Abstract

Business-to-business branding, as a special branding segment, did not receive much attention from researchers and practitioners despite the fact that some of the world’s strongest brands are B2B brands. Taking into account many differences in B2B and B2C markets it is evident that there are also theoretical and practical differences in their approach to branding which have to be taken into account when engaging in branding activities or developing branding theories. The aim of this paper is to analyze all accessible literature related to branding in B2B context with a goal of further intensifying research in this area. Four streams of research in B2B branding have been analyzed and these are as follows: (1) the importance of B2B branding in organizational purchase decisions, (2) the importance of B2B brand equity, (3) the role of B2B branding in relationship building and (4) the importance of corporate branding for B2B companies.

Key words: B2B marketing, B2B branding
A LITERATURE ANALYSIS OF CONTEMPORARY RESEARCH IN BUSINESS-TO-BUSINESS BRANDING

Introduction

Branding as a concept is widely applicable but it is still mostly used on business to customer market. The reason for this situation lies in a belief that brands which are irrational, have little significance when dealing with a corporate entity that makes buyers' decisions on a rational basis (Rosenbroijer, 2001). However, during the 1980s and 1990s a trend could be observed indicating that industrial companies began focusing on brands as a means of competition (Nilson, 1998 in Blombäck, 2005, p. 21). There are many drivers which increase the significance of B2B branding like increasing globalization and hypercompetition, proliferation of similar products and services, increasing complexity, and high price pressures (Kotler and Pfoertsch, 2006, p. 45). All aforementioned trends are changing the structure of the market and companies have to adapt in order to stay competitive. According to Ohnemus (2009) branding can even be viewed as a mean of survival in B2B market, because innovation and time to market have lost much of their value as strategic tools against “me too” products. Greater competition and high number of products in all categories as well as the fact that all companies in B2B market predominantly focus on technical and rational characteristics of their offer has led to the situation in which customers see those products as commodities. One of the possible ways for companies to differentiate their offer lies in a holistic approach proposed by Lynch and de Chernatony (2004) which would balance emotional and functional brand values and help to remove a business brand from the rational, undifferentiated and impersonal space which many of them currently occupy. This paper aims to analyze the contemporary researches of branding in B2B market published in scientific papers until the October 2009 with a goal to provide a framework for further research in this area. The data shown in this paper originate from the following secondary sources of information (in alphabetical order): Academic source premier, Business source complete, Business source premier, Econlit, Emerald, JSTOR, ScienceDirect, Springer, and Wiley-Blackwell1. The paper is organized as follows: after the introduction, a brief definitions and different point of views on B2B branding is given. The main part of the paper deals with contemporary researches in B2B branding. Four streams of research in B2B branding have been analyzed and these are as follows: (1) the importance of B2B branding in organizational purchase decisions, (2) the importance of B2B brand equity, (3) the role of B2B branding in relationship building and (4) the importance of corporate branding for B2B companies.

B2B brands

Lynch and de Chernatony (2004) do not make a distinction between brands in B2B and B2C markets but rather define brands as clusters of functional and emotional values that promise a unique and welcome experience between a buyer and a seller. In a similar way Ward et al. (1999, p. 88) define B2B brand as “…a distinctive identity that differentiates a relevant, enduring and credible promise of value associated with a product, service, or organization and indicates the source of that promise…” (Blombäck and Axelsson, 2007). Despite the similarities in definitions there are a lot of differences between B2B and B2C markets which have to be taken into account when analyzing branding concepts, such as: fewer and larger (usually geographically concentrated) customers in the B2B markets, derived demands, larger amounts and quantities of purchases, often customized offers, stronger and complex relationships, better informed customers and greater loyalty among parties involved (Kotler, 2003; Sinčić, 2004). The brand expectations of B2B customers are also different because B2B

1 The analysis is based only on listed sources of information, since authors had limited access to other potentially useful sources.
brand provides reassurance to customers whose entire faith could depend on it (Ohnemus, 2009). Because of all those differences industrial marketers predominantly tend to focus on building a brand at the corporate level with some experimentation at the product level (Mudambi, 2002). This enables a wide range of products from the same company to benefit from its corporate identity and positively affect the buyers which see a brand's added value resulting from two factors – the added value from dealing with a particular company and the benefits from specific product or service (de Chernatony and McDonald, 1998, pp.150-51). Researches conducted in the area of B2B branding have shown that branding is important to organizational buyers in different industries and purchase situations, but buyers indicate that they are more likely to rely on brand when: (1) product failure would create serious problems for the buyer’s organization or the buyer personally, (2) the product requires greater service or support, (3) the product is complex, and (4) they are making a purchase decision under time and/or resource constraints (Hutton, 1997).

Business-to-business companies stand to gain sustainable competitive advantages though building a likeable, strong and positive brand image among all stakeholders (Bendixen et al., 2004). Strong brand can get the company name firmly on the bid list and can help sway a bidding decision in tight cases (Wise and Zednickova, 2009). On the other hand, brands play an important role in achieving organizational consensus among the many actors involved in a buying process on B2B markets (Beverland et al., 2007). Branded industrial products generate more confidence in purchase decision, enhance the corporate reputation, offer more scope for competitive advantage, and can raise the barriers to entry. Brand image can play an increasingly powerful role in those industrial markets where it is difficult to differentiate by product quality (Michell et al., 2001). If appropriately managed, branding can increase customers’ perception and lead to better financial performance of the company (Ohnemus, 2009). On the other hand high perceived value will be foundation for development of long-lasting relationships between companies on B2B market which will lead to sustained competitive advantage despite disruptions on a marketplace (McQuiston, 2004). All aforementioned advantages of branding on B2B market clearly demonstrate the importance of conducting more research in this area in order to further comprehend and enhance its value.

**Contemporary researches in B2B branding**

Branding is gaining prominence among business-to-business marketers, however extant research remains scarce (Beverland et al., 2007). Contemporary research in B2B branding can be grouped according to the main research questions, as described in Table 1, and the following sections.

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<th>Table 1. Contemporary researches in B2B branding</th>
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1. **Researches of the importance of B2B branding in organizational purchase decisions**

   The role and importance of branding in the organizational decision making processes are of a great interest for both researchers and practitioners. Brands play an important role in the decision making processes of business customers (Bendixen, et al., 2004; Michell et al., 2001), helping in achieving organizational consensus among the many actors involved in the buying process (Lindgreen et al., 2007). However, Walley et al. (2007) stress that the role of branding in organizational purchase decision is not observed enough. In their own research, based on the case study of the UK tractor market they pointed to interesting findings: (1) brand name is an important factor in the choice of supplier, which is different from results of previous researches, where the most important factor was technical performance. Later works acknowledge the importance of a brand in decision making processes, pointing that the
importance grows with the complexity of the product or situation (e.g. Michell et al., 2001; Walley et al., 2007). The second (2) finding is also supporting: organizational (i.e. UK tractor) buyers are brand loyal, although there are some customers that are more sensitive to rational factors like price. (3) The third finding proved that major brands are perceived to be different, therefore brands add specific value to a buying decision making processes.

Beverland et al. (2007) give an analysis of brand attributes that can affect decision making processes in business markets. Relying on the earlier work of IMP group (Ford et al., 2002), they summarize and empirically support the five components of a business marketing offer, that can be considered as elements of brand identity: product, service, logistics, advice and adaptation. They also suggest that brand identity decisions should take into consideration the type of customer utilizing the firm’s product and services, as well as the type of buying situation they face. As a customers’ level of involvement in a buying situation increases, and a purchase decision become more complex, the basis for the brand identity shifts from the tangible, product-related benefits of the marketing offer to more intangible and abstract ones, conclude Beverland et al..

In their latest paper, Alexander et al. (2009) investigate the impact of the brand and product augmentation on the buyers of industrial tires. By analyzing the opinions of DMU members they conclude that the brand is very important in decision-making, followed by durability and price. This is true especially for users (of whom 42,05% ascribe the greatest importance to brand) and deciders (of whom 48,04% ascribe the greatest importance to brand) in DMU, while influencers find durability (in 42,52%) of industrial tires to be the most influential in decision-making processes.

2. Researches in B2B brand equity

Aaker (1991, p. 15) pointed that brand equity is “a set of brand assets and liabilities linked to a brand, its name and symbol that add to or subtract from the value provided by a product or service to a firm and/or to that firm’s customers”. This concept is found to be applicable across different contexts including B2B markets (Aaker, 1996; Keller, 2003), however, explicit interrelationships between the initial dimensions of the brand equity concept are still under research.

Traditional views of brand equity concept was firstly broadened by Gordon et al. (1993), whose results of an exploratory study in B2B setting showed that brand equity is also an evolutionary process, and that dimensions of brand equity are developed in the following order: brand awareness, brand associations, perceived quality, and brand loyalty. In the context of industrial and B2B products, researches have shown that the main dimensions of brand equity are perceived quality and brand loyalty (Bendixen et al., 2004; Hutton, 1997; Michell et al., 2001; van Riel et al., 2005). Brand awareness and brand associations are found to be relevant in some specific industrial markets (Michell et al., 2001; van Riel et al., 2005), whereas brand associations in some cases proved to be insignificant for B2B brand equity (van Riel et al., 2005).

In the context of B2B services, there are empirical studies supporting Keller’s (1993) conceptualization of brand equity. For instance, Davis et al. (2008) as well as Kuhn et al. (2008) provide support for the initial dimensions of brand equity such as brand awareness and brand image. In their study of financial services Taylor et al. (2007) reconcile elements of both conceptual models.
Ossipenko et al. (2009) conclude that most of the studies related to branding in B2B setting explore the presence of brand equity, its additional sources, and benefits. In their recent paper they examine the causal relationships between satisfaction and the dimensions of brand equity, focusing on a hierarchical process model of relationships. Their findings show that there is a direct positive effect of satisfaction on brand awareness, brand association and brand loyalty, and a direct positive effect of perceived quality on satisfaction.

3. Researches of the importance of B2B branding in relationship building

Researches of the importance of B2B branding in relationship building analyze the relationship between manufacturer/service provider and reseller/partner. Glyn et al. (2007) point that the buying power of resellers has increased, therefore manufacturers should differentiate their brands and develop relationships with resellers. Resellers purchasing decisions involve both organizational considerations and the end-consumer needs. Resellers are highly involved in purchasing decisions as they influence their competitive position and financial performance. On the other hand, a poorly managed reseller relationship can diminish the manufacturer’s brand value (Lassar and Kerr, 1996, in Glynn et al., 2007). At the end, as pointed by Anderson and Narus (1998), the value of a brand to the end-consumer is a joint result of a manufacturer and reseller decision-making; therefore it should be optimized through a partnership.

One of the first papers that analyzed the role of brand in a channel relationship is one of Glynn et al. (2007). In their qualitative study of grocery and liquor resellers in New Zealand they conclude that there is a range of sources of benefits that manufacturers’ brands offer resellers other than a brand name itself: financial benefits (such as pricing and margins), customer benefits (in terms of successful response to end-customer demand associated with the brand) and managerial benefits (which include category development, consumer brand support, support of a resellers promotions and manufacturer brand expertise). The authors also comment that these benefits can enhance the reseller relationship outcomes, such as satisfaction with the brands, commitment to the brand, trust in the brand, dependence on the brand and cooperation with the manufacturer (Glynn et al., 2007).

Morgan et al. state that complexity in relationships in business-to-business service networks is increasing, yet the current marketing literature does not adequately capture that trend (Morgan et al., 2007). They suggest that researchers should explore the relationship between customers and service networks, in order to (1) discover how customers evaluate service experience in which multiple firms co-produce the service and to (2) realize what the branding implications for the focal firm are. They developed a model of the potential effects of partner firm performance on customers’ evaluations of the focal firm in B2B environment. In the model they hypothesize that the network partner’s performance has a direct and positive effect on customer evaluations of the focal firm. They propose the following key factors moderating this relationship: the focal firm’s brand strength, the focal firm-partner relationship strength, the focal firm-customer relationship strength and the importance of the service provided by the partner firm.

4. Researches of the importance of corporate branding for B2B companies

A starting point for the researchers of the importance of corporate branding for B2B companies is the idea that corporate brands are more important in B2B context than product brands (Aspara and Tikkanen, 2008a), although they do not provide a clear explanation for that statement.
Aspara and Tikkanen (2008a) emphasize that corporate brands are significant for B2B companies because business customers have a tendency to assess, value and make purchasing decisions based on perceptions specifically related to supplier companies, in addition to or even instead of those related to the individual products. They claim that business customers value company-specific images/perceptions, such as those about the company’s delivery performance and product range; servicing capabilities and performance; consultative expertise, processes and performances; strategic network position; intentions to reciprocally partner and cooperate with customers; and customer-facing (sales) personnel and their behavior. In their recent empirical study they analyze different management practices related to corporate branding. They conclude that management (of a specific company) is motivated to adopt management practices of corporate branding, consisting of (1) managing the brand hierarchy or brand portfolio, (2) corporate name dominance in association with product brands, and (3) definition and communication of aspirational brand image values linked to corporate strategies (Aspara and Tikkanen, 2008b).

Blombäck and Axelsson (2007) articulate that subcontractors offer their ability to manufacture elements of - or a final product on behalf of someone else, and in terms of branding they have a special position. If there are many similar suppliers their corporate image may affect buyer’s decision to cooperate or not. In recent qualitative study Blombäck and Axelsson (2007) investigate what is the role of corporate brand image in the selection of new subcontractors. They point that the factors influencing selection of a new subcontractor are not constant, that a decision depends on buyer’s decision strategy, time, resources and information available, and that corporate brand image may affect the decision.

De Chernatony and Cottam (2008) consider the interaction between corporate brands and organizational cultures. In their recent research, based on in-depth interviews and grounded theory approach within less successful UK financial services organizations, they present the following respondents’ perceptions: (1) organizational culture is a key to brand success, (2) organizational culture is a powerful driver of employee behavior and as such strongly influences the way brand is “delivered” to stakeholders, (3) the values of organizational culture need to be congruent with the values for which the brand stands, or conflict will occur, (4) the values of the culture need to fit together the values of the brand, and (5) the change in the nature of the brand need to be reflected in the organizational culture. Although the research in not connected only to B2B sector, the implications of such perceptions are important for business marketers. Business customers experience the values of organizational culture in exchange processes even more than consumers in B2C markets. Similarly, they assess the value of corporate brands influenced by values of organizational culture of a certain firm. Therefore, the organizational culture needs to be brand-supportive.

**Conclusion and future concerns**

In a time of increasing globalization and hypercompetition, proliferation of similar products and services, increasing complexity, and high price pressures, differentiation becomes essential. That is why more and more companies operating on B2B markets introduce branding into their business. This trend of increased importance of branding on B2B market is recognized also by researchers, who agree that this is a relatively new stream of branding research and more researches need to be done in order to better understand it.

The literature analysis showed that the number of (research) papers in B2B branding is increasing in the last several years. However, theoretical and conceptual models proposed are
rather modest, and they are lacking empirical validation. They should, therefore, be tested in different industrial, cultural and/or social context.

The goal of this paper was to give an overview of contemporary research in B2B market through four business aspects: (1) the importance of B2B branding in organizational purchase decisions, (2) the importance of B2B brand equity, (3) the importance of B2B branding in relationship building and (4) the importance of corporate branding for B2B companies. Analysis has shown that all four mentioned streams of research are not equally represented in the literature. The largest amount of research is conducted in the field of organizational purchase and examining the effects B2B brands have on this process. This finding is not surprising since this was recognized as one of the most important reasons for engaging in branding in B2B market. Researches in B2B brand equity are also well represented in the contemporary literature. On the other hand researches on importance of branding in relationship building and importance of corporate branding for B2B companies are scares. This is rather surprising taking into account the great importance of relationship building on B2B market and the fact that B2B companies predominantly focus on corporate branding in their business practice.

There are also some areas that search for deeper understanding and more practical consideration, for instance: what are the current (and future) development practices of B2B branding, what constitutes a brand architecture in a B2B context and how companies manage their brands, what is the role of employees in building and maintaining B2B brands, which strategies are suitable for managing B2B brands in global market, as well as what is the relationship between branding and overall B2B marketing practice. It is probable that these questions will serve as a starting point for other researches in B2B branding.
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<th>RESEARCH STREAMS AND ANALYSIS CRITERIA</th>
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<td>Organizational buying behavior; decision-making processes</td>
<td>Conceptualization; Quantitative: descriptive statistics; conjoint analysis experiment</td>
<td>Mitchell, King and Roast, 2001; Bendixen, Bukasa and Abratt, 2004; Lynch and de Chernatony, 2004; Beverland, Napoli and Yakimova, 2007; Lindgreen, Napoli and Beverland, 2007; Walley, Custance, Taylor, Lindgreen and Hingley, 2007; Alexander, Bick, Abratt and Bendixen, 2009</td>
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<tr>
<td>B2B brand equity</td>
<td>Decision-making units; industry level; manufacturers/ service providers</td>
<td>(B2B) brand equity concept</td>
<td>Conceptualization; Quantitative: descriptive statistics; conjoint analysis experiment; PLS regression; Structural equation modeling Qualitative: interviews</td>
<td>Mitchell, King and Roast, 2001; Bendixen, Bukasa and Abratt, 2004; van Riel, de Mortanges, and Streukens, 2005; Davis, Golicic and Marquardt, 2008</td>
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<td>Importance of B2B branding in relationship building</td>
<td>Industry level</td>
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<td>Importance of corporate branding for B2B companies</td>
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References


