Branding in Business-to-Business Markets

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ABSTRACT

Market compositions are changing with the proliferation of service oriented activities and increased collaboration among different stakeholders in networks. In an increasingly globalized and competitive world, companies seek to achieve differentiation through branding. This article describes how branding is relevant in various contexts today with special consideration to business-to-business (B2B) markets. By referring to existing theory on the field this article also explains how brands can be tailored to meet this new market situation. Therefore, a comparative framework has been adopted to provide an overview of branding strategies in the B2B market within a spectrum of products to services. The objective of this article is to argue for specific branding strategies for business-to-business markets by emphasizing on product efficiency, and how brand values can be incorporated in a company’s design philosophy.

KEYWORDS: Branding, Strategy, Business-to-business markets, Services, Networks

1. INTRODUCTION

It is evident that the marketplace is changing as the world is getting increasingly globalized. Together with improved communication technology this has resulted in more and more markets taking on the form of networks (Chakravorti, 2004). The service sector represents an increasingly large component in the global economy, and as companies are specializing their offers, a growth in the business-to-business (B2B) markets can be seen. Companies experience increasingly competitive markets and must seek to differentiate their offerings to survive in today’s complex and competitive market. One of the ways they do it is by developing brands to create positive associations complementary to their offerings.

Branding is a well-known activity with a recognized degree of value. The field has traditionally been associated with product offerings in business-to-consumer (B2C) markets, but in recent years branding has shifted its attention more towards the B2B market. However, B2B branding has not been extensively researched and its practices not fully formalized. As little literature has been found on how different contexts influence a typical branding strategy, this article aims at investigating the main characteristics associated with branding different types of combinations of products and services for both B2C and B2B markets. Secondly, it aims to suggest a framework to provide an overview of different characteristics and variables that are important for developing branding strategies for specific products and markets. Finally the implications of the findings for brand managers will be discussed.

This article is built up as follows. §2 provides the reader with an understanding of different terminologies related to the main theme “Branding”, whereas §3 focuses more on branding strategies. §4 discusses the continuum between products and services and how
similarities and differences may affect typical branding strategies. Branding in different contexts will be elaborated in §5 and §6. Implications of these factors on a brand will be drawn along. Finally, the characteristics of various offers and the relating branding strategies in the B2B market will be reflected on. The important aspects associated with each offer will be highlighted.

2. WHAT IS BRANDING?

“A product is something that is made in a factory; a brand is something that is bought by a customer. A product can be copied by a competitor; a brand is unique. A product can be quickly outdated; a successful brand is timeless” (Stephen King, cited in Aaker, 1991)

Branding is a marketing and communication activity undertaken by the seller to encourage customers to perceive the attributes they aspire to as being strongly associated with the brand (Doyle, 1989). A brand is by The American Marketing Association Dictionary (AMA Dictionary, 1995) defined as “a name, term, design, symbol, or any other feature that identifies one seller’s good or service as distinct from those of other sellers”. These features will altogether form a customer experience consisting of a unique set of tangible and intangible added values (Dibb, 1997). Added values aim to give customers confidence in the choices that they make (Doyle, 1989). Customers perceive brands to have functional, emotional, and self-expressive benefits (Aaker, 1991). Doyle (1989) describes successful brands as those which create an image or “personality” within the minds of the customers, and whose products or services are identified as having a sustainable differential advantage.

Brand image is the perception of a brand in the minds of persons (AMA Dictionary, 1995). It can be based upon cultural, social, and personality factors, in addition to advertising, public relations and distribution (Doyle, 1989). The overall brand image is called brand equity, thus the total of brand associations as perceived by the customers (Michell et al, 2001). The phrase is commonly used in the marketing industry as a way to describe the value of having a well-known brand name. Aaker (1996) identified four aspects of brand equity, which are important to marketers. These are brand awareness, brand associations, perceived quality, and purchase loyalty. Brand awareness is the level of which a customer is familiar with the brand. Brand associations are the images and symbols affiliated with a brand. Perceived quality is by Aaker (1991) defined as “the customer’s perception of the overall quality or superiority of a product or service with respect to its intended purpose, relative to alternatives”. Purchase loyalty is the behavior with regard to repeating purchases from the same brand.

Whether it has proved satisfactory in the past or the purchase is based upon long-standing perceptions, brands work by facilitating and making the customer’s choice process more effective (Doyle, 1989). The benefits of having a brand with high equity include the ability to charge a price premium and increased demand by customers. A well-known brand can be extended more easily, communications will be more readily accepted and there will be better trade leverage (Aaker, 1996; Hague and Jackson, 1994; Keller, 1998; Quelch and Harding, 1996; Wood, 2000). Doyle (1989) also mentioned that companies with strong brands find recruitment easier, because people want to work with companies that exhibit success. A successful brand is one that customers want to buy and retailers want to stock. It achieves a high market share, and thus is more profitable.

3. BRANDING STRATEGY

The most important premise of a brand is the foundation of an effective product or service (Doyle, 2010). Although perceived quality is the main brand-equity-generating variable (Michell et al., 2001), it will only be valid if it substantiates the claim. Thus, the company must be able to
deliver on the brand’s promise.

Doyle (2010) argues that the ultimate objective of the firm is to create shareholder value. By building a successful brand based on a differentiated customer proposition, the company is able to charge a price premium and maintain or grow market share. The development of a brand requires time, financial resources, and marketing skills (Court, 1997). These skills are being able to understand and translate customers’ needs into strategies to differentiate its services and products from those of competitors. As competitors can emulate advances in technology or product formulation, companies should focus on differentiation as means to stand out in the market. The concept is applicable not only to the offering, but also to the brand as to communicate added values (Doyle, 2010). A focus on brand differentiation rather than cost and price has been shown by studies to be a superior way of building profitability and growth (Doyle, 1989). However, it is increasingly difficult to develop brands and certainly to maintain them as differentiated on the basis of functional and supreme benefits (Doyle, 2010).

Brand management has traditionally been an activity of the marketing department. However, Doyle (2010) suggests it to be seen as an integrated part of the total management process. This works by coordinating the brand with the firm’s other resources, to enhance all the core business processes (Doyle, 2010). This is particularly important when developing a corporate brand, and is in line with a resource-based view on the company. Corporate brands are created to communicate the corporate identity, which is the mix of elements giving the organizations their distinctiveness (Balmer, 2001). According to Olins (1990), a corporate identity must spring from the organization’s own roots, its personality, its strengths and its weaknesses. While brands tended to be associated with products, there has been a refocus on corporate brands (Mottram, 1998). A strong and favorable corporate brand is seen as an important discriminator in an increasingly competitive environment (Balmer, 1995).

‘Interim positioning’ is a recent brand positioning strategy used by many marketers. Instead of creating a fixed aspiration position, it suggests that companies should focus on achievable positioning (McKinsey & Company, 2001). By creating a brand that is evolving over time, the company can focus on what it is currently able to deliver. In its process towards achieving a desired market position, additional components are gradually introduced to elevate the company’s brand performance. Hereby, it is important that the new brand position fits comfortably within the customer’s frame of reference. In other words, the transition of the brand must happen gradually by building a bridge of relevant benefits to the customer from the current to the intended brand position (McKinsey & Company, 2001).

To summarize this paragraph, a brand is more than a logo, name or a slogan; it is the entire experience a company provides its prospects and customers. The branding strategy should therefore be tailored to fit the company’s capabilities, its offers, and the environment it operates in.

4. BRANDING OF PRODUCTS AND SERVICES

The difference between products and services is not clear-cut. It is not always possible to classify products and services in definite categories, as most offerings contain a product as well as a service element. Kotler (2003) defined five different categories of products and services, and mapped these combinations on a continuous spectrum, ranging from tangible to intangible. These combinations are pure product, product accompanied by services, hybrid, service accompanied by products, and pure service. The following is an elaboration of branding in relation to each category;
Offerings that fall under this category are for require added services such as planning, products that are technologically complex and tangible goods with accompanying services. A consumer buying an Apple Mac computer is not likely to be satisfied with only the product itself, the buyer will expect to get recommendations on what model to choose, after-sale service, and a limited warranty if something goes wrong. A company offering tangible goods where services are complementary should consider a comprehensive sales and after-sales service, with multiple touch points between the customer and company. Aaker (1996) emphasizes the importance of delivering a concerted brand message to customers by communicating brand value in a synchronized way. As explained on Nike’s global website “Our identity is more than a swoosh splashed on a product. Our identity is the relationship we have with the world we touch”.

4.3 Hybrid

Product service systems, or hybrid offerings, are defined as a combination of “one or more goods and one or more services, creating more customer benefits than if the good and service were available separately” (Shankar et al., 2007). A company with the necessary competence can gain competitive advantage by providing a hybrid offering.

Two underlying characteristics determine how the customer values and uses a hybrid offer; dependency and complementarity (Shankar et al., 2009). Dependency is whether the products and services will have value without the other part. A mobile phone will not be able to function as intended without a subscription, and the user will experience a loss of value. Two highly independent components might as well be used alone, and are subsequently traditionally sold separately. The second characteristic, complementarity, refers to the degree to which the combined usage of a product and a service increases the user value. In this case the individual entities can be offered separately, without any change in performance of each individual entity. This is exemplified by iPod and iTunes, which when used together provides new
4.5 Branding of a service

A service is defined by Kotler (1997) as “any act of performance that one party can offer another that is essentially intangible and does not result in the ownership of anything; its production may or may not be tied to a physical product”. The services sector represents a large and steadily increasing component of the global economy. France tops the list of percentage of nominal GDP spent on services with almost 80% (CIA World Factbook 2011, 2010). Services are intangible, perishable, and production and consumption occur simultaneously. Hence, they may be subjected as well as perceived to be inconsistent in terms of their offerings and the level of quality. It can be said that the quality is rendered as a subjective perception due to the intangible nature of a service. Thus, service quality and customer satisfaction are closely related constructs, and customers compare the perceived service with the expected service (Khan and Zhang, 2005). Marketers should seek to understand and close this gap.

The activities undertaken by a police force exemplifies a public service activity. Similarly to an airline, a police force carries out a wide range of services from directing the traffic to controlling riots. Jan Carlzon, former CEO of the Scandinavian Airlines System (SAS), introduced the term moment of truth as when the customer interacts with the service firm (Carlzon, 1987). He emphasized that certain moments of interaction ultimately determine whether the company would succeed or fail. Because “good” or “bad” service experiences generate the most vivid impression of the service the mind of the customer service quality should be properly communicated to ensure customer satisfaction. While the quality of a product remains consistent, the impression of the police force will to a large extent depend on behavior of the officers. To establish a good brand image of the service, it is important to implement and communicate values such as integrity, trust, and respect. To develop a higher regard of these values among the receivers of the service, a well

possibilities for the customer. Another example of a hybrid offer is that of a restaurant, where the two entities, food quality and service quality, are highly dependent and preferably complement each other in a good way. In this situation, service experience is impossible to separate from the tangible products.

According to Shankar et al. (2009), branding can benefit a hybrid offer by increasing the link between the product and the service in the customers’ minds. Besides that, it can also improve the credibility of the company, which is vital when working with a service component (Shankar et al., 2009). While the product quality in general is fairly stable, a service depending on human performance can be highly uneven (Shankar et al., 2009). A company should pair the product with a reliable, consistent, and quality service, as a way of differentiating the offering (Shankar et al., 2009). By pairing a known and trusted product brand with an untried service, the latter will benefit from the brands ‘halo’. The ‘halo effect’ refers to when brand evaluations are transferred from one component to another (Hutton, 1997).

4.4 Branding of a service with accompanying products

The airline industry is an example of where a service is provided with complementary products. Consumers form a perception based on the total experience, such as ease of booking, interaction with airline workers, quality of food on board, and on time arrival and departure. Murphy (1990) argues that for companies who offer a wide array of services (e.g. airlines, banks), corporate names should be used to present the more generalized benefits of quality, value and integrity. This is called a monolithic approach. De Chernatony (1996) concluded that corporate brands are a crucial means to help make the service offering more tangible in consumers’ minds. Brands enhance consumers’ perceptions and trust in the range of services provided by the company.
thought out branding strategy and visual identity should be implemented. In the case of a police force, uniforms, symbols, colors, and logos are important components that make up the visual identity.

As positioned in a more contrasting manner by Shapiro (1982), "The idea of reputation makes sense only in an imperfect information world". The less-than-perfect information scenario is the reality most customers face, particularly when considering a service. Brands aim to simplify the choice process by confirming the functional or emotional associations of the brand (Doyle, 2010).

However, the risk associated with services does not necessarily harm the company; Zeithaml (1981) pointed out that consumers might be more brand-loyal with services than with goods, because greater risks, costs, and lack of knowledge concerning alternatives accompany the purchase of services. A study by RightNow (2011) showed that 86% of consumers would pay more for a better customer experience, and 89% of consumers switched supplier following a poor customer experience.

4.6 Umbrella view

This literature review indicates that there is a need for different branding approaches depending on the nature of the offering. To provide a clearer distinction between the different categories in the remaining part of the article, Kotler’s five different categories of products and services (2003) are simplified to three categories. These are products + products accompanied by services, hybrids, and services accompanied by products + pure services.

The product-category is mainly characterized by tangibility, which enables the use of strategically employed design, reflecting both the company values and identifying it as part of a product portfolio (Karjalainen and Snelders, 2009). By using a consistent identity in promotional matters, product design and other marketing activities, the company can strengthen its brand’s value. Hybrids require a tailored and well-developed strategy due to the complexity of having two different components of equal importance in the same offering. Marketers should seek to leverage the ‘halo effect’, where the personality and credibility associated with a product brand is transferred to the accompanying service (Shankar et al, 2009). In the category of services brands work by reducing the intangibility characterizing a service in the customers’ minds.

To summarize this chapter, Olins (1990) pointed out that there are different brand identity structures and that these structures affect the hierarchy of different offering within a company. For tangible products, an identity structure of brands and sub-brands will be most beneficial, while for a company providing a wide range of services; a monolithic identity would be most favorable (Olins, 1990). However, due to the changing level of quality, a company offering a service should strive to provide confidence to the customer’s purchasing decision (Doyle, 1989).

5. BRANDING IN CONTEXT

Companies operate in environments in which several different internal and external market participants are involved in, and are affected by, the actions of the company. For a brand to create shareholder value, it has to meet four requirements (Doyle, 2010). It must have a strong consumer proposition, be effectively integrated with the firm’s other value-creating assets, be positioned in a sufficiently attractive market, and be managed in order to maximize the value of the brand’s long-term cash flow. These requirements are in line with a resource-based theory of the firm (Peterlaf, 1993; Collis and Montgomery, 1995), where the firm is defined by its assets and core capabilities rather than based upon the customer needs the business seeks to satisfy.
Hereby, the brands should both address internal stakeholders and the external market where the company operates. A good brand strategy improves the communication the company has with the market, as it influences every interaction the company has with both prospects and customers (Doyle, 1989). Consequently, it is vital to have a good contextual understanding.

5.1 Branding in networks

In recent years, an increasing number of markets have taken on the characteristics of networks. According to Chakravorti (2004), a change in the nature of markets can be seen as a result of improved communications technology, the spread of the Internet, and an increasing reliance on global markets. This renders companies to be more active in seeking collaboration and outsourcing due to the high costs of developing products and penetration of new markets. It is argued that the key to success lies in the creation of collaborative advantage through strategic alliances (Das and Teng, 2000). Companies being part of networks, experience that the value of their offer increases as the size of the network grows. Metcalfe’s law (Shapiro and Varian, 1999), originated in the 80s, states that a network’s value equals the square of the number of users. This means that a company tapping the most powerful parties in a network can reach virtually everyone in the network in a short series of steps (Chakravorti, 2004). In other words, a strong brand can benefit from the ripple effects created through the network, as more companies are attentive to the brand. Potentially, this will lead to a stronger proliferation of brand awareness within the present network and a broadening of the network horizon involving stakeholders who share and value the same interests. The network consists of both business-to-business and business-to-consumer interactions. By examining the two different relationships more closely, an understanding can be achieved on how to best tailor the branding strategy of a corporation to the context it operates in.

5.2 Branding in business-to-consumer markets

Branding in B2C markets is a widely researched field. Powerful consumer brands work by creating meaningful images in the minds of consumers (Keller, 1993; Shocker et al., 1994). Brand image and reputation enhance differentiation and can positively influence buying behavior (de Chernatony and McEnally, 1992; Kapferer, 1995). Because a brand is created carefully and deliberately to appeal to a particular group of people at a particular point in time, it can be imbued with powerful, complex, highly charged and immediate symbolism aimed at a specific marketplace (Olins, 1990).

In B2C branding, a product offer consists of three levels (Levitt, 1980). The first level consists of the tangible features, the second level augments the product by adding other features and services, and the third level emphasizes the intangible features and benefits to the customer. The latter, the potential level, captures the idea of the real and untapped potential of branding. From a consumer’s point of view, a brand works by providing a security of quality and consistency over the life of an offer. The chief executive of Black and Decker explained it with the following example, “Our job is not to make 1 inch drills, but to make 1 inch holes”.

5.3 Branding in business-to-business markets

While branding in B2C markets has been recognized as an important strategy tool for years, many have doubted its impact in B2B markets. However, research conducted by a German radiologist, Dr. Christine Born, indicated that business brands caused the same type of brain activity as consumer brands. The study from 2006 used MRI (Magnetic Resonance Imaging) to research the impact of brand recognition on the brain. The results were intriguing, showing that big brands produced brainwaves in parts of the brain associated with positive emotions. Less known brands were associated with negative emotions. These results verify the importance of branding in industrial
contexts.

Explicitly, industrial brand value can be perceived as a function of the expected price, the expected benefits of the basic product, the expected quality of the augmented service, and the brand intangibles (Mudambi et al., 1997). Brand equity exists in business-to-business markets in the form of buyers’ willingness to pay a price premium for their preferred brand (Bendixen et al., 2003; Hutton, 1997). Other benefits of brand equity are the willingness to extend the brand’s halo to other product lines and recommend the brand to others. A research study by Bendixen, Bukasa and Abratt (2003) found that all respondents were willing to recommend their preferred brand but also that the consideration given to new products was biased in favor of well-known brands.

While companies often have multiple sub-brands in the B2C market, corporate branding is more common in industrial markets (Hague and Jackson, 1994). Branding is not equally important to all companies, all customers, or in all purchase situations. Mudambi (2001) described three buyer clusters for purchase situations in the B2B market. Traditional and moderate buyers represent the largest cluster in the study with almost half of the buyers in a B2B market. They are product-oriented and should be approached with tangible, quantifiable and objective benefits of the product. The second cluster consists of branding receptive buyers who are open-minded, thorough, and make highly important and risky purchases. Mudambi (2001) proposed a strategy to target this cluster based on the uniqueness of each purchase, objective advice and reliable support. The third and last cluster is of low interest, where purchases are routine-based and of low relevance to the buyer. The potential importance of the purchase decision should be emphasized in the branding strategy to increase the cluster’s interest and involvement.

B2B markets are recognized by sophisticated buyers and highly complex products and services (Mudambi, 2001). Offerings are often customized to fit the customer’s needs. The volume of business-to-business purchases is generally higher than in B2C markets, and seller-to-buyer relationships are often personal and long-term. It can be argued that industrial purchases have higher risk involved compared to consumer-purchases. According to Harrison et al. (2006), business-to-business buyers are more rational than B2C, and more people are involved in a purchase-decision. Decision-making units (DMU) are often dynamic and ephemeral, causing a complex structure. It can be hard to determine who is making the buying decision, and stakeholders have different interests and motivations.

Consequently, when interacting with the target audience, marketers should demonstrate a high level of expertise (Harrison et al., 2006), where trust and control are key issues. This put great emphasis on brand, reputation, and other factors that convey reliability and consistency to the product or service offering. However, stakeholders rank attributes differently. A study by Bendixen et al. (2003) revealed that users of a product and technical specialists credited the brand name with higher importance than the gatekeepers, buyers and decision makers. The study also indicated that gatekeepers, the people who control the organization’s purchases, had difficulties making the distinction between different brand names of specialized technical equipment, while the users were judgmental due to their previous experience with various brand names. As the quality of personal relationships often is essential in closing a deal in B2B-markets, a positive image should be created to all stakeholders who interact with the company. To achieve this, Bendixen et al. (2003) suggest the supplier company to develop a total corporate communication program to build up the corporate brand.


B2B markets are said to take on the characteristics of B2C markets, but according to
the findings in this review, there are still some noticeable differences. In general, B2B markets consist of fewer customers who are involved in high volume transactions. The procurement processes involve more people, are more time demanding, and require more complex, often tailored-made products. The decision-makers are purchasing on behalf of the company, and therefore have a greater responsibility in the decision-making process.

Large customer groups and small individual purchases characterize the B2C-markets. Purchasing behavior tends to be more impulsive for consumers, as it is usually associated with less responsibility, as fewer people are involved. Hereby, features such as price, positioning, and packaging have a greater influence on the purchasing decision, making B2C-markets less predictable. The purchasing behavior in B2B relationships vary less, and market segmentation is based more on quality and service, rather than price.

7. DISCUSSION

The concept of brand equity is undoubtedly current in society today. Brands work by facilitating and making the consumer’s choice process more effective (Doyle, 1989). Not surprisingly, perceived quality has proven to be a key determinant of brand strength (Doyle, 1989; Michell et al, 2001). Successful brands deliver on their expectations, and consequently companies are able to charge a price premium for their offerings (Bendixen et al, 2003; Hutton, 1997).

This article investigated the influence of internal and external factors on branding strategies. By exploring different markets and offerings certain characteristics have been found which are important for brand professionals. These characteristics are listed and categorized in Table 1.

While the B2C market is a widely researched field, branding has proved to be much more

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<tr>
<th>Product, Product + Service</th>
<th>Hybrid</th>
<th>Service + Product, Service</th>
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<tbody>
<tr>
<td>B2C</td>
<td></td>
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<tr>
<td>• Impulse-driven purchases</td>
<td>• Impulse-driven purchases</td>
<td>• Multiple touchpoints between customer and seller</td>
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<td>• Large markets, intimate segmentation</td>
<td>• Combination of product and service</td>
<td>• The purchase is an experience</td>
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<tr>
<td>• Importance of packaging and positioning.</td>
<td>• Focus on dependence between product and service to obtain a synergistic effect</td>
<td>• Perishable: Simultaneous production and consumption</td>
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<tr>
<td>• Shorter sales cycles</td>
<td>• Example: Restaurants</td>
<td>• Marketing focused on imagery</td>
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<td>• Emotional buying decision based on status, desire, or price</td>
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<td>• Quality may vary</td>
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<td>• Example: Soda drinks</td>
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<td>• Example: Airlines</td>
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<th>B2B</th>
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<tr>
<td>• Rationale decisions</td>
<td>• Combination of product and service</td>
<td>• Concentrated markets</td>
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<td>• Large sales volumes</td>
<td>• Personal and long-term relationships</td>
<td>• Personal and long-term relationships</td>
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<tr>
<td>• Small and concentrated markets</td>
<td>• Educational building activities</td>
<td>• Something a customer need to have carried out/ solved</td>
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<tr>
<td>• Segments based on price, quality, and service requirements</td>
<td>• Create dependence between components to obtain a synergy effect</td>
<td>• Trust and reliance are key issues</td>
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<tr>
<td>• Important to offer complimentary services</td>
<td>• Offer complimentary services</td>
<td>• Perishable: Simultaneous production and consumption</td>
</tr>
<tr>
<td>• Complex, tailored products</td>
<td>• Example: Video conference systems</td>
<td>• Focus on the expected outcome</td>
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<td>• Example: Industrial tools for professionals</td>
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Table 1: Characteristics of different markets and offers
complex in B2B markets. Consistently, strong relationships are mentioned as the important criterion. The seller should seek to establish long-term partnerships based on trust to increase brand strength. Consistent communication of brand values throughout the supply chain is essential for obtaining ripple effects within the network. B2B customers have defined needs, and these should be revealed by the company and hence reflected in its brand identity.

The findings in the article indicate that the nature of different offerings has impacts on the branding strategy. Hence, the author has developed a framework on how to brand Kotler’s five different categories of products and services in the B2B market (Table 2).

As within the B2C market, products offered in the B2B market should be designed to reflect brand values. The company should choose certain core

<table>
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<th>Brand Architecture</th>
<th>Communication</th>
<th>Offer</th>
<th>Keywords</th>
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| Product, Product + Service  | • As products are easily copied, brands are important to create differentiation (Doyle, 1989)  
  • Focus on tangible, quantifiable and objective benefits of the product (Mudambi, 2001)  
  • Offer additional services (Mudambi, 2001)  
  • Emphasize product efficiency and technical specifications (Hague et al., 2006)  
  • Incorporate brand values in the design of lead products (Ealey and Troyano, 1997). | • Lead products can serve to differentiate the brand in the market (Ravasi and Lojacono, 2005)  
  • Offer customizing as a service to large customers (Mudambi, 2001)  
  • Establish a connection among the core capabilities of the company, its strategy, and brand image through the design philosophy (Ravasi and Lojacono, 2005)  
  • Lead products can represent a variation of what the brand stands for (Karjalainen and Snelders, 2010) | • Flexibility,  
  • Technical specifications  
  • Lead products |
| Hybrid                      | • Focus on the unique nature of the combination of product and service (Mudambi, 2001)  
  • Emphasize the tangible product and augmented service in the purchase decision (Mudambi, 2001)  
  • Support the need for objective advice and support (Mudambi, 2001) | • Enhance complementarity and dependency between the product and the service (Shankar et al., 2009)  
  • Make sure to pair the product with a reliable and consistent service (Shankar et al., 2009)  
  • Seek to transfer associations of the products to the accompanying service to obtain a "halo effect" (Hutton, J. G., 1997) | • Complementarity  
  • Dependency  
  • Uniqueness |
| Services + Products, Services | • Customer’s experience is the primary antecedent to the creation of brand meaning (Berry, 2000)  
  • Ensure customer satisfaction by closing the gap between perceived and expected service (Parasuraman et al., 1985)  
  • Seek to complement powerful customers (Chakravorti, 2004)  
  • Intangible reliability is more important than a tangible attribute such as price (Mudambi et al., 1997)  
  • Emphasize risk-reduction as quality might be difficult to determine prior to purchase (Mudambi, 2001) | • Seek to make the service offering more tangible in the minds of the costumers (Zeithaml, 1981, de Chernatony, 1996)  
  • A superior service is difficult to copy by competitors (Doyle, 1989)  
  • A brand name may act as a heuristic for pre-assessing service quality prior to purchase and consumption (Davis, 2007)  
  • The primary quality cues of a service are price and the physical environment (Zeithaml, 1981) | • Dependency  
  • Consistency  
  • Reliability  
  • Trust |

Table 2: Branding criteria in business-to-business markets
values and seek to transform these into design characteristics by semantic transformation. This is a complex task that requires profound knowledge of the company and its customers. These characteristics should be used throughout the portfolio to establish recognition of the brand. However, lead products can ease the task by serving as references for the company’s identity and inspiration for new product developments (Karjalainen and Snelders (2009). Products in the B2B market are often complex, and companies should seek to tailor its products to key customers. Tailoring can take place either by involving the customer in the early stages of the development phase or by having a rich knowledge of the customer’s needs. A brand’s communication should highlight product efficiency and technical specifications, as these are factors subject to comparison with competing products. Lastly, the company should seek to create a positive image in the minds of the customers by offering additional services complementing the goods.

Hybrid offers are unique in their combination of specific products and services, and can be difficult to copy by competitors. The distinctive characteristics should be enhanced to further differentiate the offering. Hereby, entities should be adequately incorporated to form a synergistic effect. Branding should enhance the compatibility of the hybrid offering.

Brands should seek to demonstrate this complementarity, and enhance similarity between the product and the service. The product should ideally be paired with a service of equal quality to obtain a similarity effect. A pitfall of hybrids is that the offer is found to be too complex for the customer to handle, thus the company should offer support to ease the operation.

The importance of communicating a clear message to the customer is even more important for services. Price and quality are the only quantifiable factors of a service; hence a brand should be created strategically to form an invaluable impression in the minds of the customers. Therefore, a service where all touch points are of high quality and efficiency may lead to a good user experience. As each service encounter is unique to a certain extent, it can be argued that differentiation is subordinate to quality assurance and trust.

Recognition of the importance of a branding strategy tailored to its offer and its market has major implications not only for brand managers, but also for the company as a whole. A brand should be anchored in the company's internal assets and capabilities, whereas its offerings and markets determine the brand architecture, communication channels, and focus areas. The author argues that a brand should be integrated in all parts of the company. The brand values should be reflected in all stakeholder interactions, as well as related marketing activities. The framework presents important characteristics to be taken into consideration when developing a brand. It should serve as guide, and not as a framework of answers.

8. CONCLUSION

This article has explored how brands are affected by changes in the global marketplace. A branding strategy that is tailored to its offerings and markets has been found to yield considerable gains, due to the prominent characteristics of the different categories. By examining branding in a business-to-business context a framework has been compiled. The framework summarizes and categorizes important characteristics for developing a brand.

Companies using the framework might experience that it is hard to position an offer within one of the categories, as most offers contains some portion of both products and services. Although the framework has been created with the dynamics of the B2B market in mind, most criteria are applicable to B2C markets. As the framework is based on analyses
of existing theory, testing needs to be undertaken before the framework can be used as a guide for branding. The author suggests a further exploration of the strategies for successful branding and to subsequently use the results as modifiers to optimize the framework.

On a final note, this framework should also motivate further research into branding strategies for B2B markets, especially with respect to the service sector.
REFERENCES


