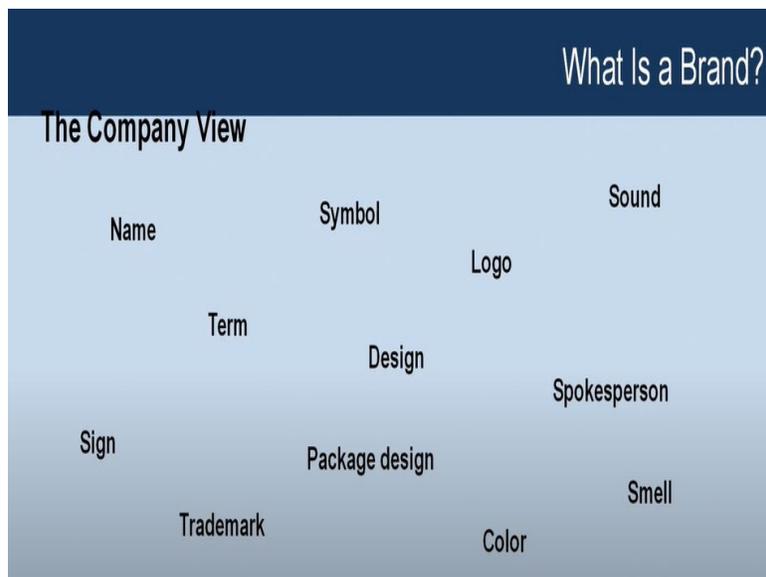


BUSINESS MARKETING - TECHNOLOGY FOCUS
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Lecture 12: B2B Brands - 1

Hello friends, welcome to our next session.



We are discussing business marketing, B2B marketing or industry marketing in the technology focused, technology enhanced product service market. I am Jayanta Chatterjee. Today's session or the next couple of sessions we'll be discussing about brand. I mentioned in the previous discussion when we were discussing about crossing the chasm, I was talking about how the value proposition in the early market, early adopter market is dominated by technological excitement, product feature and how that promise, how that company image has to move from technological excitement to the operational excellence stage to be able to be a winner in the majority market, in the pragmatic market, from the explorer market.

So, while talking about this value proposition or the image, I mentioned about brands, and how brands are very important for overall commercial success, how brands

contribute to better pricing strategy. So, we all know that a brand is a name, a symbol, logo, sound.

A brand is often signified by the spokesperson, the endorsement celebrity person. These are brands are signs, package design, brands are trademarks. Some brands are in case of particularly consumer products like perfumes, a distinctive smell becomes part of the brand. Color goes hand in hand with symbols and logos. All that applies to the brand science in general, but some of these points are far more important in the B2B market and we will discuss that and how we manage those distinctive aspects in this B2B market with technology focus.

The Customer View

**The Primary Meaning of any Brand is Carried in the Customer Mind;
Great Brands are Owned by Customers, not by Firms**

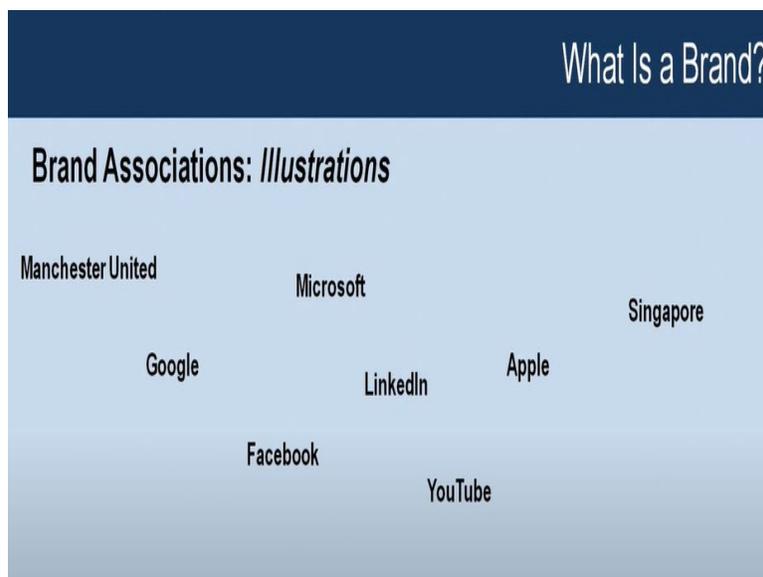
- A collection of perceptions and associations customers hold about a product, service, or firm
- Perceptions and associations embody meaningful values for customers
- Values represent a promise of the expected experience of Customers

The first point that I want to make here is that brands are created with lot of effort from the marketing company, but actually the brand exists in the customer's mind. Because it is a value proposition that is created by the marketer, but the value proposition flowers in the customer's mind. So, the primary meaning of any brand is carried out in the customer's mind. So, we often say that great brands are owned by customers not by the companies or firms because if you have a strong brand, then your customer is actually your co-marketer.

Your customer proudly talks about your brand because your brand in a way adds value to their activities. So, if you have a good software which brings in productive solutions to

say a pharmaceutical company, then the pharmaceutical company will strongly endorse, talk about your product because it adds to their image, as a top-class manufacturer or a top-class quality producer. So you see, if you have a good, strong software brand, your customer is your vocal co-marketer. So, that's why the great brands are often owned by or most of the time owned by customers, not necessarily only by the marketing company.

So, a brand is the collection of perceptions held by the customer, which actually almost gets internalized in their own marketing communication, in their own company language so if you are as strong a brand like SAP then your customer in their daily language will say oh this report send it to the SAP. So, SAP is the ERP solution but it becomes more than an ERP solution more it becomes like a synonym for the whole business process in the customer company. So, it is a value proposition that is internalized by the customer.



So, if you look at these great brands which is on your screen. They can be a sports club. It can be a city-state like Singapore. It can be a software company like Microsoft. It can be a hardware and software company, dominantly a hardware company like Apple. It can be a network software platform like LinkedIn, YouTube, a content delivery platform.

Facebook, a social networking platform. All of these are very strong brands. And you will see one interesting thing about these brands are they often are like used not only as a

noun, but sometimes they will be used as a verb or as an adjective. So, you will say, I am Facebooking. So, you add an ing to that means you are active on the Facebook.

So, this kind of internalization in the customer language is an aspect of strong brands and many of these companies which are not on now on your screen examples of strong brands also show you that brands have sometimes tangibility dominance, sometimes intangibility dominance. So, it can be an intangible platform like YouTube which exists virtually, you cannot touch or feel it. It can be a multifaceted existence like Singapore which is a city-state, but ultimately it is a collection of value propositions crystallized in the customer's mind.

What Is a Brand?

Brand Associations – Discussion : Double Sided Platform Issues

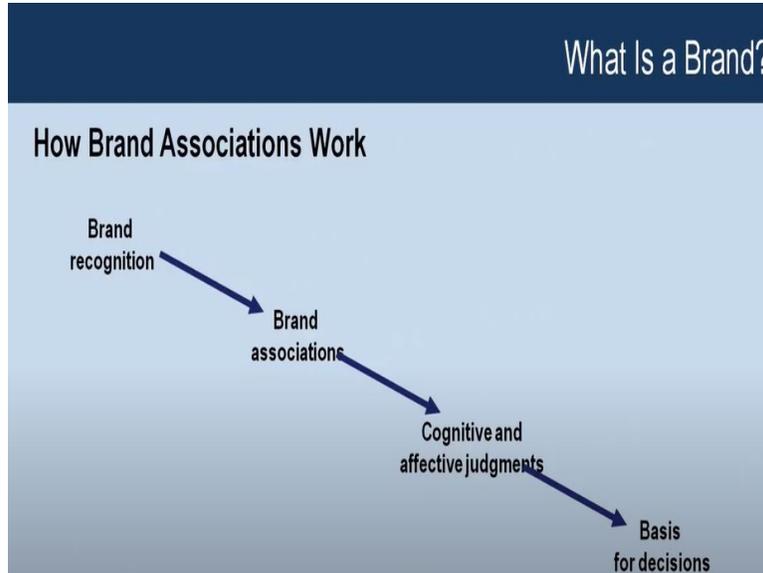
What brand associations do the following brands have for you? Which ones are strong, favorable, unique?

Google, Facebook, Times of India, LinkedIn, YouTube, Samsung, Apple, Singapore

Now, many of these brands also has a double-sided platform deployed in its nature, which means that many of these brands are appealing to consumers or customers as a service. At the same time, they are also very appealing to sellers or partners as a platform. So, for example, Google is as important to the user like you and me, as it is important to many, many suppliers who use Google as an advertising or promotional or clever appeal building platform. So, YouTube is a similar bidirectional double-sided platform.

So, I mean to say at this stage is that great brands today, particularly in the technology dominant market are two-sided and they are platforms in nature. So, they are just not a particular product, they are just not like a cluster of goods, or goods and services but they

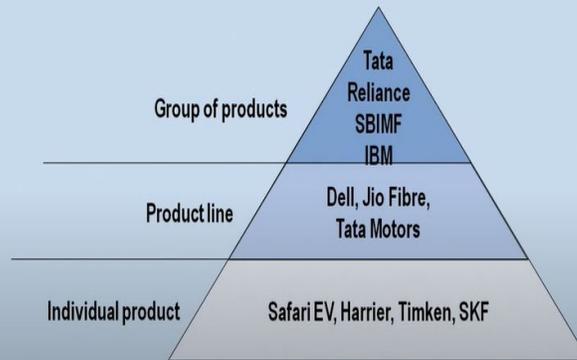
have many more aspects represented by a platform and it actually connects on one side to customers and on one another side it connects to suppliers so this this multifaceted nature is very important in strong brands in the B2B or technology dominant market.



This is a classic depiction from any textbook you will find it that brand recognition leading to brand association leading to cognitive and affective judgments that means both logical appealing to the head as well as appealing to your emotion or heart judgments formation and finally the brand therefore becomes a basis for purchase decision. Now what is important here is to understand and we will discuss it much more in detail when we go into the pricing discussion that this cognitive and affective judgment influence that is created by the brand plays a very significant part in your pricing strategy.

What Is a Brand?

Levels of Branding



This is another important slide that is on your screen. You see the brand is often compared to a pyramid. The brand may have on the top the group of products coming from corporate houses. So this is the level of corporate branding like Tata's. So, Tata comprising of many different companies, many different products and services all together is a strong corporate brand.

Similarly Reliance, similarly say HBI Mutual Fund or IBM. So these are strong corporate brands. Under the corporate brands there are different business units. And therefore, there are different product service lines. So there will be Dell laptops.

There will be GeoFiber as a whole cluster of services. There will be Tata Motors representing a large number of products. So under that, there will be individual product brands. So there could be the Safari electric vehicle. So, you see here, Safari is a traditional brand in the Tata group, in the Tata Motors.

And now the electric vehicle, which is a new product coming up, is also called Safari EV. Even though already Tatas have very successful electric vehicles, but they are now going into the bigger, more sturdier, more capable electric cars and they are leveraging the strength of their original brand like Safari. Or say Timken is a bearing brand at a product level, it is also a corporate brand at the top level and so on. So this hierarchy or the

pyramid or the multi-level approach to branding, the corporate branding, the product line branding or the SBU branding and then individual product branding, they all go together.



What Is a Brand?

Basic Branding Concepts

- Brand associations: The meanings the product has for customers
- Brand personality: A set of enduring and distinct human characteristics associated with a brand
- Brand identity: The set of perceptions and associations a company intends to create for a brand
- Brand image: The set of perceptions and associations that customers actually have about a brand
- Brand positioning: The process by which the firm attempts to align brand image with brand identity

So, the basic branding concepts are this particular slide which you have on your screen is borrowed from any consumer or any marketing book for that matter. So, brand associations, brand personalities, brand identities, brand image, brand positioning, these are basic branding concepts.

All very easy to understand that by their very name, brand associations are the meanings that the product or the service has for the customer. Brand personality will be a set of enduring and distinct characteristics associated with the brand. The brand identity will be you know the logo, the color, the smell and all that. The brand image will be the set of perceptions and associations.

This brand image or the brand promise or the brand perception, these are kind of goes quite together leading to the brand personality and the brand positioning and this brand image leading to the brand positioning will be something that you should focus on. because we will utilize some of these concepts when we later discuss more in detail about pricing.

Basic Personality Dimensions: *Examples*

- | | |
|--------------|--------------|
| • Competence | Reliance Jio |
| • Excitement | Safari |
| • Ruggedness | Swift Dzire |
| • Sincerity | Siemens |

J. Aaker, "Dimensions of Brand Personality," *Journal of Marketing Research*, 34 (August 1997), pp. 334–356.

You may feel that the brand personality applies only to B2C market, but actually you can also utilize it in the professional market or the B2B market. So, you can have attributes like competence. So Reliance Jio, when Reliance went into telecom from a petrochemical company and created Reliance Jio, some people thought that they are going into an unrelated market.

But Reliance showed that Reliance Jio carries on their brand promise of competence to handle large projects, large infrastructures and today having created that from large operation to the large infrastructure operation competence promise in the Reliance brand extension as Reliance Jio, they are able to now look at other possibilities because to the customer's mind where the brand actually exists, that will appear as a natural evolution. So brand in this B2B or professional market, you can also utilize attributes like excitement, ruggedness, sincerity and all that which will be relevant in the sessions that we are handling, which is B2B marketing with technology focus. So, brand personality or brand promise are also therefore actionable in this kind of market.

What Is a Brand?

Branding Arenas – B2B firms focus on trustworthiness, experience

The image displays a collection of logos for various B2B firms. The logos are arranged in a grid-like fashion. The top row includes IBM (blue and white), SIEMENS (blue), and ABB (red). The second row features citigroup (blue and red), accenture (dark blue), Goldman Sachs (blue), and FedEx (purple and grey). The third row shows AIRBUS (blue and white), BAE SYSTEMS (red), and CATERPILLAR (black and yellow).

So, if you look at some of these brands, these are all B2B brands or professional service, professional goods brands and you can see all of them evoke a certain image, a certain promise in your mind. And many of these like the Caterpillar or like IBM or like Siemens or ABB, they are well established and enduring brand for a long period of time so they have survived through many different cycles of the industry they have grown in stature across century, several decades on top of that and They are based on therefore, the solid concepts that we discussed when we looked at the brand elements.

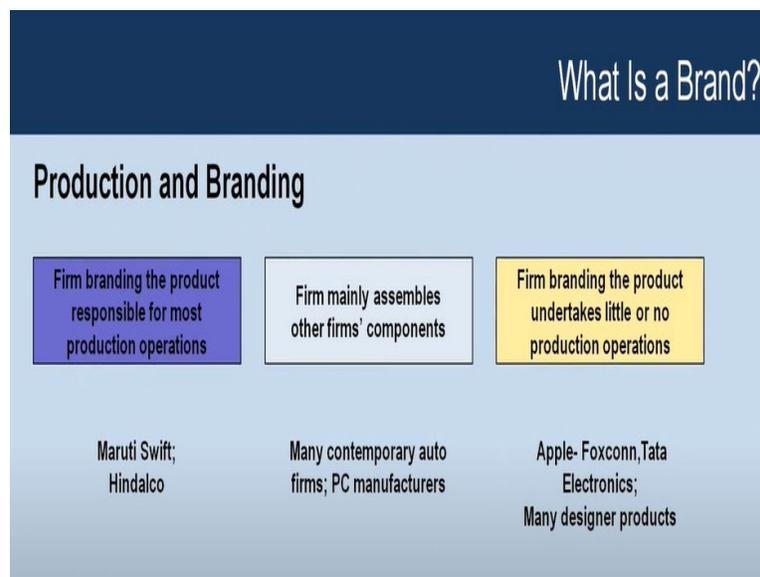
What Is a Brand?

Branding Audiences

Alliance partners	Competitors	Owners/ shareholders	
Current and potential customers	Regulators	Investment analysis	Suppliers
Intermediaries	Government bodies	Current and prospective employees	Bondholders Media

In the B2B segment, in the B2B market, the branding audiences are not consumers only, but in a way The branding audience are also competitors, alliance partners, investment analysts, suppliers because all of these in some way or the other contribute to your cost chain, your value chain and therefore your overall commercial success potential. So brand today, branding today is not particularly in this B2B technology focused market, is not a uni-dimensional or two-dimensional thing, it has many subtle layers in the communication package. Because you are addressing in different ways competitors as well as suppliers, as well as customers, as well as industry regulators.

In a way, you will be even influencing your shareholders definitely, but even people who invest in your debentures or bonds. So, brand therefore becomes multifaceted in the B2B market.



Branding is, you can see for example, there may be brands like the Maruti Swift or the Hindalco where you are actually focusing on a company which is, I mean most of its output can be signified by that particular product like Maruti Swift is a dominant in the Maruti stable or Hindalko which means actually there can be many many different products but they are all represented by that one name Hindalko. So, it can be a product like Hindalium which may be utensils but coming from Hindalco which is the original brand.

Sometimes the brands may be embedded like the Intel inside or the Sona steering which goes in a car. So, therefore, you are looking at brands which will be helping other brands so these are called ingredient brands, and there can be companies who actually don't try to build too much in the consumer or the general market, they will focus on one or two buyers. So, like the Foxconn, which is a very large company today with operations across many countries, but they are a major manufacturer for Apple. So, Apple actually does not by itself manufacture anything or very few things, but mostly their manufacturing is done by companies like Foxconn or Tata Electronics and their designer partners.

So, here the branding in this B2B technology focused market is different from the branding strategy in case of Hindalco. That this is some point that we will perhaps see in greater depth when we discuss some of the cases.

Brand Equity and the Value of Brands

Definitions

Customer Brand Equity – brand value to customers
Value received by individual customers from a branded product or service, over and above the value received from an unbranded version of the same product or service.

Firm Brand Equity – brand value to the firm
Ultimately measured by the cash flow streams resulting from the brand's ability to attract, retain, and grow customers, over and above an unbranded alternative.

And I think I will end this session here. And we will discuss some other issues about branding in the next session. Thank you.