

## Foreword

Customers in business-to-business markets also operate as suppliers for their own markets. Products or services demanded by direct customers get purchased to support the creation and distribution of other products or services. As a result, demand in business-to-business markets depends on purchasing decisions made on subsequent market stages of processing and/or trade, which ultimately reaches back to the original source of the demand—namely, the end user or consumer. With this in mind, it stands to reason that companies operating in business-to-business markets would employ various marketing activities to try to influence the purchasing behavior of their customers' customers, so that the purchasing decisions of their direct customers are in turn influenced in their favor. All such activities are covered by the term "multi-stage marketing." The main objective is to trigger a demand pull that more or less "nudges" direct customers to demand the products in question. This pull in turn results in a stabilization of or increase in the quantity demanded and/or the prices of an upstream supplier's products. A well known example that extends into the sector of consumer goods is the "Intel Inside" campaign run by Intel, which manufactures computer processors.

Despite its practical significance, little attention has been paid to multi-stage marketing in academic literature so far. Very little is known about how its mechanisms work or whether it achieves its intended objectives. In this thesis, Alejandro Schönhoff focuses on the possible price effects of multi-stage marketing and examines whether, how, and in which conditions multi-stage marketing affects direct customers' willingness-to-pay and other outcome variables. To this end, he has performed an elaborate and extensive experiment, involving more than 100 purchasing managers responsible for sourcing industrial adhesives. Mr. Schönhoff's main findings show that multi-stage marketing translates into higher willingness-to-pay among a supplier's direct customers. This is especially true for collaborative multi-stage marketing, when suppliers and direct customers work together across several market levels. In addition, his findings make clear that direct customers' market power toward their own customers has significant influence on the price effects of multi-stage marketing.

Considering that the present study examines a problem that is relevant and important in both academic and practical senses, and because its findings reveal many starting points for practical implementation, I am hopeful that the work will be met with great responses, across both research and practice.

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