Integration of the Social Networking Media into Relationship Marketing Strategy
An investigation of sustainable cooperation between Newman and PetroChina

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Abstract

Network communication technology has developed for decades. As a result, nowadays, marketers can communicate clients more effectively through the use of social network media to develop a powerful relationship marketing strategy. This dissertation compares relationship marketing strategy with existing marketing theories. Based on the comparison, the dissertation uses qualitative approaches to analyze the cooperation between Newman Co. (It is a social media service firm that helps companies with relationship marketing strategy.) and PetroChina, so as to propose a successful way to integrate the social network media into a relationship marketing strategy. Some materials are gathered from email interview with Mr. Zhao, the Manager of the Service Department from Newman Co. Moreover, the dissertation conducts a case study (It is based on interview with Mr. Peik Hua, the General Manager of Southwest Branch of PetroChina) about what benefit that PetroChina has got through using Newman's social media system (Remote video conferencing system). The purpose of this dissertation is, by analyzing those materials, to identify what social media can do for relationship marketing strategy, and how it works, so as to find out and highlight the benefits of social media networking. Meanwhile, this dissertation attempts to definite how SMEs form large clients relationship, such as Newman co., to approach large clients and gain their trust to incorporate social networking media into their relationship marketing strategy.

Key words: Social Media or Social Networking Media, Networking Marketing, Relationship Marketing, Customer Relationship Management, SME, Large Firm.
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Chapter 1: Introduction

1.1 Aim of Dissertation

- The aim of this dissertation is to research the Social Network Media Marketing Strategy and so as to find out how enterprises integrate the Social Networking Media into Relationship Marketing Strategy.
- Meanwhile, the objective of this dissertation is to identify a strategy for small social media service firms, such as Newman co., to approach large clients and gain their “trust”, to help the clients to incorporate social network media into customer relationship management strategy to build a long relationship.

1.2 Business Environment: Social Network Media

The definition and notion of media have greatly changed in the past few years on account of the universalness of the alleged social network media or social media. Social network media, as Andreas Kaplan and Michael Haenlein mentioned (2010), extraordinarily differs from the conventional media (such as newspaper and television). It is “a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, which allows the creation and exchange of user-generated content. There are six types of Social Media: Collaborative projects, blogs and micro blogs, content communities, social networking sites, virtual game worlds, and virtual communities”. (Kaplan Andreas M., Haenlein Michael, 2010)

From the point of view of commerce, the networking built on social media is one type of marketing through the internet which is defined by "word-of-mouth". Trusov, Bucklin and Koen’s (2009) latest study indicates that “Estimates from the VAR model show that WOM referrals have substantially longer effects than traditional marketing actions and produce substantially higher response elasticity”. The authors discovers that every outbound WOM referral online has about 0.75USD per year growth in the enhanced advertising revenue. According to the survey, a huge economic purport wills appear, particularly after a big economic crisis. Listening, talking, energizing and supporting consumers are the major functions which are provided by the social media as Bernoff and Li (2009) mentioned. For example, HP is now using social media tools in many ways in order to obtain more close relationship with their clients and spend huge consumer input built by those kinds of platforms each year. As the new marketing senior vice president of HP Richard Gerstein (2009) said, consumer input will play a great role in the forms of products and marketing to reach consumers through the use of social media.

Obviously, social media can be used as a powerful tool or platform by marketers to attract and communicate with customers more effectively and then develop a successful relationship strategy. Therefore, it is not only a tool but also a significant marketing strategy for companies in competing environments. However, social media service is a start-up B2B e-business, Chaffy (2008) described that many social media service
companies have had barriers in achieving sustainable collaboration business, “yet going through the pains of setting up links with target is only worthwhile if the marketplace is persistent.” Chaffy stated.

1.3 Newman Co. and PetroChina

Social Media Service Company: Newman Technology Co., Ltd

Newman Engineering Techniques Company Limited is located in China. It was established in November 2000 by a group of IT young people who once worked in IBM. Newman Company which provides customized web designs has developed technology solutions and outsourcing services since 2001. In 2007, this company employed over fifty staffs, and then Newman Company decided to set company’s target on relationship management solution market in the end of 2007. The business notion of the company is to use social media to help their customers with all issues concerning marketing strategies, communication and analysis so as to establish long term cooperation with clients. Among their customers is the largest Chinese company PetroChina. Their main competence and orientation is concentric on a relation marketing office, whose front edge knowledge lies within all disciplines of relationship marketing. The company knows how to diversify a customer basis and thereafter to influence it in a correct way, how to build long lasting relations, and how to strengthen the brand in each contact with the customers. (Based on e-mail interview feedback from Newman’s Service Department Manager, Mr. Tian Zhao)

Newman’s Main Customer: PetroChina

According to DATAMONITOR Report (July, 2010), PetroChina is engaged in production of crude oil and natural gas, it employs over 539,000 s all over the world. The company has recorded revenues of $149,435.9 (£99623.93) million during the financial year by the end of December 2009. In the past ten years, PetroChina has spent over $170 (about £1133) million to create their customer relationship with the clients, to improve marketing strategy and to promote their sustainability to the public. As Mr. Jiang Jiemin, Chairman of PetroChina, says in his report (2010), the development of the Company in the recent decade can be attributed to a number of policies implemented, namely the normalized and effective corporate governance, the pursuit of management innovation and the creation of a set of systems -----all of these have improved the company’s operational efficiency, and served as the performance of social responsibilities.

Cooperation Projects (Newman and PetroChina)

There are three types of marketing in service industries: (Kotler, Wong, Saunders & Armstrong, 2005). The first is Internal marketing, which is about the relationship between the company and employees; the second one is External Marketing, which is about the relationship between the company and customers; Last one is Interactive Marketing, which is about the relationship between employees and customers. Social media service markets hold those three types of marketing. Take the cooperation between Newman and PetroChina for example. Internal Marketing of PetroChina:

1.4 Structure of Dissertation
Each chapter on this dissertation is briefly described as below:

Chapter One, Introduction - This part states the aims of the dissertation, then expounds the background of Newman Co. and PetroChina, and the cooperation between them. In addition, this part explores the effects of social media in this networking age.

Chapter Two, Literature Review – This part examines the literature of this dissertation. It outlines the sources that has been referred and reviewed. It starts with definitions of traditional marketing approach and relationship marketing, explaining the importance of traditional marketing theory and their relationship marketing. More introductions about the three types of marketing in service industries and the theory of social media affect brand image of company are involved. Finally, it reviews the theory of collaboration between SMEs and large firms. All those analyses and techniques construct the approach framework of this dissertation.

Chapter Three, Research Design - This part focuses on the methodology of dissertation. The primary method used is personal interviews and case study. Gathering secondary data is conducted through interviews and other materials from PetroChina's reports. These methods are used to justify the aspects and problems in the process of integrating social media with relationship marketing, to highlight the benefits of social media. Meanwhile, this part identifies a strategy for SMEs to approach large clients and gain their “trust”, so as to build a long term relationship. Lastly, some ethical issues in the methodology are listed.

Chapter Four, Research Findings - This part mentions the detailed analysis of findings that are collected from personal interviews and case study. The findings will answer each of the objectives stated in the introduction of the dissertation.

Chapter Five, Conclusions, and Recommendations - This part discusses conclusion of findings and recommendations. In addition to the literature, academic significations are developed in this section, in order for readers to know new issues and trends. Additionally, future researches of other topics are suggested.
Chapter 2: Literature Review

2.1 Literature Framework
The literature starts with the approach of Donaldson & O'Toole (2007), comparing the major differences between the traditional marketing and relationship marketing. Osarenkhoe & Bennani (2007) also support Donaldson & O'Toole’s theory. Moreover, Kotler, Wong, Saunders & Armstrong (2005) explained “pull marketing” and “push marketing”, comparing the difference of those two conceptions. In this part we attempt to find out the differences of traditional and relationship marketing, to explain how social media affects relationship marketing.

Secondly, Donaldsson & O’Toole (2007) described the importance of communication in relationship marketing. Ward & Dagger (2007) stated that listening is a great start towards the achievement of a competitive advantage in relation marketing. Social media is a good tool for communication. As Donaldson & O'Toole (2007) mentioned that approaches of traditional marketing theory could not possibly develop relationship with all customers, unless social media marketing strategy changes it. In addition, (Wanga, T. C. and Linb, Y. L described six factors that influence the company in executing network marketing. In this part we want to find out the benefits that how social media help company’s communication with their customers to build a good relationship.

Thirdly, with the help of the theory of Donaldson & O'Toole (2007) and Leverin & Liljander (2006), the importances of communication about relationships are further emphasized. Moreover, Kotler, Wong, Saunders & Armstrong (2005)’s theory describes three types of marketing in service industries. Miller, Fabian, & Lin (2009) and other scholars state that social media can help company build brand image and good relationship. We want to use those literatures to find out what social media can do for relationship and how it works.

Finally, we will use Smitha (1991), Campbella (2010), Wittmann (2008), Shocker & Ruekert (1994), Wilson (2008) and some other scholars’ theories to find out the collaboration between SMEs and large firms. This is our thesis’s highlight. According to the empirical analysis, the result shows SMEs could set up a long term relationship with large firm via social networking media.

2.2 Traditional vs. Relationship Marketing Approach
It is obliged to discuss that the most blatant differences between the traditional and relationship marketing approach which is named transaction focus and the strategic marketing approach (Donaldsson& O'Toole, 2007). Donaldson & O'Toole (2007) mentioned that the “Behavioral spectrum of relationships” could be connected with relationships as transactions over two or more parties in the past. It is obvious important
to help the firms distinguish different kinds of relationships via the behavioral spectrum. However, it can be seen that it is impossible to help the firms to build the relationships with all the customers. In addition, Donaldson & O'Toole (2007) described that if purchasing petrol by cash in long range, the relationship would not emerge. Underneath is an illustration to describe the behavioral spectrum of relationships intuitively.

**Figure 1: The Behavioral Spectrum of Relationships**

Moreover, there is an obvious subject referring to the relationship approach and relationship marketing. Osarenkhoe & Bennani (2007) mentioned the key point of keeping conversations with customers, which is called "An exploratory study of implementation of customer relationship management strategy" (Osarenkhoe & Bennani, 2007, p.139). In addition, Osarenkhoe & Bennani (2007) also said that as far as company is concerned, the corporation should not only focus on the single relationship with clients, but also need to obtain multifarious relationships in the market.

Push marketing, as a promotion strategy of the sales force and trade promotion, is used to push products through channels. (Kotler, Wong, Saunders & Armstrong, 2005, p.744). They think that in the supply/demand chain a company promotes the products to wholesalers then the wholesalers promote the products to the retailers, and then the retailer promotes the products to the end customers. But pull strategy, on the other hand, spends a lot of time in advertising and consumer promotion to build up a consumer demand. (Kotler, Wong, Saunders & Armstrong, 2005, p.745). In this kind of strategy, the supply/demand chain is opposite, because the consumers will turn to the retailers for the products, the retailers will turn to the wholesalers and the wholesalers will finally turn to the producers for the products.
So as far as the company is concerned, no matter it sells products or services, whether it takes ‘push strategy’ or ‘pull marketing strategy’, it is the most important to find out the effective way to understand the demands from customers, and then satisfy those requirements so as to form a good relationship and customer services to gain the market.

2.3 Social media (Networking marketing strategy)

In today’s society we are overrun with messages and it is impossible for consumers to take all in. Traditional mass marketing has a low effectiveness. It reaches many consumers but does not result in many sales. Not even one day goes by without exposure to thousands of messages. Consumers are becoming more selective about which messages to listen to and which to ignore. However, many firms have not yet realized how important it is to move from ‘push communication’ to ‘pull communication’. Furthermore, even fewer companies have embraced the new concepts of real conversations with their customers. An interesting point of view here is that this type of solution seeks and finds the most appropriate and interested customers for the company’s products or services.

Two appropriate sites to find these customers are Facebook and Twitter, on which it is possible to find out what the customers are looking for and how much money they have spent before on advertising. This could be compared with “the Crocodile VS the Dumbo approach”, on which the essence of the ability to listen to was emphasized. In the cases earlier mentioned, the “Dumbo approach” saves a lot of money for the customer, thus, the customer does not have to spend resources and money on marketing towards the wrong target group. Martina (2010) expressed that to get a hang of the context, and avoid starting at the wrong note; you need to first listen in! That is, embrace “the Dumbo approach” and thereby take one important step towards a successful analysis of the customer. It is also quite important for social media strategy to decide KPI for its presence and result, although it is still hard to measure.

The intention of firm’s strategy should be turned to Return on Relationships (ROR) from ROI or ROE, which is based on a relationship perspective. In spite of its
drawbacks like difficulty to measure, it still requires emphasis due to the “win-win” situation it implies. Firms could also investigate the loyalty and satisfaction from the aspects of exposures and interactions in the social media. Due to the effect of word of mouth from people that literature shows, social media can present the characteristics of social media. Therefore it is very important for companies to keep their customers satisfied so those customers may say positive words about the company. Although literature shows direct relations between the loyalty and satisfaction from previous research, customer satisfaction is regarded as a good basis for loyalty. So we can get the implication that a company should form a good relationship with the customers by means of social media.

Social media is new to the market. Companies that have not already got in touch with social media might not always know what to look for and what they can obtain. The social media might feel like jungle that you cannot monitor. Actually it is not important for firms to monitor them all. However, if firms can keep track of the ten top most important ones, and if they know there are channels for them to follow, the firms will use them instead of creating a new one. Already exciting channels have participants and followers. It is also important for a company not to abandon traditional media completely; instead they can use it at the same time when they are using new social media. A company should make it very easy for its existing and potential customers to become ambassadors of their brand. The “word-of-mouth” from exciting customers is much more powerful than the words from employees or the company. Letting the customers spread the good words can also makes the company save money. Publicity from customers on blogs is free. Its essence is not only helpful for the internal marketing to work, but also for the company to bear responsibilities for people. Social media platforms are an ideal mechanism to facilitate change, because much of change management boils down to ongoing conversations and dialogue.

Social media, as communication tool, is powerful for potential change management, since it is a popular network, ideally suitable for the processes of listening, talking, sharing information. Social media provides leaders of companies with a new opportunity to root strategic vision in organizational dialogue and to shape organizational culture in ways that improve performance. To use social media at internal marketing, a company can shape company culture, strengthen change management initiatives, improve execution of corporate strategy, facilitate corporate communication, and increase employees’ engagement in the operation of the company. But social media is not just about marketing. It is also about companies' values and culture, which appear in the forms of equality, openness, relationship, cooperation, creativity, motivation and to achieve a nice future.

Nowadays, the world has entered in an era of technology transition, social media is a method of communication. To make social media work well becomes the responsibility of the public. But social media tools are mostly driven by technology, so a professional social media company should pay more attention to their responsibilities. Because it is
not only refer to business but also relates society, because all companies can use their own social media. It is almost an exclusive domain of public relations. Furthermore, corporate responsibility and social media have much in common, especially in the conditions of communication in the modern business environment, corporate responsibility and social media share inextricable similarities, and have a profound effect on companies’ reputations. As this dissertation mentions before, the best ways to make customer satisfied is by the way of personal sales, but it is expensive to have a personal contacts.

Fortunately, after using social media, companies can easily get in touch with society. Many nonprofit and charitable organizations use social media to raise funds for people who are in trouble. Corporations and organizations are increasingly turning to social media sites to promote development of the business. Such sites are also a great vehicle for individuals to make a positive contribution to society both locally and globally. In this way social media become important to bear more responsibilities (Twitter and Facebook are examples,). There are many charity foundation organizations to contribute and promote education, health and other public things. For a modern company, social responsibilities become more and more important, so transparency, authenticity, even protection of the environment are the concerns of a company. Society is a public place where companies talk about their responsibilities, and it becomes a part of their conversations to make consumers know the brand’s efforts in this field. So social media could enable people spread the message about brands that represent their ideals. It is an important channel to help maintain transparency and authenticity about how funds are being allocated. So how to use social media to achieve a better communication is very important for a company, because social media can help company’s communication with their customers to build a good relationship.

In recent years, the network marketing becomes more and more important. There are six factors that influence the company into executing network marketing (Wanga, T. C. and Linb, Y. L., 2009. p.1). The six influential factors are: management support, firm size, IT integration, organizational culture, government policies and industry characteristics. Researchers mention that if a company wants to build successful network marketing, the company should be more concerned with finding support from top managers in the course of increasing firm size, improving IT integration and IT sophistication or changing the organizational culture. Network marketing is a “long-term commitment and such enterprises are more limited in terms of resources than large enterprises” (Wanga, T. C. and Linb, Y. L., 2009 p.2).

2.4 Three Types of Marketing in Service Industries Areas
Internal marketing links company and employees. However it is also the most important part for a service company. In addition, the authors mentioned that from a market approach to a relationship approach is in accord with trend, moreover service company would be obliged to massively invest in employee performance and quality, therefore it has a significant meaning for the potential success of the company which is based on the
cornerstones in people’s relations (Donaldsson & O’Toole, 2007, p.115). For instance, Internal marketing is focused on how to train staffs to engage in and innovate their services so that the employees can make contacts with people and customers efficiently. In connection with internal marketing, it is absolutely necessary for the employees to work hard in efforts to reach top satisfaction of the customers. There is no doubt that the keynote of internal marketing is to make the company form the customer-oriented conception so as to provide outstanding services for the customers.

External Marketing links companies and their customers. Press Releases, Media Outreach, Trade Shows, and User Events may be some of the activities that have been a part of annual marketing mix. As Kotler, Wong, Saunders and Armstrong (2005) mentioned before, External marketing is more crucial for the firm to send and receive the clear and correct signals from their customers.

Keller (2008) found that interactive marketing is exorbitant to deal with personal contact and commit itself to the tasks that satisfy peculiar customers' requirements. In a word, Interactive Marketing concentrates on direct interaction with potential buyers or purchasers via personal activities of selling. For example, if a customer could receive extraordinary goods, especially the product is tailor-made, he or she will feel satisfied during the whole process of purchase. Of course, cost is a factor that firms have to take into account.

Below is an illustration to describe the three types of marketing in service industries.

**Figure 3: Three Types of Marketing in Service Industries**

![Diagram of Three Types of Marketing](https://example.com/figure3)

(Source: Kotler, Wong, Saunders & Armstrong, 2005, p.63)

### 2.5 Social Media and Brand Image

Social media can be characterized as “Social media sites like Twitter continue to expand rapidly, garnering users who are forming more connections, sharing more information, and finding new ways to appropriate these communication media spaces.” (Munnun, Scott & Mary 2011) As Miller, Fabian and Lin (2009) mentioned before, “asynchronous, immediate, interactive, low-cost communications” is obvious the advantages of social
network media, because social network media focus on the interaction between the community and the customers. For instance, On a mass of social network websites, individuals are not interested in making friends with incognizant people, on the other hand, these network websites make an attempt to keep in touch with old friends (Hart, Ridley, Taher, Sas and Dix, 2008, p471-474). In a word, Ofcom(2010) said that social network sites contribute to substitute for communication as tools which sustain subsistent activities and relationships by a burgeoning way to make an achievement for customers’ satisfaction.

It is obliged to mention that the corporations get in on their own merits to measure the brand image of the consumer, on account of Keller (2008) who summarized that the firms could measure the customer’s capacity to distinguish the brand in all situations. As a result, consumers give a sense of what the brand in their mind. In today’s society mass advertising can give full play to its advantages to boost consumers. By contrast, Traditional marketing is inefficient. Donaldson & O'Toole (2007) described that mass advertising has enlivened the market, but the response of the consumers is extremely sluggish.

**Figure 4: Strategic Market Relationships, Efficiency and Effectiveness and Routes to Market**

In comparison with another media, Social media is a really effective way to achieve the aim of the firm's target group and to establish brand image. Meanwhile, the firms have a problem with how to use and relate social media that are similar to a kind of marketing tool. To illustrate this, Kaplan & Henleins(2010) mentioned before, the firms that have cooperative ties with social can avoid running off the core business and keep on doing the same job.
There exists a condition of uncertainty: how do firms integrate social networking media into their strategies? It can be seen from Kaplan & Haenlein’s (2010) report. Conventional media would insist on, rather than make an attempt at integrating traditional media and social media. In addition, Kaplan & Haenlein (2010) illustrate their point of view via a case of Coca-Cola company. Coca-Cola Company makes use of upload a popular section of two celebrated performance artists that show on Youtube website, so that the outstanding achievement of the Coca-Cola Company ascends in a graceful curve. It is a perfect integration between social media and traditional media via a good example.

2.6 Collaboration Between SMEs and Large Firms

Generally speaking, the difference between SMEs and large firms is that larger companies can face a greater variety of options than small firms, and to have more advantages available “to meet the challenges of competing in this changing global market” (Smitha, H. L. et al. 1991, p.2). As the researchers mentioned above, large firms can access technology through many ways, for example from universities or government research establishments, or develop by themselves. But small firms are always innovative and flexible. They change their needs more quickly than large firms. Unfortunately, many small firms experience problems of raising finance, finding premises, having insufficient manpower resources, market intelligence and marketing ability. The researchers state that Inter-firm collaboration for innovation is a means by which small firms can overcome these barriers. “Innovative small companies may need to gain access to another company’s technological resources to ensure that any development can be exploited” (Smitha, H. L. et al. 1991, p.1-2).

Furthermore SMEs may need to work with other small firms, at this time collaborative relationships may be equal, and small firms may be able to negotiate advantageous deals with larger firms, only if SMEs can offer special, unique skills. So if SMEs want to build relationship with large firms the first and most important thing is that they must have enough ability. “Inter-firm collaborative networks serve to externalize the innovation function through the transfer of technology between firms and this is always a two-way process” (Smitha, H. L. et al. 1991, p.2). Therefore, to establish a good relationship with large companies, small firms must have something that large firms need, because large companies have widely choices.

Moreover the researchers consider that in the collaboration process, firms should build same product markets and organizational idiosyncrasies. Only in this case can small firms be changed. But “Changing technological and commercial imperatives mean that new rules have to be learnt. The very newness of this active form of inter-dependence conflicts with traditional ingrained attitudes towards smaller companies” When collaborative projects occur between firms where one has not learnt co-operative game rules, it leads to precarious relationships” (Smitha, H. L. et al. 1991, p.2). So sometimes it is not unfair for SMEs. Although it may not fair, it is beneficial.
In simple terms, in relationship between large and small firms, large ones have the advantage of dominance, small firms can only have passive choices. However, collaboration is favorable for both SMEs and Large firms. It also extends firm networks through linkages into those of the partners, linking individuals, firms and sectors.

**Figure 5: Collaboration Between SMEs and Larges**

Campbella, C. et al. (2010)’s research shows that the same brand image is the premise of establish long-term stable cooperative relations between firms. In this article authors point out that firms wish to portray particular brand images so that their customers can choose suppliers whose images mirror their own products. So it is really important to build a same brand image as large company for those small firms who want to establish a long-term cooperative relationship with large companies. “B2B relationships in marketing are characterized by strategic partnerships between firms and the suppliers of goods and services integral to their offerings. Partnering firms need to be aligned operationally; few studies look at whether there should be alignment between the brands of firms and their suppliers.” (Campbella, C. et al. 2010, p.4). It is very important to choose a correct partner in business. The benefit of a suitable relationship will help firms increase market shares and “achieve operational efficiencies” (Wittmann et al., 2008. p.8).

Some researchers mentioned that the first step to build a relationship between firms is to have knowledge (Shocker, Srivastava, & Ruekert, 1994, p.3). Campbella, C. et al (2010) thinks that from a business partnering perspective, cultural similarities can be understood in terms of the nature and goals of the business relationship. “Firms in strong relationships appear to have closely corresponding market positions, market share, and financial strength” (Campbella, C. et al, 2010 p.7). But researchers also mentioned that to build a same brand image can potentially strengthen both firms' brands, reduce potential friction or conflict, otherwise can send a signal to competing
firms and end-users that the original firm is substantial, grounded, and without equal power. Unfortunately, between large firms and SMEs this kind of “same brand image” is always unfair (As Figure 7 showed).

Although this is a kind of “unfair relationship”, SMEs’ growth often depends on the relationship with large companies. Collaboration with a large company is a kind of growth for small business to obtain trust from large firms. Trust means "confidence in an exchange partner’s reliability and integrity" (Morgan and Hunt 1994, p. 23). It is the ability of proof for SMEs. Morgan and Hunt (1994) mentioned that relationships that are characterized as high trust are highly valued by exchange participants. A long term relationship is called “relationship commitment” (Morgan and Hunt 1994, p. 24), it is built on high levels of trust. So a SME can build a “relationship commitment” with large firms, which means it has the formidable advantage, and it is selective.

Making “Trust” is particularly important for services that customers perceive as high risk or for services of which they feel uncertain about their ability to evaluate outcomes (Wilson, 2008). It is valuable to invest time, money, and a great deal of tolerance for establishing a close relationship with customers, because it contributes to visualize service products. At the same time, good balance of adaptation and standardization stimulates service providers’ understanding and satisfy with customers’ needs (Hyder and Fregidou-Malama, 2009).

The figure below summarizes and explains the process of collaboration between SMEs and large firms. For SMEs they should accumulate their experiences and use different knowledge to develop technology of the company so as to get formidable advantages. They use market research to find suitable large company, in the meantime they may need to change their brand image to adapt the cooperation way of large companies. Moreover they should make “Trust” to build relationships with large firms and start to set up a long term relationship with large firms, if possible, in order to gain “relationship commitment” with large companies. Finally they should use this way to enable small enterprises to grow and accumulate their own experiences again, so that SMEs can complete a “Growth Cycle” in this way. Moreover, in social media service market, those companies who want to build relationship with large firms, the most important thing is to find out six factors in large firms. As literature review mentioned above, if large firms can find out right ways to reduce influence of six factors, they can build successful network marketing in very simple way.
Figure 6: The Process of Collaboration between SMEs and Large Firms.

(Source: Authors)
Chapter 3: Research Design and Methodology

3.1 Research Approach
Social researches collect data through scrutinizing the reality of society and the survey ways of history in a orderly, goal-oriented and planned method, which is a basic way to conduct research. To study history, a great deal of research methods can be used. They include questionnaires, case studies and interviews. Social survey comprehensively uses experiments or scientific examinations. Thus, it can understand the social reality clearly while aiming at systematic compliance with a planned procedure (Holloway & Todres, 2003, p.58). Besides, the social research tends to discover what the public interest in the society. And it integrates, analyzes, summarizes and contrasts the affluent information collected before to seek the research ways, which are used in some associated principles.

By collecting a lot of materials, the society survey tries to discover some solutions to the researched issues. The research way should be in accordance with the theory and use as a foundation for theoretic investigation. Therefore, to study different issues, different research ways should be used. Researches of qualitative and quantitative types consist of a research approach system, which is relatively integrated (Wolcott, 2009, p.23).

Qualitative research collects, analyzes and interprets data through studying what people say and do (Creswell, 1994, p.134). Quantitative research uses figured questions, which have predetermined response choices and involve a lot of respondents. The differences between these two researches are listed in Figure 7:

<table>
<thead>
<tr>
<th>Qualitative Versus Quantitative Research</th>
<th>Qualitative Research</th>
<th>Quantitative Research</th>
</tr>
</thead>
<tbody>
<tr>
<td>Objective</td>
<td>To understand the reasons and motivations in qualitative way</td>
<td>Make data quantification and results generalization according to the sample by people’s interests,</td>
</tr>
<tr>
<td>Sample</td>
<td>Small number and with cases that are not representative</td>
<td>Large number and with representative cases</td>
</tr>
<tr>
<td>Data collection</td>
<td>Disorganized</td>
<td>Organized</td>
</tr>
<tr>
<td>Data analysis</td>
<td>None statistical</td>
<td>Statistical</td>
</tr>
<tr>
<td>Results</td>
<td>Get an initial understanding</td>
<td>Suggest a final course of action</td>
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This research aims at studying the following two questions: “How enterprise integrates the Social Networking Media into Relationship Marketing Strategy” and “How SMEs
Establish Relationship with Large Firms”. Samples studied here are few. Qualitative data is mainly from the Service Department Manager from Newman Company and the General Manager of Southwest branch of China Petro. These interview data and some secondary data are concluded to answer the research questions above. Therefore, the data analysis is not statistical or organized. Thus, this research belongs to qualitative research.

3.2 Research Design
As the literature review mentioned before, social media can be seen as a strategic marketing tool. It is sensible to study how to exploit it in a marketing strategy. However, social media is an emerging media platform and has many differences with traditional media in all aspects. It is not an easy tool that can be just described as “using and waiting for harvest” (Keller 2008, p112). Furthermore, besides the favorable effects such as it can facilitate the communication and interaction between the firms and customers, it also has some unfavorable effects due to the uncontrollable messages and contents in the social media networking and virtual communities. There are also difficulties in measuring these effects. All these factors need to be analyzed before forming a social media marketing strategy. Actually, there are a lot of studies, the researches and the essays written about well know social media companies, but readers can seldom see so much written about how a social media company, such as Newman, to build the sustainable collaboration with a large client – PetroChina (As the objective: SMEs build relationship with large firms). Investigating this company will give better picture about the real concept of social network media service in relationship marketing strategy, which also serves as the purpose of this research. The research design can be shown in Figure 8:
3.3 Research Methods

3.3.1 Secondary data collection
Secondary data are mainly collected from relevant online data, journal articles and books related to marketing theories. Secondary data that are related to Newman and PetroChina are mainly from respective websites and introductions about them from magazines. By collecting secondary data and by researching how Newman carries out cooperation with PetroChina, the writer of this dissertation makes the readers have a better understanding of the development histories and current situations of these two companies.

3.3.2 Interview
This research uses interviews as a main means. An interview means face-to-face communication which can offer a researcher a chance to fully understand the messages that the interviewees deliver (Denzin, 2005, p.12). It is a survey analysis means from
which interview information is collected. Below are its advantages and disadvantages:

(1) The Advantages of Interviews
Firstly it is characterized by flexibility. In an interview research, the interviewee is asked some questions by the interviewer. That is done in verbal form according to the demand of research. With replies from the interviewee, the interviewer can gather objective factual materials. This research means is convenient, various, flexible and feasible. According to research requirements, the interviewer can learn various types of information from various types of interviewees. In the interview research, interviewers and interviewees communicate and exchange information mutually (Saunders et al, 2006, p.32). This means is more flexible. Prior to research, questionnaires are designed according to overall situation and subjective thought. Sometimes these questionnaires may not be considered utterly well. Based on reflections from the interviewee, the interviewer can change or enlarge the questionnaires during the interview. Interviewees can consult or request for explanations if they do not understand the questions. Interviewers should punctually give a guidance or explanation to interviewees if they do not understand the questions.

Secondly it is characterized by accuracy. In an interview research, the interviewers directly communicate with the interviewee. It helps to decrease the hesitation of interviewees so that they will be relaxed while answering questions after they consider carefully (Holloway and Todres, 2003, p.102). Therefore, it can enhance the validity and dependability of research materials. Before conducting interview research, interviewers can decide interview environments. The interviewer can properly control the environment and prevent the disturbance from other factors. He can flexibly plan the interview time and topics, and determine the sequence of questions and cadence of conversation. He can get hold of the first-step control during the interview. For interviewees, this form is fair and convenient because they can answer the questions objectively.

Thirdly it is characterized by deep-going discussion. Through telephones and Internet, interviewers and interviewees can directly or indirectly communicate with each other. They have chances to explain, guide and ask questions without interruption. Therefore, they are able to discuss more complicated questions and obtain latest and profound information (Wolcott, 2009, p.135). During the face-to-face communication, interviewers collect information from interviewees’ replies. They also observe their behavior which is not verbal, such as face expressions, actions, responses etc to clear up the truth for the answer to the question.

(2) The Disadvantages of Interview
Firstly it is the shortage of confidentiality. Interview research requests interviewees should give their answers face to face. Because of this, it will make the interviewees think that there is a shortage of confidentiality and they may have hesitation (Wolcott, 2009, p.137). Especially when it comes to questions of sensitive topics, interviewees
usually try to avert from them or not to answer them directly.

Secondly it is the influences from interviewees. Interview research is only a method for interviewers. Therefore, personal characteristics of different interviewers can result in the psychological reaction from interviewees. And it further influences the answer. Besides, interviewers and interviewees are not acquaintances. Therefore, interviewees may not easily trust interviewers (Wolcott, 2009, p.138). It will also influence the results. Moreover, interviewees may be influenced by attitudes, values and conversation levels of interviewers. It will also result in the digression of interview.

Thirdly, it is the difficulty in taking notes. For interviewers and interviewees, interview research is verbal communication. Requirements of the speed for interviewers to write down something will be higher, if live recording is not allowed by the interviewees. They are not able to record all conservation contents and record them later or from memories. And rewriting usually leaves out a great deal of information (Holloway, 2008, p.234). However, such circumstances do not exist in common interviewers, who have experienced training of specific shorthand (Wolcott, 2009, p.138).

(3) The Range of Application and Sorts of Interview Research
By means of communication, which is face-to-face between interviewers and interviewees, interview research is preferably flexible and adaptable. That is because this research collects information materials for the further study. On the other hand, even if it is difficult for interviewees to read or write, they are still able to answer the questions easily. That is because it uses plain and pragmatic means. Thus, it is extremely perfect for research targets like children or adults, who generally have a low education degree (Creswell, 1994, p.120). In other words, it can be used in wide range, such as psychological advisory, education survey and researching for suggestions, etc, particularly in personal research. This form of research is proper in terms of deepening research questions, enlarging differences for research targets, making research samples smaller or difficult to get into the research locations.

Interview research can be classified into diverse sorts, according to their differences in standards. In terms of interviewers’ controlling level of the interview, interviews can be classified as non-structured property interview, half-structured interview and structured interview (Holloway, 2008, p.234). In terms of the amount of research targets, interviews can be classified as collective interview and individual interview. In terms of the personnel contacted, interviews can be classified as telephone interview, face-to-face interview and online interview. In terms of the research frequency, interviews can be classified as longitudinal interview and horizontal interview (Potter, 1996, p.231).

How does an enterprise integrate the Social Networking Media into Relationship Marketing Strategy? And how does SMEs establish Relationship with Large Firms? In order to reply these questions well, this research uses interview method to carry out interviews with Mr. Zhao Tian, the Service Department Manager from Newman
Company, and Hua Peik, the General Manager of Southwest branch of PetroChina.

### 3.3.3 Case Study

In this research, case study is used as another main method. Case study establishes real marketing feeling and seeks for a scheme to solve marketing problems. It combines the study with market reality and uses classic cases as materials (Creswell, 1994, p.178). It promotes people to enter particular marketing scenery and process by specific analysis and dissection. Case study originated from Harvard Law School. Originally, it was used in fields of law and medical education. And it was first introduced into the field of business education by Harvard Business School (Potter, 1996, p.230). Compared with other research ways, case study has some advantages. Firstly, case study is not limited to the range of scholarly survey. Therefore, case study can promote readers to have a feeling that they experience what is shown to them and concentrate on the cases. Secondly, for readers, it is easy to understand the explanation of case study. Thirdly, case study can involve some particular phenomena and its performance is neglected by traditional statistical ways. Fourthly, case study has feasibility in conducting a research by individuals other than a team of researchers (Potter, 1996, p.229).

The same is to the management subject, which are an art as well as a science. It is difficult to use an established pattern as the standard or established formula to determine the management issues of cross-culture type (Potter, 1996, p.230). Thus, case analysis becomes a workable methodology. Compared with quantitative research, conclusions that are reached from practical cases are seemingly more generic and they could be used in other fields. Moreover, the method of case analysis is more often used in the industry of hotel management. While interview investigations and questionnaires require more time, more money and more energy, this dissertation will not implement this plan at this time.

The procedure of using case study method works as follows:  
The first step is to choose cases. The standard of choosing cases has something to do with the research target and the questions that the research should be answered. It determines what kind of attribute can bring meaningful data to case study. Case study can involve one or several cases. It should be thought that single case study can be used to confirm or challenge a theory (Creswell, 1994, p.179). It can also be used to put up with a unique or extreme case.

The second step is to collect data. The data of case study are mainly from six sources: documents, file records, interviews, direct observations, participant observations and material artifacts.

The third step is to analyze materials. Material analysis includes visual inspection, classification, listing or any other methods to reorganize evidences, so as to research the initial topic. Before analyzing materials, the researcher should confirm his analysis strategy. That is to say, he should know the reason why he will carry out the research and the priority of analyzing materials.
The forth step is to put up with research conclusion (Creswell, 1994, p.179). The presentation form of the case study results has flexibility in great measure. There exists no standardized or united report form. However, usually it should put up with the conclusion of the case study.

In order to research the topic “How Newman builds a long term relationship with PetroChina”, this article chooses the case that Newman designs and develops “Remote video conferencing system” for PetroChina.

3.4 Data Analysis
In this research, to conduct in-depth interviews is my primary source of information. The methodology starts with looking for appropriate scientific articles that were relevant to my theoretical framework. At the same time my study searches for relevant literatures that could come in hand later in my work. Through this way I can compare social media marketing strategy with the already existing marketing theories so as to get the existing knowledge with the help of the reviews on extended literatures. Based on this, my study conducts some in-depth interviews and focuses on a social media service company Newman as the object (Newman is a social network media service company that helps customers to solve problems with relationship marketing strategy). In this step my research will interview Mr. Tian Zhao, the service department manager and two of their members by using structured questionnaires with open-ended questions (Interview questions will be based on the 10 advices given by Martina Platzer, seeing Appendix One. Interview and Feedback, see Appendix Two). By this way, the study will recognize the operation of this organization and special management. Interviewees are allowed to respond freely and answer questions in their own words so as to identify the benefits and differences of social network media.

Moreover our study also focuses on the successful sustainable cooperation between Newman and PetroChina, on gathering secondary data through interviews with Mr. Peik Hua, the General Manager of China natural gas Corporation limited, Sichuan Branch. This study Analyses about other materials from PetroChina's reports and about business plan from Compare Newman Co., by using those materials to create our own research findings. Furthermore, in order to conduct a short case study on PetroChina's relationship marketing and on what they got through the use of social media, so as to analyze and to create clearly the awareness of the benefits that social media can do in marketing strategy, this step is to identify the interest of the PetroChina. At the end, through analyse, all those materials will find the ways to integrate the social media into relationship marketing strategy. The objective is to highlight the benefits of social media and to identify relationship strategy for a small firm to gain large firm’s “trust”.

3.5 Ethical Issues:
In this dissertation, all the interview questions are open. After collecting all the feedback, we will analyze that information, find out the useful, suitable ways for arguments. Furthermore, Newman Technology Company was owned by Rui Kang’s brother, who
has to do some corporations with PetroChina, so there will exist some ethical problems in our dissertation. Moreover, this proposed research are justified by time and financial constraints, as well as by the early developmental stage of research area, so this proposal owns limitations and weaknesses, and all the analyses in this study will not completed or perfect. In addition, in our dissertation we will focus on two totally different companies (Newman and PetroChina) and using Qualitative research to analysis, so there are many researches needing to do, as Silverman D. (2010) mentioned, qualitative research involves a variety of quite deferent approaches, for collecting and analyzing those information will be messy and time consuming. Because of those facts, our report may not guarantee that all the analyses are the overall view of the entire social media business and relationship marketing business.
Chapter 4: Research Findings and Analysis

4.1 Research Findings of Interviews– Enterprise integrate the Social Networking Media into Relationship Marketing Strategy

According to the feedback from Mr. Zhao Tian (2011), he considers that with the increasing awareness of E-marketing of SMEs and diversification of E-marketing methods and ways, the original single E-marketing model gradually steps into the era of integration. Professional E-marketing planning agency and outsourcing Service Company emerge in response to the large firms’ demands for high-end application of integrated E-marketing. Enterprises are currently confronted with the scarcity of E-marketing professionals with lots of actual experiences, whether they choose professional service companies or establish its own special E-marketing teams. Therefore, all E-marketing planning companies of certain scale possess an integrate team to provide service for enterprises, professional companies offer a complete set of E-marketing plans, including technological development, design and art designing, program planning and project implementation.

Mr. Zhao Tian (2011) considers that now integrate social media (networking) and relationship marketing is necessary for all the companies' development. There are four ways to realize integration: Website Construction, Website Promotion, Traffic Conversion and Customer Management & Service.

4.1.1 Website Construction

Mr. Zhao stated that “website is the “front door” of firms in the world of internet. No matter an enterprise website construction or B2C mall, many enterprises would most possibly give priority on the artistic looking and powerful functions”.

(Source: Authors)
purpose of building their own website is to generate commercial value. Thus, apart from website design and function, they may be more willing to build a practical website which works better with SEO. Meanwhile, websites based on Web2.0 architecture will turn out to be the mainstream. With website functions getting more and more powerful, when designing a website, people attach more importance to user-experience and interactive communication. The more interactive the website is, the more appealing it is to users.

4.1.2 Website Promotion
The purpose of website promotion is to win more valuable visitors at the same time, to build a global brand network, to promote the online brand image of the enterprise. “Nowadays, the mainstream website promotion means include portal advertisement, email marketing, wireless marketing, etc. As Web2.0 getting increasingly matured, applications like SNS community, video, blog, microblog are better accepted by enterprises gradually” (Mr. Zhao 2011). When making advertisement on the internet, enterprises should fully consider when their target clients are. Enterprises with strong financial capability may come up to a mistaken idea that the more advertisement they make the more effective the promotion will be. However, since some online advertisements are not that effective on target clients, large expenditure on advertisement may just bring along values visitors. And some other big enterprises also do advertisements on some SNS community websites, emails to customers and telephone marketing to promote their brand image.

4.1.3 Traffic Conversion
When enterprises obtain traffic to their business websites by internet promotion, they will consider how to effectively convert the traffic into order which is not only the ultimate object of internet marketing but also a way to display their promotion effect. To enterprises, business traffic means potential targeted customers. Online customer service tools on their websites are essential to acquire the contact ways of customers and establish instant communication with them. Those managed websites by full-time customer service representatives can attract more customers to place orders on than those websites only with homestay administrators waiting for customers’ telephones do.

4.1.4 Customer Management & Service
With the popularization of SaaS, traditional application software customer relationship management (CRM), purchasing-selling-stock etc., which were originally used to equip large enterprises, have been widely applied to SMEs. The effective combination of customer relation management and internet marketing can not only reduce fund input and management cost but also play a crucial role in promoting the subsequent effect of online marketing. A whole raft of B2C enterprises have put “call center” into actual use. Without supporting CRM system, Mr. Zhao (2011) thinks, it is hard to imagine how those customer relations can be maintained, so it is also very likely to lose those customers.
Meanwhile, Mr. Zhao thinks that the development of enterprises has changed along with the scale and management direction of management. The management target of enterprises is also dynamic. At the same time, the social network media marketing method has developed along with the development of the era and the practices. Therefore, in different management periods, enterprises should have different choices in terms of the network marketing targets and methods. He also points out that the social network media marketing, at present, has more than 100 kinds of methods, which have been proved by practice and application. And the various social network media marketing methods are not a suitable marketing method to any phrase of any industries or enterprises. It is necessary for enterprises to figure out the best combination from the diversified marketing methods for comprehensive use. At last, he summarizes the factors that should be considered when enterprises integrate the social network medium into their relation marketing strategy. They are concluded as follows:

Firstly, enterprises, before integrating network media into their own relationship marketing, must consider six factors. They are management support, company scale, IT system integration, enterprise culture, government policy and the nature of an industry. Take PetroChina as an example. It uses and integrates network media into its marketing strategy. At the same time, it must consider that China has national business policy that is different from other developed countries. Therefore, it must have strong and powerful policy permission and support from management level. At the same time, the integration of network media must match company scale as well as enterprise culture. For big companies, they ought to firstly find accurate and clear market opportunities and marketing targets.

Secondly, enterprise management level must attach importance to the integration work of network media, and give corresponding support of resources, manpower and funds. It ought to promote the IT integration system. It ought to make use of technology and data-base to establish customer information feedback system. Thus it can determine the main marketing strategy and meet more important users’ needs. Through integration, it can also reshape corresponding enterprise ideas, and further enrich and perfect enterprise culture.

Thirdly, enterprises ought to also consider what a specific type of network is more suitable for their own development needs so as to meet purpose of communication between enterprises and customers. For example, it is an enterprise website of communication and response. Or it directly promotes in certain network stage, such as some video websites, news websites and social communication websites. It is the most important for enterprises to choose one or several fittest network media, so as to contrapuntally draw up marketing strategies. Besides some inflexible social network media, flexible ones, such as customers, who are steady and have certain loyalty, are very useful. They can help to enhance brand image of company and keep long term profits. A large loyal customer base can help to spread information that is beneficial for company brand image. It helps to establish communication with strange customers, so
as to enlarge the loyal customer group.

Fourthly, enterprises ought to also set up specialized institution, which is responsible for the management work of all kinds of customer relationship brought by network media integration. For example, to design forum and community, to establish communication stage for traders and users, users and users, to design interactive function for traders and customers, to make use of technology and data-base to establish customer information feedback system so as to know customer needs at any moment, to spread exterior information, according the information of existing users, allocating needs of each crowd, spreading exteriorly the public praise, to analyze characteristics and information needs of each network media communication tools, and to guide external users to have interests and needs, to implement all kinds of free service strategies, finding out potential needs of users, inducing spreading and consuming.

Fifthly, enterprises must establish corresponding assessment index system so as to evaluate the efforts of network media integration marketing. For example, some enterprises have established a KPI system. The basic train of thought for establishing KPI is as follows: Firstly, establish key performance index system. According to assignment of responsibility, the system determines which individual factor or organization factor is related to the overall interests of the companies. According to position business standard, the system defines key factors of success. The system also determines relationship among key performance index, performance standard and real factors to decompose key performance index. Secondly, the system uses PDCA cycle to perfect and implement it step by step. For example, key performance index design ought to be designed by professional personnel. Designs ought to be reported to leaders of management level. Revise should be made according to the opinions of those leaders. A revised version should be submitted to each functional department for full discussion. Discussion opinions should be collected and revised again. A report for approval should be given. Thirdly, supporting environment for key performance index assessment should be established. For example, we should provide the support of enterprise culture, which is performance-oriented. Supervisors of each level bear responsibilities for performance management. Importance should be attached to establishment of performance communication system. Performance assessment should be linked to result and value allocation.

Sixthly, enterprises ought to, through network media, find out the needs of influencing target customer group and the factors influencing the needs. To know the needs of target customer group and the factors influencing the needs, a system of customer information communication and feedback ought to be established. On the one hand, it can know, at any moment, how to meet the needs of customers for product performance and service. On the other hand, aiming at the network stage itself, enterprises know the understanding degree and support degree of customers towards promotion work of enterprise network media. Only when the enterprises know imperfect parts of the promotion can they make efforts to improve them.
Seventhly, enterprises ought to, through network media, make their own customers easily become spokespersons of their brands. New spreading ways provides brand promotion and spreading of enterprise information with new channels. It also provides enterprises with more stages to find out and let target users obtain the information about them. Internet media increasingly manifests its unique advantages. China has a total amount of 477 million cyber citizens. Therefore, it is easy to choose products that are suitable for customers through network media. Thus, enterprises ought to well grasp advantages of network media, make full use of them, and make customers become spokespersons of their own brands.

Eighthly, enterprises ought to, through network media, make use of all kinds of methods to promote the image of their brands. For marketing, the obvious advantages of network media is fast speed of spreading information, simple and convenient operation and a wide groups of users. As a strategic resource, media ought to be high attached importance to by enterprises. It is a basic point to use strategy well. That is to say, it ought to form a support frame. Supports ought to have strategic fortress, with which to support other overall media plans. Enterprises ought to well use the strategic resources, media. The interaction of network makes network marketing own basic of snowball effect. Thus, marketing, for the first time, has the possibility of expanding limitlessly. Many international brands, like Coca-Cola and P&G, do not have today’s achievements without the successful operation of media and spreading. Mr. Zhao thinks that helping enterprises to develop all kinds of management information system, such as establishing customer relationship management information system, can be divided into several sections. Firstly, they ought to set up multi-media and multi-channels, which will become the customer service center. This way will enhance overall service quality and save management cost. Secondly, they ought to effectively make use of the accumulated customer materials and dig out the potential values of customers. They ought to realize that customers need responses of one-to-one type. Through analysis of customer interest and needs, they will realize personalized services. Thirdly, they ought to make full use of data-base information to dig out potential customers. And, through telephone contacts, initially call and recommend for customers, so as to fully understand needs from customers. Lastly, they ought to share data-base resources in real time. By making the best use of website technology centers and service centers, enterprises can effectively connect bricks-and-mortar business to lower the cost of sales and management.

4.2 Research Findings of Interviews – SMEs Establish Relationship With Large Firms

This part is based on the email interview with Mr. Zhao Tian, the Service Department Manager from Newman Company, and Date: 11-01-2011, 14-03-2011, and 03-04-2011. (See by Appendix One), and Business Plan from Newman Company, “Remote Video
According to Smith’s theories, generally speaking, a big company, compared with a smaller one, has more diversified choices and more advantages to deal with the challenges of changing global market competition. Big enterprises can, through many ways, gain technologies. For example, they can cooperate with universities or government research institutions to develop themselves. However, small enterprises are innovative and flexible. They can change their needs faster. Therefore, to establish well cooperation relation with big enterprises, SMEs must offer something that big enterprises need. Mr. Zhao Tian thinks that in order to keep cooperation relation with big enterprises, SMEs ought to have and complete the following four points:

Firstly, the prerequisite for SMEs to gain cooperation with big enterprises is that small enterprises must be able to provide big enterprises with technology so as to meet the needs for special ability and resources. Therefore, for SMEs, enterprises ought to firstly accumulate experiences and technological ability to own their unique advantages. Furthermore, SMEs do not have technology or resources that could attract big enterprises, instead they still want to establish and keep cooperative relationship with big enterprises. Then enterprises ought to positively carry out market research to know and acquire the technological ability and resources that big enterprises need. Only in this way, can enterprises own solid foundation for cooperation with SMEs.

Secondly, as referred in the documents, big enterprises are in the position of active selection during cooperation. And small enterprises are in the position of passive change and adaptation during cooperation. Due to needs of cooperation, while cooperating with big enterprises, SMEs may need to make some changes according to the specific conditions. The changes include their own organization framework, business process, brand image and enterprise culture. SMEs have to make some changes because they ought to adapt more to the big enterprises and cater to the needs of them. Thus SMEs can establish the values that they are thought highly of by big enterprises and can obtain chances to cooperate with big enterprises. We also take Newman as an example. In order to cooperate with PetroChina, Newman makes a series of changes of its own. Although it appears unfair, it is a necessary premise to carry out cooperation with big enterprises. And small enterprises can still gain profits from the cooperation. For example, they can expand a broader market via big enterprises. They can acquire richer experiences.

Thirdly, brand image is closely related to customers’ loyalty. Through changing and constructing their own brand images that accord with big enterprises, small enterprises can reduce conflicts during the cooperation. In the review of documents, Miller and Fabian mention that the importance of social network media lies in the interactive function between customers and society. Social media can greatly promote the construction and formation of brand image. In the course of constructing target group and brand image, it is very effective to fully and reasonably make use of social network

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media. Therefore, while constructing brand images that accord with big enterprises, SMEs can make full use of the social network media to change their brand image strategies. The documents mention that Coca-Cola makes use of YouTube to promote its brand image which needs many efforts to achieve.

Fourthly, the key point for SMEs to establish long term cooperation with big enterprises lies in the fact that they must gain trust from big enterprises. SMEs ought to establish “relationship commitment” during the cooperation with big enterprises so as to continuously know all kinds of needs of big enterprises, and get provided with corresponding services. Generally speaking, small enterprises have great differences from big enterprises in terms of funds, technologies and equipments. While choosing partners, big enterprises have some requirements. The documents mention that SMEs ought to have technology or special ability and resources that big enterprises need. Besides, loyalty is important. During the communication and cooperation with big enterprises, small enterprises have to show a concept that they keep a strong desire for cooperation. It has to be emphasized that small as these enterprises are for the time being, during the development process, small enterprises own many chances to get great shifts in terms of both scales and technology. Small enterprises have highly capabilities concerning design, research and development. Small enterprises ought to give the customers a concept that “we always endeavor”. And during the cooperation with big enterprises, small enterprises will continuously keep in minds their development plans and seek for chances to make the dreams come true.

So, how ought SMEs to establish and keep cooperation relationship with big enterprises?

Mr. Zhao Tian thinks there are six steps to establish relationship with large clients. These steps are: to possess products and capabilities so as to cover the deficiency, to use various methods to keep in touch with big clients, to have a good impression on the clients and further to form good private relationship with the clients, to build big clients’ data-base of big clients, based on the “no talents is wasted” rule to hire right staffs, and finally to analyze and prejudge both customers and the company itself in order to keep the loyalty to the small enterprises. Figure 10 shows these six steps clearly:
According to Mr. Zhao Tian’s statements (2011), those companies that want to develop relationship with big enterprises should possess proper products and capabilities to offer services for big clients. This capability is not only determined by scale and finance power of the company, but also by its management ability and service concept. Mr. Zhao Tian states that when big firms consider purchasing some products, they will take into account long-term partnership with SMEs and available after-sale services. Lack of good management in a small company definitely will give rise to inconvenient communication with big customers, delay in settlement of problems. As a result, the company’s competitiveness will become weak. In fact, in network marketing service, excellent management strategies can even cover the deficiency of its scale and finance power.

When objectively convinced of a small company’s strength, the client manager of SMEs will probably try various methods to reach the big clients (or big firms), and will provide comprehensive assessment about the clients. Mr. Zhao (2011) thought that when contacting with big clients, customer manager of SMEs will get familiar with the customer’s decision-making process, will find out those who have disclose power in procurement decision-making process for meaningful communication, instead of carrying out blind marketing. “CMs should give full display of their companies’ advantages with which they can bring added value to clients, yet also should give
During communication, CMs should mobilize all strengths inside enterprises to show their strength. On interpersonal relationship, CMs should try best to establish good private relationship with purchase decision-makers and leave good impression on their partners.

After attracting big clients’ successfully, enterprises should carry out effective control and management of the clients’ resource. “They can establish an exclusive customer relationship management department, appoint staff with strong business ability as department GM, and build several relationship managers to guarantee the professionalization of large clients’ management” (Mr. Zhao Tian, 2011). In addition, SMEs can build client data-base to ensure that big clients’ management is scientific and objective. In the view of specific communication, enterprises should use individual-level communication; intensify relationship with customers by sales person’s close contact and communication with clients. Moreover, “enterprises will design marketing plans, provide discount to buyers (especially large-quantity buyers), and promotion gifts as incentives. When clients have reached a certain scale, enterprises will set up a club and absorb big clients as (VIP), and hold regular activities to strengthen their mutual relationships” (Mr. Zhao Tian, 2011).

On employment, Mr. Zhao Tian (2011) considered that SMEs should insist on the principle of “no talent is wasted”. Some companies prefer to promote effective sales person as big client manager. Actually, requirements on sales person and big client manager differ a lot. An outstanding big client manager is not a sales person, but the company’s marketing consultant.

In fact, compared with finding and developing big clients, keeping and maintaining big clients is another aspect that can never be ignored by SMEs. Mr. Zhao Tian think: customer loss can be caused by many reasons, some may be caused by customer themselves, some may due to environment or enterprise service. There are also many measures that can lessen customer loss. Enterprises should find reasons in themselves as well as analyze and prejudge customers.

SMEs cannot rely solely on preferential prices to maintain the loyalty of clients, because it is awfully risky to take price as the only bond to maintain clients’ loyalty. Mr. Zhao Tian (2011) stated that, once SMEs’ rivals participate in competition, or enterprises have to raise price due to increasing cost, enterprises are likely to be faced with client loss. With multiple homogeneous products in E-marketing service, added values like pre-communication, customized products, effective update and maintenance will be the critical aspects of enterprises to attract big clients (Mr. Zhao Tian, 2011). The contribution of large firms to SMEs is, once constant cooperation is realized, they can bring substantial profits to enterprises. With regard to these large clients, SMEs should take initiatives to provide constant concern about them. In addition, SMEs need to find out and analyze the reasons of loss of previous big clients and estimate the trend.
of existing clients beforehand based on the analysis.

4.3 Research Findings of Case Study – How Newman Build a Long Term Relationship with PetroChina

This part is based on the case study “Remote video conferencing system”. The new technology used in PetroChina’s office system. Developed by Newman Co. and E-mail Interview with Mr. Peik Hua, the General Manager of Southwest branch of PetroChina. 25-03-2011. some quotations are translated from the Chinese originals. (See Appendix Two).

PetroChina has a huge marketing team. Management levels of information center needs to ensure how to make information accurately and effectively delivered from management levels to common employees, to make every marketing concept well penetrated into staffs’ hearts and to improve marketing performance on the basis of saving cost.

Mr. Peik Hua (2011) stated that big enterprises like PetroChina may have complex structures. As a result, internal and external enterprise communication efficiency, communication ability and telecommunication ability are very critical factors to comprehensive competitiveness. Big state-run enterprises like PetroChina attach more importance to informationized construction, especially their marketing departments. With over thirty branches marketing companies both home and abroad, PetroChina has very urgent need for telecommunication platforms.

At this time, Newman Co. discovered this business opportunities. Relying on their own technology and strength, Newman Co. helped PetroChina tailor the “Remote video conferencing system” (Business Plan, Newman Co., 2008). In the past, once conducting a system-wide conference, enterprises had to pay approximate hundreds of staffs who had been promoted to the head office from branches, a great deal of money for their expenditure on accommodation, traveling, and allowances. Now, after adopting this video system to long-distance meetings, the expenditure can be saved and the investment on hardware and software of the whole system can be recovered in a short time. As a result, the enterprises will achieve the goal of being efficient, convenient, effective, and economical. Remote video conference platform not only saves tour cost and time, but also accomplish efficient operation and help users to create new marketing methods in information age.

After the successful establishment of “Remote Video Conference” platform, all conferences among departments can be carried out online, which meets PetroChina’s various demands such as holding long-distance meetings and training, performing business communication and employee training by using existing network (Mr. Peik Hua, 2011). Meanwhile, Mr. Peik Hua (2011) said, it is just because we possess the comprehensive ability to make proper use of network resources and Newman’s software
system that our whole operation can be kept stable enough to live through the impact of global financial crisis.

According to the interview with the general manager of Southwest Branch, PetroChina, we know that during the cooperation with PetroChina, Newman made corresponding changes according to the specific needs of PetroChina and its actual abilities. These changes include its organization framework, business process, brand image and enterprise culture. In terms of organization framework, Newman makes adjustments contrapuntally, in order to coordinate with PetroChina to release enterprise power to the greatest extent, and to make organization bring energetic efforts into full play. These changes include functional structure, hierarchy, department structure and authority structure. In terms of business process, Newman set clear personnel arrangement and liability standard in aspects of cooperation contents, methods and responsibilities. Thus it makes it possible that different activities can be transferred among different position roles. It optimizes enterprise resources, lowers operation cost of enterprise, enhances response speed towards needs of big enterprises, and acquires maximum enterprise profits. In terms of brand image, PetroChina pays attention to the environment, and it bears the social responsibility of creating harmony between energy and environment. In order to match this global and international development strategy, and the enterprise brand image of limitless cohesion and creativeness, Newman makes some changes to meet the development needs of PetroChina. These changes include its environment image, performance image, social image and personnel image. In terms of enterprise culture, the enterprise culture of PetroChina has distinctive features that are different from state-owned enterprises in developed countries. It also absorbs advanced enterprise culture theory of developed countries to a great extent. Newman ties it best to make its enterprise culture match with PetroChina’s, whose body is enterprise image, enterprise spirit, enterprise concept, part and mass construction, oil entertainment and culture construction.

Through a series of successful cooperation, PetroChina think Newman Co. has strength that can make a long-term cooperation with other departments of PetroChina (Mr. Peik Hua, 2011). So in 2009, Newman started to help PetroChina to construct the digitalization of gas pipeline (Business Plan, Newman, 2009-2010). This three years project (2010-2013) will bring Newman Co. over 900 million dollars income, it added approximately ten years total income of Newman Co. before it built a long term relationship with PetroChina (Mr. Zhao Tian, 2011).
Chapter 5: Conclusion and Recommendations

5.1 Conclusion

From this study, we can find the differences between the traditional marketing and the relationship marketing. One of the important differences is that the traditional way is “product-centric”, with the characteristics of “mass communication”; while the relationship way is “customer-centric”, with the characteristics of “personalized communication”. Technology advances promote the development of relationship marketing along with the emerging of social media which fascinates and extends the communication between firms and customers. Social media provides companies with measures to communicate and interact with customers, with chances to shift from traditional marketing to relationship marketing.

Our thesis takes the following two problems as the topics of the research: “How do enterprises integrate the social networking media into relationship marketing strategy?” and “How do SMEs establish relationship with large firms?” The research is conducted through the interviews with high-level management personnel of two big companies Newman Internet Technology Service Company and PetroChina as well as through the cooperation between the two companies. So we mainly draw the following three conclusions:

1) The interview with Mr. Zhao Tian, the manager of the Service Department, Newman Co., discusses that in enterprises there are four methods to realize integration, which are website construction, website promotion, traffic conversion and customer management & service. During the interview, Mr. Zhao Tian pointed out that six factors have to be taken into account before enterprises integrate social network media into relationship marketing strategy. These factors include management supports, company scales, IT system integration, enterprises’ cultures, government policies and industry’s features. In the course of realizing integration, enterprises must put network media at a prior position and provide necessary measures---such as corresponding supports of resources, manpower as well as funds---to guarantee integration work. Enterprises must consider what specific kind of network media is suitable for needs of the company’s development, for the needs of communication between the enterprise and the customers. Enterprises must set up specialized institutions for the management work concerning network media and relationship between the company and customers. Enterprises must also set up a corresponding assessment index system to evaluate the effort of the network media integration marketing. Enterprises must find out the demands of target customer groups and the factors that influence the needs. Besides, enterprises have to promote their brand images and make their customers become the spokespersons of their own brands. All of these jobs have to be conducted by means of network media.

2) During the interview, Mr. Zhao Tian, the Service Department Manager of Newman, stated that SMEs’s good cooperation relationship with big enterprises will take the
guarantee to provide the technology or special ability and resources as the first premise. The cooperation will also force SMEs to make necessary changes in terms of organization framework, business process, as well as enterprise culture to adapt to the process of cooperation, to create a brand image. The key for SMEs to establish a long term cooperation relationship with the big enterprises is that SMEs must gain trust form big enterprises. Mr. Zhao Tian added, in the cooperation with big enterprises, SMEs must establish “relationship commitment” to know needs of big enterprises so as to consistently provide big enterprises with corresponding services.

3) The analysis about the cooperation between Newman and PetroChina indicates that during the process of cooperation, Newman gains trust from PetroChina, by means of providing PetroChina with internet technology service. Meanwhile, Newman makes corresponding changes in terms of its organization framework, business process, and brand image as well as enterprise culture. Besides, Newman conducts researches on the needs of PetroChina’s development. As a result, they establish a long term cooperation relationship.

5.2 Recommendations of Integrating Social Media and Marketing Relationship
And from this study, we also have some recommendations and suggestions to enterprises. Object of enterprise values can solely be conveyed to customers via certain channels. In Web 2.0 times, enterprises can use Web 2.0 tools to interact with consumers or potential consumers in order to effectively convey their products or service values to their customers and cultivate customers’ loyalty by gaining the recognition of clients and possible clients. In brief, the main task for enterprises’ internet marketing is to acquire customer loyalty during web2.0 times (Henry, 2011, p.14).

In the times of Web 2.0, enterprises and consumers form different groups based on their interests and hobbies. Web 2.0 tools such as blog help both enterprises and consumers to make oriented, accurate and relevant marketing. The Integrated social media and relationship marketing platform offer chances for consumers to directly involve themselves into customer experience, to participate in the process of establishing enterprise brand by interaction between consumers and enterprises. At the same time, Web 2.0 helps to establish the concept of online brand of enterprise which is determined by customer experiences and relationship management (Harris, 2011, p.2). For those enterprises that are going to integrate social network media into relationship marketing, we think the following suggestions probably are helpful:

Firstly, enterprises ought to carry out target customer location precisely. They ought to offer personalized products as well as services by means of integration. Due to the revolution and changes of technology, the importance degree of the quantity of output is becoming lower and lower. It is no longer the same the strategy center of the producers as before. Enterprises must take the needs of customers into consideration, so as to customize products. They ought to not produce standardized products by following the
prescribed order. What’s more, the pressure of competition also requires each industry to efficiently adapt reaction to the changes of the surrounding economic environment. This means that the former level management system no longer works well (In the level management system, the supervisors give out orders, middle management personnel are responsible for carrying out the orders and ordinary personnel are under the control of each department). And the direction communication between the website and the final customers also offers possibility for enterprises to provide customers with personalized services. In the environment of Internet, due to the narrowing gap of enterprises between physical space and physical aspects, the difficulty of competition among enterprises greatly enhances (Amarnath, 2011, p.13). Hence, it is very difficult for an enterprise to be an omnipotent champion that surpasses the rivals. However, if they are specialized and deepening in a certain field and have established very strong competition advantage in business, then the possibility of being outstanding is extremely great. This reality promotes enterprises to determine a suitable customer target location according to their own features.

Secondly, enterprises ought to establish product and enterprise credit by means of integration. Credit is the premise of the social network marketing. For some countries, in which network market is still developing, customers will never buy products online, which they have never heard before or the quality is not reliable. How does network marketing confirm the validity of the needs of customer? This is also the difficult aspect that the current phrase of network marketing is facing (Amarnath, 2011, p.14). All these mentioned above can be concluded as the problem of credit. In addition, during the process of setting up the enterprise portal website, the factors such as the awareness and the service quality of the website are also premises of the construction of a brand. During the process of carrying out the network marketing, the good credit of products and the credit of enterprises are a long term and strategic concern (Lockwood, 2011, p.78). Usually the enterprises can build up a good credit from the following aspects: (1) best service---to provide customers with convenient and excellent service that is really in need at any moment; (2) good operation---to provide customers with products and service of the lowest price and to avoid putting customers into unnecessary trouble; (3) continuous innovation---to provide customers with products not only of the best quality but also of great novelty and great characteristic, So as to bring more benefits to customers (Lockwood, 2011, p.82).

Thirdly, enterprises ought to make use of social network media to change price strategy and promotion strategy in proper time. The price strategy of traditional marketing mainly takes the cost of production and the market price of like products into consideration. In addition, there exists comparative advantage of prices: one product probably has different prices in different nations or different districts (Amarnath, 2011, p14). However, customers can make use of the Internet to gain timely the different price information of the same products or like products. This will surely bring great impact for the enterprises that carry out district price difference. In order to eliminate this kind of adverse influence, enterprises ought to try their best to decrease the price difference
or carry out standardized price. Particularly, the online customers have enough strong rationality to judge what prices are the acceptable for products they need (Lockwood, 2011, p.78). Therefore, while drawing up the price strategy, enterprises ought to consider value concept of the customers. The traditional promotion strategy is mainly carried out by means of advertisements, personnel promotion, sales promotion and other relevant promotions. In this case, the customers are in passive position. When enterprises carry out network marketing, they can make use of Internet tools, such as online forum, BBS and E-Mail, to establish connections of one-to-one type with the customers (Lockwood, 2011, p.79). Thus, it makes the customers change from passively accept promotion to actively search advertisements, accept products or services. Besides, promotion fees can be greatly reduced.

Fourthly, enterprises ought to do well about the website construction. The website is the basis for enterprises to carry out the network marketing. On the one hand, through characteristic website of the enterprises, they can build up enterprise image. On the other hand, they can attract new customers while communicating with old ones, which will directly influence the effort of network marketing (Lockwood, 2011, p.83). Therefore, as the “face” of the enterprises, websites must be paid attention to the followings: (1) to attract Internet “audience” as much as possible. The layout design and choreography of the home page must center on the target customer group of the enterprises. Such phenomenon has to be avoided that the home page is simply a pile of splendid pictures with blank word explanation; (2) to convey information quickly. The content of website must be continuously updated so that the customers can acquire the latest information of enterprises and products in time; (3) to enhance the quality and expertness of the website. Excellent and professional design of website is just like complimentarily made printed matter. It will greatly stimulate the purchase desire of the customers (visitors); (4) to strengthen the spread and promotion of the website. Excellent websites need successful spread and promotion. Through effective methods such as search engine and reciprocal linking to greatly promote the website of enterprise. Banner advertisements, which are contrapuntal, will also greatly enhance the awareness of websites (Harris, 2011, p.3). Enterprises can also use the traditional promotion methods, such as TV advertisement, news media and printed materials to expand the influences of the enterprise website; (5) to respond to needs of customers in time. Enterprises ought to set up a department to make timely responses to the customer feedbacks (Harris, 2011, p.2). Besides, they ought to have two way communications with the customers by means of e-mail and online FAQ. (6) To create convenience for visitors. If enterprises want to promote visitors to buy products or services online, they ought to establish a convenient passage for visitors (Harris, 2011, p.2) so that visitors can gain all kinds of information they need. For example, adding in the website a navigation menu with which visitors can fast enter into the pages of each level. And enterprises can add an internal search engine in the website to give a timely response to customers.

5.3 Recommendations of SMEs “Build Relationship” with Large Firms

Meanwhile, how do SMEs seize big clients? It is the basic question for SMEs to
consider. As a matter of fact, marketing staffs of SMEs are bound to accumulate rich experience in practice and operation. However, it is tough for SMEs to transform these personal experiences into organizational experience of enterprises and sequentially develop it into continuous order and profits (Wang & Wu, 2011, 8, 3). For SMEs, their relationship with clients will not end when their projects are fulfilled. Enterprises have to integrate all internal resources to maintain big clients. Enterprises also have to keep good relationship with clients under the guidance of active communication, mutual benefit, commitments and “trust”. We think that SMEs ought to begin from the following aspects in order to establish a long term cooperation relationship with the big enterprises:

Firstly, enterprises ought to continuously research the development needs of big enterprises. If SMEs want to keep a long term cooperation relationship with the big enterprises, they have to know the development of big enterprises. SMEs should have a clear picture about the past, the existing and the future of the big enterprises. Through their own customer relationship management strategy, SMEs ought to collect the development strategy information of the big enterprises, to know the technology or ability requirements that may exist during the development of the big enterprises and offer them ways to solve problems (Wang & Wu, 2011, 84). Therefore, SMEs can contrapuntally accumulate their own strength and technology to acquire comparatively dominant position during the cooperation.

Secondly, SMEs ought to accumulate and develop the technology and ability that the big enterprises need. After knowing the technology or ability that the big enterprises need, SMEs need to correspondingly accumulate and develop the technology and knowledge ability that the big enterprises need. To be more specific, SMEs ought to train technology or management talents with corresponding technological ability inside the enterprises. SMEs ought to recruit them outside the enterprises. They also ought to purchase or introduce corresponding technological equipments. They ought to carry out corresponding business in order to accumulate their own strength. At the same time, SMEs ought to establish a corresponding talent encouragement system. They ought to encourage their own staffs to learn all kinds of advanced technology and management knowledge (Wang & Wu, 2011, 85). Therefore, they can enhance the quality of staffs as well as the overall competitiveness of the enterprises.

Thirdly, SMEs ought to strengthen the relationship management during the cooperation. While cooperating with the big enterprises, SMEs will certainly encounter certain inequalities. The big enterprises will have more resources and strength. Therefore, because of the reasons above, while cooperating with the big enterprises, SMEs ought to be more initiative. They ought to try their best to carry out management and to improve the cooperation relationship. To be more specific, SMEs can begin to form the following aspects to draw up management plans in order to improve cooperation relationship: firstly, they ought to eliminate the barriers and bottlenecks during the cooperation (Wang & Wu, 2011, 84). SMEs ought to be good at finding the barriers and bottlenecks
during the cooperation. They ought to improve and eliminate factors that are harmful for keeping the cooperation. These factors exist in every division of the enterprise elements, among which are product range, business process, organization framework, human resource, and enterprise culture and brand image. Thus, it makes all enterprise elements be more beneficial for maintaining and developing the cooperation relationship.

Secondly, SMEs ought to strengthen the communication with the management level of the big enterprises (Sabharwal, 2011, 15). The management level of SMEs ought to try their best to initiatively communicate with the management level of the big enterprises. They ought to initiatively know the thoughts of the management level of the big enterprises. Therefore, they can find out the improvement direction of their own during the cooperation (Sabharwal, 2011, 17). At the same time, the management level of SMEs also ought to pay attention to the communication methods they use while communicating with the management level of the big enterprises. They ought to use some communication methods, which will not disturb the normal working and life of the management level of the big enterprises. During the communication, they ought to initiatively put up with some good suggestions for cooperation. They ought to initiatively provide the big enterprises with the strength and advantage of their enterprises. Therefore, it makes the management level of the big enterprises come up with the possibility of carrying out cooperation. Furthermore, they ought to analyze and supervise the supporting situation of the present resources towards the cooperation between both sides (Sabharwal, 2011, 15). Whether can SMEs organize well the resources? This is the necessary condition which determines the success or not of the long term and effective cooperation with the big enterprises. The resources of SMEs include internal factors, such as funds, technology, manpower, enterprise implementation ability, and the management of all kinds of external supply chain. SMEs ought to carry out an accurate analysis of the currently owned resources. This is the key, since it ensures that the cooperation relationship with the big enterprises can be carried out smoothly. They ought to reasonably organize resources, which is beneficial for enterprises to make use of their own advantages. They ought to timely realize each target during the cooperation (Wang & Wu, 2011, 84). At the same time, they should carry out the preparation work of next phrase as early as possible.
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Appendix

Appendix One

Interview Schedule

<table>
<thead>
<tr>
<th>Date</th>
<th>Interviewee</th>
</tr>
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<tbody>
<tr>
<td>11-01-2011</td>
<td>Mr. Zhao Tian, Newman Co., Ltd</td>
</tr>
<tr>
<td>14-03-2011</td>
<td>Mr. Zhao Tian, Newman Co., Ltd</td>
</tr>
<tr>
<td>25-03-2011</td>
<td>Mr. Peik Hua, PetroChina Southwest</td>
</tr>
<tr>
<td>03-04-2011</td>
<td>Miss. Lin Wang, Newman Co., Ltd</td>
</tr>
</tbody>
</table>

Newman Engineering Techniques Company Limited’s located in China. It was established in November 2000 by group of young passionate IT people who are both from IBM. Newman Company providing customized web design develops technology solutions and outsourcing services since 2001. In 2007, this company employed over fifty staffs, and then Newman decided to change company’s target to relationship management solution market in the end of 2007. The business idea is using social media to help their customers with all issues concerning marketing strategy, communication and analysis, in order to establish long term cooperation with clients. Among their customers we can find the largest Chinese company PetroChina. Their main competence and orientation is centered on a relation marketing office, where the front edge knowledge lies within all disciplines of relationship marketing. They know how to diversify a customer basis and thereafter influence it in the correct way, furthermore Newman knows how to build long lasting relations, and how to strengthen the brand in each contact with the customer.

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Tel: +86 13880656918
The Main Interview Questions

- How do you think of today's social network marketing?
- How do you comprehend the methods and characteristics of social network marketing?
- How Social Network Media can enrich existing marketing strategies?
- What is the ultimate aim to use Social network marketing strategy?
- Which strategic elements should a social media service firm like Newman co. need to develop, in order to succeed a long term business relationship with a large client such as PetroChina?
- How Customer relationship management benefits from the use of Social network media?

Those main interview questions I send to Mr. Zhao Tian at 11-01-2011. Below is Feedback this is a translation from the Chinese original.

1. How SMEs focusing on E-marketing to grasp big clients? (Which strategic elements should a social media service firm like Newman co. need to develop, in order to succeed a long term business relationship with a large client such as PetroChina?)

Mr. Zhao Tian: I think SMEs ought to acquire a good knowledge of big clients and recognize who are big clients. From the whole industry, the big clients for E-marketing service are very explicit. They have large purchase and weak sensitiveness to price, but high requirement for quality and stability as well as the brands; besides, they often have special requirements for some functions of product. Specific to each enterprise, there are many things in common although different enterprises are in different environment and have different big clients. For example, the big client tends to have large and concentrated purchase; in addition, they often apply a comparatively apparent bidding form for procurement and demand higher comprehensive service ability of suppliers who tend to develop into different levels around big clients. The different levels cooperate and restrict each other. Those who get closer to big clients can get more profits. Moreover, the big clients’ decision-making process pays more attention to the long-term cooperation with suppliers.

2. How do you comprehend the methods and characteristics of social network marketing?

Mr. Zhao Tian: Actually I think with the increasing awareness of E-marketing of SMEs and diversification of E-marketing methods and ways, the original single E-marketing model gradually steps into the era of integration. Professional E-marketing planning agency and outsourcing Service Company emerge in response to the large firms’ demand of high-end application of integrated E-marketing. Enterprises are currently confronted with the scarcity of E-marketing professionals with lots of actual experience, whether they choose professional service company or establish its own special
E-marketing team. Therefore, all E-marketing planning companies of certain scale possess an integrate team to provide service for enterprises, professional companies offer a complete set of E-marketing plans, including technological development, design and art designing, program planning and project implementation.

3. How Social Network Media can enrich existing marketing strategies?

Mr. Zhao Tian: In fact, there are many ways to integrate those two things. For example, website is forever the enterprises’ front door in the world of internet. No matter on enterprise website construction or B2C mall, many enterprises would most possibly give priority on the artistic looking and powerful functions. Enterprises’ purpose of building their own website is to generate commercial value. Thus, apart from website design and function, they may be more willing to build a practical website which works better with SEO. Furthermore, the purpose of website promotion is to win more valuable visitors at the same time, to build a global brand network, to promote the online brand image of the enterprise. Nowadays, the mainstream website promotion means include portal advertisement, Image, email marketing, wireless marketing, etc. The traffic Conversion also important, When enterprises obtain traffic to their business websites by internet promotion, they will consider how to effectively convert the traffic into orders which is not only the ultimate object of internet marketing but also a way to display their promotion effect.

4. What is the ultimate aim to use Social network marketing strategy?

Mr. Zhao Tian: The final goal of integrated internet marketing is to obtain customers & orders, improve sales of the company and, meanwhile, establish own online brand. Those internet marketing & planning firms skilled at integrated online marketing can bring forward pertinent, personalized and unique solutions for enterprises. Effective internet marketing solutions can only be integrated together by making carefully selection from different kinds of online marketing methods based on the status quo, targeted customer group of enterprises and their focus on brands and sales.

Feedback from 14-03-2011. Interview with Mr. Zhao Tian:

1. How do you think of today's social network marketing?

Enterprises' internet marketing activities usually aim at serving the object of enterprise values whose realization can be achieved by giving service to the values of specific customer groups in the market. The first and foremost issue that enterprises’ online marketing should solve is to set up targeted clients and determine customer values based on which enterprises can generalize the object of their own values and effectively convey them to the customers. Object of enterprise values can solely be conveyed to customers via certain channels. In Web2.0 times, enterprises can use Web2.0 tools to interact with consumers or potential consumers in order to effectively convey their
products or service values to their customers and cultivate customers’ loyalty by gaining the recognition of clients and possible clients. In brief, the main task for enterprises’ internet marketing is to acquire customer loyalty during web2.0 times. With the popularization of SaaS, traditional application softwares such as customer relationship management (CRM), purchasing-selling-stock etc., which were originally used to equip large enterprises have been widely applied to SMEs. The effective combination of customer relation management and internet marketing can not only reduce fund input and management cost but also play a crucial role in promoting the subsequent effect of online marketing. A whole raft of B2C enterprises have put call center into actual use. Without supporting CRM system, it is hard to imagine how those customer relations can be maintained and it is also very likely to lose those customers.

2. How Customer relationship management benefits from the use of Social network media?

Mr. Zhao Tian: At this time, enterprises and consumers form different groups based on their interests and hobbies via Web2.0 tools like blog to make oriented, accurate and relevant marketing which is of great certainty. Using integrated marketing platform is not only helpful to let consumers participate into the process of establishing enterprise brand and directly involve themselves into customer experience but also conductive to build enterprise brand by interaction between consumers and enterprise brand and establish the concept of online brand of enterprise determined by customer experience and relationship management.

3. Some other information I used in dissertation:

Mr. Zhao Tian: I think, enterprises should possess products and capabilities to serve big clients. This capability is not directly determined by scale and capital strength of a company, but its managerial standard and service concept. After being objectively convinced of a company’s strength, client manager should try various methods to reach the company, and provide comprehensive assessment and classification on the clients he or she contact with. After attracting big clients’ successfully, enterprises should carry out effective control and management of the clients resource. In view of specific communication, enterprise should use individual-level communication. On employment, enterprise should insist on the principle of “no talent is wasted”. Compared with finding and developing big clients, keeping and maintaining big clients is another aspect that can never be ignored by SMEs. Enterprises cannot rely solely on preferential prices to maintain clients’ loyalty, because it is awfully risky to take price as the only bond to maintain clients’ loyalty. Once their rivals participate in competition, or enterprises have to raise price due to increasing cost, enterprises are likely to be faced with client loss. With multiple homogeneous products in E-marketing service, added values like pre-communication, customized products, effective update and maintenance will be the crucial aspects of enterprises to attract big clients.
Appendix Two

Case Study

This Case Study is based on the e-mail interview with Mr. Peik Hua, the General manager of Southwest branch of PetroChina at 25-03-2011. The Business Plan of remote video conferencing system given by Mr. Zhao Tian, Newman Co. Some materials is a translation from the Chinese original. Other used materials see references in the end.

Remote video conferencing system

The new technology used in PetroChina’s office system

It is required in 2010 annual report of PetroChina that:

"The management and manipulation of group enterprises should be strengthened by informationized means for the sake of enhancing their competitive power." (Mr. Jiang Jiemin, 2011).

Mr. Peik Hua (2011) stated that, adjusting marketing strategy in time and reinforcing resource organization and investment according to market changes to continually improve retail management and service quality; carefully tracking market changes and flexibly altering marketing strategy of chemical products in order to fully promote products and reduce the stock, expand terminal marketing network; continuously improving service quality to stylized more good-quality customer resource and increase the direct marketing rate of products (Mr. Jiang, Report of PetroChina, 2009-2010).

PetroChina has a huge marketing team. Managerial levels of information center needs to ensure how to make information accurately and effectively delivered from managerial levels to common employees, to make every marketing concept well penetrated into staffs’ heart and to improve marketing performance on the basis of saving cost (Mr. Jiang, Report of PetroChina, 2009-2010). Mr. Peik Hua (2011) stated that big enterprises like PetroChina may have complex structures. As a result, internal and external enterprise communication efficiency, communication ability and telecommunication ability are very critical factors of comprehensive competitiveness. Big state-run enterprises like PetroChina attach more importance to informationized construction, especially their marketing departments. With over thirty branches marketing companies are both home and abroad. So PetroChina has very urgent need on telecommunication platforms.

Besides daily office meetings of distribution departments in various places, video conference systems are widely applied to business training and new business discussion, which save much time and enhance efficiency as well as produce economical benefits and reduce expenses (Business Plan, Newman, 2008). In the past, once conducting a system-wide conference, enterprises had to pay approximate hundreds of staff who rushed to the head office from branches, a great deal of money for their expenditure on
accommodation, traveling, and allowance. Now, after adopting this video system to long-distance meetings, that expenditure can be saved and the investment on hardware and software of the whole system can be recovered in a short time, achieving the purpose of being fast, convenient, effective, and economical. Remote video conference platform not only saves traveling cost and time but accomplish efficient operation and help users to create new marketing methods in information age (Mr. Zhao Tian, 2011).

After establishing long-distance video conference system, “when marketing staff of southwestern branch of PetroChina get to the office in the morning, the first thing they do every day is to open computer, click video conference and attend daily routine marketing meeting, reporting progress of work to boss as well as exchanging marketing experience with colleagues” (Mr. Peik Hua, 2011). While such communication which now can be realized only by slightly clicking mouse had to be completed by telephone or email in the past which not only wasted work time but increase telephone expense. (“The use of social networking media in Southwestern PetroChina”, given by Mr. Peik Hua, Report of Southwestern Branch of PetroChina 2008-2009).

Now, after the successful establishment of “Remote Video Conference” platform, all conferences among departments can be carried out online, which meets PetroChina’s various demands such as holding long-distance meeting and training, performing business communication and employee education by using existing network (Mr. Peik Hua, 2011). Meanwhile, Mr. Peik Hua (2011) said: it is just because we possess the comprehensive ability to make proper use of network resource and Newman’s software system that our whole operation can be kept stable enough to live through the impact of global financial crisis.