at least in its infancy. It is the researcher's understanding that there is a shift of focus towards social media, but companies are currently not using it at an adequate level to be labeled as qualifiers or pioneers of social media use. However, this is where a large potential lies, since many of Iceland's competitive markets and companies are in a similar situation. The research showed that most of the companies have a homepage which is not being fully utilized, up dated or made adequate use of.

One significant part of the findings is how open companies are to collaboration between partners, suppliers, internally and with customers. As has been discussed earlier in the discussion chapter, the open-minded answers towards social media and the EU initiative could be a great potential for Icelandic B2B companies in Iceland to get ahead of the competition and seek competitive advantage.

## **5.2 Limitations to Study**

There are four major characteristic problems to keep in mind when undertaking B2B surveys and questionnaires (Baines, 2002):

- Researchers often fail to solve clients' problems;
- Researchers may be unable to participate in the strategic decision-making process;
- There may be a low perceived value of market research information; and
- There is a low status attached to the market research profession.

Some of the respondents lacked full understanding of the subject and therefore some answers were not as useful as anticipated. On the other hand, all contacts were fully responsible for decision-making processes and had significant power within their respective organizations. The value of the research is still undetermined but could have potential managerial implications.

Originally, it was the intention to interview at least three persons from different companies from related positions within the value chain. For example, three different commercial enterprises, three different re-selling managers, three different government branches. However, due to scarcity and lack of responses this was not achievable in the technology segment, and only one company representative was interviewed. Variance in corporate size is also a relevant factor. For example, Figure 10 shows that there are only



two companies which represent a segment comprising of more than 100 employees. These limitations mean that it is, of course, impossible to use this research to make a generalization about the fisheries industry as a whole. In spite of the above mentioned limitations, it is considered that this study represents a broad set of views. Furthermore, qualitative methods aim to gain depth rather than breadth (Harwell, 2011). As such, important views have been gathered from top ranking persons within Icelandic companies in the fisheries industry and from a variety of backgrounds.

### **5.3 Further research.**

Since the research was of a qualitative nature, only a few participants from a wide range of companies were selected and interviewed. Business-to-business marketing offers many possibilities for further research. Building on the current research, the use of quantitative studies is recommended for increasing the validity of responses.

Building on Figure 5, it could be interesting for further research to create a brand-value model theory based on social media. As a firm focuses its efforts more on internal use of technology and media, it can enhance collaboration between partners and therefore lower both opportunistic behavior and the opportunity costs of shifting suppliers. Meanwhile, companies can focus on the external areas of social media to create a theory which is based on increasing buyers' willingness-to-pay with branding strategies and diversification through social media.

One of the more interesting fields to test is that of the cost related issues of social media. Respondents mention costs as both a strength and weakness of social media. On one hand, there is the cost of implementing, learning and the continuing use of social media, while other arguments state that costs can be cut by neglecting more traditional media and putting more focus on social media. In the long run, with adequate training and support, it is believed that social media can pay off sustainably, but for now there is little evidence to support one statement over the other. Perhaps outsourcing of marketing activities online is a cheaper alternative than keeping them in-house and in various markets. Participant 10 has had good experience of outsourcing marketing activities across three different markets with set procedures, objectives and statements; meanwhile, other participants lack the strategic objective and give foreign marketing agencies full power. This also deals with corporate branding versus products branding, where a corporate brand is more structural and formal.

This concludes the discussion chapter which has briefly overviewed most important findings, before listing what are some of the more significant findings of the study. Those included participant's interest in collaboration and increased use of communication based tools which social media could potentially help with. Limitations with B2B marketing studies can be tricky as participants are often of scarce and afraid to reveal important and valuable information. Further research of whether cost cut alternatives of social media can be counteractive to the costs of implementing and setting up social media will be interesting as well as setting up a model to see whether companies engaged in B2B relationships can create a value-based business strategy from social media.

## 6 Conclusion

As has been noted throughout the paper, there is evidence that social media is an emerging concept into almost any role of business and industry. The power of the media lies in its use and, so, it is recommended that companies have strict rules and objectives with its use. There are examples of the media's drawbacks such as uncontrollable publicity, copyright violations, bullying and defamation. However, the social media strengths are in a position to overthrow the drawbacks. Efficient and effective use will increase collaboration between partners, suppliers, buyers and sellers. Moreover, knowledge sharing within companies can have a positive effect as valuable information from within can be leveraged as expert knowledge through employees, empowering both the corporate brand and products. An example of its potential is blogging where expert knowledge is driven from within. Social networks could then be used to distribute the message across and multimedia platforms used to enrich the data which the company wants to distribute. As has been noted, brand mantras are tools which start and end with employees, who in this case, can demonstrate expert knowledge and enhance corporate image and brand.

Through the questionnaire and background readings, much of the paper has listed up how companies and individuals perceive social media. These are both positive and negative thoughts but it will lie in the eye of the beholder how the media will be put to its optimal use. The use of social media and online marketing applications is on the rise and will undoubtedly keep rising as the EU's initiative could impulse counterparts to Icelandic fisheries companies to be more active online. On that note, and, in general, it is the author's belief that Icelandic business-to-business companies engaged in the fisheries industry are in a great position to make further and more elaborate use of social media. This can be done both internally and externally, using the notion of branding to build sustainable competitive advantage. Innovative solution with business cards from one participant in trade shows abroad was a success. Hopefully, it will spark the interest throughout that innovative solutions, implemented correctly, can be of great benefits for companies.

What the respective interviewed companies lack are formal policies, objectives and procedures for the use of social media. However, the opportunities and strength of the media seem to be apparent within the industry and all respondents showed an interest in learning more about the subject. Current setbacks are therefore only believed to be a short-

term problem. The strategic direction and use of social media is an area where there is a much potential for growth.

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## Appendix A - Statistics Survey

**Table A-1 Enterprises Use of Social Media (Statistical Agency, 2014)**

	Social networks	Weblog, microblog	Multimedia sharing	Wiki based tools
Total	58,8	14,7	18,7	5,6
Field of Activity				
Manufacturing and Supply	43,4	2,8	9,6	2,4
Wholesale and retail	66,3	15,7	23,6	4,8
Information and Communication	80,9	42,9	27,5	24,1
Specialised services	53,7	16,8	23,3	8,8
Number of employees				
10-19	56,6	13,0	17,7	4,3
20-49	61,0	14,6	16,3	4,5
50-99	65,2	19,7	17,8	8,7
100+	59,8	20,0	31,9	13,2

**Table A-2 Enterprises Use of Social Media Continued. (Statistical Agency, 2014)**

	<b>With formal policy on use</b>	<b>For marketing</b>	<b>To see customer opinion, views, questions</b>	<b>To involve customers in development of goods and services</b>	<b>For Collaboration with business partners</b>	<b>For recruiting employees</b>	<b>Within the enterprise</b>
<b>Total</b>	<b>20,0</b>	<b>47,5</b>	<b>29,0</b>	<b>8,3</b>	<b>15,0</b>	<b>18,7</b>	<b>24,6</b>
<b>Field of Activity</b>							
Manufacturing and Supply	16,2	27,0	13,6	6,1	8,0	7,3	12,0
Wholesale and retail	21,5	58,0	34,3	5,7	18,7	19,8	25,9
Information and Communication	33,2	67,0	36,9	15,8	19,2	35,1	42,1
Specialised services	30,4	43,5	25,5	12,0	14,4	17,5	29,9
<b>Number of employees</b>							
10-19	13,9	43,5	27,0	6,1	14,3	15,9	21,6
20-49	20,9	51,3	29,8	7,8	11,7	21,6	26,8
50-99	28,6	57,9	38,1	8,8	23,4	25,0	34,9
100+	41,3	49,8	39,8	20,9	22,0	20,9	27,1

## Appendix B – Business-to-Business Extras

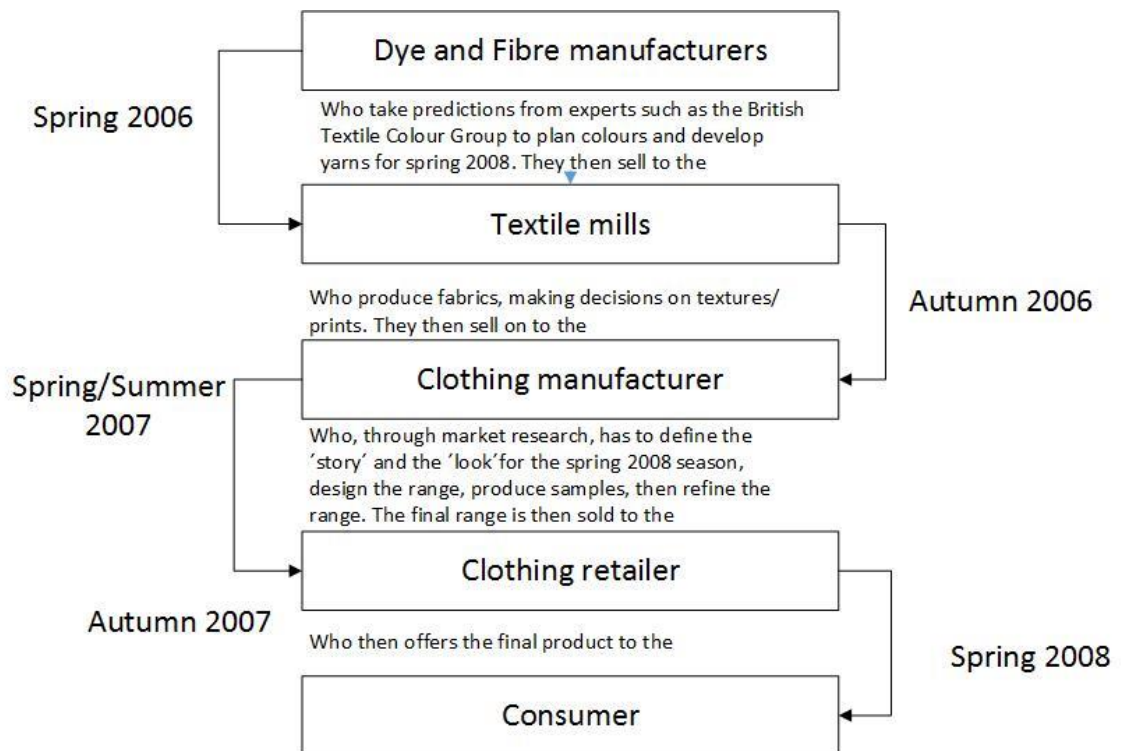
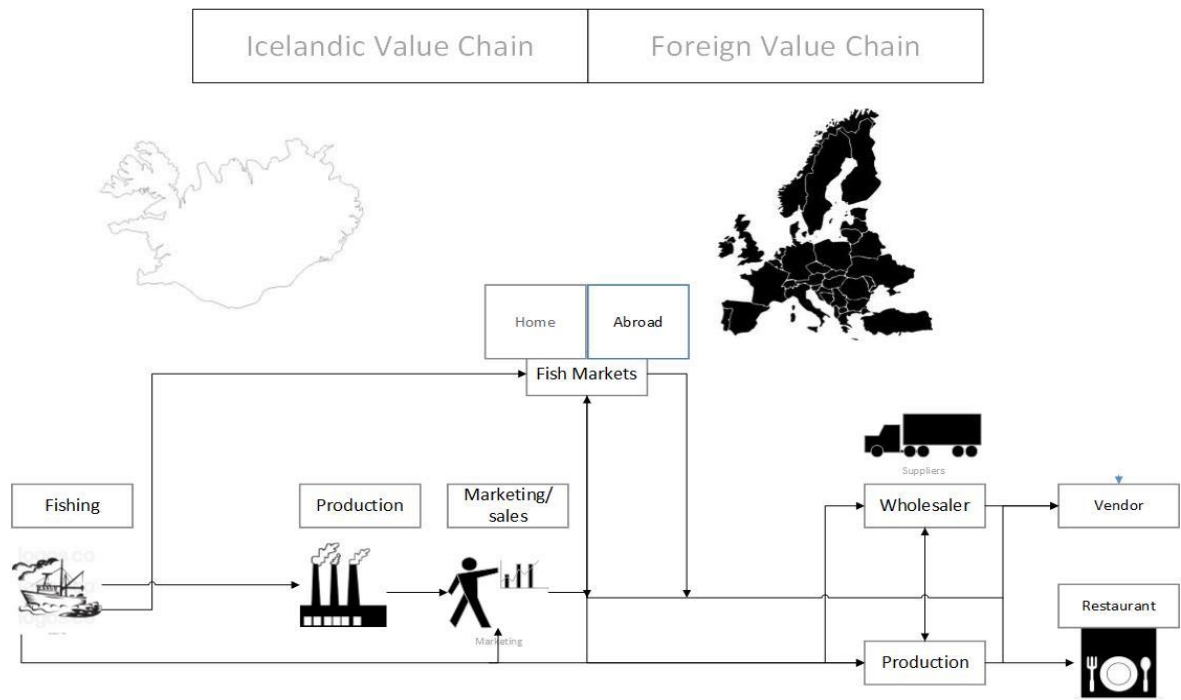


Figure B-1 Derived Demand in B2B markets (Brassington& Pettitt p.154)



**Figure B-2 The Icelandic Value Chain (Ögmundur Knutsson, 2006)**

**Table B-2 Key Steps in the Evolution of Fisheries Management in Iceland (OECD, 2010)**

<b>Year</b>	<b>System in Place</b>
Pre 1965	Little fisheries management. Fishing gear and area restrictions in some fisheries
1965-75	Inshore shrimp and scallops fisheries. Mixture of access limitations, effort restrictions and, in the scallop's fisheries, processing plant quotas.
1969	The herring fishery: Total quota.
1972	The herring fishery: A harvesting moratorium.
1976	The herring fishery: Individual vessel quotas.
1976	The demersal fisheries: Total cod quota.
1977	The demersal fisheries: Individual effort restrictions.
1979	The herring fishery: Vessel quotas made transferable.
1980	The capelin fishery: Individual vessel quotas.
1984	The demersal fisheries: Individual transferable vessel quotas. Small vessels exempted.
1985	The demersal fisheries: Effort quota option introduced.
1986	The capelin fishery: Vessel quotas made transferable.
1988	A system of transferable vessel quotas in all fisheries. Effort quota option retained in demersal fisheries.
1991	A fairly complete uniform ITQ system in all fisheries. Small boats exemption retained.
Post 1991	Various measures to control the expansion of the small vessels fleet. Modifications of the ITQ system.

**Table B-3 Structure Brand Mantra (Keller, 2013, 213)**

<b>Company</b>	<b>Emotional Modifier</b>	<b>Descriptive Modifier</b>	<b>Brand Functions</b>
<b>Nike</b>	Authentic	Athletic	Performance
<b>Disney</b>	Fun	Family	Entertainment

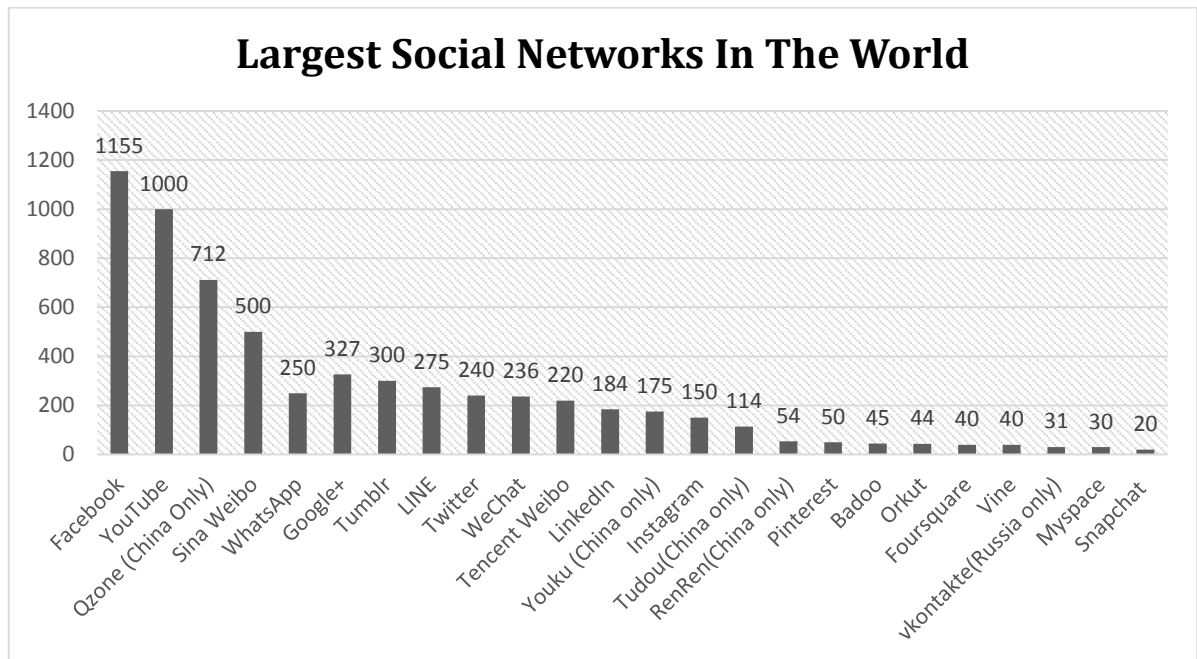
Note: The table shows how Mantra's are structured; with an emotional modifier, descriptive modifier and brand function. For the two respective companies, the mantras are demonstrated in the table. The brand function "describes the nature of the product or service or the type of experiences or benefits the brand provides" (Kevin Lane Keller, 2013). Meanwhile, the descriptive modifier "further clarifies its nature" and the emotional modifier is supposed to show how the brand provides benefits and in what ways (Keller, 2013, p. 96).



**Table B-1 Iceland's Largest Export Markets 2009-2012 (Statistics Iceland)**

#	2009	FOB Value millions ISK	2010	FOB Value millions ISK	2011	FOB Value millions ISK	2012	FOB Value millions ISK
1	Britain	48,667	Britain	46,783	Britain	44,660	Britain	46,855
2	Norway	20,731	Spain	20,768	Spain	21,959	Norway	21,289
3	Spain	19,243	Norway	15,204	Norway	18,765	Spain	19,724
4	Netherlands	15,614	Netherlands	13,632	Russia	17,978	Russia	16,708
5	France	11,369	France	13,135	France	16,501	France	16,653
6	Germany	10,380	Japan	11,605	Netherlands	16,409	Nigeria	16,501
7	Nigeria	10,182	Russia	10,592	Nigeria	12,257	Netherlands	15,266
8	The United States	8,902	Nigeria	10,374	Japan	12,092	Germany	15,271
9	Portugal	8,398	The United States	10,355	Germany	11,617	The United States	13,334
10	Japan	7,953	Germany	10,277	Lithuania	11,388	Lithuania	10,605
11	Belgium	7,798	Lithuania	8,211	Portugal	9,760	Japan	10,559
12	Lithuania	5,578	Belgium	8,109	The United States	9,226	Belgium	8,735
13	Polland	4,967	Denmark	6,483	Belgium	8,715	Portugal	8,621
14	Russia	4,720	Portugal	6,359	Denmark	7,62	Denmark	8,279
15	Denmark	4,644	Polland	5,565	Polland	6,722	Polland	7,129
16	China	2,818	Other European countries	3,599	China	5,122	China	6,579
17	Italy	2,331	China	2,965	Other European countries	3,678	Other European countries	5,476
18	Other European countries	2,179	Italy	2,152	Italy	2,561	Faroe Islands	3,707
19	Taiwan	2,158	Other Asian Countries	1,985	Greece	2,052	Other Asian countries	3,126
20	Greece	1,761	Taiwan	1,871	Other Asian Countries	1,813	Italy	2,728
21	The Faroe Island	1,313	Greece	1,816	Faroe Islands	1,56	Taiwan	1,560
22	Sweden	1,087	Canada	1,307	Taiwan	1,454	Canada	1,417
23	Canada	1,024	Faroe Islands	1,235	Sweden	1,176	Swiss	1,284

## Appendix C – Social Media

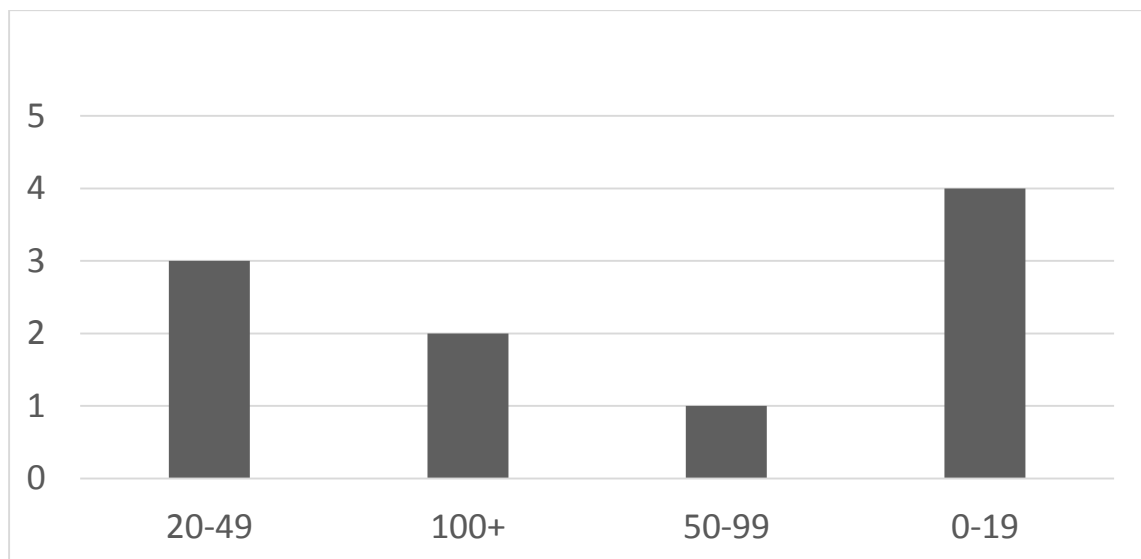


**Figure C-1 Largest Social Networks In The World (Cooper Smith, 2013)**

## Appendix D – Methodology and Analysis

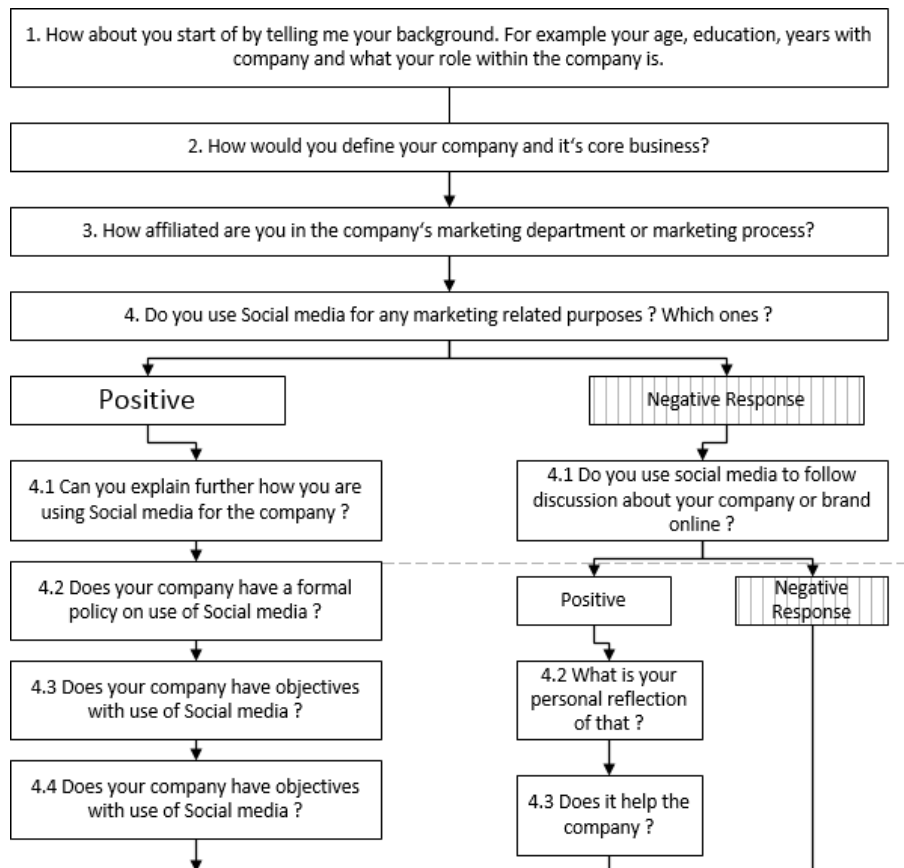
**Table D-1 Participants Gender, Education, Age Group and Experience**

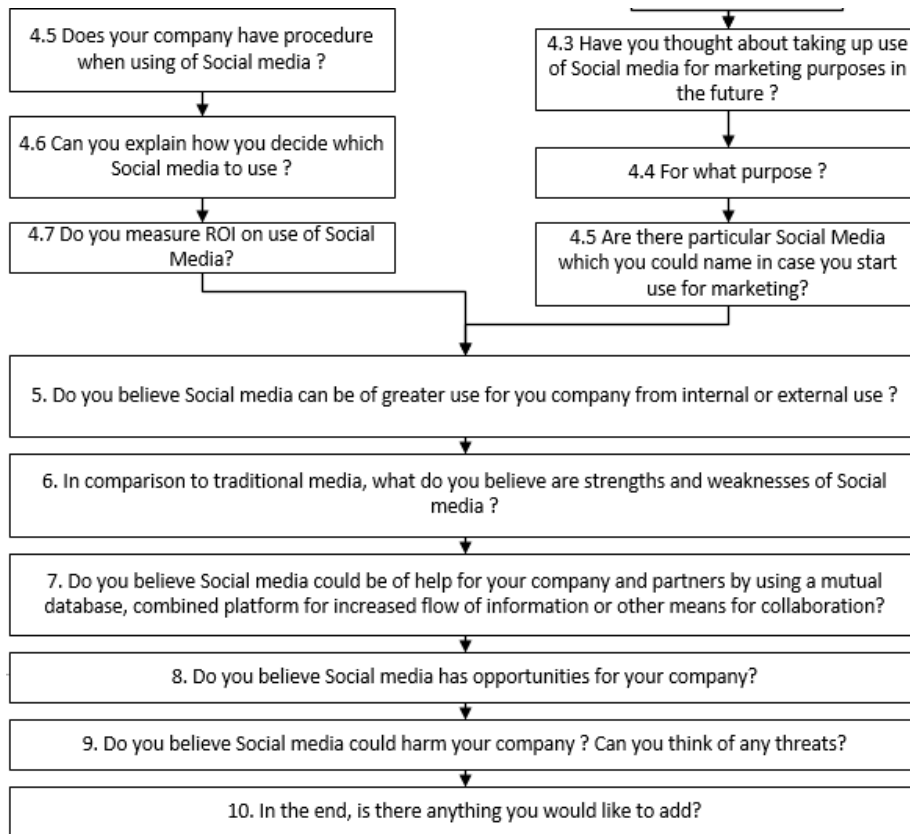
#	Gender	Education	Age Group	Years With company
1	Male	Lawyer	60+	20+
2	Male	Industrial Technologist	40-49	15-20
3	Male	MBA	40-49	15-20
4	Female	MSc. In Journalism	30-39	0-5
5	Male	Biology	40-49	15-20
6	Male	Fishery Studies	40-49	0-5
7	Male	Philosophy	50-59	0-5
8	Male	MBA	50-59	20+
9	Female	Business Administration	30-39	0-5
10	Female	MSc. In Marketing	50-59	0-5



**Figure D-1 Number of Employees of Participating Companies**

This research is conducted as part of my master thesis in International Business at Reykjavík University. The aim of this questionnaire is to gather information on how Icelandic B2B companies associated with The Fisheries Industry and sub-sectors use social media. The social media strengths and weaknesses will be analyzed and also to see how managers of these companies value the opportunities and threats. I would like to emphasize that you only speak on behalf of your company and not your general use of social media. Examples of social media are Wiki sites, blogs, social networks or multimedia sharing sites. These include wikipedia, blogs and microblogs like wordpress and twitter, social networks are Facebook and LinkedIn while multimedia sites include youtube etc. The interview will be recorded but erased upon completion of transcribing. Full confidentiality of participants is promised and your answers will not be traceable back to you or your company.





**Figure D-2 Research Questionnaire**