



INVESTIGATING THE BUYER-SELLER RELATIONSHIPS IN THE ECONOMIC RECESSION: A QUALITATIVE APPROACH

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ABSTRACT

The research paper described the in-depth interviews used in investigating the buyer-seller relationships in the e-commerce world during the economic recession in Greece. The data collected from these interviews were analyzed. The qualitative research findings identified how B2B e-commerce has started to change the future of the participating organizations in Greece. On the one hand, a number of benefits have occurred from the development of e-business and on the other hand, B2B firms need to adopt an innovation culture and redefine their relationships with their partners from the e-marketing point of view in order to survive in the rapidly changing environment. The results of this research are used to assist the author in the future to examine a larger sample of B2B firms in order to validate the intention of companies to move from the traditional environment and to establish e-relationships in an e-business context.

Keywords: *B2B relationships, e-marketing, e-business, trust, commitment.*



1. INTRODUCTION

B2B activities are shifting to the online environment, where stakeholders are enabled to access a variety of information and services that can be considered as a key element of their competitiveness (CHUNG et al, 2003; ALEXANDER; KORINE, 2008).

On the other hand, the use of the internet is increasingly expanding in B2B relationships in order to improve effective communication and distribution and to streamline processes with customers and stakeholders (WEI-MING OU, 2014).

As Eid et al (2006) stated, a firm going global through the use of the internet should take into consideration some important factors that define an e-marketing strategy as well as redefining the organization's internal processes, since the internet has changed the rules of traditional business (AUTRY; GOLICIC, 2010). Some scholars (RATNASINGAM; PAVLOU, 2003) have argued that the internet has created a new marketing arena by moving organizations closer to their customers.

In the world of e-marketing success is defined by the firm's ability to build long-term customer relationships that bring value to the customers and stakeholders and sustain profitability for the organization. Despite the fact that the internet can enhance relationships, it can also have a detrimental effect on them if the appropriate strategy is not applied (VIDAL, 2014; STIGLITZ, 2002).

Technology alone cannot provide a magic solution that will immediately resolve all e-marketing challenges. According to Strauss and Forest (2003), an important element of defining the strategy to adopt for e-marketing and e-business in general resides in determining the company's initial level of commitment (SAMANTA et al., 2008; O'CONNOR; DEMARTINO, 2006).

In the B2B area, fully realizing the potential of B2B electronic commerce requires coordinated efforts among partners, who usually have conflicting objectives. When successfully implemented, inter-organizational information sharing makes supply chains more efficient.

The B2B internet usage is growing in popularity for many reasons, ranging from cost savings to gaining benefits in the value chain. Technology provides obvious benefits for organizations, such as the ability to carry out transactions



around the clock, and increases the confidence of business partners due to their online transaction ability (GUERCINI; RANFAGNI, 2015).

Therefore, companies can exploit e-marketing successfully by investing in a combination of innovative implementations of technology business process enhancements and organizational changes that are part of an overall e-marketing strategy (DENNIS et al, 2004; WEI-MING OU, 2014).

B2B internet marketing has received widespread attention as one of the key drivers in sustaining an organization's competitive advantage. On the other hand, the development of internet usage has experienced transformations, particularly in the area of the expectations of organizations for creating value within a supply chain.

This allows businesses to extend their relationships with customers, suppliers, retailers, brokers, co-producers, employees and shareholders and achieve a more personalized relationship with them (WANG; LALWANI, 2007; SAMIEE, 1998). The development of such personalized relationships is a key goal of marketing, because they tend to be more sustainable (KALACOTA; ROBINSON, 1999; WEI-MING OU, 2014). The research asks the following research questions, which state clearly, what the study investigates:

- How does globalization affect B2B firms?
- How do B2B firms have to change their business concept in order to respond to the pressure from globalization?
- What are the opportunities of the new culture for involvement in B2B e-commerce? What are the benefits for involvement in B2B e-commerce?
- What are the characteristics that impose B2B e-relationships to take place compared with traditional relationships?

2. LITERATURE REVIEW

According to Buvik et al., (2014), the areas of the industry value chain facing the greatest changes due to e-business and its supporting technologies are the traditional marketing practices, customer services and sales.

Also, Grant et al., (2014) Singh and Smith (2004) and Weller (2000) stated



that the field of marketing is at the centre of the changes caused by the industry's entry into the digital environment (SINGH et al, 2003).

The term "e-marketing" tends to refer to an external perspective of how the internet can be used in B2B activities are shifting to the online environment, where stakeholders are enabled to access a variety of information and services that can be considered as a key element of their competitiveness (CHUNG et al, 2003; TURBAN et al., 2002).

On the other hand, the use of the internet is increasingly expanding in B2B relationships in order to improve effective communication and distribution and to streamline processes with customers and stakeholders. As Eid et al (2006) stated, a firm going global with the internet should take into consideration some important factors that define an e-marketing strategy as well as redefining the organization's internal processes, since the internet has changed the rules of traditional business.

Some scholars (DOWELL et al., 2013; RATNASINGAM; PAVLOU, 2003) have argued that the internet has created a new marketing arena by moving organizations closer to their customers. In the world of e-marketing success is defined by the firm's ability to build long-term customer relationships that bring value to the customers and stakeholders and sustain profitability for the organization.

Despite the fact that the internet can enhance relationships it can also have, a detrimental effect on them if the appropriate strategy is not applied (STIGLITZ, 2002). Technology alone cannot provide a magic solution that will immediately resolve all e-marketing challenges. According to Strauss and Forest (2003), an important element of defining the strategy to adopt for e-marketing and e-business in general resides in determining the company's initial level of commitment (O'CONNOR; DEMARTINO, 2006).

In the B2B area, fully realizing the potential of B2B electronic commerce requires coordinated efforts among partners, who usually have conflicting objectives (PAULSEN, 2014). When successfully implemented, inter-organizational information sharing makes supply chains more efficient. The B2B internet usage is growing in popularity for many reasons, ranging from cost savings to gaining benefits in the value chain.



Technology provides obvious benefits for organizations, such as the ability to carry out transactions around the clock, and also increases the confidence of business partners due to their online transaction ability (RATNASINGAM; PAVLOU, 2003). Therefore, companies can exploit e-marketing successfully by investing in a combination of innovative implementations of technology business process enhancements and organizational changes that are part of an overall e-marketing strategy (DENNIS et al, 2004; SAMANTA, 2009).

It has both an internal and an external perspective, considering how marketing processes and communications can be improved through information and communications technology in order to achieve e-marketing objectives (JONES, 1996).

The internet enables the customer to be in touch with the firm at any time and from any point of the compass, in order to collect information and perform transactions (TURBAN et al, 2002), which can be adjusted to the special needs of the customer.

These processes and their absorption by firms have reconstructed the way in which firms develop and manage their relationships with customers (SINGH; SMITH, 2004). In the world of e-marketing success is defined by the firm's ability to build long-term customer relationships that bring value to the customers and stakeholders and sustain profitability for the organization.

The fact is that there is confusion over the definition of the term e-marketing in B2B e-relationships indicates the lack of a coherent theory that could explain this phenomenon. The academic community, so far, has tried to mix already-existing theoretical models to investigate and explain issues related to marketing in B2B e-relationships (BUVIK et al., 2014).

As e-business applications become commonplace and more sophisticated, B2B firms face the problem of technological innovation, software integration and the difficulty of efficiently designing and implementing their internal business processes.

The change in the B2B industry has been rapid, making it difficult for companies to examine thoroughly the advantages and disadvantages of different ways of managing inter-firm relationships (ARUNKUNDRAN; SUNDARARAJAN,



1998). Many are struggling to understand and keep abreast of the technology that is necessary to ensure their success or even survival in an increasingly competitive business environment (MALHOTRA, 2001; BARTLETT; GHOSHAL, 1990; CAO et al, 2005; LADO; BOYD, 1997; SHAPIRO; VARIAN, 1998; BUVIK et al., 2014; CHEE; HARRIS, 1998; RHINESMITH, 1993a).

As technology continually improves, managers in Greece are forced to cease the opportunities and adopt electronic business to gain a competitive advantage through e-marketing. The marketing strategy perspectives and tools that were formulated based on a competitive landscape inhabited by traditional firms, such as relationships among B2B firms and their relevance to the new electronic world have not been investigated (PAVALOIA, 2009).

The importance of the future role of e-marketing should form part of the vision and the organizational culture of a company. Since a company's future impact will be significant to most businesses, marketing has a broad perspective, implies the adoption of new technologies in B2B transactions in order to gain business success via process innovations, and approaches such as customer/buyer–seller relationship management.

According to Bondra and Davis (1996), five marketing strategies can lead to a sustainable competitive advantage in relation to B2B e- relationships:

- Actively collaborating with supply chain partners
- Extending the company's reach up and down the supply chain
- Changing the supply chain flow path
- Growing revenue
- Transforming capabilities into new business.

Most of these elements involve benefits filtering to the supply chain and are therefore relevant when assessing B2B relationships. Similarly, Rathansingham (2002) mentions the needs that are generated from:

- The urgency to lessen the working costs,
- The urgency from collaborators, who have proceeded in electronic operational solutions,



- The urgency from competitive threats, as they are formed in the digital environment,
- The urgency for the exact monitoring and satisfaction of the request,
- The pressure for the reinforcement of the relationships with customers,
- The pressure for better financial cycles between offer and demand.

The way in which a business addresses each of these e-marketing strategies has an impact on the B2B relationships and it is therefore important that this is sufficiently assessed by the organization (DONALDSON; O'TOOLE, 2007; BERGER, 1995).

Industrial firms place an increasing emphasis on building long-term relationships in order to achieve mutual goals (SPARKES; THOMAS, 2001). Therefore, it is important to explore the impact of e-marketing on B2B e-relationships as represented as one of the most serious challenges facing firms.

The importance of adapting business models in the strategy of firms is imperative as well as the need for new designs of inter-firm networks. Because of the fact that supply chain management has a significant impact on overall business performance (TAN; KANNAN, 2006), new studies that take into account the new capabilities as well as the dynamics due to the introduction of electronic transactions are needed.

Furthermore, additional methodological approaches are needed to outline implementation issues and strategies (CHUNG-HOON; YOUNG-GUL, 2003).

In the second decade of the new millennium e-commerce marked by innovations making online transactions easier (FORESTER RESEARCH, 2010). Firms are investing their newfound profits in emerging technologies, such as sophisticated analytical and personalization tools that enhance the online experience for existing customers.

The result is that businesses no longer view the Web as a low-cost sales channel but as a way of improving customer service and retention. Businesses are debating their online strategy and many believe that they had become too focused on sales.



“Now they’re looking at their Web sites as a way to drive in-store traffic and increase their engagement with customers”, says Forrester Research Vice President Carrie A. Johnson. “This is a huge shift in philosophy as e-commerce enters a more sophisticated phase.”

New technology is now available that enables businesses to provide their sales people with channel partners. This has boosted US online retail sales from \$172 billion in 2005 to \$329 billion in 2010, according to a new forecast by Forrester Research, Inc. (Nasdaq: FORR). The increase translates to a solid 14 per cent compound annual growth rate over the next 5 years (FORRESTER RESEARCH, 2005).

As online commerce continues to grow overall, customer expectations for B2B e-commerce are also changing rapidly. Companies serving business buyers are realizing that the old ways of conducting business are no longer sufficient. B2B companies that wish to grow and become more profitable are looking to adopt e-commerce.

Forrester Research explains, “e-commerce platforms have a relatively low cost but high return on investment in the spectrum of enterprise IT projects and support a new or maturing revenue stream that meets the needs of a changing customer” (FORRESTER RESEARCH, 2010).

This makes online commerce more important than ever in the B2B market. According to a recent study by Manufacturing Insights, “Although the ongoing down market has hit online purchasing growth as well, B2B e-commerce spending continues to grow and will take a share from the struggling offline economy” (MANUFACTURING INSIGHTS, 2010).

Similarly, Managing Automation Magazine (2010) reports that “27 percent of survey participants said their business grew during the last two quarters of 2009. The internet has taken center stage in this recovery.”

As e-commerce comes to play a more central role in business, B2B companies realize that their existing, often primitive e-commerce solutions are insufficient and invest in improving their e-commerce strategy. Indeed, 48 per cent of companies surveyed in research by Forrester Research said that an e-commerce platform was their technology investment priority for 2010



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(FORRESTER RESEARCH, 2010).

B2B organizations that choose to adopt a modern e-commerce strategy will increasingly benefit as the economy continues to improve over time. Conversely, B2B companies that fail to adopt such strategies are likely to fall significantly behind their competitors.

As Manufacturing Insights reports, “manufacturers are more likely to emerge in a position of strength from the economic downturn if they put in place an effective B2B e-commerce strategy. This will give them the ability to face intense competition from home and abroad, as well as gain the responsiveness and reliability that is essential in this sector.”

E-commerce technology is continuing to evolve, prompted by increasingly complex market demands. In 2010, many of those demands centred around the following three trends: 1) the increased desire to leverage customer context drives the need for robust content management solutions with advanced targeting and site optimization capability; 2) customers continue to seek the convenience of multichannel, and e-business leaders look to their e-commerce technology providers to minimize the complexity of serving customers via many touch points; and 3) B2B e-commerce is emerging as a growing and critical component of the overall sales landscape (FORRESTER BLOGS, 2010).

Regarding Greece, a new report by the World Economic Forum ranks countries in the period 2010-11, with the introduction and utilization of new information technologies, networks and telecommunications; Greece occupies the 64th position among 138 countries.

Greece is still technologically far from the northern countries that monopolize the research and technology industry, spending large sums of money. More specifically, Greece has low access to the new economy in B2B transactions and the society of information of all the countries in the European Union, given that it has low expenditure on research and technology.

Greece, although it lags behind other European countries regarding the penetration of new technologies, is starting to show signs of development in B2C transactions (<http://www.go-online.gr>). The penetration of broadband internet in the Greek population is (2252653.00 in 2011) certainly contributes significantly to



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develop B2C transactions, and this is because the prices of broadband internet in the country are somehow low compared with the rest of Europe (www.tradingeconomics.com).

At this point it is necessary to reflect on the situation of the Greek economy in an economic crisis period to demonstrate the role that B2B e-commerce can play in the recovery and strengthening of the Greek economy.

In Greece the adoption of the euro led to a dramatic increase in consumer spending, which gave a significant boost to economic growth. Between 1997 and 2007, Greece averaged 4% GDP growth, almost twice the European Union (EU) average.

As with other European countries, the financial crisis and resulting slowdown of the real economy have taken their toll on Greece's rate of growth, which slowed to 2.0% in 2008.

The economy went into recession in 2009 and contracted by 2.0% as a result of the world financial crisis and its impact on access to credit, world trade and domestic consumption, the engine of growth in Greece.

High growth and low interest rates had masked major fiscal and structural weaknesses, which were aggravated by the global financial crisis and ensuing recession. As a result of a high 2009 fiscal deficit, mounting ageing and entitlement costs and deteriorating competitiveness resulting from higher than Eurozone-average inflation and rigidities in product and labour markets, the markets in early 2010 began to question the sustainability of Greece's public debt (2009 debt recently revised upward by Eurostat from 115.1% of GDP to 126.8% of GDP). The global crisis and the consecutive recession caused an increase in unemployment to 9.4% in 2009 (from 7.7% in 2008).

Foreign direct investment (FDI) inflows to Greece have dropped, and efforts to revive them have been only partially successful because of declining competitiveness and a high level of red tape and bureaucracy. Greece has a predominately service economy, which (including tourism) accounts for over 73% of the GDP.

Almost 9% of the world's merchant fleet is Greek-owned, making the Greek



fleet the largest in the world. Other important sectors include food processing, tobacco, textiles, chemicals (including refineries), pharmaceuticals, cement, glass, telecommunication and transport equipment.

The agricultural output has steadily decreased in importance over the last decade, now accounting for only about 5% of the total GDP. The EU is Greece's major trading partner, with more than half of all Greek two-way trade being intra-EU.

Greece runs a perennial merchandise trade deficit, and its 2009 imports totalled 49 billion (euro) against exports of 18 billion (euro). Tourism and shipping receipts together with EU transfers make up for much of this deficit (U.S. DEPARTMENT OF STATE, 2010).

In this business environment, the question is therefore whether Greece seizes the opportunities and reinforces its competitiveness and productivity. It is widely believed that B2B e-commerce helps firms to reduce costs and to improve their access to the global market.

The global economic downturn in the business environment has not slowed the international expansion of e-commerce initiatives and may under certain circumstances be an outlet for some businesses (VIDAL, 2014).

Particularly promising are the data concerning e-commerce between businesses and consumers that has entered the stage of maturity in Greece. The Greek users (4.970.700) of the internet in 2010 fed through electronic trading of more than 1 billion euros just last year.

This is a very encouraging number that indicates the existence of a potentially large market, which the Greek business community should take advantage of, especially now, in the midst of the crisis.

The truth is that Greek e-commerce is not entirely online since purely online companies in the country are minimal. Both the offline businesses and their respective e-shop and users remain in the traditional models and traditional markets.

To settle these problems, more extended cooperation between the state and the business world is required. The Greek companies must keep up with the new



business requirements concerning new technologies, in order to reinforce their technological infrastructure and gain wider training of their executives (SAMANTA; KYRIAZOPOULOS, 2011).

In order to meet the expectations and changes in the business environment in an economic crisis period, the contemporary medium-sized companies in Greece have to react frequently and quickly to this new business environment by accepting an innovation culture and undertaking actions in response to business pressures, which mean continuously undertaking new initiatives and adopting innovations, organizing access in business or departmental networks and adjusting production to the international models, to switch from traditional commerce to electronic commerce.

Also, B2B firms, by undertaking critical response activities such as innovative culture response, an extended supply chain and product customization through e-commerce, will succeed in becoming multinational and also be concerned with the continuous improvement of costs by taking measures for increasing productivity and full visibility of the supply chain while orientating on the world market.

When the companies focus on the above efforts, they should take into account the constant widening of the personnel's knowledge and invest in it, by understanding that knowledge today constitutes the strongest advantage for competitiveness, in order to move to broad applications of informatics and new technologies. On the other hand, the state has to reinforce the companies' effort to found the adequate infrastructures, in order to accomplish the much desired progress and international reward (SPARKES; THOMAS, 2001; CHONG; PERVAN, 2008).

Actions and measures to do with the reassessment of the framework that today still creates boundaries (deregulation of the markets, cutback of the civil services, motivation for mergers, creation of venture capital) are required with the development of the capital markets to make the financing of these adjustments easier (BARRY, 2008).

The improvement of the information net for on-time information concerning the international changes and the importance of adjustments as well as the radical



restructuring of education and training, stressing new systems of informatics and the positive connection of education and production, are two additional actions that are required (FORRESTER BLOGS, 2010).

As a conclusion, the new economy seems to be changing the world dramatically. It is creating new possibilities for development in countries such as Greece. It is creating a global economy obliging everyone to be properly prepared to confront the pressures of international competition.

The responsibilities of both the state and the business world are immense and any delays will have a negative effect on both industry and government.

3. RESEARCH METHODOLOGY

Qualitative research was carried out with singular and multiple interviews from three firms (two multinational firms and one domestic) which are operated in Greece. The reason for selecting two multinational firms is that the subsidiaries of multinational firms in Greece are medium-sized since they employ up to 250 employees.

The approach in this qualitative study, including in-depth exploration of the complex processes, involved the behaviors and attitudes of managers to e-relationships and their effect in order to examine the management perception towards the research problem.

The aim of the qualitative research was to gain an understanding not only of the influence of e-commerce in firms' activities but of their attitudes and perceptions of e-relationships and the criteria they consider important between the buyer and seller.

After each interview was conducted, the recordings were transcribed. The transcription procedures involved three steps to ensure a high quality transcript. After the initial transcription of the interviews, the tape and the first version of the recording were listened to again and checked for inaccuracies.

Thereafter, before coding the transcripts and notes, the researcher listened to the tapes once again to ensure accuracy. During the process of coding, it was often necessary to listen to parts of the tape for a third time, especially in instances where there was some possible ambiguity in the transcribed text. Secondly, all the



summaries were combined in order to keep all the different kinds of sentences or thoughts but deleting sentences with exactly the same meaning.

Thirdly, all sentences were cut loose and grouped together based on their meaning. The benefits deriving from the qualitative research and the interviews were useful for investigation of the examined areas, thus assisting in the improvement of research issues and resulting in the unification of the existing knowledge and the precise determination of the research problem (DICK, 1990).

Moreover, it provided flexibility so that all the issues pertaining to the research problems could be traced and delved into. The interview started with general but unstructured questions, followed by an integral scrutiny of the particular issues. In this specific case, the sample was constituted of experts from three industries.

The first step in designing the interview was defining the information and the nature of the issues arising from the bibliography. The procedure began with issues referring to a bibliography review on globalization theories, innovation culture and relationship marketing in order to develop the basic hypotheses of the research scope.

Then the initial questions were defined, as well as the choice of the enterprises to be questioned and the group of interviewees. The transcription for each interview was realized on the same day that the interview took place. The basic issues presented to each interviewee were written in a detailed summary after each interview.

Following this, a report was elaborated on the interpretation results and it was compared with the results report from each interview that would follow. This procedure led to the gradual modification of the analysis, as new issues emerged after each interview (BATONDA 1998; DICK 1990; NAIR; RIEGE, 1995).

Choosing the size of the interviews sample had to be as heterogeneous as possible and relevant to the issues at hand (DICK, 1990). Therefore, a deliberate and non-random sampling method was judged to be the most suitable (PATTON, 1990).

An important part of the sampling process was choosing the first business



through the 'snowball method' (NAIR; RIEGE, 1995). This means that the expert chosen for the first interview then pointed towards others who were familiar with this field of research.

In the twelve interviews realized, the parties questioned were: the assistant general manager, as well as the marketing, sales and logistics directors with significant experience in sales and in the market and the e-business sector. The interviews conducted in the framework of the samples, and the design and management of these interviews, were as recommended by Carson et al. (2001), as described in detail in chapter 6: communication with the business, time adjustment, creation of sympathy and neutrality, open question, probing question, summary, closing of the interview.

The research involved in-depth exploration by interviews with sales managers, logistics managers, marketing managers and assistant general managers in firms Alpha, Beta and Gamma. The interviews were tape-recorded and each lasted between 45 and 90 minutes. In total twelve meetings were conducted, with four in each firm.

The interviewees' names are designated with letters from A to D for reasons of discretion: (Multinational company) Alpha Firm – (AA) assistant general manager, (AB) marketing manager, (AC) sales manager, (AD) logistics manager; (Multinational company) Beta Firm – (BA) assistant general manager, (BB) marketing manager, (BC) sales manager, (BD) logistics manager; (Domestic firm) Gamma Firm – (GA) assistant general manager, (GB) marketing manager, (GC) sales manager, (GD) logistics manager.

These codes will be used in brackets to mark the interviewees' information.

The interviews used questions categorized according to Kvale (2003)

- a) Introductory questions: "Can you tell me about...?"; "Do you remember a case where...?", "What happened in the incident that you are mentioning?"
- b) Probing questions: "Could you tell us something more about this?", "Can you give us a detailed description of what happened?", "Do you have further examples of this?"
- c) Definition questions: "What had you considered at the time", "What did you



really do...”

- d) Direct questions: “Have you ever received help from the government?”
- e) Indirect questions: “How do you think other companies respond to competition?”
- f) Structured questions: used when the topic has been exhausted following a long pause and irrelevant answers: “I would now like to introduce another topic of discussion...”
- g) Silence: pauses were used, so that interviewees could have enough time to think and link the information, reflect and break their silence.
- h) Interpreting questions: “Now, does this mean that ...?” “Is it true that you feel that ...?” “Maybe the expression...?” “Justify what you just expressed”.

The first question posed to each interviewee was a broad and general one. The interviewed parties were asked to narrate a story from their experience and explain the way that electronic activities are used in a B2B situation. The question allowed the researcher to obtain a general picture of the role played by e-commerce in the specific business. Most participants agreed that e-commerce has become a strategic part of their entire business activity.

4. QUALITATIVE RESEARCH RESULTS

4.1. *The effect of the internal and external environment in buyer-seller relationships*

The interviewees were asked to refer to the business environment and how the changes that take place in it influence their businesses. First, the factors from the business environment were recognized as crucial in order to develop ‘new’ ways of doing business and adopt an e-marketing strategy.

A significant motive of those questioned is globalization and the free market economy, as the global economy requires an understanding of the foreign marketing environment.

The interviewees were asked about the growth of their company in Greece. One interviewee said:

“We are quite reluctant to develop a further factory in Greece because the



environment is fluid...” (AA). “Industrial relations are not flexible with high non-labour costs.” (BA). Another respondent said: “Bureaucracy is a negative factor in the expansion of our business....” (AA).

International delivery is important as it enables the firm to design a logistical system that allows them to deliver their products/services across borders efficiently, as stated by one interviewee:

“The participation of Greece in the Euro has helped us to become a commercial enterprise and not industrial, and thus via electronic commerce we are able to perform our planning deliveries on time...” (BA).

Most participants agreed that e-commerce plays an important role in their relations with other businesses during transactions. More specifically, e-commerce is a mediator in relations between companies, as it offers new information infrastructure, allowing them to develop and maintain their relationships with their basic partners.

Most interviewees believe that e-commerce has generally reinforced their relationship with other businesses. This is because e-commerce allows them to offer information to the buyers / suppliers in a more effective and efficient manner, while reducing communication obstacles. For instance,

“it gives us the opportunity to offer much more information to our partners than before” (AB). “For us it is a boost... there’s no doubt... because we can keep people promptly and precisely updated, which is appreciated” (BC). “It is easy and cost-efficient for maintaining the relationship BD”.

E-commerce is also opening doors for more relationships and accelerates the process of relationship building from its outset, through negotiation, creation, until completion. For instance, “it would take months or years to build cooperation relationships. We can now accelerate this and do it in two months” (BB). “Through e-commerce we can receive the information we need in time and inform the client in due time ...” (GB).

However, most interviewees mentioned that e-commerce has little effect on the supplier/buyer relationship. For instance, one interviewee stated that, “there is an interest in maintaining a long-term relationship with the supplier/buyer. The



creation of relationships with new suppliers/buyers demands time and very often you cannot claim a credit (for payment) at a first stage, when you are making an agreement with a new supplier/buyer. Moreover, there are consequences for the cash flows" (AB).

In addition, the levels of these long-term relationships vary according to other factors, such as the product itself. For example, "if there is no big difference between products and the decision to buy concerns mainly their price, then he will probably not put much effort into the relationship" (GC).

4.2. E-commerce facilitates buyer -seller communication

Most of the participants agreed that e-commerce increases communication and has a positive effect on the exchange of information, as a large volume of information can be shared between two enterprises.

For instance, one interviewee noted, "I do not see any change in the number of telephone calls and/or fax communication and in face-to-face contacts ... I believe that it depends on the kind of communication, for it to be more effective in a specific situation" (AA).

Therefore, there is a qualitative increase in communication, due to the cost efficiency emanating from e-commerce. More specifically, the speed of forwarding documents, the number of enterprises that can communicate, and the frequency and attainment of communication have improved through e-commerce. For instance, one interviewee commented: "we communicate through a much larger spectrum now... just like our partners... the communication cycle has definitely been broadened" (BB).

"E-commerce allows for real-time communication" (BB). "We communicate much more now with our clients abroad" (AB). "It was very costly to send advertising brochures or information newsletters ... e-commerce has changed this ... We have sent electronic information newsletters which have kept us in touch with our clients effectively" (GB).

The interviewees also mentioned that e-commerce is generally not used in the initial communication with a partner, when building trust is still in the early stages. As agreements between enterprises develop, e-commerce grows



accordingly. Finally, e-commerce has positive results with regard to buyer-seller communication.

4.3. E-commerce's effect on the interdependence between enterprises.

Most of the questioned parties commented that e-commerce does not have any effect on the interdependence between businesses. This is due to the fact that interdependence in a relationship is determined by various factors such as sufficient knowledge regarding the trading enterprise, and not just the product, as well as factors like its price and localization. For instance, "... we depend greatly on our supplier/buyer, regardless of whether we use e-commerce or not" (GD). An interviewee also commented:

"We are still very much dependent on our relationship with the businesses with which we trade. In a B2B situation, the tendency of the larger companies is to have fewer suppliers/buyers and to maintain good relations with them" (GA).

Moreover, some interviewees noted that the effect of e-commerce hinders the development of the relationship, because in some companies the ability to use e-commerce has become one of the criteria in choosing a buyer/supplier. For example, "We do not begin any sort of business collaboration unless it is in e-commerce... As long as it is locked, not financially but in the sense of business systems procedures, it is hard to give up on the relationship" (BB).

Interviewees were asked to assess the effect of the use of e-commerce on the trust between trading businesses and their partners. Most do not believe that e-commerce contributes to building trust between the trading businesses. "... Trust does not derive from the relationship built through e-commerce. It comes from face-to-face contact and the capacity of two businesses to offer a satisfying performance" (GA).

"We do not trust someone on the basis of their e-commerce information or their e-mails. It is something that comes with time and is based on performance" (GB).

Regarding the building of trust, interviewees consider the maintaining of trust to be more important: "Often, when one attends a meeting, one meets new



associates, one can talk about what the company offers and I can say that I'll email you the relevant information. This is very powerful" (GC).

The effect that e-commerce has on the satisfaction of interviewees with their trading businesses appears to depend on what e-commerce can do for the business. Certain interviewees believe that e-commerce increases their buyer/seller satisfaction because it can be used in such a manner as to improve commerce's rentability. For instance, "e-commerce allows us to provide something which was not possible before, thus definitely increasing the satisfaction level" (AB). "... It is very satisfactory ..." (AC).

Moreover, the interviewees believed that e-commerce leads to the mutual satisfaction of both parties, meaning that, in including e-commerce in their business procedures, they improve the coordination of business activities and therefore their partners' satisfaction with their performance. "It is very useful ... one can do network connections thanks to the rapid access to information offered by e-commerce" (BD). "Yes, it considerably improves the coordination of the business procedure" (BA).

"E-commerce offers information for our business partners regarding how well we execute the specific work, which also defines their level of satisfaction " (AA). "Through better communication – they are kept informed of anything that happens, and it is very likely that their satisfaction remains at a satisfactory level" (BA).

Although e-commerce does not appear to be facilitating the building of trust, it helps in maintaining trust with a partner, allowing for open communication and the transparent exchange of information. Moreover, it facilitates satisfaction through the increased commercial rentability, when businesses incorporate e-commerce in their basic functions. Moreover, the place that e-commerce can occupy in inter-enterprise relations also depends on how buyers/sellers make use of it.

4.4. *Issues pertaining to the interaction between social and structural ties in an e-commerce environment.*

In order to set the base for questions on how e-commerce is affecting relationships, the interviewees were asked first to define the business relationship.



Most definitions include elements such as mutual profitability, with the addition of the notions of value and honesty. Some of the respondents stated that e-commerce provides the ability to carry out transactions around the clock, in addition to increasing the confidence of business partners due to their ability to transact on-line.

They considered that the adoption of an e-marketing strategy can contribute to the regulation of prices and to better control of the supply chain, and also influence the speed of the processes in the internal environment of the organization as well as increasing the growth rate between the departments.

One interviewee stated: "The major advantages are cost reduction, improved supply management, and reduced distribution time for goods, as well as the personalization and customization that the firm implements to respond to its customers' needs" (AC).

Another interviewee stated:

"E-marketing doesn't contribute absolutely to relationship management and their retention in the level of trust among businesses is cautious about the dispersion of information which is more personal than professional" (BB).

In terms of achieving significant quality improvements, firms reported an increase in up-to-date market information, as well as improvements in customization, access to innovative products, personalization and quality of products or services. One interviewee stated: "what plays the most crucial role is the continuum of information about the market, which provides a business firm with indispensable knowledge. This can lead to the creation of an important competitive advantage and therefore boost the company's positioning within the market".

For instance, one interviewee noted, "It must be a two-way street ... There must be honesty among both parties as to what is being contributed ..." (BB) and "there must be a two-way communication between a buyer and a seller to meet their needs ... If I do not have the solution to your problem or you do not have needs, the relationship does not exist" (AD).

Another interviewee added: "To me, the relationship is an added value to the agreement between the supplier and the buyer. One virtually offers and receives



value from this agreement ... Its value must be visible ..." (GD) and "it must be an open relationship ... We must be honest with them and they must be reliable..." (GC).

Interviewees were also asked to comment on the components of a good relationship. "... During the negotiation procedure you must talk about what you can offer as well as about what you expect" (GB). "Communication is important" (AA). "I firmly believe that people communicate with people, they do not just communicate with the company.

A relationship will be built with some people from that company and we will create harmonious relationships with them" (GA). All participants agreed that they try to develop and maintain relationship with their business partners in the long term, due to the financial advantages emanating from these relationships.

"It is important to develop long-term relationships with important partners from our traditional environment and we anticipate this will increase and be stabilized, not only in the e-commerce environment but also in the non-e-commerce environment. The benefit is that the effort will definitely be worth it ..." (GA).

One interviewee gave an example of the benefits emanating from a long-term relationship with clients. "When we presented our new product last month, if our relationship was not as good as it is, we would have had to look at a totally new market, while now we can promote our product to existing clients who know the products and our company... From a financial viewpoint, it is logical to maintain these relationships" (BB).

"When the relationship is long-term, you can identify, either with the way they do business or with the people with whom you close the deals" (AC). Interviewees were asked to comment upon the interactions of structural and social ties under the influence of e-commerce.

For instance, one interviewee mentioned that commitment is related to dependence: "... the more they are dependent on the other business, the more likely it is for you to be committed to the relationship with them" (BB). Considering an adequate information technology infrastructure as a vital pre-requisite for successful B2B e-marketing implementation, one interviewee demonstrated that



his firm was not supported efficiently by an information support system. "The firm's department of information technology is in a restructuring stage and the use of the Electronic Data Interchange (EDI) is in an embryonic stage...." (GA).

The participants from firms Alpha and Beta agree that an adequate information technology infrastructure is a vital factor for the successful implementation of B2B e - marketing. "We use Intranet technologies and an ERP system...".

Two years ago the new manager in firm Gamma introduced a new vision to the organization in order to make it more e-business oriented. While the decision of the senior management was to progress the necessary procedures to change from the "old" to the "new" world of business, they faced resistance from their lower management.

This situation created a "schism" between senior and lower management and as a result several employees were transferred out of the marketing department. The assistant general manager argued that: "there is a question of assimilation of technology and practices by the lower and middle managers, given that if the procedures are standardized as a result of e-commerce the move to e-business will cut jobs... therefore, there is resistance to the speed of the transition to electronic commerce...." (AA).

Another respondent said: "While the parent company pressures us for immediate changes to adopt e-commerce, the lower and middle managers resist" (BA). ".. Industrial relations in Greece are stable... I believe that our solution is to move to electronic commerce instead of revolutionary change, but step by step" (BA).

5. CONCLUSIONS

The influence of globalization, the intense competition and new technologies in B2B e - commerce are the external factors that raise problems and complexities in the future direction of Greek firms. The findings revealed that the internet and technological changes have influenced the three firms to develop an e-commerce strategy.

In the internal environment of the respondents' firms, it is seen that senior



management has a tendency to develop an innovation culture, so that networks that promote innovation are developed. But inter-organizational processes remain a difficult aspect for the three firms to develop, as well as problems encountered related to business culture.

The development of close business partnerships to optimize the adoption of technological innovations faces delays arising from the lack of an innovation culture between senior and lower management. The interviews revealed that the most important relational ties affected by e-commerce are communication, dependence, trust, satisfaction and commitment. On how e-commerce has affected business relationships, the findings suggest that e-commerce has little effect on the relationships between businesses and their suppliers / buyers.

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