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Branding importance in business-to-business markets Three buyer clusters

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Abstract

With the growth of e-commerce and global competition, business-to-business (B2B) marketers are showing increased interest in the potential of branding, especially at the corporate level. This paper describes branding in the context of B2B markets, and examines its perceived importance to buyers. A review of relevant literature and the development of a conceptual model enables a cluster analysis of data from a survey of industrial buyers. The exploratory analysis examines to whom branding is important, and in what situations. Three clusters of buyers are found: branding receptive, highly tangible, and low interest. The practical implications for managers are explored. © 2002 Published by Elsevier Science Inc.

Keywords: Branding; Industrial branding; Business-to-business; Cluster analysis; Industrial segmentation

1. Introduction

With the growth of e-commerce and global competition, business-to-business (B2B) marketers are asking whether branding, especially corporate branding, can help improve their competitive position in the new economy. Although the power of branding is widely accepted in consumer markets, the nature and importance of branding in business markets is unclear and underresearched.

The key question motivating the research is to whom is branding important in B2B markets. The assumption is that branding is important to some, but not all, business customers. As one manager interviewed in the study said, "Branding may not be important to everyone, but as long as it is important to some of our customers, we want to know about it." Price and tangible attributes of products in highly competitive markets often differ only slightly. To prevent their products from becoming commodities, companies seek to differentiate themselves with service, with the company brand, and with brands at the product level. Organizational buyers have long been known to consider service and other more intangible aspects of the offer, in addition to price and product quality. To Aaker [1], "Many industrial purchase alternatives tend to be toss-ups. The decisive factor then can turn upon what a brand means to a buyer." Some industrial buyers may be more receptive to branding than are others. This paper provides an exploratory study of to whom branding is important.

The paper begins by examining the marketing literature on branding and organizational buying behavior. Drawing from the literature, a conceptual model of industrial branding is introduced. Interviews with industrial marketers and purchasers, and a survey of industrial buyers, then enable a cluster analysis of firms by the relative importance of branding, service, and product attributes in the purchase decision. The cluster analysis provides an exploratory effort to identify to whom B2B branding is important, and in what situations. Characteristics of firms in the clusters are described. The final sections draw out the practical implications of the findings, discuss the limitations of the exploratory research, and offer ideas for future research into B2B branding.

2. Literature review

Organizational buying behavior research indicates that intangible attributes are important in business purchase

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decisions. The consumer behavior literature documents the importance of branding in consumer decisions. Between these research streams lies a gap in terminology and knowledge concerning the role of branding in B2B markets. The small body of research on industrial branding provides insights, yet does not sufficiently close this research gap.

2.1. Organizational buyer behavior

Organizational buyers differ in many ways, including what they perceive to be important, the decision processes they follow, and the purchases they make. Well-established models of organizational buyer behavior [2–5] highlight the importance of buyer characteristics, purchase characteristics, and decision process characteristics to the purchase choice. The models begin with the recognition of a purchase need, then link buyer characteristics, purchase characteristics, the perception of attribute importance, and the decision process to the final choice. Differences in customer and purchase characteristics provide the basis for meaningful customer segmentation and analysis [6–10]. Buyers do not place equal emphasis on all attributes in the purchase decision. Studies of business markets have concluded that intangible attributes such as reputation and image can be of equal or greater importance than tangible physical product attributes [11,12].

Benefit segmentation research assumes that buyers significantly differ in their evaluation of the importance of choice attributes. For example, analysis of the North American flat-rolled steel industry identified three customer segments: commitment, service, and price sensitive [13]. Customers in the commitment segments valued close relationships with stable suppliers with high levels of expertise. Customers in the service segment were primarily concerned with quality and delivery performance. The price-sensitive customers were concerned primarily with price and costs. These benefit segments have appeal, but illustrate the difficulty of identifying buyer segments that are distinguishable and truly meaningful to the vendor [14,15]. A critical managerial issue is whether the buyer segments can be described by discernible buyer characteristics.

Perceived risk is an important topic in the literature. Risk can be defined in terms of the perception of the uncertainty and adverse consequences of buying a product [16]. This can be from the perspective of the organization or of the individual buyer. For example, the classic model [3] considered new tasks to be the most risky, with straight rebuys the least risky. However, new tasks may involve more organizational risk, but less personal risk [17]. Buying top brands from reputable companies is one way of handling and reducing risk [18].

2.2. Insights from consumer branding

Consumer research has shown that powerful brands create meaningful images in the minds of customers [19,20]. Marketers invest in branding because brand image and reputation enhance differentiation and can positively influence buying behavior, as consumers choose among competing offers [21,22].

A product offer consists of three levels [23]. The basic product consists of the tangible features, the augmented product adds other features and services, and the potential product emphasizes the intangible features and benefits to customers. The potential level captures the idea of the real and untapped potential of branding [24]. Branding is powerful because it is associated with benefits to consumers, not just to marketers. Consumers perceive brands to have functional, emotional, and self-expressive benefits [1]. Aaker [25] also identified three key aspects of branding important to marketers: general name awareness, or how well known the brand is; the general reputation of the brand; and purchase loyalty, measured as the number of prior purchases of the brand. In contrast, Keller [19] defines brand equity in terms of brand knowledge and unique brand associations.

At the corporate level, reputation and corporate branding are closely related concepts [26]. Reputation addresses the image of the company to all its constituents, including investors. Branding focuses on the image of the company to its customers. Fortune magazine's annual Corporate Reputations Survey [27] considers both tangible and intangible aspects of reputation, as do analyses by Reputation Institute [28]. Reputation has a firm tangible foundation, with strong links to many intangible elements. Together they improve a corporation's credibility [25].

At the individual product level, consumer branding research has been especially extensive and varied. This reflects the availability of data and the large sampling pool of consumers. Research has examined the effects of coupons, advertising expenditures, and attribute importance on brand choice; explored brand image and personality; and measured brand equity [19,29–31]. Many of these studies offer insights into individual branding, but are not directly applicable to B2B markets, due to differences in market conditions.

2.3. Branding in business markets

The business literature, although limited, does include explorations of brand naming, industrial brand value, and brand equity. One study [32] found that industrial brand names have been commonly used, with examples such as Portakabin (portable offices) and Carryfast (road haulage). Others ([33], p. 29) concluded, "many basic materials producers have only a name, and are searching for a brand." Brand-naming strategies were found to have mixed effectiveness in the man-made textile fiber market for brands such as Dacron, Dralon, Lycra, and Orlon [34], and in the reconstituted wood product market for brands such as Waterwood, Oxboard, and Structurwood [35].

Beyond brand naming, industrial brand value has been described as a function of the expected price, the expected benefits of the basic product, the expected quality of the augmenting services, and the brand intangibles [36]. Hutton [37] defined brand equity as buyers' willingness to: pay a price premium for a favored brand over a generic or unknown brand; recommend the brand to peers; and give special consideration to another product with the same company brand name. Woodside and Vyas ([38], p. 189) found managers to be willing to pay a 4–6% price premium to suppliers "whose product and service performance is likely to be superior to other vendors." A survey [39] of US electrical contractors regarding circuit breakers revealed the significant presence of brand equity in the sector. The authors concluded that brand loyalty is synonymous with firm loyalty in this product category, yet also found that loyalty to distributors is as important as loyalty to manufacturers. This is especially interesting given recent research examining the management of consumer brands in the context of retailer power [40].

Branding is not important to all organizational buyers, or in all situations. In response to general hypothetical questions [37], buyers indicated that they were most likely to choose well-known brands of office equipment and supplies when: product failure would create serious problems for the buyer's organization or the buyer personally; the product requires greater service or support; the product is complex; and under time and/or resource constraints.

2.4. Comparing consumer and industrial branding

The differences and similarities between consumer and business markets have long been debated [41–43], especially given the dynamic nature of the business environment. Table 1 summarizes some of the relevant comparisons. In addition, the benefits of branding [1] to customers in B2B markets have not been explored. Functional benefits may be most relevant, yet emotional and self-expressive benefits can also matter. Buyers are willing to seek out a brand for an expected functional benefit, such as a higher quality physical product or associated services. Limiting consideration to well-known products also has the functional benefit of reducing search and transaction costs.

Known brands have the emotional benefit of reducing perceived risk and uncertainty, both of which have identifiable costs to the individual buyer and to the firm. Branding can benefit the business customer by increasing purchase confidence. Purchasing a well-known brand can reinforce prior experience and relationships. Branding can increase customer satisfaction. Buying a familiar brand may involve additional comfort and a "feel good" factor. Professional buyers take pride in their work, and feel good about making the right choices.

Table 1
Consumer and industrial market characteristics

Consumer markets	Industrial markets
Emphasis on the tangible product and intangibles in the purchase decision	Emphasis on tangible product and augmented services in the purchase decision
Standardized products	Customized products and services
Impersonal relationships between buyer and selling company	Personal relationships between buyer and salesperson
Relatively unsophisticated products	Highly complex products
Buyers growing in sophistication	Sophisticated buyers
Reliance on mass market advertising	Reliance on personal selling

Table 2
Brand management issues

Consumer brand management	Industrial brand management
Branding at the product level, with increasing emphasis on corporate level	Branding at the corporate level, with experimentation at the product level
Customer perception of functional, emotional and self-expressive benefits of brands	More customer emphasis on risk-reduction; less customer emphasis on self-expressive benefits of brands
Moves to reduce the numbers of brands within a company	Number of brands within a company increasing due to acquisitions

Self-expressive benefits can be both personal to the buyer and generalizable to the buying organization. Business buyers enjoy associations with top companies, as "every purchasing department will be judged by the company it keeps" ([44], p. 212). Companies recognize the value of using components manufactured by well-respected suppliers to gain legitimacy and acceptance for their own goods. Buyers can use the purchase to say something about themselves and their companies. These distinctions also influence brand management. To Murphy ([45], p. 60), industrial brands "serve precisely the same role" as consumer brands, although with a weaker branding bond, and with less potent intangible features than in the consumer sector. Table 2 highlights some of the key differences between consumer brand management and industrial brand management. These do not fit every situation, but describe general tendencies.

This literature review indicates a further need for theory, empirical evidence, and practical managerial recommendations regarding branding in business markets. The existing body of research begins to address the important questions, but does not provide a sufficient base for a comprehensive model of B2B branding. The following conceptual model is a starting point.

3. A model of branding in B2B markets

A model of B2B branding rests on the assumption that branding offers customers functional, emotional, and self-expressive benefits [1]. The next step in model development is to place branding attributes into the context of organizational buyer behavior, and to determine to whom branding attributes are important. As discussed in the literature review, the classic models [2–5] link key aspects beginning with the

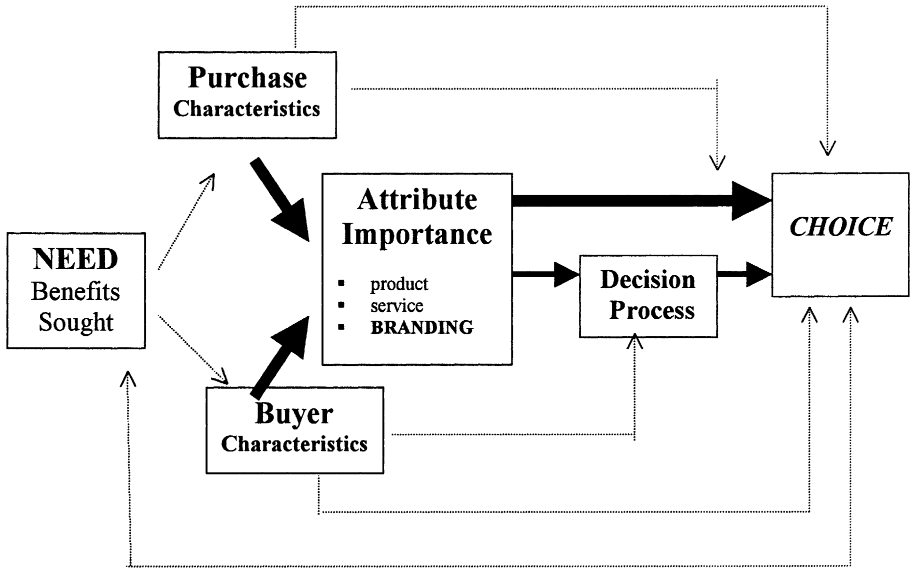

Fig. 1. A model of B2B branding.

recognition of a purchase need, buyer characteristics, purchase characteristics, the perception of attribute importance, the decision process, and the final choice. Fig. 1 illustrates these links, incorporating the role of branding attributes.

Buyers consider three bundles of attributes, namely the product, the augmented services, and branding. These three categories draw on the previous conceptualizations [23,24]. Product attributes include price and physical product properties. Price includes aspects such as the quoted price, but also the degree of discount, payment terms, financial support, etc. Several types of augmented services are commonly evaluated, including technical support services, and ordering and delivery services. Technical support services take the form of design advice, product testing support, and troubleshooting. Ordering and delivery services include aspects such as the availability of the product, ease of ordering, lead time requirements, delivery reliability, and delivery convenience. The nature and quality of the working relationship can also be an augmented service. Branding attributes follow Aaker's [25] guidelines, and consist of: general name awareness, or how well known the brand is; the general reputation of the brand, how others view the brand in general terms; and purchase loyalty, measured as the number of prior purchases of the brand. Buyers vary in how they perceive the importance of these three bundles of attributes. The first question in this research is whether buyers perceive branding attributes to be important. Secondly, if branding is important, then it is important to determine to whom and in what situations it is important.

4. Methodology

Drawing on the literature review, a series of exploratory interviews in the UK collected qualitative information and helped to develop a conceptual foundation. Next, a survey of UK industrial buyers generated data to conduct a cluster analysis of the buyers and purchase situations by the perceived importance of the product, service, and branding attributes. These help answer the research question of which buyers are branding receptive.

As is typical in consumer branding research, the target product sector was comprised of differentiated products, thereby excluding highly customized products, industrial durables, and commodities. Other selection criteria included: a high average purchase frequency; a well-established sector with ISO product standards; good customer access to multiple suppliers; and purchased by companies across a range of B2B sectors. Precision bearings were chosen as the subject of the survey. Bearings are round or cylindrical pieces of highly machined metal that facilitate the turning movements of mechanical parts. Bearings have attracted previous research [46,47] due to the nature of strategic global competition.

The first stage of the field research involved a series of exploratory in-depth interviews in a number of product sectors meeting the general selection criteria. Then, 15 in-depth interviews with bearings manufacturers, distributors, and purchasers were conducted to assist in the development of the survey instrument. The interviewees identified the most important aspects of the product offers in bearings purchase decisions, including aspects of the buyer, the purchase itself, and the decision process. The interviews also served to informally test different ways of collecting data and preliminary versions of the survey instrument. The interviews typically lasted between 60 and 90 min, and followed a semistructured interview format. Similar to the methodology used by Kohli and Jaworski [48], the interviewer did not use the word "branding" in the interviews.

Although each purchase is unique, practitioners do try to categorize or summarize different types of buyers, purchase situations, and decision processes. Three types of buyers emerged from the interviews. One is low interest, or indifferent. Another is traditional, moderate, and objective. A third is more sophisticated, perhaps better educated, and buys in large volumes. Three types of purchase situations were described. One is a routine, low-risk purchase. Another is a typical, average, product-oriented purchase. A third is a highly important, relatively risky purchase situation. Finally, three types of decision processes were described. The first is one of convenience and low involvement. The second is structured, and "goes by the book." The third is formal, thorough, demanding, but open-minded.

The interviews provided a good base upon which to follow-up with the survey. The interviews and the subsequent questionnaire relied on prior research as the foundation on which unique questions for the source of variables and measures, and for future hypothesis testing. The exploratory interviews and a formal pilot survey developed and pretested the survey instrument.

The sampling plan and method involved a stratified random sample of companies based on several industry estimates of the breakdown of bearings sales across the four commonly used industry strata: automotive, heavy industry, general mechanical and engineering, and electrical. The UK Kompass Directory provided the company names and contact information in each stratum. Randomly selected companies were telephoned to confirm that they purchase bearings, and to obtain the name of the "person who is responsible for bearings purchases," usually the purchasing manager, a specialist buyer, or a technical manager. This assumed, as did others [14], that the individual respondents play a boundary-spanning role that considers the desires of others in the decision making. Each key contact was mailed a cover letter asking for cooperation, a copy of the survey, and an addressed prepaid return enveloped. Approximately 10 days after sending the surveys, nonrespondents were faxed a reminder letter.

In all, 282 surveys were mailed, in a series of waves to facilitate tracking and follow-up. Complete or partially completed surveys were returned from 132 companies, for a 47% response rate, high for surveys of this nature, with 116 (41%) fully complete. To test for nonresponse bias, companies who responded before the fax reminder were compared with those who responded after the fax reminder. The respondents did not vary significantly in the key buyer characteristics of annual size of bearings purchase and expertise.

Product and service attributes in the survey reflect measures common to other organizational buying behavior studies, such as: price, physical product properties, ordering and delivery service, working relationship and technical support [11].

Branding measures included measures for Aaker's [25] three major aspects of branding: brand name awareness, general reputation, and brand purchase loyalty, or number of prior purchases. One to five items were used for key constructs. The questions were primarily seven-point Likert scales, but semantic differential scales, closed-ended and open-ended questions were also used. Respondents were asked to provide ratings of importance of the product, service, and branding attributes, on a scale of 1 (*fairly important*) to 7 (*extremely important*), and also to rank the attributes. Questions asked on buyer, purchase, and decision process characteristics relied on the aspects described as most important in the literature and in the interviews. Buyers provided information about themselves, their company, and their most recent, typical purchase of the product types [14]. Researchers have found self-rating scales, particularly on knowledge, to be reliable and useful [49]. Table 3 lists the key items. The full survey is available upon request.

The literature review and exploratory interviews generated the initial set of items included. Cronbach's alpha coefficients were calculated for the multi-item measures. Measures of expertise had a value of .6942; the measures of perceived risk had a value of .8445; and the three branding measures had a value of .8275. The measures were then analyzed using cluster analysis [50–52].

Table 3
Cluster analysis of firms by attribute importance, bearings survey

Summary of means of final cluster centers

Attribute importance, 1 (*fairly important*) to 7 (*extremely important*)	Bearings sample ($n=116$)	Cluster 1 Highly tangible ($n=57$) (49%)	Cluster 2 Branding receptive ($n=43$) (37%)	Cluster 3 Low interest ($n=16$) (14%)	*F*	*P*
Physical product properties	5.99	6.07	6.12	5.38	2.03	.136
Price	5.84	6.16	5.88	4.63	10.69	.000
Technical support services	5.01	5.12	5.47	3.38	14.76	.000
Ordering and delivery services	6.06	5.91	6.54	5.31	9.46	.000
Quality of the working relationship	5.13	4.93	5.77	4.13	9.01	.000
How well known is the supplier	3.88	3.16	5.61	1.81	88.50	.000
General reputation of the supplier	4.72	4.56	5.88	2.13	69.44	.000
Number of prior purchases from the supplier	3.82	3.12	5.42	2.00	67.90	.000

5. Cluster analysis regarding branding receptivity

Using the perceived importance of the purchase attributes, cluster analysis of the survey data generated three clusters of firms. To test the differences in the clusters' perceived relative importance of the purchase attributes, several GLM multivariate post hoc multiple comparisons for observed means were conducted, such as Tukey, Scheffe, and LSD, following ANOVA, using SPSS Version 7. Differences between the clusters are measured by the F-statistic, with the statistical significance indicated by the P values. Very large differences were found among the firms on the importance of the branding attributes. Results are reported in Table 3.

5.1. Three clusters

Standard cluster analysis generated three clusters of firms, described as "highly tangible," "branding receptive," and "low interest." The greatest distance (7.1337) between final cluster centers was between Cluster 2 (branding receptive) and Cluster 3 (low interest). A moderate distance (3.7802) was found between C1 (highly tangible) and C2 (branding receptive), along with a moderate distance (3.9878) between C1 (highly tangible) and C3 (low interest).

Firms in Cluster 1 can be characterized as "highly tangible" firms for bearings purchases, and constitute 49% of the sample. To these firms, the more intangible aspects of the offer were significantly less important ($P < .01$) than to the branding-receptive firms. The more tangible aspects such as price and physical product properties were most highly rated.

Firms in Cluster 2 can be considered "branding receptive," and account for 37% of the sample. Compared to firms in the other two clusters, branding-receptive firms perceived all three branding elements to be of significantly higher importance ($P < .01$). These include: how well known the manufacturer is, a measure of brand name awareness; general reputation of the manufacturer, a measure of brand image or reputation; and number of prior purchases from the manufacturer, an indication of brand purchase loyalty. Branding-receptive firms also perceived a significantly ($P < .01$) higher importance of the service aspects of the quality of the ordering and delivery service and the quality of the working relationship. As the interviews revealed, the often-lengthy lead times for bearings purchases emphasize the importance of ordering and delivery service in determining the state of working relations.

Cluster 3 can be described as one of "low-interest" firms for bearings purchases, and accounted for 14% of the sample. To these firms, none of the attributes were perceived to be more important than in other clusters. Price, technical support service, how well known the supplier is, general reputation of the supplier, and number of prior purchases from the supplier were statistically lower in perceived importance ($P < .01$) than in both the other clusters. Bearings purchases are not important to these firms, and to these firms, none of the attributes were perceived to be more important than to firms in other clusters.

6. Interpretation of the cluster analyses

The cluster analysis revealed that the perceived importance of branding can be a useful way of examining customers. Branding is not important to everyone, and this research provides important preliminary insights into customer differences regarding branding receptivity. The analysis provides evidence of the importance of branding in the strategic segmentation of B2B markets. Segmentation by benefits enhances traditional segmentation by bases such as industrial sector, value of purchases, and buy class factors. The perception of branding importance is an important factor in the creation of the three distinct customer segments.

Interviews with sellers and anecdotal evidence also appear to support the existence of these three clusters of buyers. For a given product type, there is often a group of buyers who focuses on price and physical specifications, a group who is very knowledgeable and interested in the purchase, and group who is simply not interested. As with all cluster analysis, the final interpretation depends on the researcher's judgement [52]. Other researchers [10,13] have used judgement to identify benefit clusters, by using the criteria of utility to managers [7].

The customer clusters of highly tangible, branding receptive, and low interest have strong conceptual appeal. However, they will have more practical value if marketers are able to identify how they relate to the customer base. Ideally for practitioners, the cognitive aspects of branding importance to buyers should be linked to demographic characteristics that are easily accessible and recognizable.

7. Distinguishing characteristics of the clusters

The next step involves identifying discernible or distinguishing features of each of the three firm clusters by using the data collected on buyer, purchase, and decision process characteristics. The objective was to link the benefit clusters to the more accessible buyer and purchase characteristics in order to facilitate the development of customized marketing approaches.

Although prior interviews indicated that segmenting by line of business and the value of purchases remain common industrial practices, the clusters did not significantly vary along these traditional buyer characteristics. The clustering analysis identified other significant differences, however. Firms in the branding-receptive cluster perceived their knowledge of the bearings to market to be significantly higher ($P < .05$) than in both the other clusters. Not only did firms in the branding-receptive cluster value the importance of prior purchases and general reputation more highly than the other clusters, but they viewed that evaluations of these attributes were more objective ($P<.01$) than did the other clusters. Firms in the highly tangible cluster viewed their evaluations of physical product properties to be more objective (P=.053) than did firms in the branding-receptive cluster, and evaluated to objectivity of the attributes of prior purchases, reputation, and technical support to be higher ($P<.05$) than did firms in the low-interest cluster.

Previous research and the prior interviews suggested that the nature of the purchase, and perceived purchase risk would be important purchase characteristics. However, the clusters did not differ as to how the purchase was to be used, or according to buy class breakdowns. Perhaps most surprisingly, the cluster analysis did not identify perceived risk as a significant differentiating factor. The lack of a more significant effect may be explained by the generally low levels of perceived risk in the sample (mean of 3.14, with 1 = *no risk* and 7 = *high risk*).

The type and number of suppliers considered was expected to be important. Firms in the branding-receptive cluster used significantly more suppliers ($P<.05$) for the most recent purchase than in the highly tangible cluster, and had significantly more ($P<.05$) previous purchases from the suppliers in their final choice set than did firms in the highly tangible cluster. One interpretation of this is that branding-receptive buyers may utilize more suppliers than other buyer types, but exhibit more purchase loyalty to them.

As for the decision process characteristics, the clusters did not differ in whether they utilized a simple one-stage or a screening and final (two-stage) decision process. Results indicated that branding-receptive firms are more likely to formally numerically rate or rank suppliers than are the buyers in the other clusters. Overall, many of the nominal or apparent differences between the clusters on the various characteristics were not statistically significant. Consequently, it was appropriate to revisit the insights gained from prior research and the exploratory interviews, and to place the survey results in a broader context. Table 4 brings together the empirical findings and the typologies from the interview phase of the research. This allows interpretation of the findings using the terminology of the qualitative research.

The branding-receptive buyers can be described as sophisticated and large volume. The words risky and highly important can describe the purchases, and the words open-minded and thorough can describe the decision process. For the low relevancy cluster, the words low interest and indifferent best describe the buyers. Routine and low risk can be used to describe purchases in this cluster. Low involvement, informal, and convenience can describe this decision process. For the high tangibility cluster, the words traditional and moderate appear to describe the buyers. The words typical and product-oriented can describe their purchases, and textbook, objective, and structured can describe this decision process.

Benefit segments have been shown to be more stable and marketing responsive than traditional demographic segments [53]. Still, some overlap of the clusters may exist. Perhaps the best approach is to shift the focus of the interpretation away from individual buyers or buying companies and towards buying situations. Thus, the three clusters may most accurately be interpreted as clusters summarizing purchase situations rather than as clusters summarizing buyers.

Buyers recognize that purchase decisions regarding a particular product vary considerably depending on the particular purchase needs and purchase characteristics. A buyer may choose one brand in one situation and another in a different situation. That variation may indeed be greater and more predictable than variations between buyers in similar purchase situations. Given the overall importance of the differences in the importance of branding, and the differences between the clusters in buyer, purchase, and decision process characteristics, the three clusters of highly tangible, branding receptive, and low interest do offer an important insight into B2B buying.

8. Conclusions and managerial implications

Branding in consumer markets has long been shown to increase a company's financial performance and long run competitive position. This success has captured the attention of B2B marketers, who wish to tap the potential of their company and their products and brands [54]. However, these efforts require an understanding of what B2B branding is. This exploratory research has provided several insights. Perhaps most importantly, the findings suggest that branding plays a more important role in B2B decision making than has generally been recognized. For most B2B marketers, the company brand will remain the focus of the branding strategy. Yet, the company brand of a diversified corporation is multidimensional and dynamic. Understanding how customers perceive the company brand will be key to future management decisions. Branding is not equally important to all companies, all customers, or in all purchase situations.

The analysis identified three clusters of customers. These customers differed in their perception of the importance of

Table 4
Summary of firm clusters

No.	% of sample	Cluster descriptor	Buyer descriptor	Purchase descriptor	Process descriptor
1	49%	Highly tangible	traditional, moderate, objective	typical, product-oriented	textbook, structured
2	37%	Branding receptive	large volume, sophisticated	highly important, risky	open-minded, thorough
3	14%	Low interest	low relevancy, indifferent	routine, low risk	convenience, low involvement

branding in the purchase decision. Marketers can benefit by analyzing the branding implications for each customer cluster regarding brand naming, the physical product, pricing, distribution, advertising and promotion, and personal selling.

A branding strategy focusing on customers in the low-interest cluster might communicate the potential importance of the purchase decision. Product catalogues and web sites can be made attractive and appealing in an attempt to increase buyer interest in the product and in the purchase decision. Mini case studies or testimonials from customers who in the past did not take the purchase seriously could be shared. Additional resources may not be necessary for further development of the physical product. Instead, it may be worthwhile to dedicate resources to improving the ease of ordering. A coordination of telephone, fax, online ordering systems, and personal selling can enhance ease of ordering.

Branding strategies to attract more business from the highly tangible cluster may focus on the many tangible, quantifiable, and objective benefits of the product itself, and of the manufacturer behind the product. Physical product improvements may be important, yet the emphasis needs to be on closely matching the physical features to the benefits to the customer. Communications need to identify ways to more objectively evaluate even the more intangible benefits of the brand, such as reduction of perceived risk and uncertainty, and corporate financial stability. Efforts to attract branding-receptive customers should emphasize the unique nature of each purchase, and the need for objective advice and support from a well-established, highly reputable, and flexible manufacturer. Communications will acknowledge the foundation of a high-quality physical product, and augmented services, but will highlight the emotional and self-expressive benefits of the brand. A combination of a strong company brand and an effort to differentiate an individual brand is likely to be the most worthwhile to these customers.

In contrast to consumer markets, in B2B markets, the responsibility for implementing segmentation recommendations generally falls on the sales representative, not the advertising executive [55]. Efforts sometimes fall flat simply because they fail to reflect the salesperson's role in implementing the supplier's marketing strategies, managing customer relationships [56], and exemplifying the brand. Trust and commitment are key issues in buyer–seller relationships [57]. Differences may exist between a customer's trust and perception of a salesperson and of the company [58]. Changes in channel management due to e-commerce and other technological innovations further emphasize the importance of the evolving nature of trust and commitment in business relationships.

The model of B2B branding highlights the importance of the buyer's perspective. To a buyer faced with an unfamiliar or newly important purchase, the company brand can signal or symbolize expected brand performance. Buyers often first turn to the leading brand, but there is more to a successful brand than market share. If a leading brand does not correspond to a buyer's priorities, it does not provide good value. Intangible factors do matter, even in rational and systematic decision making. Yet, purchasing managers are likely to continue to look for more objective measures of the most subjective or intangible aspects of the brand. Purchasing and technical managers may be at odds over their choice of supplier.

To tap the potential of B2B brands, business marketers must understand and effectively communicate the value of their brands. Marketers should help buyers to realize and quantify the added value offered by a brand. As Court et al. ([33], p. 26) observed, "Relatively few companies establish true power brands . . . yet many companies manage to create substantial shareholder value by prudent investment in brand building." Some B2B brands have also become known to end users, including: Kevlar and Teflon (Dupont), Pentium and Celeron (Intel), Styrofoam (Dow), SurgePro (GE), and Thinsulate (3M) among many others. B2B branding can pay off in terms of sustainable differentiation and increased customer loyalty.

9. Limitations and ideas for future research

As is typical for exploratory research, the research raises many questions. Given the consolidation in many B2B sectors, questions arise as to the brand value of acquisition targets, and the management of acquired company brands. Branding strategy related to acquisitions, alliances, and e-commerce initiatives needs further attention. Academic research lags behind industry practice in many respects. More and more companies are investing in their company brand because they can see the bottom line results and can envision the future potential. More attention is needed to the link between the marketing mix and the creation of brand equity in B2B markets, drawing on work in customer markets [59]. Online B2B hubs and exchanges, and changes in industrial distribution pose challenges to marketers trying to differentiate their companies and products. Given the complexity of managing in the dynamic B2B marketplace, the role and importance of branding will continue to be explored and examined.

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