

B2B Brand Management



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B2B Branding Dimensions

Marketing Management in an industrial context became widely accepted years ago – leading to the establishment of several B2B marketing professorships of B2B marketing.

- **Industriegütermarketing**
von Klaus Backhaus
- **Business Market Management**
by Andersen and Narus



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B2B marketing professorships of B2B marketing in the United States

- Gary L. Lilien PSU
-
- ...

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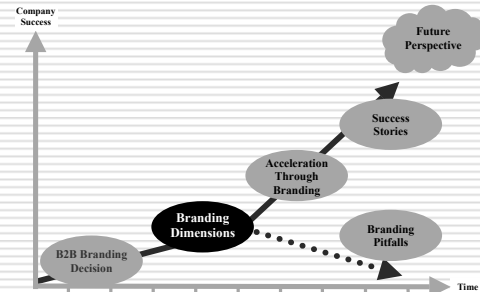
B2B Branding and ..

Understanding of the role of marketing as being different in the short versus the long-terms, with strategic marketing and operational marketing being two distinct activities.

- **Brand management** therefore is the organizational framework that systematically manages the planning, development, implementation, and evaluation of the brand strategy.
- The development of a holistic brand strategy has to involve all levels of marketing management.

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Understanding the Branding Dimensions



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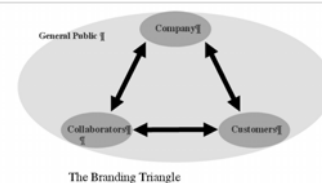
For long-term success of a business

It is indispensable to continuously identify

1. new **value opportunities (value exploration)**,
2. realize them in new and promising value offerings (**value creation**), and last but not least to
3. use capabilities and infrastructure to deliver those new value offerings efficiently (**value delivery**).

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Building the basis for competitive advantage and long-term profitability through understanding branding triangle



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Holistic marketers achieve profitable growth by

1. expanding customer share,
2. building customer loyalty, and
3. capturing customer between relevant actors (customers, company, and collaborators) and value-based activities.

In order to create and maintain the sustainable competitive advantage offered by the brand, companies need to concentrate their

1. resources,
2. structure and
3. financial accountability.

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How Brands Create Value in B2B

A strong brand is about building and maintaining strong perceptions in the minds of customers.

1. The brand name and its associations are a shorthand for everything that is being offered.
2. The product quality, the reliability of delivery, the value for money, are all wrapped up in people's perceptions of that brand.
3. Working out what people associate with a brand is only one part of the equation.

It is necessary to go a step further and put a monetary figure on those brand values.

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Even the **best advertising cannot create something that is not there.**

- ❑ If a company lacks soul or heart, if it doesn't understand the concept of "brand", or if it is disconnected from the world around it, there is little chance that its marketing will resonate deeply with anyone.

- ❑ Example HITACHI



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Foundation of a Brand

- ❑ In order to establish an effective branding approach, it is necessary to track and measure the strength of the current brand and the entire brand portfolio. To grasp the business landscape in more depth, it is essential to do some research that can later serve as **the foundation of the future brand strategy.**

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Foundation of a Brand

- ❑ Three brands of computers –

Logo Identity Equity

- ❑ *Dell*
- ❑ *Sony*
- ❑ *IBM*

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Brands are one of the few opportunities for **making a difference**

- ❑ Greater willingness to try a product or service
- ❑ Less time needed to close the sale of an offering
- ❑ Greater likelihood that the product or service is purchased
- ❑ Willingness to award a larger share of purchase requirement
- ❑ Willingness to pay a price premium
- ❑ Less sensitive in regard to price increases
- ❑ Less inducement to try a competitive offering

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Making a difference leads to increased Brand Equity

- ❑ Different definitions of brand equity also exist. Duane E. Knapp for instance defines *It* as "the totality of the brand's perception, including the **relative quality of products and services, financial performance, customer loyalty, satisfaction, and overall esteem** toward the brand."^[i] According to Aaker, brand equity refers to "the assets (or liabilities) linked to a brand's name and symbol that add to (or subtract from) a product or service."^[ii]

^[i] Duane E. Knapp, *The Brand Mindset*, 2000, p. 3.

- ❑ ^[ii] David A. Aaker and Erich Joachimsthaler, *Brand Leadership*, 2000, p. 17.

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Drivers of brand equity can be summarized as follows:

- ❑ Perceived quality
- ❑ Name awareness
- ❑ Brand associations
- ❑ Brand loyalty

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In order to create a holistic brand strategy

You must also strive for complete alignment between what you're promising outside and the reality of what you're delivering within the organization.

- ❑ The **brand strategy** has to match the **corporate strategy**. If there are any misalignments or chinks, it will soon be spotted, first by employees, then by consumers.
- ❑ One thing of crucial importance if not even the most significant thing in B2B brand management is: **consistency**.

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Make a Consistent Impression



20 The brand customer relationship

Brand Distinction

- ❑ Brand Architecture
- ❑ Brand Strategy
- ❑ Brand Elements

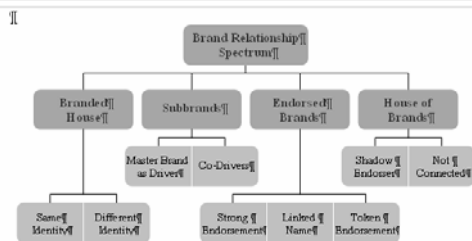
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Brand Architecture consists of three major tiers:

- ❑ Individual brands
- ❑ Family brands
- ❑ Corporate brands

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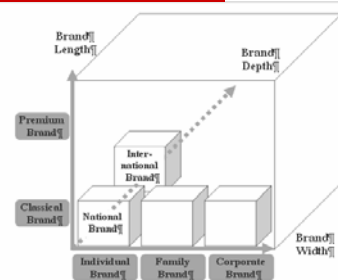
Brand Architecture



Aaker, Brand Relationship Spectrum

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Brand Strategy



Generic brand strategies

Adapted from Backhaus, *Industrieguetermarketing*, p. 389

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B2B Branding examples



- ❑ National, classic, corporate brands (*Acme, Covid*) –
- ❑ International, classic, corporate brands (*IBM, Intel, HP, Dell, SAP*) –
- ❑ International, classic, individual brands (*Barrierta, Isoflex*) –
- ❑ International, premium, corporate brands (*ERCO, Swarovski, Festool*), etc

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Corporate Brands



- ❑ Visually spoken the corporate brand serves as some kind of **umbrella** and encapsulates the corporate vision, values, personality, positioning, and image among many other dimensions.
- ❑ A **strong corporate branding strategy can add significant value** to any corporation since it facilitates the implementation of the long-term vision and provides a unique position in the marketplace. It helps a company to further leverage on its tangible and non-tangible assets leading to branding excellence throughout the corporation.
- ❑ If the corporate brand is named after the founder of the company, as is the case for *Peugeot, Ford, Bosch, Dell, Hewlett-Packard* and *Siemens*, it is also called a **patronymic brand**. These big multinationals though are more exceptions, since patronymic brands are most common in small and medium sized companies.

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Corporate Brands



Strong corporate brands are characterized by the precise, distinctive and self-contained image they hold in the minds of stakeholders. [\[1\]](#)

[\[1\]](#) Franz-Rudolf Esch, Torsten Tomczak, Joachim Kernstock and Tobias Langner, *Corporate Brand Management*, 2004, p. 8.

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Examples Corporate Brands



- ❑ *HSBC/Citibank*

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Family Brands



- ❑ An important prerequisite for successful family branding is **the adequate similarity and coherence** of all products and services of one line.
- ❑ This means an equivalent standard of quality, a similar field of application and a matching marketing strategy (pricing, positioning, etc.)

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Example Dow Chemical



- ❑ **STYROFOAM®**. Today, the brand includes a variety of building materials (including insulated sheathing and house wrap), and pipe insulation as well as floral and craft products.



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Examples Klueber Lubrication



- Bonded coatings
- Corrosion protection
- Greases
- Lubricating oils
- Pastes
- Tribo-system materials
- Waxes



Bonded coatings for general applications in mechanical engineering
 Klüberlip TO 05-375
 Klüberlip TM 05-111
 Klüberlip TP 15-810
 LUBMOLLY C200



Adhesive lubricating oils
 STRUCTOVIS - PD series
 Klüberlip CF 1
 Klüberlip CF 2



Lubricating waxes
 Klüberplus SK 10-295
 Klüberplus SK 10-296
 # Lubricating wax for chains
 Klüberwax SK 11-268

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Individual Brands

- A product-specific profile facilitates the **capitalization of brands** since it is effectively targeted at customers.
- The most **recommendable brand strategy** for B2B companies is a corporate strategy combined with a few individual brands.

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Examples Individual Brands

- ITT



- Standard Pumps



- Irrigation Pumps



- Ozone technology



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Premium Brands

- Premium brands are generally characterized by high-quality materials, exclusive design, first class processing, and are sold at a high price (achieving a price premium). Such a **high-profile and high quality positioning** is quite expensive to implement, since all communication and distribution channels have to meet these requirements.

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Example Premium Brands

- Porsche Consulting

Shortcut to success



<http://www11.porscheconsulting.de/english/default.htm>

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Example Premium Brands

- ERCO



<http://www.erco.com/>

Classic Brands



- ❑ Classic Brands **facilitate the identification of products**, services and businesses and differentiate them from competition.^[1]

^[1] James C. Anderson and James A. Narus, *Business Market Management: Understanding, Creating, and Delivering Value*, p. 136.

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National Brands



- ❑ As the name indicates, a national brand is specially aligned to match the **local conditions**. Consequently, there is no language or cultural problem involved.
- ❑ To use a single brand only on a restricted **geographical area** only can be moreover quite expensive.

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Example National Brands



Vogel Pumpen

1888 founded in the Pumpenwerk der Rhein-Elbe

1947 et al. seit 128 Jahren der Welt Pumpenhersteller

1947 et al. seit 128 Jahren der Welt Pumpenhersteller

1947 et al. seit 128 Jahren der Welt Pumpenhersteller

Huddow-Zhonghua Shipbuilding (Group) Co., Ltd.

ITT

International Brands



- ❑ B2B companies continually had to face new and demanding challenges in the last decades. One of these challenges has been the development of hypercompetitive markets transcending geographic and cultural barriers.
- ❑ Every brand that is sold in at least two different countries can be called an international brand. Unfortunately, it doesn't stay that simple. For businesses that want to internationalize and are looking for a proper branding strategy to pursue on an international level, there are several possibilities:^[1]
- ❑ ^[1] Charles W.L. Hill, *International Business*, 2003, pp. 422-425; Waldemar Pioertsch and Michael Schmid, M., *B2B-Markenmanagement*, 2005, pp. 117-120.

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International Brand Strategies



- ❑ International Brand Strategy
- ❑ Global Brand Strategy
- ❑ Transnational Brand Strategy
- ❑ Multidomestic Brand Strategy

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International Brand Strategies



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Brand Elements

When building a strong brand the following brand elements are key:

- Name
- Logo
- Tagline (or Slogan)
- Brand Story

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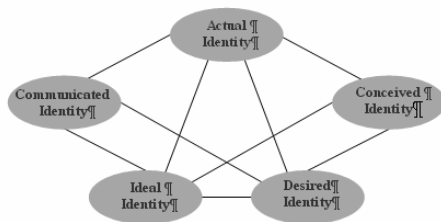
Visual Identity Code

- **Available** – They should be available and usable across all markets. Today it is also very important to check the availability of the Internet domain for possible brand names.
- **Meaningful** – Ideally the brand elements should capture the essence of the brand and communicate something about the nature of the business.
- **Memorable** – Good brand elements are distinctive and should be easy to remember. Brand names should be moreover easy to read and spell.
- **Protectable** – It is essential that the brand elements, especially the brand name can be legally protected in all countries in which the brand will be marketed.
- **Future-Oriented** – Well-chosen brand elements can position companies for growth, change, and success. To be future-oriented also means to check the adaptability and updatability of the brand elements.
- **Positive** – Effective brand elements can evoke positive associations in the markets served.
- **Transferable** – Is it possible to use the brand element to introduce new products in the same or different market.

□ Kevin I. Keller, *Strategic Brand Management*, 2003, p. 282; Alina Wheeler, *Designing Brand Identity*, 2003, pp. 40-41; Duane E. Knapp, *The Brand Mindset*, 2000, pp. 108-109.

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Brands and Image



Five Brand Identities

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Brand Name

- All names usually have some kind of associated image, whether it is cultural, linguistic or personal. Brand names should be chosen very carefully since they convey important information to stakeholders.
- Especially in B2B, it is unfortunately quite common to use **ineffective stereotypical names**.
- This **lack of distinctiveness** makes it very difficult to effectively position a brand since the names is not very memorable but easily confused with other brands of competitors.

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There are several types of names companies can use for brands

- Name of Founders
 - Descriptive Names
 - Acronyms
 - Fabricated Names
 - Metaphors
 - Others
- Alina Wheeler, *Designing Brand Identity*, 2003, p. 41; Anne B. Thompson, "Brand Positioning and Brand Creation," in: *Brands and Branding*, Rita Clifton and John Simmons (eds), 2003, pp. 90-91.

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Logo



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Tagline (or Slogan)



- It is an easily **recognizable and memorable phrase** which often accompanies a brand name in marketing communications programs. The main purpose of a slogan is to support the brand image projected by the brand name and logo. These three brand elements together provide the core of the brand.

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Examples Tagline (or Slogan)



- Agilent Technologies*’ “Dreams Made Real”, *Emerson*’s “Consider It Solved”,
- GE*’s “Imagination at Work”,
- Hewlett-Packard*’s “Invent”,
- Novell*’s “The Power to Change”,
- United Technologies*’ “Next Things First”, and
- Xerox*’s “The Document Company”.^[1]

[1] Frederick E. Webster, Jr. and Kevin L. Keller, “A Roadmap for Branding in Industrial Markets,” *The Journal of Brand Management*, (Vol. 11, No. 5, May 2004), pp. 388-402.

Philips “Sense and Simplicity”



- Our Brand Promise "sense and simplicity"**
- Technology exists to help make our lives easier and more productive. So why is it so often such a hassle, full of complexity and frustration? At Philips, we believe that simplicity should be the goal of technology. Which is why we are committed to delivering products and solutions that are easy to experience, advanced and designed around you.

<http://www.philips.com/about/brand/>



What’s Your Brand Story?



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3.2 Brand Communication

Brand Communication



Never promise more than you can perform.

Publilius Syrus, first century Roman author

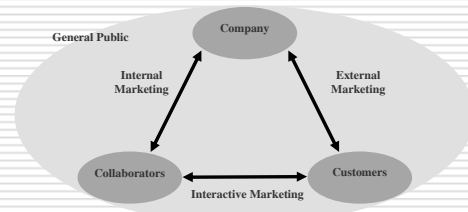
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Brand Communication in B2B,

- ❑ especially when applying a corporate brand strategy, effective segmentation and targeting is key.
- ❑ Also, participants in a B2B buying centre will vary in their involvement and motivation in the decision-making process.

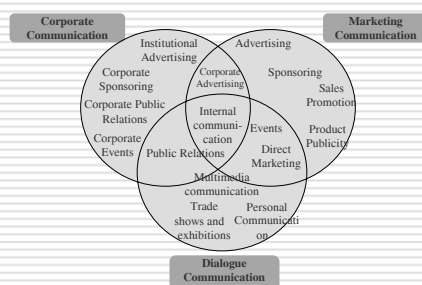
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The Branding Triangle



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Tools and Interfaces of the Corporate, Marketing and Dialogue Communication



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Source: Bruhn, Kommunikationspolitik fuer Industrieunternehmen.

Brand-building Tools

- ❑ Personal Selling
- ❑ Direct Marketing
- ❑ Public Relations
- ❑ Trade Shows and Exhibitions
- ❑ Advertising
- ❑ Sales Promotion

Philip Kotler and Kevin L. Keller, *Marketing Management*, 2006, p. 536.

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Personal Selling

- ❑ Face-to face interaction with one or more prospective customers for the main purpose of obtaining orders is generally called personal selling.
- ❑ In business markets it is by far more common to serve business customers directly than in consumer markets.

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Direct Marketing

- ❑ ... tools include the use of direct mail, telemarketing, fax, e-mail, newsletter, catalog, internet, and others to **communicate directly** with specific customers and prospects.
- ❑ The use of direct marketing tools has been constantly growing over the last two decades.
- ❑ A direct marketing tool that has experienced a major take-off in the last decade is **electronic shopping**.

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Direct Marketing

- COVISINT
-
- Supplying
-
- Alibaba

covisint
a subsidiary of Compusero Corporation

SUPPLYON

Alibaba.com
Global trade starts here™

266,000 users
representing
50,000
companies in
96 countries
with
600 applications
in 7 languages

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Public Relations (PR)

- ... are about generating coverage in the media that reaches various stakeholder groups.
- Because of their **authenticity** they are more credible to readers. PR can moreover reach potential customers that tend to avoid salespeople and advertisements.^[1]
- PR can affect brand awareness at only a fraction of the cost of other communications elements.

[1] Philip Kotler and Kevin L. Keller, Marketing Management, 2006, pp. 555-593.

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Trade Shows and Exhibitions

- Trade shows and exhibitions are of major importance in the B2B environment.
- They also provide customers with access to many **potential suppliers** and **customers** in a short period time at relatively low costs compared to regular information gathering methods.
- Customers can easily compare competitive offerings at one place.

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Amphenol-Tuchel Electronics



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Lapp Cable



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Sponsoring

- Sponsorships of public events such as world-famous bicycle and car races are quite common for B2B brands.
- Corporate goals for sponsorship can be: increase revenue, create a platform for developing relationships, and provide an opportunity to entertain customers in a unique environment as well as to generate benefits for employees.

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Sponsoring Examples

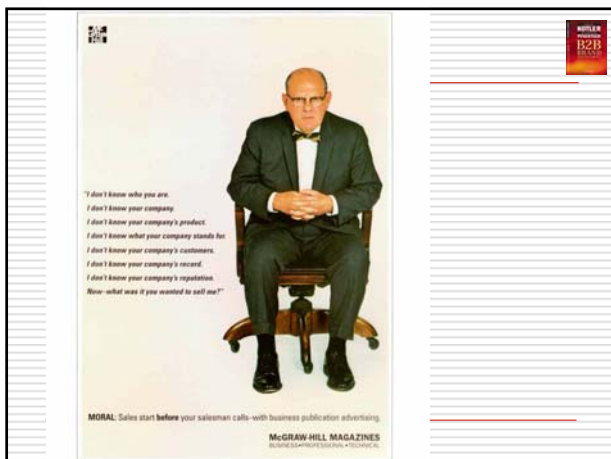
- ❑ **FedEx** sponsorships are focused on driving business, not awareness. It even integrates the sponsorships throughout the marketing mix, not the other way round
- ❑ **BearingPoint**, one of the world's largest business consulting and systems integration firms, announced in 2005 that reigning Masters Champion Phil Mickelson has signed a three-year contract .
- ❑ **UBS**: The Swiss bank was pleased to renew its partnership with the Ravinia Festival in Chicago as lead sponsor, apparently looking forward to another summer of beautiful music under the leadership of Ravinia's new Music Director James Conlon.

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Advertising



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Covad Advertising; [1]

STILL USING A TRADITIONAL
PHONE SYSTEM FOR YOUR
SMALL BUSINESS?
THAT WOULD EXPLAIN WHY
YOUR BUSINESS IS STILL SMALL.

[1] Source: Wall Street Journal, 2004.

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Intel Print Advertising campaign; [1]



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[1] Source: www.intel.com.

Sales Promotion

- ❑ ... are incentives of various kinds that are used to increase the value of a **market offering over a specified period of time.**
- ❑ In contrast to consumer promotion, trade promotions are targeted at retailers, distributors, and other members of the trade channel.
- ❑ They often come in the form of financial incentives

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3.3 Brand Evaluation

Brand Evaluation

- While it is rather easy to **measure success** related to pricing or distribution channels, it is more complicated to measure the success of brands.
- Nonetheless, a brand is too valuable an asset to manage without the support and guidance of brand metrics.

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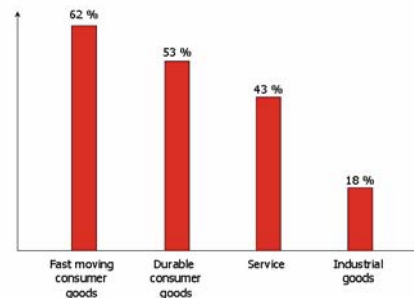
Brand Evaluation Models

Over the last two decades a vast number of brand evaluation models have been developed.^[1] Most of them fall into the following categories:^[1]

- **Research-Based Evaluations**
- **Financially-Driven Approaches**

[1] For a comprehensive overview of more than 66 brand positioning and brand evaluation models see www.markenmodelle.de.
 [1] Jan Lindemann, "Brand Valuation," in: *Brands and Branding*, Rita Clifton and John Simmons (eds), 2003, p. 34; David A. Aaker and Erich Joachimsthaler, *Brand Leadership*, 2000, p. 16.

Share of brand values in the total company value by branches (n = 85)



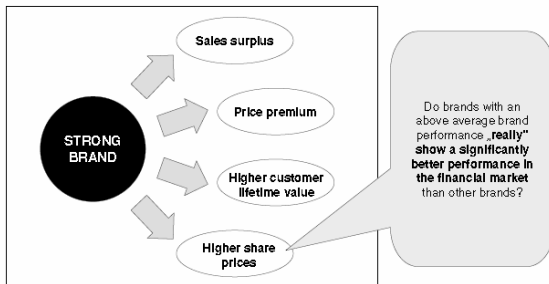
Source: Sattler/Prior/Waterhouse/Coopers, 2001

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Starting point
The positive impact of a brand on a company's financial performance is often referred to, but can it be proven?

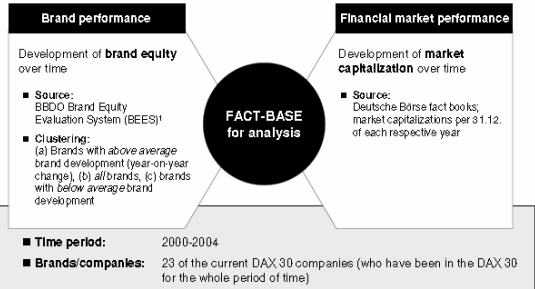
— „Typically“ mentioned areas of brand impact¹ —

— Guiding question —



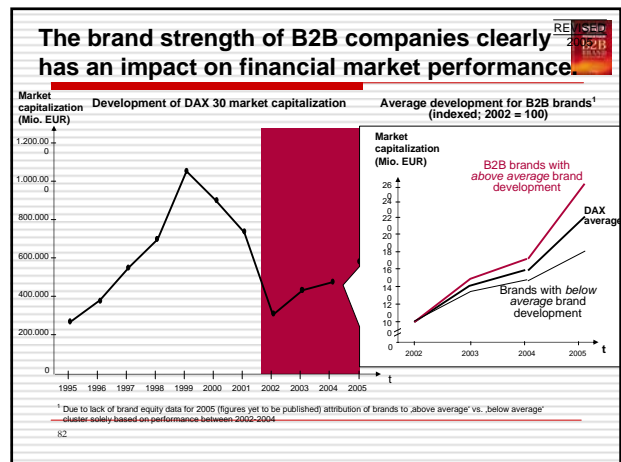
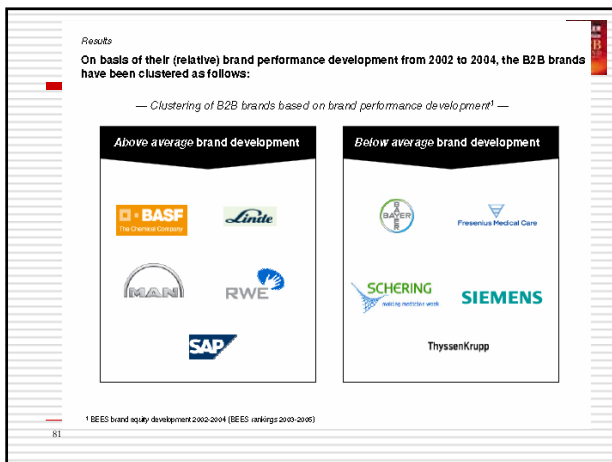
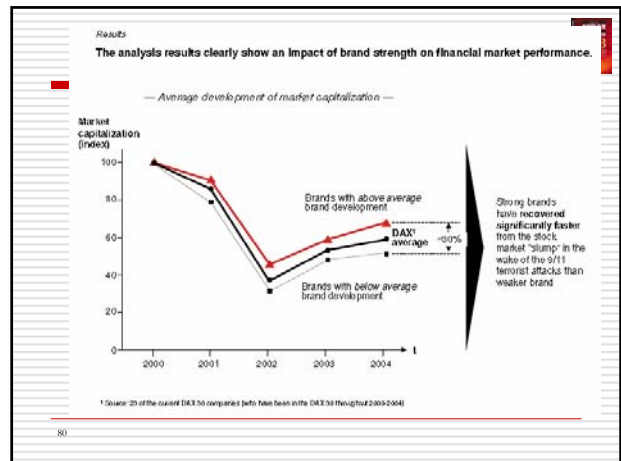
¹ Source: Analysis of "standard" literature on brand management

The analysis approach



¹ Separate presentation available on methodology upon request

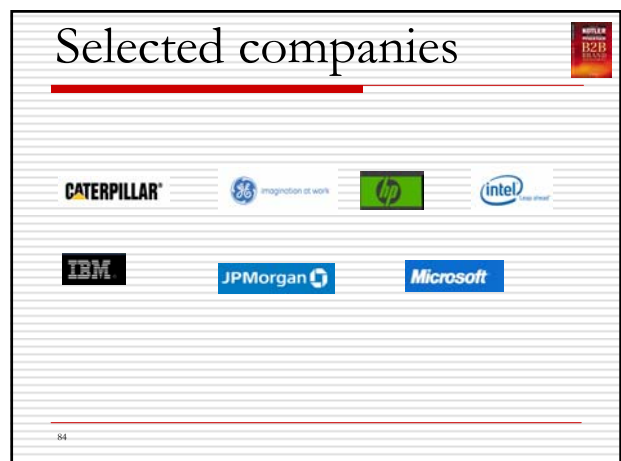
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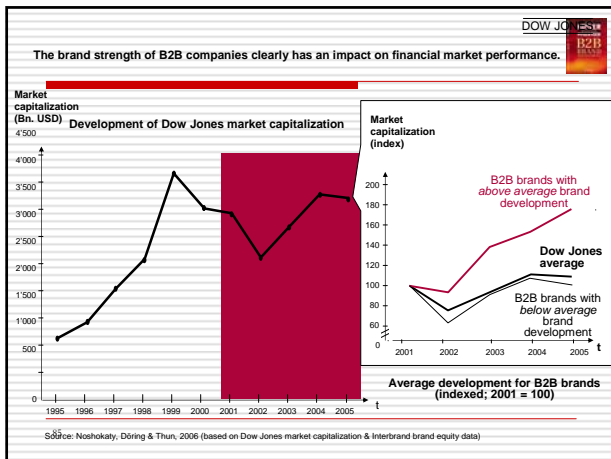


Analyzing the US Market

- **Market Capitalization** of selected large cap B2B companies of the Dow Jones
 - **Market capitalization**, often abbreviated to **market cap**, was used as a measurement of corporate size over the years 2001 to 2005. It calculated the current stock price times the number of outstanding shares.
 - The **Dow Jones Industrial average** was used as base line and starting point.
 - The selected companies were **Caterpillar, GE, Hewlett Packard, Intel, IBM, JP Morgan and Microsoft**, due to available data.
 - This method could be considered as the to representing the true **shareholder value for evaluation enterprises** as an indication for **long-term Shareholder success**
- **Interbrand Brand Equity Data** is used for economic brand value calculation
 - **Comprises of overall sales**, projects net earnings for the brand, deducting a charge for the cost of owning the tangible assets. This is the economic value added by things like patents, customer lists, and, of course, the brand. Than calculating earnings generated by the brand from the earnings generated by other intangibles, and analyze the strength of the brand.
 - **To calculate the brand's strength**, Interbrand looks at seven factors, including the brand's market leadership, its stability, and its ability to cross geographic and cultural borders. The risk analysis produces a discount rate that is applied to the brand earnings to come up with a net present value.
 - This method could be considered as closest to representing the true economic value of that complex array of forces that **make up a brand**.

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- ## Outcome
- Good brand outperform their peers with more than 40%
 - Good brand survive in crisis situation much better (2001)
 - The distinction between good and average brand is getting wider

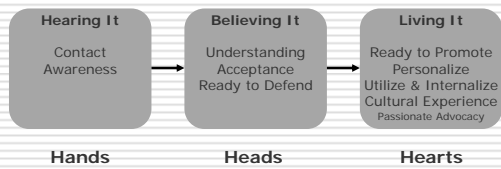
3.4 Brand Specialties

- ## Brand Specialties
- Living the Brand
 - Branding Inside
 - Branding Online
 - Social Branding
 - Building Brand Through Word-of-Mouth

- ## Living the Brand
- What is it that makes a brand successful? Put your brand effectively into operation and become a **brand-driven organization!**
 - Starting from the inside, a strong internal brand delivers very real business returns.
 - It has also been found that companies where staff understands organizational goals enjoy a 24% greater shareholder return^[1].
[\[1\]](#) Watson Wyatt, *B2B Brands and the Bottom Line*, London, September 2002.

- ## Find Role Models for Your Brand
- Programs, stories, events, or people that positively represent the brand identity are very important internal role models that can support you in transforming your employees into **true brand ambassadors**.
 - Among the most notable is *GE's WorkOut* – the initiative pioneered by *Jack Welch* in the late 1980s.
 - Six Sigma*, this total quality **initiative** pioneered by *Motorola* in the 80's.
 - Develop **true brand ambassadors**

Employee motivation



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Caterpillar



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Bosch



- *Bosch* communicates the core values of the brand to employees.
 - *Internal campaign*
 - *Bosch* online portal for employees

- **Let's build the future!**
BeQIK BeBetter BeBosch



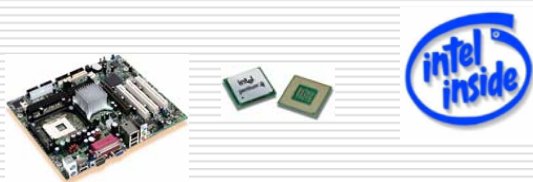
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Branding Inside



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The Brand in the Brand "Ingredient Branding"



in short: InBranding

Jackson, Tim (1997)

Ingredient Branding Examples



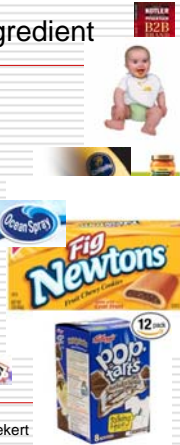
- Microban
- Makrolon
- GoreTex
- Dolby Stereo
- Nirosta



Pfoertsch/Mueller (2005)

Brand Extension Examples of Ingredient Branding

- Beechnut baby foods with Chiquita banana
- Ben and Jerry's Heath Bar Crunch ice cream, and Fat Free Cranberry Newtons with Ocean Spray cranberries
- Kellogg's Pop-Tarts with Smucker's



97 (Rao, Qu, and Ruekert 1999; Shocker, Srivastava, and Ruekert)

Company Owned Ingredient Brands



TECHIRON



David Aaker, 2003

Basic Motivation for Using Ingredient Branding

- Enhances the differentiation of the host brand from competition
- Improves competitiveness
- Enhances equity of host brand and "self-brand".

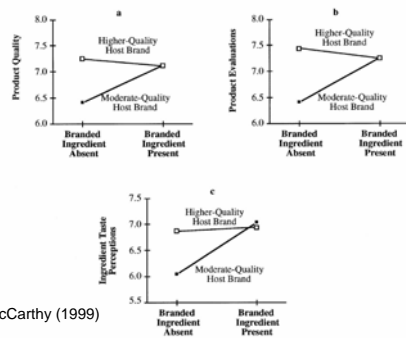
David Aaker, 2003 Desai/Keller (2002) McCarthy/Norris (1999)

Effects of Branded Ingredients



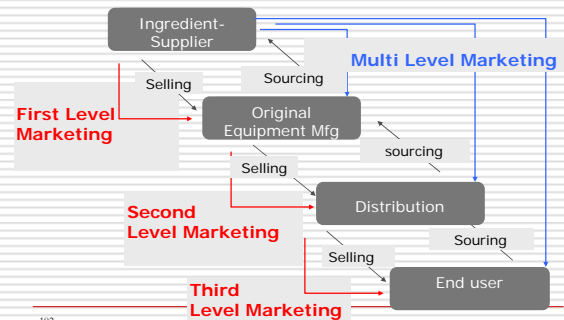
Norris/McCarthy (1999)

Change of Competitiveness through Branded Ingredients

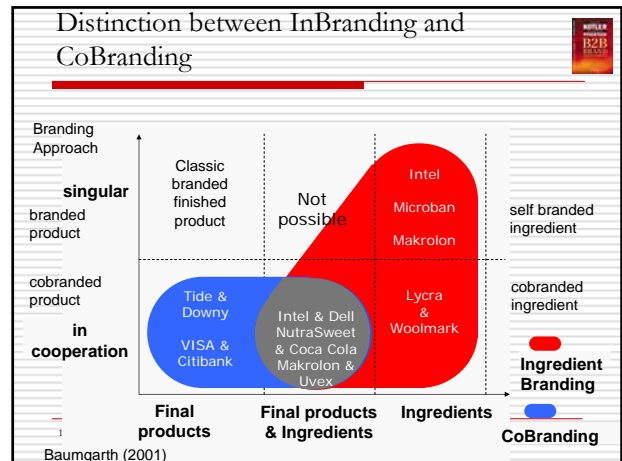
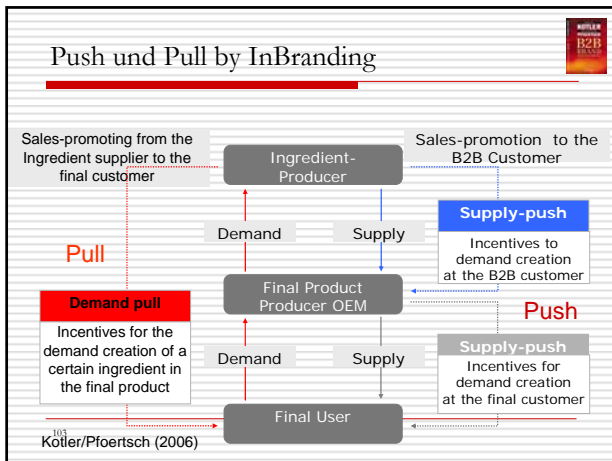


Norris/McCarthy (1999)

Ingredient Branding Executes a Multilevel Marketing Policy



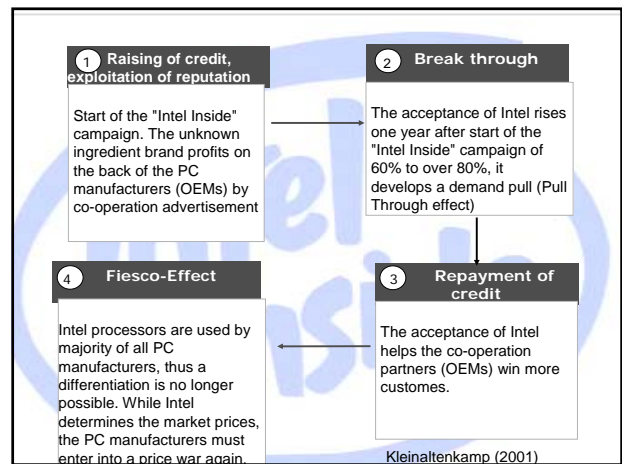
Baumgarth (2001)



Implementation Steps for InBranding

Steps	Description
1	
2	
3	
4	

1) Named after „The conspiracy of Fiesco“, 1783 written by Friedrich Schiller: „Er hat seine Schuldigkeit getan, er kann gehen“. „He paid his tribute, now it is time for him to go“.
Bugdahl (1996)



Situation of Component Supplier for InBranding

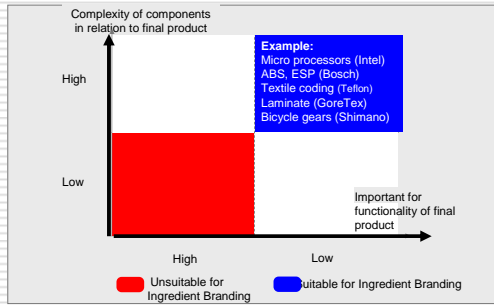
Opportunities	Risks
<ul style="list-style-type: none"> Become known by the public Create chances for competitive differentiation Establish entry barrier for competitors Increase of customer loyalty and demand pull Establish means against replaceability Positive image of OEM brands Price-/Volume premium Pull-creation Creation of Brand Equity Increase of market power versus OEMs 	<ul style="list-style-type: none"> Increase of dependency against quality problems from the OEMs Higher cost and time Increase need for quality assurance Visible target for competitive attacks Negative Image of OEM brands Resistance of industrial customers

Risks and Opportunities for Suppliers and OEM

	Supplier	OEM	
Opportunities	<ul style="list-style-type: none"> Increased demand Better prices Chances for growth Lesser risk for substitution Creation of entry barriers 	<ul style="list-style-type: none"> Positive Image creation Differentiation Less marketing cost Increased product value 	Possible win-win strategy
Risks	<ul style="list-style-type: none"> Potential conflicts with OEM Higher financial burden on enduser communication Higher risk of image damages through product failure 	<ul style="list-style-type: none"> Image risks Weakening of own products Increase of branding around or in the core product 	Increased risk and conflict potential

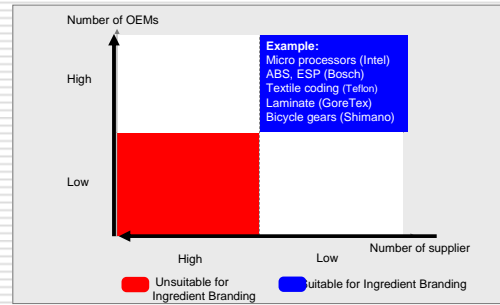
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Application Conditions of InBranding



Pfoertsch/Mueller (2005)

More Conditions of InBranding



Pfoertsch/Mueller (2005)

Success Stories of InBrands

 Intel Inside Firma: Intel Corporation Branche: Halbleiterindustrie Produkte: Mikroprozessoren Umsatz: 38,82 Mrd. US \$(2005)	 NutraSweet Firma: NutraSweet Company Branche: Lebensmittelindustrie Produkte: Süßstoffe Umsatz: 0,25 Mrd. US \$ (2002)
 Gore-Tex Firma: W.L. Gore & Associates Branche: Bekleidungsindustrie Produkte: Textil laminate Umsatz: 1,35 Mrd. US \$ (2003)	 Teflon Firma: DuPont Branche: Chemieindustrie Produkte: Antihafbeschichtung Umsatz: 26,99 Mrd. US \$ (2003)
 Lycra Firma: INVISTA Branche: Textilindustrie Produkte: Elastikfasern Umsatz: 6,9 Mrd. US \$ (2003)	 Shimano Firma: Shimano Branche: Sportartikelindustrie Produkte: Fahrradkomponenten Umsatz: 1,6 Mrd. US \$ (2004)
 Makrolon Firma: Bayer MaterialScience Branche: chemische Industrie Produkte: Kunststoffe Umsatz: 10,7 Mrd. € (2005)	 Tetra Pak Firma: Tetra Pak Branche: Verpackungsindustrie Produkte: Verpackungssysteme Umsatz: 7,3 Mrd. US \$ (2003)

New Applications are on the Horizon



Z-Trim all-natural fat replacement products

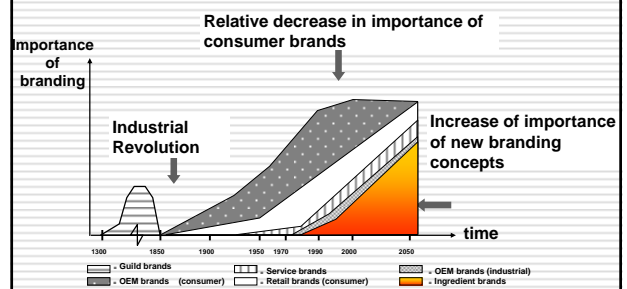
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Open Research Questions

- ❑ Better understand how competitive advantage can be achieved through the use of ingredient branding as a type of brand alliance.
- ❑ Establish brand metrics for multi-level branding.
- ❑ Track and predict ingredient branding success.

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Future of Ingredient Branding



Havenstein (2004):

What do you have to do if you want to InBrand?

- Analyze you offerings for real value items for the customers, and segment them
- Determine the benefits in the value chain
- Identify the power configuration in the value chain
- Analyze the business environment and competitive situation for your brand
- Evaluate and simulate possible InBrand offerings

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The Dream of Every Automotive Component Supplier



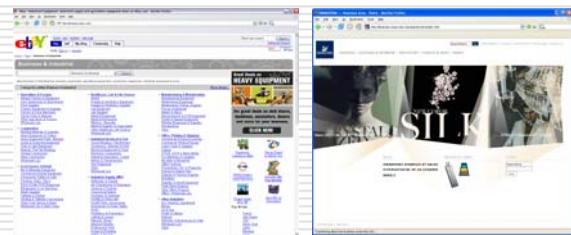
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Branding Online

- Online branding capitalizes on the two mayor advantages that the internet offers for individuals and corporations:
- Informative** - The distribution of current information.
- Simplifying** - The possibility of business transaction at any time any place.

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Examples eBay Business Swarovski



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Social Branding

- In recent years an interest in demonstrating ethical and socially responsible marketing appeared. Famous buzzwords like “corporate citizenship” and “Corporate Social Responsibility” (CSR) are proof of this.

Social Responsibility Rating.

Top-Rated B2B Companies for Social Responsibility	
5	Hewlett-Packard
7	Microsoft
8	IBM
10	3M
11	UPS
12	FedEx
15	General Electric

119 Kotler and Lee, Corporate Social Responsibility: Doing the Most Good for Your Company and Your Cause (Hoboken, NJ: Wiley, 2005).

Building Brand Through Word-of-Mouth

- Negative example: A division error in Intel’s Pentium chip in 1994
- A write-off to the tune of US\$ 475 million was the cost of this lesson for Intel.
- Using **Word-of-Mouth** to spread the message. The following types of products have this power to create high involvement among customers:
 - Exciting products
 - Innovative products
 - Personal experience products (Hotels, airlines, cars)
 - Complex products (Software, medical devices)
 - Expensive products
- Blogging should be taken seriously in B2B too as the next most influential form of spreading brand influence.

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Summary

- **Stop underestimating the power of brands** in B2B Branding should be the thread running through the subject of Marketing. An important aspect of a successful brand strategy is to completely align it to the business strategy and build lasting brand-conscious customer relationships.
 - **Make a consistent impression** with all your stakeholders at every single point of interaction, and do not forget that one of the most important things in B2B brand management is to reduce complexity for the customer.
 - **Build a strategic brand architecture** that supports and enhances the type and nature of your company and distinguish between Corporate, Product, and Family Branding.
 - The most **common brand strategy in B2B** is a corporate brand in combination with a few product brands. But also, **Ingredient Branding** as a form of multi-stage branding, becomes increasingly relevant for suppliers and OEMs.
 - The **major communication instruments in B2B** are Direct Sales, Direct Marketing, PR, Specialized Press, Sponsorships, Trade Shows and Exhibitions, Advertising, Sales Promotion, and E-Marketing.
 - It is **essential for every brand** to implement a comprehensive and adequate measurement system to gauge and guide brand success.
 - It is **crucial to effectively communicate the values of your brands** to your own people; making sure that employees understand these values and thereby leading them to become the best ambassadors of your company and its products.
 - Time-strapped decision makers prefer to buy, or at least research, products and services online. Therefore, **Online Branding** is a crucial part of B2B brand building.
 - **Social Branding** is a great way for B2B companies to receive high marks for social responsibility.
 - **Building Brand through Word-of-Mouth** is a common approach in the industrial world.
- Recently, this old fashioned method has been enhanced by internet technology called Weblogs (blogs)

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Interbrand ranking of the world's most valuable B2B brands 2005

Rank	Brand	Rank	Brand
2	Microsoft	33	Morgan Stanley
3	IBM	34	J.P. Morgan
4	General Electric	36	SAP
5	Intel	43	Novartis
6	Nokia	45	Siemens
13	Hewlett-Packard	51	Accenture
27	Oracle	54	Xerox
29	HSBC	70	Caterpillar
32	UPS	74	Reuters

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Source: Interbrand Corp., Berner and Kiley, "Global Brands," *Business Week*, 86-94, 2005.



Philip Kotler

- is the S.C. Johnson & Son Distinguished Professor of International Marketing at the Kellogg School of Management, Northwestern University, Evanston, Illinois. He received his Master's Degree at the University of Chicago and his PhD Degree at MIT, both in economics. He did post-doctoral work in mathematics at Harvard University and in behavioral science at the University of Chicago.
- Professor Kotler is the author of *Marketing Management: Analysis, Planning, Implementation and Control*, the most widely used marketing book in graduate business schools worldwide; *Principles of Marketing: Marketing Models, Strategic Marketing for Nonprofit Organizations, The New Competitions, High Visibility, Social Marketing, Marketing Phases, Marketing for Cooperatives, Marketing for Hospitality and Tourism, The Marketing of Nations, Kotler on Marketing, Building Global Brands, Attracting Investors, Ten Deadly Marketing Sins, Marketing Moves, Corporate Social Responsibility, Lateral Marketing, and Marketing Insights from A to Z*. He has published over one hundred articles in leading journals, several of which have received best-article awards.
- Professor Kotler was the first recipient of the American Marketing Association's (AMA) "Distinguished Marketing Educator Award" (1989). The European Association of Marketing Consultants and Sales Trainers awarded Kotler their prize for "Marketing Excellence". He was chosen as the "Leader in Marketing Thought" by the Academic Members of the AMA in a 1975 survey. He also received the 1978 "Paul Goetzlwe Award" of the AMA, honoring his original contribution to marketing. In 1989, he received the Annual Charles L. Lumsden Parfitt Marketing Research Award. In 1995, the Sales and Marketing Executives International (SMIE) named him "Marketer of the Year".
- Professor Kotler has consulted for such companies as IBM, *General Electric, AT&T, Haysashi, Bank of America, Merck* and others in the areas of marketing strategy and planning, marketing organization and international marketing.
- He has been Chairman of the College of Marketing of the Institute of Management Sciences, a Director of the American Marketing Association, a Trustee of the Marketing Science Institute, a Director of the MMT Group, a former member of the Volkswagen Advisory Board, and a member of the Copernicus Advisory Board. He has been a Trustee of the Board of Governors of the School of the Art Institute of Chicago and a Member of the Advisory Board of the Drexler Foundation. He has received honorary doctoral degrees from the Stockholm University, University of Zurich, Athens University of Economics and Business, Dauphine University, the Gronow School of Business and Economics, Groupe H.I.E.C. in Paris, the University of Economics and Business Administration in Vienna, Budapest University of Economic Science and Public Administration, and the Catholic University of Santo Domingo.
- He has traveled extensively throughout Europe, Asia and South America, advising and lecturing to many companies about how to apply sound economic and marketing science principles to increase their competitiveness. He has also advised governments on how to develop stronger public agencies to further the development of the nation's economic well-being.

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Waldemar Pfoertsch

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- He received two Master Degrees (economics & business administration) and his Doctoral Degree in social science at the Free University Berlin. He did his post-doctoral work in industrial planning at the Technical University Berlin.
- His latest publication in German covers the areas of B2B Marketing, Brand Management and Ingredient Branding. He also published *Living Web and Internet Strategies*. In preparation is *Blogs: The new business language*. He also published several articles in German, Chinese and English language on international management issues.
- Professor Pfoertsch has consulted for such companies as *DaimlerChrysler, HP, IBM*, and many medium size corporations in Europe, Asia and North America in the areas of international marketing and brand management. He is on the advisory board of various companies and non profit organizations.
- His other teaching positions had been at the University of Cooperative Education Villingen-Schwenningen, Visiting Associate Professor at Kellogg Graduate School of Management, Northwestern University and Lecturer for Strategic Management at Lake Forest Graduate School of Management.
- Prior to his teaching appointments, he was a Management Consultant for international consulting companies. In this position, he has traveled extensively throughout Europe, Asia and North America working with companies in developing international strategies. His earlier positions include being an Economic Advisor to the United Nations Industrial Development Organization (UNIDO) where he worked as an advisor to the government on how to develop internationally competitive industries. He also worked for many years in the automation industry, serving automotive companies.
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Back Cover

The globalization of economic exchanges between businesses and the fading of national borders are well known to 21st century business leaders. In this changing world, strong brands engender confidence. This book will provide you with the knowledge of brand management to differentiate your company from global competition.

- Dr. Axel C. Helmstatt,
CEO LANXESS AG

"The relevance of branding in b-to-b is obvious. But the biggest obstacle for professional branding is to transfer the brand into the heads of the main decision-makers of a company. Then branding can develop its full power. This book is very helpful for people who are responsible for this process."

- Adrian Kuhn,
Head of Marketing, Herbolsteich AG

At Lenovo we believe branding in the Business-to-Business world is just as important as in the Business-to-Consumer arena. This book combines a methodical approach to B2B branding backed-up by real-world examples. If you want to learn how to build sustainable competitive advantage through branding, this book is for you.

- Bill Amelio,
CEO - Lenovo

This first comprehensive book on B2B brand management will provide even the most experienced business manager with a new way of looking at B2B branding. It provides proven case studies that bring B2B brand management to life. It will provoke the reader to think about a systematic approach to branding based on facts, rather than personal judgement. Proven branding moves you closer to your customers. Professor Kotler and Pfoertsch encourage us to look for more differentiation without neglecting the competition and they encourage you to get top management attention for the branding decision on a continuous basis.

In short, this is the ultimate book for managers and customers in the B2B2C value chain.

- Tim Love,
Vice-Chairman Omnicon Group

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