Industrial Marketing Management 40 (2011) 5–7

Contents lists available at ScienceDirect

Industrial Marketing Management

Business marketing in BRIC countries

Sergio Biggemann [a,*], Kim-Shyan Fam [b,1]

[a] Marketing Department, School of Business, University of Otago, New Zealand
[b] School of Marketing and International Business, Victoria University of Wellington, New Zealand

ARTICLE INFO

Available online 13 October 2010

Keywords:
BRIC countries
Brazil
Russia
India
China
Business marketing

ABSTRACT

This paper highlights the increased importance of the BRIC countries (i.e., Brazil, Russia, India, and China) in the world economy. The BRICs are not only among the best economic performers but are responsible of a considerable part of the goods and services consumed globally and intensely trade one another. This means significant business interaction that existing research fails to explain. Hence, this special issue was prepared to encourage publication of empirical research of business marketing that involves one or more BRIC countries. This paper briefly introduces to the eleven research papers included in this special issue.

1. Brazil, Russia, India, and China, the new development engine

The BRIC countries as Brazil, Russia, India and China are frequently referred to have attracted a great deal of media and academic attention in the recent years. These countries are different from one another in their culture, background, language, and the structure of their economies. However, they have a common denominator: economic growth development in the BRICs has greatly exceeded growth compared to the world's leading industrialized nations. Even after the economic crisis that started in 2007, they continued outperforming the rest of the world. While in 2009 large economies shrunk as much as 6%, (e.g., Japan and Germany), Brazil stayed steady, India grew 5.9%, and China 8.1%; only Russia was the group's bad performer shrinking 7%. This and the forecast for 2010, which gives all these countries an expected economic growth above the average of developed economies, further increase the interest on these countries.

Looking at the 2009 Real GDP (figures in 2005 US dollars provided by the World Bank), it is interesting to mention that Brazil is the world's 10th largest economy, Russia the 13th, India the 11th and China the 3rd. The combined economies of the BRIC nations are equivalent to 50% of the United States economy, the world's largest economy, and far exceed that of Japan, the world's second largest economy. However, the figures were rather different 10 years ago. In 1999, Brazil was still the 10th world largest economy while Russia was 15th, India 16th and China 7th. The sum of their economies represented only 30% of America's economy. While United States' economy grew 20% in the last ten years, Brazil grew 36%, Russia grew 69%, India 92% and China is currently more than two and a half times wealthier than 10 years ago. If the trend continues, the BRICs are likely to occupy spots in the largest 10 world economies in the next few years, possibly at the expense of Canada and Spain. It is estimated that in 2009 the BRICs were responsible for 60% of the world's economic growth. In the second quarter of 2010 China had overtaken Japan as the second world economy, India keeps showing robust economic growth and Brazil as well as Russia have registered positive growth on this period. Thus, these countries are of significant relevance to the world's economy.

2. Trading within the BRICs

Although China is significantly larger than the other three countries it does not disqualify them to be a member of BRIC group. The increased trading dynamics within the BRICs has been called to the attention of pundits and practitioners. China is the main supply partner to Russia and India and only second to Brazil. China is also an important customer representing the third largest market for Brazil, fourth for India and sixth for Russia. Individually neither Brazil, Russia, nor India is significant from a Chinese perspective. However, as a group, they supply more than 18% of China imports, which makes them, as a group, China's largest trading partner ahead of Japan.

In addition to the increased trading between these countries, their heads of state have initiated talks to create an influence block to change the balance of power with the US and Europe. The leaders of these countries are arguing that the economic importance of the BRICs is underrepresented in institutions such as IMF and World Bank. Whether they manage to change this is yet to be known; however, within the BRICs interaction keeps increasing and the BRICs keep growing in importance to other developed countries. The BRICs appear to have progressed from an acronym only to an active block of nations.

* Corresponding author. Tel.: +64 3 479 8467; fax: +64 3 479 8172.
E-mail addresses: sergio.biggemann@otago.ac.nz (S. Biggemann), kim.fam@vuw.ac.nz (K.-S. Fam).
1 Tel.: +64 4 463 6459, 027 563 6459(Mobile); fax: +64 4 463 5231.

0019-8501/$ – see front matter
doi:10.1016/j.indmarman.2010.09.004

3. Business-to-business marketing and the BRICs

The BRICs have built large manufacturing and service-providing capacity to the extent that China is called the factory of the world whereas India has turned to be a major exporter of information technology and software workers. Brazil has a large manufacturing and service capacity too and is the largest exporter in Latin America, while Russia is the world's largest exporter of oil and natural gas, and is also an important player in technology products and services. This implies significant interaction between the BRICs and governments and companies around the world, which is relevant from a business marketing perspective.

Most of today's knowledge of business marketing, which arguably includes relationship marketing and the work of the IMP group, is grounded on studies conducted in traditional Western countries. Only in the last few years, scholars have started to question the validity of measures such as trust and commitment to explain business relationships in non-Western contexts. Likewise, the idea of companies working in large networks that create direct and indirect relationships needs further analysis when suppliers of new countries enter the playing field. This is even more important when the new parties happen to be important business partners.

Of course business marketing is not only about relationships and networks, finding solutions to business problems that deliver value to customers and end consumers is also a fundamental issue. In the current world business context when two or more companies interact, the likelihood of a BRIC being supplier or buyer is large. Thus, research in the area of business marketing that involves one or more BRIC countries is becoming increasingly relevant. Increasing understanding on business marketing matters associated to the BRIC is the reason why this special issue was prepared.

4. Contributions to this special issue

From the large number of submissions received 11 are included in this special issue; four from Brazil, two from Russia, two from India and three from China. However, this proportion does not strictly reflect the composition of the papers received. Articles were included in this special issue based on its relevance and contribution to advance knowledge in the topic. Even though each paper has a main focus in one country, the validity of their findings may be generalizable to a larger number of countries. The articles of this issue illustrate the variety of research currently conducted in the area. They also support the idea of the BRICs being a matter of global relevance because researchers are not limited to academics working in the BRICs. Authors are affiliated to universities and industries in more than 10 different countries that have extensively collaborated to conduct research in the topic. In one paper authors were from Russia, Germany, Iran, South Africa, and Greece, which is rather consistent with the network interactionist view of business marketing. All but one paper were multi-authored, the majority being five-author papers.

This special issue addresses questions regarding relationship quality and their effects on customers' loyalty and account managers' performance, the role of market orientation and development of relationship capabilities, as well as the role of salesperson's customer orientation and value creation through business relationships. Other topics include procurement information searching strategies and strategies to reduce prospecting costs, performance measurement studies and multidimensional scale developments, among other topics. While one researcher is interested in business customers' behavior in India, another researcher is studying the effects of conflict management on relationships in China, and a third one is interested in interfunctional collaboration in Russia; all of them conducting independent research in, arguably, related topics.

In organizing the contents of the issue, we, the guest editors, decided to present the articles by country. That is, starting from Brazil, following with Russia, then India and finally China. For the articles about the same country no special reason explains the order of their publication with the exception of the first article that addresses marketing metrics because measurement is critical to improve performance. A synopsis of each paper is presented in the following lines:

Hoffmann Sampaio, Simões, Gattermann Perin, and Almeida (2011) conducted research to examine how managers approach marketing measures in Brazil. Based on a large-scale empirical study, Hoffmann et al. identified the most relevant marketing metrics from the perspective of Brazilian managers encountering that indicators pertaining to customer vision are the most important, followed by financial indicators, indicators related to product vision, and finally market and innovation. Compared to the findings of previous studies, UK managers prioritize profits over any other measure whereas China managers care about customer behavior similar to Brazilian managers. The study concludes that marketing and other management metrics should be better integrated one another.

Brashear Alejandro, Kowalkowski, da Silva Freire Ritter, Zancan Marchetti, and Prado (2011) motivated by the increased complexity of products and services that companies deal with and thus the complexity of sourcing, conducted research to understand the influence of information search efforts of buying firms in key purchase decisions. Brashear Alejandro et al. evaluated the influence of organizational, personal, and situational information search on purchase decisions of integrated business management systems drawing on data from large Brazilian firms. From an organizational perspective centralization of information was found to negatively affect information search efforts whereas formalization was positively related to search efforts. From a personal perspective a degree of innovative initiative was found important for information search efforts. Finally from a situational perspective novelty and bargaining power were found to be key drivers of the information search effort. Among other managerial implications this research warns about the negative effects of buying power on efforts to seek information.

Medeiros Pereira, Sellitto, Borchardt and Geiger (2011) studied the process involved in organizing a buyer's fair, which is a fair where first and second-tier suppliers of the automotive industry make known their buying requirements for non-critical items to small and medium-sized enterprises. The fair itself is the outcome of action research conducted by the authors whom were given the task to find a faster and less expensive way for large companies to find small and medium-size enterprises to outsource non critical items. This paper not only contributes to managerial practice in procurement, but also opens a complete new avenue of research for academics interested in buying behavior.

In the last paper from Brazil, Brashear Alejandro, Vilaca Souza, Boles, Puga Ribeiro, and Monteiro (2011) focused on relationship quality (RQ) in emerging markets. The study evaluates loyalty, relationship value and performance as outcomes of relationship quality, conceptualized as relationship contacts and relationship-specific investments. Data come from the Brazilian automotive industry. The study finds that both forms of relationship quality are important but through distinct paths. Relationship quality developed through the account managers has direct affects on loyalty and perceptions of relationship value. At the firm level, however, relationship quality is indirectly related to loyalty through relationship-specific investments. Relationship-specific investments are important to the buyers' loyalty to the firm and their perceived performance, but are not significantly related to perceptions of overall value. The study finds that loyalty cannot be directly explained by RQ with the company. Instead, it is related to the RQ with account managers. The last helps managers in organizational markets by revealing the importance of a firm's account managers in generating customer loyalty and perceptions of value from the relationship.

Both articles from Russia are from the same research group, but with slightly different authors. In the first paper Smirnova, Naudé, Henneberg, Mouzas, and Kouchtch (2011) investigate the role of market orientation on business performance. Drawing on data from