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A framework of brand value in B2B markets: The contributing role of functional and emotional components

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ABSTRACT

The creation of value is admittedly a critical task for marketers regardless of industry. This paper focuses on a type of value that has traditionally been perceived as irrelevant to industrial markets and argues that brand value facilitates the progression from goods and services value to relationship value. To address the limited amount of research on B2B branding from the suppliers' point of view, we complement insights gained from a literature review with ten exploratory interviews with B2B supplier managers, and develop a framework of brand value applicable to industrial markets. This identifies both the functional (i.e., quality, technology, capacity, infrastructure, after sales service, capabilities, reliability, innovation) and emotional qualities (i.e., risk reduction, reassurance, trust) important for the development of industrial brand equity. Situational (e.g. nature of the purchase) and environmental factors (e.g. the economic situation) affecting suppliers' perceptions of the importance of brand in a B2B context and the role of functional versus emotional brand qualities are discussed. The value of the brand as a driver for the development of business to business relationships is also highlighted. The framework provides a basis for B2B practitioners to build their brands in such a way as to make a functional as well as an emotional connection with buyers that is more likely to lead to a supplier–buyer relationship.

1. Introduction

The significance of creating value for buyers and other stakeholders is well documented in the marketing literature (e.g. Doyle, 2000; Lindgreen & Wynstra, 2005). Indeed, the creation of value is prominent in AMA's latest definition of marketing as "the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large" (Gundlach & Wilkie, 2010, p.90). The (added) value of a brand is widely accepted in the B2C domain (e.g. Aaker, 1991, 1996; Miller, 2007) and there has been a considerable amount of research identifying and measuring brand equity (e.g. Keller, 1993; Sinha, Ashill, & Gazley, 2008; Srinivasan, Park, & Chang, 2005) in different consumer contexts including tourism (Sanchez, Callarisa, Rodriguez, & Moliner, 2006) telecommunications (Turel, Serenko, & Bontis, 2007), not-for-profit (Sargeant, Hudson, & West, 2008) and e-tail (Christodoulides, de Chernatony, Furrer, & Shiu, 2006).

While in the past little attention was paid to branding in a B2B context, more recently there has been a surge in the studies addressing various elements of B2B branding including B2B brand equity (Kuhn, Alpert, & Pope, 2008; Lindgreen, Beverland, & Farrelly, 2010; Persson, 2010), internal B2B brand equity (Baumgarth & Schmidt, 2010), brand value and performance (Han & Sung, 2008), and global brand leadership (Beverland, Napoli, & Lindgreen, 2007). It is notable that although a considerable amount of this B2B stream of research has been carried out from the buyers' perspective (e.g. Bendixen, Bukasa, & Abratt, 2004; Cretu & Brodie, 2007; Zablah, Brown, & Donthu, 2010) there is little undertaken from the suppliers' perspective.

Research on B2B branding has yet to answer fundamental questions. B2B marketers have traditionally been more skeptical about the benefits of branding (Leek & Christodoulides, 2011) with the conventional view being that the organizational decision making process is rational and focused on the functional qualities with no place for the introduction of the emotional qualities used in the B2C context. This view has more recently been challenged by research showing that B2B brands also need to establish trust and develop affective as well as cognitive bonds with stakeholders (Andersen & Kumar, 2006; Lynch & de Chernatony, 2007).

With the exception of human intensive services, in a B2C context there is usually minimal personal interaction between the consumers and sellers. The situation is very different in a B2B context where there is an emphasis on interpersonal interactions (Håkansson, 1982). The value of relationships in B2B has been widely researched (e.g. Anderson & Narus, 1998; Lindgreen & Wynstra, 2005; Morgan &

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Hunt, 1994; Ravald & Grönroos, 1996; Ulaga, 2001; Ulaga & Eggert, 2006; Walter, Ritter, & Gemünden, 2001), however it remains unclear whether part of a B2B brand's value is driving the development of relationships.

While several criteria used during the process of organizational buying have been examined (e.g. Bendixen et al., 2004; Mudambi, Doyle, & Wong, 1997) there is little research investigating how situational factors such as risk (Bennett, Hartel, & McColl-Kennedy, 2005) influence the perceived value of B2B brands. Environmental factors outside of the organization may also affect the perceived value of a B2B brand. For example, a significant number of industrial organizations faced with the prospect of commoditization and increased lack of differentiation in their respective markets have deployed brand development strategies in an attempt to create a competitive advantage. This has led B2B brands such as IBM, Cisco, Oracle and Intel to be currently amongst the most valuable brands globally (Interbrand, 2010).

While other types of value including the value of goods and services and the value of buyer–seller relationships have been investigated extensively in the B2B marketing literature (for a review, see Lindgreen & Wynstra, 2005), brand value remains largely unexplored (Leek & Christodoulides, 2011). We argue, in this paper, that brand value in a B2B context facilitates the progression from goods and services value, which is predominantly associated with functional benefits to relationship value, which is closely associated with emotional needs. Brand value encompasses the value of goods and services and also some added values (functional and emotional) resulting from the brand name.

The paper opens by reviewing the literature on brand equity, a concept developed to tap the added value endowed by the brand to the product (Farquhar, 1989). We review relevant models and discuss the role of functional and emotional qualities and the importance of relationships in the creation of industrial brand equity. We then explain the methodology followed by the findings of the interviews with the B2B managers on the supplier side culminating in the presentation of a framework of brand value applicable to B2B markets.

2. Literature review

2.1. Industrial brand equity

Brand equity is a concept developed in the 1980s to denote the added value given to the product by the brand (Farquhar, 1989) or an intangible market-based relational asset that reflects bonds between firms and customers (Christodoulides & de Chernatony, 2010). One of the most widely cited definitions of brand equity is from Aaker (1991) who defines it as “a set of 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 that firm's customers” (p.15). This definition implies that brand value can be examined from two perspectives depending on the beneficiary of value who can be either the customer or the firm. Research on firm-based brand equity has focused mainly on placing a financial value on the asset, whereas customer-based brand equity has focused on customers' perceptions of the brand (Keller, 1993) and brand utility (Erdem & Swait, 1998). Within customer-based brand equity, it is notable that the large majority of studies have focused on consumer markets (e.g. Pappu, Quester, & Cooksey, 2005; Yoo & Donthu, 2001) and only little research has hitherto explored industrial brand equity (Beidenbach & Marrell, 2010; Bendixen et al., 2004; Jensen & Klastrup, 2008; Kuhn et al., 2008; van Riel, de Montagnes, & Streukens, 2005; Zaichkowsky, Parlee, & Hill, 2010). While a number of the studies in brand equity adopt the buyers' perspective (e.g. Bendixen et al., 2004; Cretu & Brodie, 2007; Zablah et al., 2010) it is necessary to also examine the suppliers' perspective to understand how B2B branding is perceived and being implemented.

Research has identified a number of benefits of industrial brand equity to the supplier company. Branding has been found to have a positive effect on the perceived quality of the product (Cretu & Brodie,. 2007). It provides the product with a unique identity and a consistent image (Michell, King, & Reast, 2001). A strong brand is more likely to be placed on a bid list and the demand enables the company to command a premium price (Low & Blois, 2002; Michell et al., 2001; Ohnemus, 2009; Wise & Zednickova, 2009). The increased demand for a strongly branded product is also likely to result in competitors' offerings being rejected (Low & Blois, 2002; Ohnemus, 2009). Positive perceptions of a product's brand may lead to transferral of these evaluations to other product categories (Low & Blois, 2002; Ohnemus, 2009). High brand equity can effectively act as a barrier to entry for other competitors (Michell et al., 2001). Brand equity conveys a number of intangible benefits to buyers; it can increase both the buyer's confidence in (Michell et al., 2001) and their satisfaction with their purchase decision (Low & Blois, 2002) and reduce the level of risk and uncertainty in the purchase decision (Bengtsson & Servais, 2005; Mudambi, 2002; Ohnemus, 2009).

Although researchers of brand equity agree about its importance in industrial markets (Bendixen et al., 2004), research so far has produced mixed results regarding the composition and drivers of industrial brand equity. Kuhn et al. (2008) tested the applicability of Keller's (2003) consumer based brand equity pyramid in a B2B setting. Keller's (2003) pyramid identifies six building blocks of brand equity that need to be achieved in a hierarchy of stages starting with salience, performance, imagery, customer judgments and feelings and ultimately brand resonance. Their findings highlighted a number of adjustments required to render Keller's (2003) consumer based framework appropriate for industrial markets. Imagery, for instance, was replaced by supplier reputation in Kuhn et al.'s (2008) revised model. It was suggested that, brand associations in B2B are predominantly focused on product performance features than on personality traits and values. They also concluded that the B2B purchase process is more rational than the B2C purchase process and emotions and feelings are not so relevant. This contradicts research which has found that in a B2C context brand relationships are determined by rational and emotional evaluations of the brand (Jensen & Klastrup, 2008; Lynch & de Chernatony, 2007).

Keller's (2003) “feelings” building block was replaced in Kuhn's (2008) model by salesforce relationships. Relationships with employees are more important in a B2B setting than in a B2C one. A substantial amount of research has been conducted in business to business marketing confirming the value of developing relationships with B2B buyers (e.g. Ford, Håkansson, & Johanson, 1986; Håkansson, 1982; Walter et al., 2001). The nature of the link between the brand and the relationship with the buyer company needs to be determined.

2.2. Functional and emotional qualities of B2B brands

Kuhn et al. (2008) state that value derived from a B2B brand is predominantly through the functional qualities of a product, the product performance features. It may also encompass other tangible features including the range of after sales service, the size of the supplier's profits and lead times (Mudambi et al., 1997). This is linked to the idea that the purchasing process in the B2B context is more rational than emotional. In purchasing a product, buyers require tangible features that they can use to justify their purchase decision and the importance of product performance features has been confirmed by various studies (e.g. Aaker, 1991; Abratt, 1986; Bendixen et al., 2004). However, while research is beginning to acknowledge that emotional qualities contribute to B2B brands, their relative importance in the creation of brand value remains elusive. Jensen and Klastrup (2008) have found that customer brand relationships (which they used as a proxy to measure brand equity) are determined

by rational and emotional evaluations of the brand. Using data collected from B2B respondents the researchers tested a model where rational evaluations are determined by associations of product quality, service quality and price; and emotional evaluations are influenced by differentiation, promise and trust/credibility. The results found product quality, differentiation and trust/credibility to be determinants of buyer brand relationships. Our study considers brand value and relationship value as conceptually distinct (see Fig. 1).

Bendixen et al. (2004) found when buyers were asked to rate nine attributes of their preferred brand, quality was the most desirable attribute, followed by reliability, performance, after-sales service, ease of operation, ease of maintenance, price, supplier's reputation, and finally the relationship with the supplier's personnel. The functional performance related features of the brand were generally perceived as more important than the less tangible, emotional aspects.

Mudambi et al. (1997) describe the value of the B2B brand as being comprised of four performance components i.e. the product, distribution, supporting services and the company itself, each with tangible and intangible aspects. The importance of functional qualities to buyers is apparent from the Mudambi et al. (1997) model and other research (e.g. Bendixen et al., 2004) and companies need to deliver these tangible and intangible aspects in order to evoke positive emotions or at least not generate negative emotions.

It is clear that functional elements of a brand are crucial in conveying value to buyers. The role of emotion, how it is linked to the functional qualities and how it can be utilized by marketers in a B2B context to deliver brand value needs further investigation.

2.3. The influence of situational and environmental factors on B2B brand value

While the majority of past research assumes that B2B buyers are rational decision makers and focus primarily on the functional elements of a brand, various factors in the buying situation or regarding the supplier company may increase the importance given to the emotional qualities of the brand. For instance, in high risk situations buyers are more likely to carefully consider the brand than in low risk purchase situations (Bennett et al., 2005). When there is a substantial degree of risk, marketers may capitalize on the emotional aspect of the brand to reassure buyers and reduce the level of perceived risk. The nature of the product or service may also render some buyers more amenable to emotional branding than others. In addition, mature or commodity type markets operating in price driven environments might emphasize the emotional qualities of their brand. For example, EMC Corp, an information technology business, highlights strategies for reducing the likelihood of negative emotional states such as reassurance and security in their brand communications (Keenan, 2000).

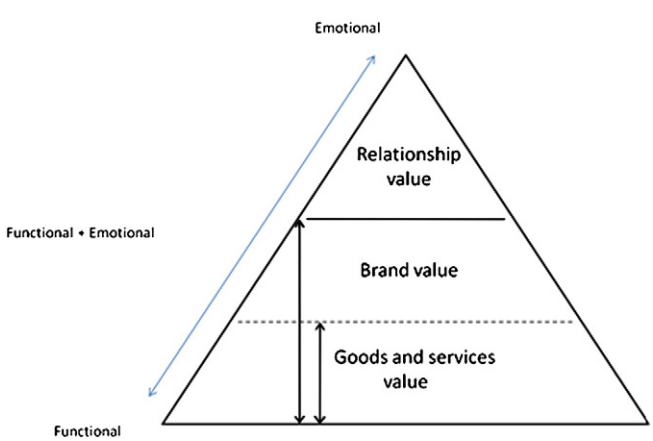

Fig. 1. The brand value hierarchy.

Although neither Mudambi et al. (1997) nor Kuhn et al. (2008) have included environmental factors i.e. those which are external to the company in their models, these may affect how much importance is assigned to brand within a company.

2.4. Brand value in business to business relationships

Kuhn et al. (2008) emphasized that relationships with employees are usually more important in a B2B context than in a B2C setting. In many purchase situations in a B2C context the buyer does not build up a relationship with the supplier, however this is not usually the case in a B2B context. Research has found that between 70 and 88% of B2B relationships are greater than five years old (Ford et al., 2002; Håkansson, 1982). Relationships of this length are multifaceted and encompass not only the relationship with the brand but also the relationship with the company and the company employees. However, previous research in B2B marketing does not make an explicit connection between the good/service, the brand, and the relationship. Certain goods and services will predominantly focus on delivering value through the functional attributes. Brand value encompasses not only delivering the functional qualities but also delivering emotional qualities which help the buyer in the decision making process. The functional and emotional qualities encompassed in the brand value may encourage the development of the relationship where there is an increased emphasis on the emotional qualities and the interactions between the parties involved (see Fig. 1).

A brand may be more useful in the early stages of the decision making process where the parties involved have no previous experience of dealing with each other (Leek & Christodoulides, 2011). In this situation brand awareness may act as a relationship initiator or driver. The internal communication of the brand to employees within the supplier company is essential as it determines how the brand is conveyed (Baumgarth & Schmidt, 2010) externally to the buyers. Following interactions between the buyer and supplier, inter-personal relationships may develop. Previous research does not identify whether the brand and the relationship are linked. For instance, in a short term or transactional relationship, the brand may remain significant due to the reduced level of interpersonal contact between the buyer and supplier and lower levels of trust etc. Alternatively, in the context of a long term relationship it needs to be clarified as to whether the brand has a role to play in maintaining the relationship. For example, as the relationship becomes more established the importance of the brand may diminish as trust, commitment etc. develop. The relationship between individuals within companies can be more important than the brand in the context of an established relationship. Recently, Toyota recalled a number of car models due to a problem with accelerator pedal manufactured by Denso. The relationship between the two parties has continued due to the mutual reliance; Denso supplies Toyota with approximately half of its components and Toyota own a 22.5% share in it (Country Monitor, 2010).

Although contributing to our understanding of brand value in a B2B context, existing models of industrial brand context suffer from certain limitations. The frameworks put forward by Mudambi et al. (1997) and Kuhn et al. (2008) consider the functional attributes of the brand however, neither of them incorporates the emotional attributes. The emotional attributes of brands are increasingly recognized as having a role to play in B2B purchasing which was previously perceived as being purely rational (Andersen & Kumar, 2006; Lynch & de Chernatony, 2007). Jensen and Klastrup (2008) is the only model of B2B brand equity which addresses functional and emotional elements of branding, however it is limited in that it conceptually confuses brand value with relationship value (two theoretically distinct concepts) by measuring brand equity through relationships. Furthermore, Mudambi et al. (1997) and Kuhn et al. (2008) mention company characteristics in a limited way but none of the existing models recognizes the potential influence of situational and environmental factors

Table 1
The participating companies and interviewees.

Company	Nature of product/service	interviewee
A	Product — aluminium	Sales Manager
B	Product — health and safety	Global Sales Director
C	Product — food	Manager
D	Product — electronic goods	Manager
E	Product — safety	Marketing Manager
F	Service — financial	Business Advisor
G	Service — personnel	Manager
H	Service — information technology	Managing Director
I	Service — training	Senior Brand Manager
J	Service — direct marketing	Managing Director

on the importance of branding in purchase decisions. Most research including the aforementioned models considers brand value from the buyers' perspective. The current study addresses these limitations by investigating brand value from the suppliers' perspective.

3. Methodology

Based on the literature and ten exploratory in-depth interviews with B2B marketers we tentatively develop a framework of brand value specific to industrial markets by exploring the relative importance of brands; the contribution of emotional and functional elements to the make-up of the B2B brand; and the significance of internal communications and buyer–supplier relationships for industrial brand equity.

To complement our understanding about the creation of brand value in a B2B context we conducted ten semi-structured interviews with managers in ten B2B companies. As the study was exploratory the aim was to obtain a range of views on B2B brand value from a wide variety of companies. Five manufacturers and five service companies were obtained through convenience sampling spanning a range of B2B sectors including aluminum, safety systems, food suppliers, electronic equipment, IT systems, direct marketing services, financial services and personnel solutions (see Table 1).

All managers had a good knowledge regarding branding within their company, had substantial experience in a B2B environment and had held a variety of senior positions in their respective organizations. The interviews sought to investigate B2B managers' views of the importance of branding for their buyers, the contribution of functional and emotional values in the development of industrial brand equity, the impact of situational and environmental factors, the internal communication of brand and its role in relationships with buyers. The interviews were conducted face-to-face and lasted between 40 min and an hour. Each interview was recorded and subsequently transcribed. Transcripts were then analyzed using content analysis (Miles & Huberman, 1994). A priori codes were developed on the basis of previous research while flexibility allowed additional codes to emerge from the transcripts. The following section presents the main findings from the interviews. We conclude by proposing a framework for brand value in industrial markets.

4. Results and discussion

4.1. The importance of branding in B2B

As found with previous research there are mixed views as to the importance of branding in a B2B context,

> "I do feel that branding is a key stage in the consumer purchase equation" — Business Advisor, Company F.

The Sales Manager of Company A also regarded branding to be an essential part of his business model. He thought an established brand provided a strong competitive advantage and also acted as a barrier to entry which was found in previous research by Michell et al. (2001).

The Marketing Manager from Company E believed industry accreditation precedes the brand. Interestingly, the Marketing Manager is separating the accreditation from the brand value when it could be perceived as a component of brand value. The separation of a functional quality from the brand as a whole may reflect a limited view of the brand as a logo (de Chernatony & Dall'Olmo Riley, 1998). This restricted view of what a B2B brand is may prevent companies from fully utilizing the benefits in their communications.

4.2. The functional and emotional qualities of the brand

4.2.1. The functional qualities

Quality was perceived as the most important functional quality of the brand by a number of the interviewees which reinforces the findings of Abratt (1986), Aaker (1991) and Bendixen et al. (2004). Obviously companies need to deliver the quality they promise to buyers otherwise it will damage the perceived value delivered by their brand.

> "Quality is always the most important aspect" — Sales Manager, Company A

Other functional attributes were highlighted as being important to buyers. Capacity and capability were also deemed to be important functional characteristics by the Global Sales Director of Company B. The Senior Brand Manager of Company I and Managing Director of Company H stated that superior technology and innovation were important to their buyers. The Marketing Manager of Company E highlighted their technical knowledge. Company J's Managing Director stated that "The products and services that we provide are judged primarily on technical criteria". While previous research has emphasized the importance of high technology in conveying brand value (Mudambi et al.'s, 1997), innovation has not been explicitly identified.

After sales service was perceived as an important functional brand attribute to buyers. A Manager in Company D believed that a popular brand will have amassed equipment in the marketplace and the company will have developed the network of after sales service suppliers to support the equipment. Buyers will believe if they purchase the brand and it malfunctions the infrastructure is in place to repair it. The perception of this functional element i.e. an extensive network of after sales services significantly contributes to conveying brand value. "An example of this is, we are currently in the process of being given 100% of the (Company One) business, not necessarily because our product is better than the other global brand but because Company One have got fed up with the poor after care they got from their previous supplier." *Manager, Company D*

A number of the key functional elements e.g. quality, after sales service, mentioned in previous research (Abratt, 1986; Bendixen et al., 2004; Mudambi et al., 1997) have been reiterated as contributing significantly to B2B brand value. Innovation was emphasized as an important functional element and one which has not been mentioned in previous research.

> "Long term loyalty is gained through high quality customer service as well as innovative technology/continual investment" (Managing Director, Company H).

4.2.2. The Emotional Qualities

In the past B2B buyers have been perceived as focusing predominantly on the rational aspects of decision making and giving less consideration to any emotional elements. The use of emotion in branding is becoming more apparent through the managers' responses.

The suppliers are aware that brands reduce buyers' perceived risk,

"He [the buyer] always likes buying the brand. We always say no-one ever got fired for buying the global brand. And if he takes a risk and buys an unknown brand or a private label brand or a new entrant product – if it works, he's just doing his job, if it doesn't work, he's fired. So when you look at it in that way the buyer's got no great desire to take risks." (Manager, Company D). The managers know buyers do not want to purchase a product or service which is going to negatively impact on the performance of their product or the delivery of their service therefore they will buy a brand which they know conveys the qualities they require rather than risk purchasing an unknown brand or one which does not convey the requisite qualities.

Companies are employing various strategies to provide emotional reassurance and reduce the buyers' perceived risk. The emotional elements of a brand may be linked to functional elements of the brand. Company D have developed an after sales service which provides buyers with the reassurance that if anything goes wrong they will be looked after.

> "That's another reason why it's safe to buy the brand because you know it's going to be looked after, whereas if you buy an unknown product you run the risk that when it goes wrong there's no infrastructure in the country to actually fix it". Manager, Company D

A number of the managers interviewed think trust is a benefit of branding. They perceive it as generating value which is supplementary to the main functional qualities of the product or service.

> "Trust is part of the package but it's not something that's created by the product itself. It's something that we, as the supplier of the product, seek to wrap around it." Manager, Company D

This suggests that trust is conveyed partially through satisfactory functional elements of the brand.

The interviews corroborate previous research (e.g. Jensen & Klastrup, 2008; Lynch & de Chernatony, 2007) advocating that emotions have a role to play in delivering brand value in a B2B context. More specifically, our findings suggest that the suppliers perceive the emotional qualities of a brand as contributing to buyers' decisions. The emotional qualities highlighted by the interviewees were the need to reduce the degree of risk and increase the level of trust in the buying decision. The interviewees aimed to reduce perceived risk by providing reassurance partially through linking the emotional qualities of a product to the functional qualities of the brand, such as the degree of after sales service.

> "Emotional aspects of the sale become important when the products being sold don't have much in terms of technology and have a large amount of competition available. Therefore providing customers with reassurance regarding post sales service becomes important. It sometimes becomes even more important to introduce risk reduction and reassurance even before the sale takes place, in the form of project planning help" (Sales Manager, Company A).

4.3. The company characteristics

Mudambi et al. (1997) and to a lesser degree Kuhn et al. (2008) highlight how the company attributes contribute to creating brand value. This is reinforced by the interview data which more specifically suggests that company factors may provide emotional reassurance to buyers. Company D's manager explained that his company has been operating for a number of years and this is important to buyers.

> "We can give the customers reassurance because we've done this for a long time- we are a highly established player in the market." Manager, Company D

The length of time a company has been in business and their degree of experience will confirm to buyers that the company is stable, well established and will be there with the expertise to provide assistance should the product malfunction. Similarly, the size of the company can also provide buyers with confidence in their decision. An information technology company, Company B, perceive the size of their company, in terms of it being "the largest, most secure and sustainable provider" as providing reassurance and reducing risk.

4.4. Situational and environmental factors effecting perceptions of brand value

Suppliers perceive both situational and environmental factors as influencing whether brand value is considered to be important for buyers. One situational factor which affects whether brand is even considered in the decision making process is the nature of the product. The Managing Director of Company H stated that in his industry, where there is a high level of customization, branding is a low level priority. At the opposite end of the spectrum, a company selling a commodity product emphasized the importance of brand in differentiating their company's products from those of similar companies

> "Emotional aspects of the sale become important when the products being sold don't have much in terms of technology and have a large amount of competition available." Sales Manager, Company A

The Sales Manager of Company A states that due to the nature of the product they try to differentiate themselves on the basis of emotional aspects such as reducing risk and increasing reassurance. A more complex product or service may rely more on differentiating itself through the functional qualities of the brand and less so on the emotional qualities.

Environmental factors also influence managers' perceptions of not only the value of the functional elements but also the value of brands. Managers are finding the current recession is impacting on buyers' purchasing decisions in relation to the quality and the price they are prepared to pay. The Managing Director of Company J has found buyers are more demanding in the recession and the focus is greater on functionality.

> "Our buyers are more demanding than in consumer markets, especially in this recession. They expect more for less." Managing Director, Company J

Buyers want their suppliers to maintain their quality but reduce the costs. Similarly, Company H's Managing Director believes price relative to fitness for purpose is a key driver for his business. Consequently, many managers are aiming to maintain their quality but keep their price competitive. On occasions managers believe that price is the main driver of a purchase decision resulting in buyers actively avoiding brands to save money. The Managing Director of Company H believed that when purchasing some buyers would avoid mainstream brands to obtain products with lower costs with the same performance capabilities. Buyers are not willing to compromise on the performance of the product but they are prepared to do without the brand especially during a recession. Previous research has not highlighted the fact that in certain circumstances a branded product could be costing a company business.

Past research has not considered how various situational and environmental factors affect the perceived value of the brand in different ways. In this study the situational factors the type of market and the level of competition have been found to affect the importance attached

to branding in a purchase decision. In a commodity marketplace a brand may add value to goods and services. Environmental factors are also affecting the importance of the brand. In a recession buyers may not perceive a brand as justifying the price premium often associated with strong brand names thus buyers may revert to more basic levels of value (e.g. goods and services) which often precludes the brand.

4.5. Internal communications and external relationships

Neither Kuhn et al. (2008) nor Mudambi et al. (1997) in their frameworks of brand value acknowledge the importance of internal communication. The managers generally acknowledge that information regarding the brand needs to be communicated and cascaded throughout the company before it is conveyed to external stakeholders including buyers.

> "…necessity for quality, for example, [needs] to be aimed throughout the company, for all the employees to adhere to the brand approach" –Global Sales Director, Company B

As the sales team will be at the forefront of interacting with the buyers, the interviewees realized the importance of providing consistent information regarding the brand to the buyers to ensure it is successfully positioned.

> "Our sales representatives are the key people who communicate our brand." — Manager, Company D

and

> "What we do have in place already to help achieve this are some core brand attributes which, in theory, if everyone within the organization can work towards, we are becoming aligned with each other and delivering the high quality and consistent brand experience" — Manager, Company G

There is a need for not just consistent communication regarding the brand within the company but also the need for everyone "to feel involved and responsible for the end result…to coin a phrase "every little helps"….notion of working as a team and problems not being somebody else's fault" (Global Sales Director, Company B).

Despite the knowledge that communications from the sales team should be consistent, the Sales Manager of Company A highlighted a potential ethical issue concerned with adding emotional attributes to the brand. Salespeople may in their efforts convey an image different to the "standard" image. This inconsistency may create problems with buyers if they discover other buyers have received differential treatment.

Kuhn et al. (2008) acknowledge the importance of salespeople developing relationships with buyers and establishing partnerships in creating brand equity. The findings of this research particularly highlight the importance of buyer–seller relationships.

> "We hold the value of relationships over and above that of other aspects of brand equity." — Managing Director, Company J

The Managing Director of Company J perceives the relationships with his customers as "protecting our business from our competitors" which reinforces Low and Blois (2002) findings. Companies want to build up their knowledge of their customers' needs so they can satisfy them and in doing so develop a relationship with the buyers which will be difficult and time consuming for other suppliers to emulate. The aim of the relationship is to satisfy the buyers, retain their loyalty and for it to act as a barrier to competitors.

While relationships are important for conveying industrial brand equity, the Senior Brand Manager of Company I was reticent about suppliers and buyers becoming too close.

> "Yes there is a lot of personal contact involved but this is also dangerous,… faces change,… it is very important to promote one's colleagues, the team and not to be the sole correspondent for the purchaser" – Senior Brand Manager, Company I.

The Senior Brand Manager of Company I would invite the purchaser to meet the supplier's team to ensure that the buyer had multiple relationships. This approach would ensure that the buyer would still have someone to contact if one of the suppliers was not available or if they left the company. It ensures loyalty to the brand rather than an individual.

The managers acknowledge that buyers may have relationships with individuals and companies however they did not discuss the buyers' relationship with the brand. In discussions of the brand and the relationship with individual/company the interviewees did not relate the two entities to each other. Ideally managers need to link them together as the brand value may act as a driver for the formation of relationships (so people trust the brand and then build up the relationship). In initiating relationships managers need to understand that the functional and emotional values encompassed by the brand will be evaluated and judged by buyers and that the relationship with the buyer must continue to uphold these brand values.

5. Conclusions

5.1. Theoretical implications

Interestingly, the interviewees had a mixed response as to the importance of brand value in a B2B context, which may reflect their different views of how a brand is defined and what branding constitutes. The literature shows as many as twelve different views of a brand (de Chernatony & Dall'Olmo Riley, 1998). An interesting avenue for future research would be to investigate B2B brand managers' definitions of a brand and the key components to creating a successful B2B brand. It is argued that perhaps the limited history of branding in a B2B context resulted in the respondents' relatively narrow perspective of a brand as compared to a B2C context where branding has a longer history of practice.

The tentative theoretical framework of brand value in industrial marketing is developed from the findings of both previous research and the exploratory interviews with managers (see Fig. 2). It examines brand value from a suppliers' perspective while previous models have examined it from the buyers' perspective. Fig. 2 shows how brand value and company characteristics can be conceptualized as leading to relationship value. Brand value cannot be deconstructed into goods and service value and added values (resulting from the brand name alone) as the brand supervenes on and cannot be separated from the product (Grassl, 1999). Our framework also takes into account situational and environmental factors which affect the influence of branding in purchase decisions.

In Fig. 2 the functional and emotional qualities are at the core of B2B brand value. In the creation of industrial brand equity, managers perceived functional values including quality, technology, and after sales service as encompassed by Mudambi et al. (1997) to be of importance to the buyers. Innovation, a functional factor was also found to be of importance which has not been found in previous research. In this research, functional values emerged as the primary factors considered by buyers in the decision making process. This is in line with previous research (e.g. Abratt, 1986; Bendixen et al., 2004; Kuhn et al., 2008) highlighting the rational approach taken in a B2B context. However, the managers also highlighted the emotional qualities of risk reduction, providing reassurance and trust as being significant for the development of their brands. This provides support to previous research (e.g. Andersen & Kumar, 2006; Jensen & Klastrup,

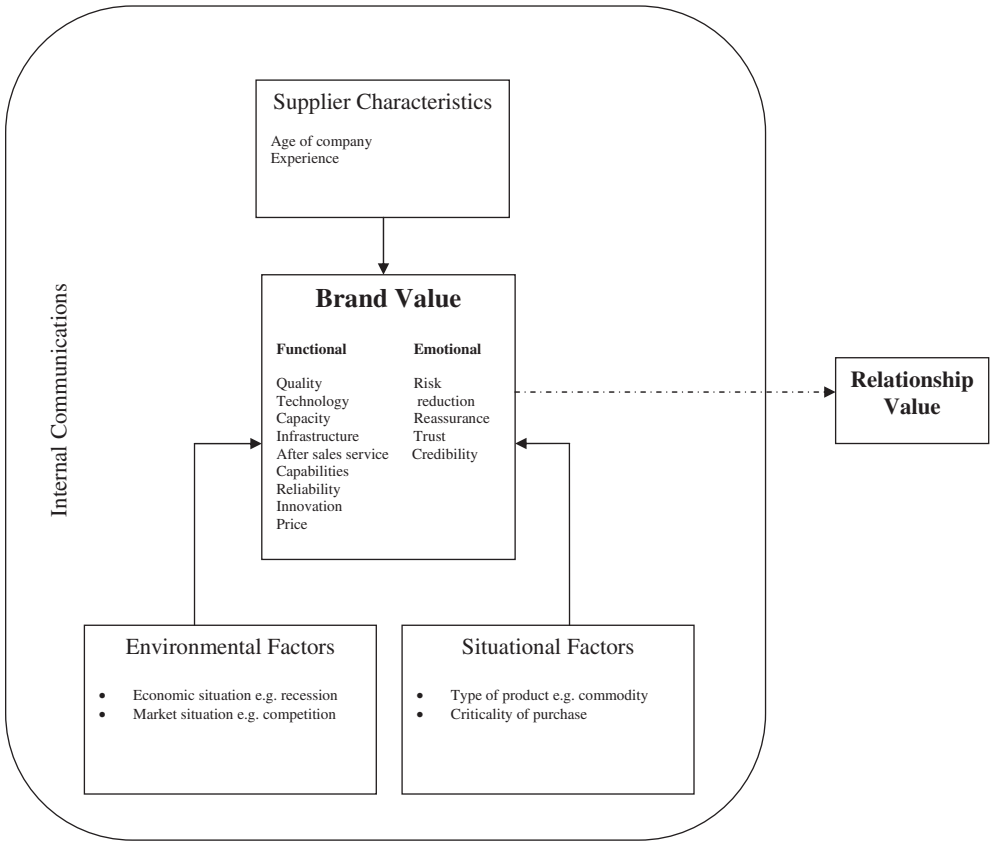

Fig. 2. The B2B brand value framework.

2008; Lynch & de Chernatony, 2007) advocating the importance of emotion for industrial markets. Despite the dominant role of functional values in this context it is suggested that there is an interrelationship between the functional and emotional qualities of an industrial brand. The provision of the functional qualities obviously contributes to developing the emotional qualities. For example, the presence of a service infrastructure reassures buyers and reduces their perceived risk. Future research could focus on identifying interactions and a possible hierarchy between functional and emotional elements.

This research has found certain characteristics of the supplier company to be instrumental to the development of a branding strategy. These characteristics are likely to be considered in conjunction with the functional and emotional elements of the product/service. While only experience and age of the company were identified, future research needs to determine what other company characteristics could be contributing to the purchase decision. These company characteristics could be incorporated into the B2B branding strategy.

Within a company the significance of consistent internal communication to convey brand message has been highlighted in the interviews. Adhering to the functional and emotional values encapsulated by the brand enables employees to deliver coherent interactions that are likely to contribute to developing buyer relationships. Consistent with previous literature in B2B (e.g. Kuhn et al., 2008) and B2C (e.g. Keller, 1993) the managers regard relationships the pinnacle of industrial brand equity. Developing stronger buyer relationships with the brand, employees and the organization leads to the creation of exit barriers which has been mentioned in this study and reiterates previous research (Low & Blois, 2002). Future research may try to deconstruct the value of relationships and assign a relative value to different aspects such as the product, the employees, and organization. Further research could also determine the importance of each element, product, employees and organization throughout the relationship lifecycle. It would be useful to identify whether brands drive the initial development of relationships and whether their importance is sustained, enhanced or diminished throughout the relationship lifecycle.

This study has found that suppliers' perceptions of the importance of branding may be determined *inter alia* by situational factors such as the nature of the product and environmental factors such as the economic situation both of which have not been mentioned in past research. With regard to situational factors branding was found to be more important for commodity products, however it is necessary to investigate further which of the functional and emotional elements are most influential in creating a strong brand for such a product. With regard to environmental factors the current economic situation seems to be negatively affecting the role of branding. A priority for buyers is to obtain the quality required at a lower price rather than paying a premium for a brand. Emotional qualities of a brand are less valued in a recession where quality and fitness-for-purpose are the primary concerns. Further academic research needs to systematically determine the effect of these situational and environmental factors on buyers' perceptions of branding including whether the importance of branding in decision making process varies between straight rebuys, modified rebuys and new tasks.

This research has argued for the role of brand value in a B2B context and has put forward a tentative framework for generating brand value which highlights the importance of the links between the functional and emotional brand attributes, the contribution of the supplier company characteristics and considers the moderating role of situational/environmental factors. It also emphasizes the importance of communicating the brand strategy within the organization and the potential of the brand to drive the development of relationships. This framework has emerged from the literature review and exploratory interviews with managers from a wide range of B2B industries.

Due to the small sample size across a range of industries, further research needs to be conducted (both quantitative and qualitative), in various contexts, with both suppliers and buyers to confirm the robustness of the model.

5.2. Managerial implications

Managers of B2B brands are advised to use the model as a point of departure to identify the importance of various functional and emotional attributes to their buyers, which will obviously vary from buyer to buyer. For each functional attribute there will associated problems if the product fails to perform. The supplier needs to be aware of the potential areas where the product may fail and address this through the incorporation of emotional qualities in the branding strategy which will alleviate the buyers' perception of risk. This approach to branding should be incorporated into the training of the salespeople in order for them to be able to address not only the customers' functional requirements but cater to their emotional needs which may prove to be a vital differentiating point in the decision making process. The brand's ability to address the buyers' emotional leads, reinforced by consistent communication from the salespeople provides the initial building blocks for the further development of a relationship and the loyalty of the buyer.

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