

**TITLE**

“NEW” AVENUES FOR RESEARCH IN REFERENCE MARKETING

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**ABSTRACT**

The scientific community produced research on the topic of customer references. Nevertheless, the facts and circumstances associated with general customer reference practices that allow for the establishment of a successful customer-vendor relationship have yet to be fully determined and new research is needed on customer referencing. The purpose of this paper is to uncover new avenues for research within this subject. To achieve this aim, the author conducted a non-systematic theoretical research, which suggests that although the major stream of thought on customer referencing arrives from the Industrial Marketing and Purchasing community, the industrial networks framework has not yet been applied in the study of the referencing phenomenon. As a result, the author concludes that further research demands expanding the empirical unit of analysis to embrace the entire triadic network and to include all of the established dyadic relationships.

**Keywords**

Business relationships; customer referencing.

## 1. INTRODUCTION

Customer referencing involves “a customer relationship and the related value-creation activities that a firm leverages externally or internally in its marketing efforts” (Jalkala and Salminen 2010) and has been the focus of several scholars for same time. Nevertheless, this topic has yet to become a mainstream research subject due to the small number of published peer-reviewed articles on it. In the course of the present theoretical research, the author came across 21 conference proceedings, 20 peer-reviewed articles, and three doctoral dissertations (Jalkala 2009; Ruokolainen 2008a; Salminen 1997). Scientific publication on this topic has spanned two decades, peaking in 2008 (see Figure 1).

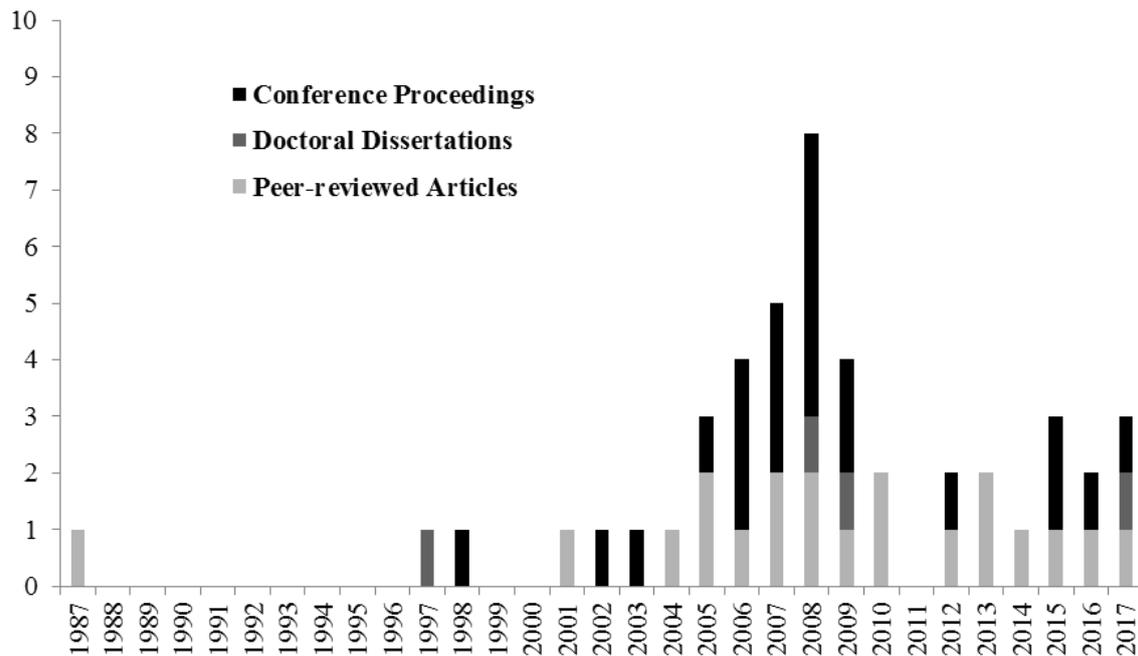


FIGURE 1 — Scientific publications featuring the topic of customer referencing  
Source: author.

In addition, the author encounter several industry reports, a book chapter (Rese, Pick, and Maiwald 2012), and teaching material (Godes 2008; Ruokolainen, Kauranen, and Igel 2005) featuring customer referencing. Table 1 provides an overview of the existing literature in peer-review journals that contributes to the body of knowledge on customer referencing in the context of organizational buying behaviour.

TABLE 1 — Scientific articles on customer referencng (2001-2017)

AUTHOR(S)	TITLE	JOURNAL	PURPOSE	TYPE	RESEARCH STRATEGY
Salminen (2001)	Success factors of a reference visit: a single case study	Journal of Business & Industrial Marketing	“to describe the total process of a reference visit and through key considerations of a reference visit to develop success factors from that description” (p. 502)	Empirical	Single Case Study / Decision Systems Analysis
Salminen & Möller (2004)	Use of references in industrial bidding – a decision process analysis	Journal of Marketing Management	“to describe and analyse the use of written reference information in an industrial bidding process” (p. 133)	Empirical	Single Case Study / Decision Systems Analysis
Jalkala & Salminen, (2005)	Customer references as marketing practice in company web sites – content and discourse analysis	Frontiers of e-business research	“to identify the main themes and discourses in companies reference descriptions and explore how the reference relationship and the subject positions of the supplier and the customer are constructed in the texts” (p. 176)	Empirical	Content and Discourse Analysis
Reuber & Fischer (2005)	The Company You Keep: How young firms in different competitive contexts signal reputation through their customers	Entrepreneurship Theory and Practice	To explore "how young firms, across different competitive contexts, signal reputation through their customers".	Empirical	Qualitative research
Salminen & Möller, (2006)	Role of references in business marketing – towards a normative theory of referencng	Journal of Business-to-Business Marketing	“to propose a preliminary theory of business marketers’ referencng behavior” (...) “we propose (...) a conceptual framework for a model of suppliers’ referencng behavior, which defines the tasks assigned to references and the kind of contexts they are primarily employed in” (p. 2-6)	Conceptual	N.a.
Ruokolainen & Mäkelä (2007)	Constructing a market domain model for start-up software technology companies: a case study	Journal of Engineering and Technology Management	“to introduce a domain model that describes the key concepts [that are central to customer references from the viewpoint of the start-up technology companies] and the relationships between them” (p. 186)	Empirical	Single Case Study / Domain Model
Gomez-Arias & Montermoso (2007)	Initial reference customer selection for high technology products	Management Decision	“to show that high technology companies often find it challenging to select their first reference customer” (p. 982)	Conceptual	Illustrated with a Case Study
Ruokolainen (2008b)	Constructing the first customer	European Journal of	“to explore the important and distinctly under-researched topic	Empirical	Longitudinal Case Study /

	reference to support the growth of a start-up software technology company	Innovation Management	of first customer references, for which a basic descriptive framework is created” (p. 282)		Pattern-matching Logic and Time-series Analyses
Olaru, Purchase & Peterson (2008)	From customer value to repurchase intentions and recommendations	Journal of Business & Industrial Marketing	“to fill a gap in the literature in relation to the determinants of customer value within the research and development (R&D) industry and word-of-mouth” (p. 554)	Empirical	Survey / Structural Equation Modelling
Jalkala & Salminen (2009)	Communicating customer references on industrial companies’ web sites	Industrial Marketing Management	“to explore the themes and discourses embedded in these descriptions [customer reference descriptions in industrial suppliers’ Web sites] and to analyse how suppliers present themselves and their references through these texts” (p. 826)	Empirical	Exploratory Case Study / Content and Discourse Analysis
Jalkala & Salminen (2010)	Practices and functions of customer reference marketing — leveraging customer references as marketing assets	Industrial Marketing Management	“to identify and analyze the various practices and functions of customer reference marketing and to explore the ways in which customer references can be leveraged as marketing assets” (p. 975)	Empirical	Multiple-case Study
Helm & Salminen (2010)	Basking in reflected glory: using customer reference relationships to build reputation in industrial markets	Industrial Marketing Management	“to combine the concepts of reputation management and reference relationships in order to facilitate further conceptual and empirical investigations” (p. 737-738)	Conceptual	N.a.
Godes (2012)	The strategic impact of references in business markets	Marketing Science	To understand “when and, especially, why a firm should announce a ‘reference program’”. (p. 258)	Empirical	Model
Kumar, Petersen & Leone (2013)	Defining, Measuring, and Managing Business Reference Value	Journal of Marketing	To understand “the role and value of client references, specifically in a B2B selling context” (p. 68)	Empirical	Multi-methods (survey, data collection and interviews)
Kilian, Greuling & Hennigs (2013)	Communicating competency in references: a qualitative analysis of the utilization of references in mechanical engineering	Journal of Business-to-Business Marketing	To extend “Jalkala and Salminen’s research approach” by concentrating “on the intended effects on potential customers”.	Empirical	Qualitative research (semi-structured interviews)

Aarikka-Stenroos & Makkonen (2014)	Industrial buyers' use of references, word-of-mouth and reputation in complex buying situation	Journal of Business & Industrial Marketing	To understand "how the buyer can mobilize experience-based information scattered around the business network, by means of customer references, word-of-mouth and reputation, and how this facilitates the buying process"	Empirical	Multiple-case Study
Ruokolainen & Aarikka-Stenroos (2015)	Rhetoric in customer referencing: fortifying sales arguments in two start-up companies	Industrial Marketing Management	To investigate "how start-up companies can strengthen their argumentation power and the persuasiveness of their scarce customer references by applying the principles of rhetoric in the business-to-business (B2B) context."	Empirical	Two longitudinal cases using a constructive research approach
Morgado & de Castro (2016)	Customer references and the buying of capital equipment for a project firm	Journal of Strategic Contracting and Negotiation	"to study the influence of customer reference marketing on capital buying decisions in the context of firms with highly complex contractual frameworks".	Empirical	Single Case Study
Terho & Jalkala (2017)	Customer reference marketing: Conceptualization, measurement and link to selling performance	Industrial Marketing Management	To "demonstrate the predictive validity of the CRFM [Customer reference Marketing] construct by linking it to firms' sales performance" and to establish "the conceptual foundations for customer reference marketing".	Empirical	Exploratory mixed-methods study

Source: author.

A generic examination of Table 1 reveals that the majority of authors embrace qualitative research (circa 25%), generally supported by case studies rather than other methods, such as quantitative research or even mixed methods. However, a detailed view reveals that the body of research on referencing originates from two different geographical regions, which adopt opposing research strategies. In a general sense, European authors put their fieldwork toward the generation of case studies, while North American authors apply a more positivist approach. As it turns out, contributions from regions outside of Europe are scarce. Indeed, this research topic has been dominated by scholars belonging to the Northern European stream, specifically scholars from Finland who belong to the Industrial Marketing and Purchasing community.

## 2. THE UNIT OF ANALYSIS CURRENTLY ADOPTED BY REFERENCING RESEARCH

Although the theory of customer referencing is conceptually valuable, empirical work supporting a comprehensive theory of customer referencing remains scarce (Morgado and de Castro 2015). Table 2 shows the disparity in numbers between research that situates the supplier as the unit of empirical observation and research that situates the reference customer or the potential customer as its focus.

TABLE 2 — Published research on customer references according to the unit of empirical observation

SOURCE	QUOTE	UNIT OF EMPIRICAL OBSERVATION		
		Supplier	Reference customer	Potential customer
Salminen (2001)	“The selected company has a goal of 20 percent increase in sales. To reach this goal the company needs to pursue new customers and thus to utilize its references.”	X		
Salminen & Möller (2004)	“The ultimate idea was to use such criteria so that the use of reference information would be as important as possible for the selected company and that it would have a relatively long and widespread experience of using references.” (...) “The vice president/marketing manager, two SBA managers, four area sales managers, and one marketing communications manager of the company were interviewed during the study.”	X		
Jalkala & Salminen (2005)	“This paper reports on a study which explores how companies communicate about their customer references on their Web sites and how the reference relationship is discursively constructed in these descriptions (...) The data consists of 140 reference descriptions gathered from three case companies’ Web sites.”	X		
Reuber & Fischer (2005)	“CEOs of young firms operating in each of the four contexts were interviewed to discern patterns, both within and across contexts, in the reputational signals conferred by customers.”	X		
Ruokolainen & Mäkelä (2007)	“This case study concentrates on evaluating concepts that are central to customer references from the viewpoint of the start-up technology companies.” (...) “The first customer was willing to act as a test site, thus, helping to verify the functionality of the new software.”		X	
Ruokolainen (2008b)	“The present work is an embedded single longitudinal case study with two levels of analysis units: the company and its customers. Pattern-matching” (...)	X		
	“In order to gain a better understanding of the meaning of the customer reference, one of the potential customers was also interviewed.” (...) “Human resources manager of the potential customer”			X
Jalkala & Salminen (2009)	“This paper reports on an exploratory case study examining how six industrial companies communicate about their customer references on their Web sites”	X		
Jalkala & Salminen (2010)	“This multiple-case study focuses on the practices and functions of customer reference marketing and on the ways through which customer references can be deployed as marketing assets. Analysis of 38 interviews with managers in four case companies provides a “(...) a holistic perspective on each case company’s customer reference practices”	X		
Kilian, Greuling & Hennigs (2013)	“[S]emistructured interviews with firm representatives [from suppliers] were conducted to gain insights into the assumed effects of references. Third, based on the collected data, they established research propositions	X		

	that incorporate prominent features of the reference descriptions and the assumed effects on customers.”			
Aarikka-Stenroos & Makkonen (2014)	“This study generates new understanding on how buyers gather and use experience-based information to solve complex problems in buying. It contributes by merging references, word-of-mouth, collegial social networks, and reputation as sources of experience-based information”			X
Ruokolainen & Aarikka-Stenroos (2015)	“[W]e investigate how the key principles of rhetoric improve start-ups’ customer referencing and enable more persuasive and fortified customer references.”	X		
Morgado & de Castro (2016)	“The unit of analysis selected for this research is the potential customer, a subset of the reference Triad”			X
Terho & Jalkala (2017)	“the group represents an international «community for marketing professionals who work on customer references, customer evidence, and customer testimonials» with an explicit emphasis on «integrating references into sales and marketing strategy»”	X		

Source: author.

Five exceptions to research that situates the supplier as the unit of empirical observation should be considered. The first is work by Ruokolainen and Mäkelä (2007), where the perspective of the potential customer is indeed taken into account. However, it is not a core element in this research and is not as significant as the view of the supplier.

The second is a study by Ruokolainen (2008b), which includes the perspective of the potential customer as a way of gaining a better understanding of the meaning of customer references. Ruokolainen interviews the “[h]uman resources manager of the potential customer”.

The third exception is work by Aarikka-Stenroos and Makkonen (2014). This is the most interesting study, as it isolates the potential customer as the single unit of analysis. The authors argue that “instead of learning only from mere customer references, suppliers also need to employ other means in order to reveal more relevant experience-based information”. This research deals with three different concepts at the same time, bundling them under the term “experience-based information”: customer references, referrals and word of mouth. Unfortunately, this study does not succeed in providing a comprehensive understanding of the role played by customer references in buying decisions. This is because it deals with these three elements simultaneously. Although the authors claim to make a contribution to the literature on industrial marketing (by empirically examining references from the buyer’s perspective), the work does not offer an explanation of the influence of customer referencing in buying decisions. By combining three dimensions under the same umbrella, this research prevents the reader from isolating the contributions of each to the resolution of the presented “complex buying decisions”.

The fourth exception is work by Ruokolainen and Aarikka-Stenroos (2015), which studies the adoption of the principles of rhetoric in the creation of referencing content. To achieve this aim, the study employed a constructive research method. Authors held meetings with vendors, their customers, and other relevant actors.

The fifth and last exception is a study by Morgado and de Castro (2016), which “explores the influence of customer reference marketing on a capital goods transaction within a project firm”. In this

work authors selected the potential customer, a subset of the reference triad, as the unit of analysis for this research. According to the authors, fieldwork was “carried out by tackling the buyer’s perspective, which means that the potential customer [was] selected as the unique source of data. In short, the present research has the potential customer as the unit of empirical observation.”

It is therefore possible to confirm the suggestion offered by Jalkala and Salminen (2010), who recommend to shift the focus of customer referencing research away from the seller and towards the perspectives of potential customers and reference customers. Kilian et al. (2013) recommend to investigate the effects of references on potential customers, namely by understanding how references are handled in buying centres. These authors also recommended that researchers conduct further empirical studies in different industrial settings. They also claim that it is possible to generate valuable insights by studying the actual effects of references on potential customers. To achieve this end, they propose that interviews be conducted with the aim of identifying “the actual procedures that were followed by purchasing departments to compare reference descriptions” (Kilian, Greuling, and Hennigs 2013).

In addition to the above listed empirical research, Aarikka-Stenroos (2009) tackled the reference customer’s perspective by identifying four factors that motivate customers to participate in customer reference processes: (i) motivation to develop markets: keeping competition sharp, facilitating entry into new markets with new offerings; (ii) relational motivation: satisfaction, advocacy, goodwill, partnership; (iii) collective motivation: social control, reciprocity, social reward, mentoring, involvement in the common topic, liking, duty to help peers; and (iv) individual, self-interested motivation: indirect monetary rewards, halo effect, self-confirmation. Empirical work to confirm these hypotheses is therefore also an open research opportunity.

Moreover, relationships emerging from reference networks should also be studied, because they contribute to our understanding of customer referencing practice. Salminen and Möller (2006) recommend the creation of case studies featuring companies that represent best practices in referencing behaviour as a way to gain deeper knowledge in this area. According to these authors, this research should be done from the networks perspective promoted by the Industrial Marketing and Purchasing Group. They also highlight the importance of quantifying the number of strong and weak ties between the actors in order to evaluate the influence of the relative value of the references. They also emphasize the need for additional empirical research in this area.

From the Industrial Marketing and Purchasing Group’s perspective, it is suggested that the use of references allows a firm to secure a more favourable trading position. Håkansson and Snehota (1995, p. 18) state, for instance, that “[o]ne of the most common ways of evaluating a new partner is through references, i.e. by investigating how it has handled earlier relationships”. According to Holma (2009), the triadic approach to business relationships is relevant where the three actors are directly connected to each other, which is the case with customer referencing. The author also states that only a few studies take a full triadic approach. This is due to its difficult application in research practice. The sort of triads investigated in customer referencing research is reference triads. Helm and Salminen (2010) assert that the concept of a reference triad is based on the idea that interaction takes place between three key actors: the vendor, the buyer and the reference customer.

### 3. CONCLUSION

The detailed study of the customer referencing phenomenon might contribute to the body of knowledge on the relationship between customers and vendors and the role that customer references play in firms. Future work should contribute to both management practice and theory building. At a practitioner level, for example, a deeper knowledge of this practice would allow managers to pursue customer development strategies based on the efficient use of customer references. In addition, theories based on data from new geographical areas like Asia, South America and Africa are highly

relevant and thus in need of further consideration. Referencing research limitations also stem from the massive adoption of the case study. Because this method cannot ground empirical generalization, it cannot ground claims to statistical significance. In this sense, one suggestion for further research is to adopt quantitative methods as an additional form of research.

One line of research related to the topic of customer referencing that has yet to be considered and genuinely analysed is the use of success stories as instruments of supplier reference marketing. Success stories are not yet classified, nor are they deeply documented by referencing theory. They might act as part of what Håkansson (1982, pp. 22, 25, 31) describes as the “institutionalization” of the “interaction process”. Still, from a theoretical point of view we know very little about this phenomenon and its relevance to the customer-vendor relationship. The author believes that scholars should turn their attention to this field, which has recently become an area of increasing marketing expenditure and investment for companies. A useful contribution to management would involve tackling development and best practice recommendations in order to put into place this form of customer referencing.

The main empirical limitation of research performed so far relates both to the scarcity of accessible data on the dyadic relationships established between each of the three members of the reference triad. As noted above, the use of only one side of the dyad in this empirical research implies certain methodological constraints. Hence a quintessential suggestion for further research is to expand the empirical unit of analysis from the potential customer to the entire triadic network and to include all of the established dyadic relationships.

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