

# **The Role of Branding in a B2B Purchasing Context**

## **Abstract**

**Purpose:** Brands are considered to create trust and develop ties with customers, but primarily in B2C markets. Recent research acknowledges the fact that brands, despite the differences between the two contexts, may carry valuable features in B2B contexts as well. The aim of this study is to analyze the influence of branding on buying decision process in a B2B setting and its key determinants, considering the context specific characteristics.

**Methodology:** A research model was developed to explain the role of branding when compared with other decision factors in a B2B context. Based on the frameworks developed by Zablah et al. (2010) and Mudambi (2012), the model considers purchase needs, decision-maker characteristics, firm size and purchase situation as determinants of brand relevance in the decision-making process. One of the most prominent Portuguese construction groups, comprised of three companies, was chosen. Data was collected through a self-administered, on-line, cross-sectional survey, resulting on a convenience sample of 87 decision makers.

**Findings:** Results show that the determinants considered in the model influence the relative relevance of decision factors, including branding. Also, when considering the aggregated sample, branding was considered the least important decision criteria.

**Originality:** Previous research has mainly focused on B2C markets and only recently attention has been given to business markets. Thus, by investigating the influence of brands in a B2B decision-making context, considering its specific complexities and examining an industrial company real behavior, our study contributes to bridge this literature gap.

**Keywords:** Decision-making; purchasing; B2B; branding

**Type of paper:** Research paper

**Track:** Management Decision

## **1. Introduction**

Branding has traditionally been regarded as a key asset and a source of competitive advantage in purchasing decision, since customers, in order to minimize risks, are expected to prefer the stronger brands (Webster Jr, 2004; Roberts and Merrilees, 2007). Also, brands create meaningful associations in the minds of customers that can increase feelings of confidence and loyalty (Doyle and Stern, 2006).

However, even though widely accepted in consumer markets, the importance of branding in business markets is unclear and under-researched (Mudambi, 2002; Bengtsson and Servais, 2005; Ohnemus, 2009). The general belief is that decision-making in B2C markets is based on emotional appeals while in B2B markets is based on functionality and rationality (Bengtsson and Servais, 2005; Ballantyne and Aitken, 2007), thus giving branding a limited role (Leek and Christodoulides, 2012). Moreover, building brand equity involves a long-term investment and, especially in the current economic climate, it is difficult to justify a financial commitment often at the expense of the profitability of businesses in the short term (Leek and Christodoulides, 2011). Finally, branding is considered impractical in B2B due to the thousands of products involved which makes it difficult for both organizational markets and organizational purchaser to clearly acknowledge the brand relevance (Bendixen et al., 2004; Leek and Christodoulides, 2011). But though research regarding B2B branding is still scarce (Webster and Keller, 2004; Roberts and Merrilees, 2007) there is a growing number of studies regarding branding in B2B markets (Marquardt et al., 2011). Recent research acknowledges the fact that brands, despite the differences between the two contexts, may carry valuable features in B2B contexts as well, since B2B firms also need to develop confidence, cognitive and affective ties with stakeholders (Lynch and de Chernatony, 2004). The identification of factors that influence branding relative importance in the decision-making process is critical to the development of effective B2B brand strategies (Zablah et al. (2010) and is a question research agenda needs to address (Leek and Christodoulides, 2012).

The aim of this study is to analyze the relative influence of branding on buying decision process in a B2B setting and its key determinants, considering the context specific characteristics. We begin by presenting the literature relevant to this study, namely brand management and purchasing decisions in B2B context. Drawing from the literature, a conceptual model of industrial branding and its determinants is developed. Next we present the research methodology and the discussion of results is made. The investigation undertaken to test the conceptual framework is then described. Finally, we conclude the paper by presenting final conclusions, contributions and suggestions for future research.

## **2. B2C vs B2B Branding**

Brands have commonly been defined as a name, term, symbol, sign, design, or a combination of all, which is supposed to identify the goods or services of one or more sellers and to differentiate them from the competition (Webster, Jr., 2004; Doyle and Stern, 2006; Blombäck and Axelsson, 2007). Among other benefits, brands add value by giving clues about their offer in order to reduce perceived risk and uncertainty in buying situations (Bengtsson and Servais, 2005). Brand image and reputation evoke confidence and positive feelings that motivate purchase (Bendixen et al., 2004; Doyle and Stern, 2006; Mudambi et al., 1997; Leek and Christodoulides, 2012). Brands also have the functional benefits of facilitating identification of products, being associated with higher tangible quality and reducing search and transaction costs (Mudambi, 2002; Kotler and Pfoertsch, 2007). Above all, the positive images that strong brands establish in the consumer's mind are difficult to imitate, resulting in competitive advantages (Davis et al, 2008; Campbell et al, 2010).

Aaker (1996) identifies three key elements in the importance of branding: awareness of the name, or how well the brand is known; overall brand reputation; purchase loyalty, measured

by the number of previous purchases to the same brand. While reputation relates to the image of the company to all its constituents, including investors branding is focused on the transmission of that image to the consumers of a given company (Mudambi, 2002). Assuming the offer consists of three levels (Levitt, 1980) - basic product with tangible specifics, increased product, which adds services, and potential output, which consists of the intangible features and consumer benefits - eventually, both tangible and intangible elements build the organization's credibility, or brand reputation.

But whereas the influence of brands in B2C markets is commonly agreed upon, only recently attention has been given to business markets (Cretu and Brodie 2007; Baumgarth, 2008; Alexander et al., 2009; Ohnemus, 2009). Past research has considered branding in B2B irrelevant because of its association with personal features and emotional value (Lynch and de Chernatony, 2004) in a setting where decision-making is mostly based on functionality and rationality (Bengtsson and Servais, 2005; Ballantyne and Aitken, 2007). Also, the more relationship-oriented approach of B2B contexts suggest a reduced role of branding when compared with B2C settings (Brown et al., 2012). However, recent studies acknowledge the fact that brands, despite the differences between the two contexts, may carry valuable features in B2B contexts as well. B2B purchasing is a decision made by a group of individuals, which may be influenced by both affective and cognitive factors, even in an industrial context (Mudambi, 2002; Lynch and de Chernatony, 2004).

Although general consumer branding principles might apply, B2B specific features prevent findings and constructs from B2C markets to be uncritically imported to business markets (Bengtsson and Servais, 2005; Brown et al., 2007). An industrial product corresponds to something that is "used in the industrial market, whose communication actions are not directed to the ordinary consumer" (Mudambi et al., 1997). B2B markets can also be characterized by "high transactions between a company and its suppliers relating to property used by the company in producing its own products or services" (Campbell et al., 2010). Generally, these transactions are essential to the success of both parties. Established relationships ensure the alignment between what is supplied and the company's products or services (Hutt and Speh, 2001). B2B firms often deal with fewer but also far larger buyers than the B2C companies do (Kotler and Armstrong, 2008). The differences between business and consumer domains include the size of purchases, the nature of market demand, the concentration of the purchasing power, the nature of relationships with suppliers, and, perhaps most importantly, the purchasing process (Keller, 2004). B2B markets are characterized by complex and long-lasting buying processes involving group decisions making, multiple buying influences and a more professional purchasing effort (Lynch and de Chernatony, 2004). Consequently, the effects of such purchasing environment affect the role of branding in B2B markets when compared with B2C settings.

### **3. The Relevance of Branding in B2B Purchasing and its Determinants**

Recent research acknowledges the fact that brands, despite the differences between the two contexts, may carry valuable features in B2B contexts as well. From the producer's point of view, a strong brand generates demand, allows companies to practice premium prices, increases power in distribution networks, and positively impacts perceived quality, satisfaction and loyalty, among other benefits (Michell et al., 2001; Low and Blois, 2002; McQuiston, 2004; Ohnemus, 2009).

In a buying situation, branding can benefit the business customer by increasing purchase confidence in a process where emphasis is given to risk-reduction (Mudambi, 2002). This is particularly true in high risk buying situations involving significant expenditures like B2B decisions (Lynch and de Chernatony, 2004; Leek and Christodoulides, 2012). Also business buyers gain acceptance for their own goods by associating themselves to top prestigious

suppliers (Mudambi, 2002; Leek and Christodoulides, 2012). Brands can also serve as a mechanism for dealing with information overload in organizational buying concepts and simplify product selection (Kotler and Pfoertsch, 2007; Zablah et al., 2010; Brown et al., 2012). Moreover, according to Low and Blois (2002) branding increases confidence in decision making and makes business customers feel more satisfied with their purchase. Besides greater confidence in purchase decisions, enhanced corporate reputation is also considered an important brand attribute (Cretu and Brodie, 2007; Glynn et al., 2007) since it positively influences buying behaviour (Roberts and Merrilees, 2007). Branding can thereby benefit the business buyer by increasing the purchase confidence since buying a familiar brand can contribute with additional comfort and a “feel good” factor (Mudambi, 2002).

But although industrial brands may “serve precisely the same role” as consumer brands (Murphy, 1990, p.60), or the same general purpose at some extent (Kotler and Pfoertsch, 2007), the importance of branding in B2B settings tends to be lower when compared to other more functional benefits (Bendixen et al, 2004). In fact, in industrial markets, brand is only one of selection criteria involved in the decision-making buying process. And although organizational buyers consider service and other more intangible aspects in their buying decisions, branding tends to be secondary when compared to price, logistics and service (Zablah et al. (2010). Moreover, Kuhn et al. (2008) found out that tangible aspects, such as technology performance and product features, were the most significant factors for B2B buyers. Also Bendixen et al. (2004) concluded that brand comes in fourth place as the most valued attributes, preceded by delivery time, price and technology. Kalafatis et al. (2012) argue that though tangible and intangible aspects are both essential criteria, its relative significance differs with market structure and settings.

In fact, buyers may not place equal emphasis on all attributes in the purchase decision. Namely, branding is not important to all organizational buyers or in all situations (Mudambi, 2002). Organization and decision-maker characteristics as well as purchase needs and situation are important determinants of the purchase choice (Zablah et al., 2010).

#### *Organization characteristics*

The buyer firm size can be assessed in terms of firm annual sales (Zablah et al., 2010) or by the number of employees in an organization (Brown et al., 2012). Small firms are more likely to use a less rational procedure in their decision-making, due to lack of resources. By relying on brands, the process requires less information processing effort for small firms (Zablah et al., 2010). Since larger firms have more means to evaluate multiple alternatives, they can avoid developing strong brand preferences. Mudambi (2002) characterized organizations in terms of brand receptivity. Firms considered more receptive to branding use more suppliers, are large volume buyers, sophisticated and open-minded, while low-involvement, tradition and convenience characterized the less receptive clusters.

#### *Decision-maker characteristics*

In B2B markets, there is often more than one person involved in the purchase decision and the importance given to different criteria (including branding) may vary according to the nature of their role within the organization (Leek and Christodoulides, 2012). For instance, attributes and values that appeal to a purchasing manager may be rather different to the values deemed important by a manufacture manager or an engineer (Lynch and de Chernatony, 2004). In terms of decision-maker characteristics, participants can be described in terms of their roles. These roles were defined as beginners – those who define the purchase situation and initiate the process; users – able to use the product; buyers – those who can commit the organization to spend money; deciders – those with the authority to choose between offers from potential products and sellers; influencers - adding information or restrictions in the buying process; gatekeepers – those who can control the flow of information in the buying process (Webster

Jr, 2004). According to Bendixen et al. (2004), technical specialists and users were the ones more capable of differentiating between brands.

#### *Purchase needs*

Industrial buying is a combination of individual and organizational needs, and brands have effect on both. Purchases associated with important and complex needs should be critical determinants of brand relevance in B2B decision-making (Mudambi et al., 1997; Bengston et al., 2005). When a product purchase has a large impact on business goals and/or when the level of sophistication of the product considered is high, brand cues can mitigate risk perceptions, reduce the number of alternatives to evaluate and help managing information overload (Brown et al., 2012). Also, buyers are likely to give less relevance to branding when evaluating tangible offers, since complexity and perceived risk is lower (Brown et al., 2012). Mudambi (2002) suggests that branding is not equally important to all purchases.

#### *Purchase situation*

Other key determinant is purchase situation. Purchase situations may be of pure repurchases, modified re-buy situations and new purchases, distinctions that reflect the involvement in the problem solving behavior (Mudambi et al., 1997). Pure repurchase refers to routine decisions concerning the same product from the same supplier, resulting in reduced risk actions. When you want to meet an existing need in another way, the company is in a modified re-buy position (Zablah et al., 2010). Finally, the new purchase situation is related with a new need, resulting in a riskier process and in higher costs for information search, turning branding more important (Mudambi, 2002).

Since branding is not equally important to all companies, all customers or in all purchase situations (Mudambi, 2012), it is thus important to determine to whom, when and in what situations branding is more likely to be influential in B2B purchasing decisions (Zablah et al., 2010; Brown et al., 2012).

### **4. Research framework and methodology**

Our research focuses the relevance of branding on the buying decision process in a B2B setting considering the context specific characteristics. We also consider purchase needs, purchase situation, decision-maker and firm characteristics (namely, firm size) as key determinants of brand relevance in the decision-making process. According to literature review, we propose the following research framework and hypothesis (Fig. 1):

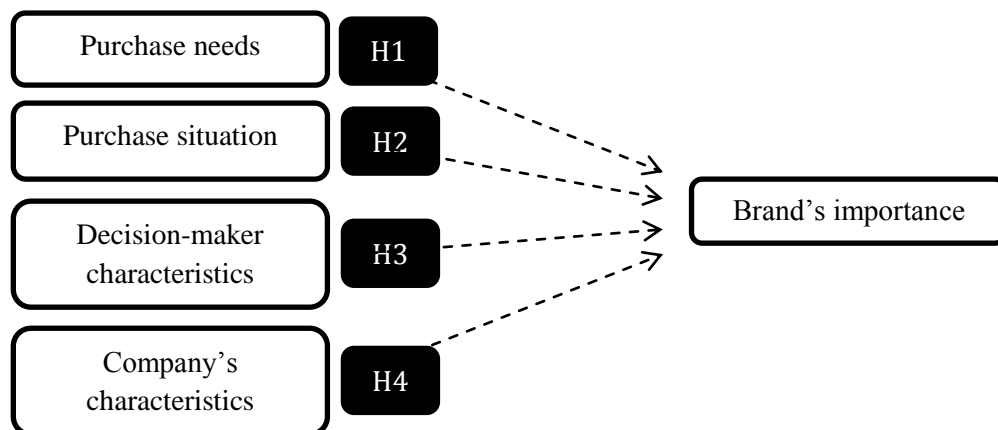


Figure 1: Research framework

To develop this research, we used a case study approach. Once the importance given to the brand can be very contingent to who purchases and the need itself, research is intended to be enriched by the divergence of dst group's activities, the industrial group to which the study relates. That said, it was decided to address the issue from the point of view of three companies in the construction sector. The three selected companies are dst, dte and bysteel. dst has technical skills that allow it to be perceived by the market as a benchmark for service quality in the field of Engineering and Construction. Through dte, dst group has expertise in four specialties of great importance in the construction area, complementary to each other, as are the contracts for electrification, ventilation and air conditioning, plumbing and telecommunications. The dst group also makes presence in the construction and erection of steel structures and coatings on roofs and facades through bysteel.

Data was collected through a self-administered on-line cross-sectional questionnaire. The questionnaire was divided into three sections. The first section related to data on the buying situation and the need that led the company to look for the dst group. Respondents were asked to bear in mind the last buying situation in which the dst group had been considered and/or selected for a particular need. Questions about the product or service type; company with whom the transaction was made; the purchase situation; the risks involved; and whether the dst group was chosen or not in this process then followed. When questioning the respondent about the purchase situation, a typology found in the literature (Mudambi et al., 1997) was used, and each of the possible options was explained.

The second section required the adoption of an existing scale, since it concerns the assessment of the importance given to the brand in relation to other factors. The scale was already used by Mudambi (2002), although it has been combined with some of Zablah's (2010) criteria for explaining some items. A seven-point Likert scale (1 = not important; 7 = very important) was used. Factors associated with branding match those highlighted by Aaker as key aspects of branding: brand awareness (or brand popularity), general brand reputation and brand loyalty, or previous purchases to the same brand (Aaker, 1996). The attributes of the product or service included price, physical characteristics of the product, ordering and delivery services, quality of the working relationship, support services, technology used and geographical coverage (Mudambi, 2002; Zablah et al, 2010.).

The last section refers to data about the company and the respondent. In one of the questions, the respondents are asked to classify their role in the buying decision making process - a typology found in the literature (Webster Jr., 2004) was used, and each of the possible options was explained.

Attention is focused on testing the following hypothesis:

### Hypothesis 1

**Different needs regarding the product or service purchased will result in different levels of importance of at least one of the factors associated with branding.**

Taking into account purchase needs as a determinant of the importance given to branding (Webster Jr., 2004; Mudambi et al., 1997; Benston et al., 2005; Brown et al., 2012), namely through different levels of e.g. complexity, importance, tangibility and perceived risk, the inclusion of three dst group companies with distinct offers aims to verify if those differences are relevant or not.

## Hypothesis 2

**Different purchase situations will result in different levels of importance of at least one of the factors associated with branding.**

As mentioned in the literature review, purchase situation (new situation, pure repurchases or modified re-buy) may influence the importance given to the brand in the decision making process (Mudambi et al., 1997).

## Hypothesis 3

**Different firm dimensions will result in different levels of importance of at least one of the factors associated with branding.**

According to the literature, smaller firms seem to be more influenced by branding, which can be explained by the fact that these have fewer resources than larger-scale companies in the decision making research and evaluation stages (Zablah et al., 2010).

## Hypothesis 4

**Different decision-maker characteristics, considering the department which he/she belongs to and their role in the buying process, will result in different levels of importance of at least one of the factors associated with branding.**

Sensitivity to the brand seems to increase when the buyer has a top position in the organizational hierarchy (Brown et al., 2012). Likewise, the importance given to factors related to branding may also depend on organizational roles in the buying process (Webster Jr., 2004; Lynch and de Chernatony, 2004; Leek and Christodoulides, 2012).

Since this is a case study, the selected population refers to dst group's commercial contacts. dst, dte and bysteel were the three companies selected because they offer quite distinct products and services within the construction industry. While dst provides an engineering and construction service that arises at an earlier stage, dte is required in a more final phase of activity, serving buildings with necessary electrical installations such as ventilation. In addition, bysteel and dst are immediately distinguished by their past history and expertise, being dst the oldest, and also their activity, since bysteel expertise concerns the construction of metal structures regarding buildings or large components. Because they represent completely different activities at different levels, although belonging to the same sector, dst, the dte and bysteel match the initial purpose of this research.

Companies were included in the investigation through the use of their commercial databases, whose e-mails were used to send the questionnaire. Since the organizational buying process is complex, from many to many (Webster and Wind, 1972), it was considered appropriate to include multiple contacts from the same company (when existing), since the questionnaire itself included a question that distinguished different roles in the decision-making process, in addition to the question regarding the department to which they belong. Overall, the questionnaire was sent to 523 addresses, of which 219 were in dst database, 112 concerned dte and 192 related to bysteel. At the end, 115 responses were achieved, representing a response rate of 21.9%, of which 24 were excluded because of incomplete information and 4 for obvious patterns of response, resulting in a total of 87 usable questionnaires.

#### 4. Findings

48.2% of the respondents were dst clients, followed by bysteel (37.3%) and dte clients (14.5%). Purchase situations were mainly straight re-buys (42.9%). The majority of respondents (58.3%) considered price the most important decision criteria. Decision-makers were mainly beginners (49.4%), deciders (46%) or influencers (43.7%). The majority respondents were large buyer firms. Kruskal-Wallis tests were performed on the items used to measure product attributes (including brand related ones) in order to evaluate its relative importance when considering different purchase needs, situations, decision-maker and firm characteristics.

Unsurprisingly, “price”, “ordering and delivering services” and “technology” were the attributes with higher importance scores, reflecting the general belief that decision-making in B2B settings is mostly based on functionality and rationality (Bendixen et al., 2004) and that branding is secondary in relation to factors such as logistics and price (Zablah et al., 2010). In fact, “brand popularity” and “frequency of prior purchases to the same supplier” are the attributes with the lowest score importance. Notwithstanding, “brand reputation”, an indicator of corporate credibility, is ranked as the sixth (out of ten) most important factor to respondent.

#### Hypothesis 1

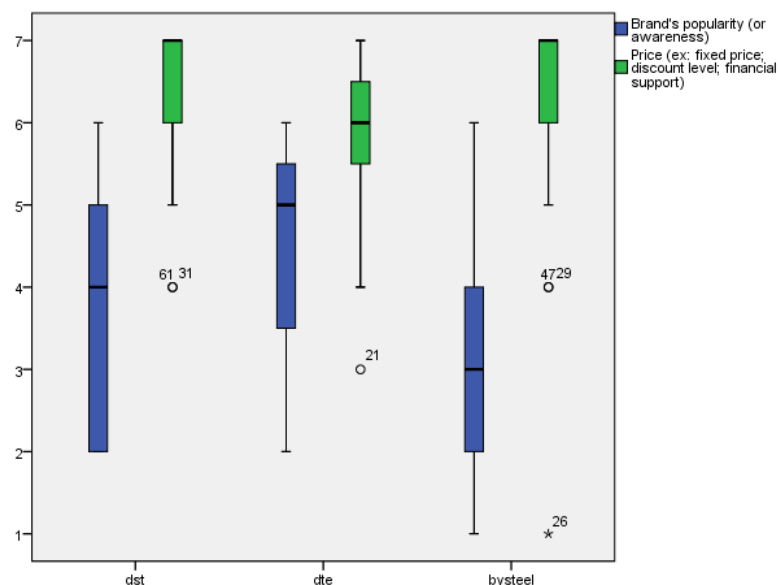
**Different needs regarding the product or service purchased will result in different levels of importance of at least one of the factors associated with branding.**

Test Statistics<sup>a,b</sup>

	Support services (ex: before and after sales, including maintenance)	Product/ service properties (ex: durability; reliability)	Brand's popularity (or awareness)	Ordering and delivery services (ex: availability)	Price (ex: fixed price; discount level; financial support)	Technology (ex: innovation; updated resources)	Quality of the working relationship (ex: relationship with sales representative s)	Frequency of prior purchases from the same supplier	General reputation of the supplier (how others see the supplier)	Geographical coverage
Chi-Square	,702	3,486	7,333	5,013	6,021	,119	,828	3,760	1,600	,946
df	2	2	2	2	2	2	2	2	2	2
Asymp. Sig.	,704	,175	,026	,082	,049	,942	,661	,153	,449	,623

a. Kruskal Wallis Test

b. Grouping Variable: 1.1 Which of the following dst group's companies matches the buying/ research need of your company?



1.1 Which of the following dst group's companies matches the buying/ research need of your company?

**Figure 2** – H1 Testing Results: impact of different purchasing needs on decision criteria (including branding) relative importance



Hypothesis 1 was supported (Figure 2). Assessing the relative importance of purchasing criteria considered by dst, bysteel and dte clients (which represent different needs), there are significant statistical differences between groups of clients in what concerns a branding attribute (Aaker, 1996) - brand popularity - and also price attributes ( $p < .05$ ). An interesting result was that brand popularity presented significant differences between clients of the three companies, whose activities are complementary within the same business sector.

## Hypothesis 2

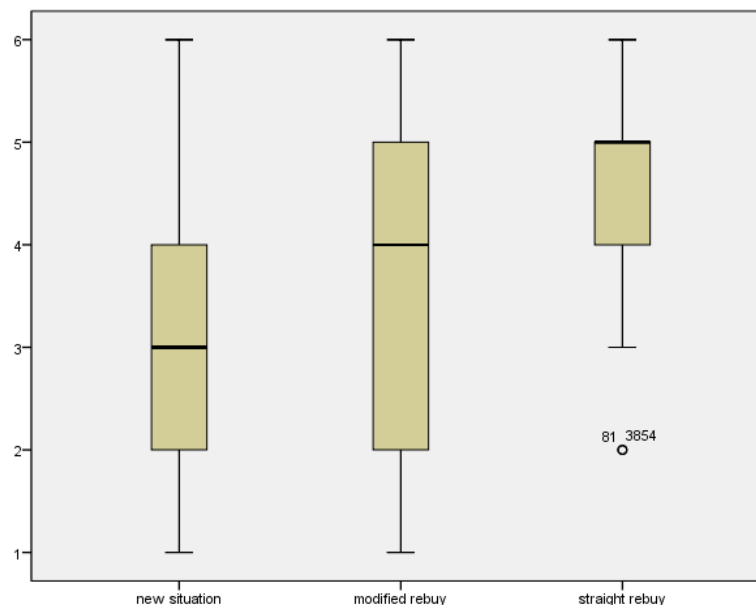
**Different purchase situations will result in different levels of importance of at least one of the factors associated with branding.**

Hypothesis 2 is confirmed (Fig.3) as there are significant statistical differences between purchase situations in terms of the importance given to one attribute associated with branding (Aaker, 1996): frequency of prior purchases from the same supplier ( $p < .05$ ), more important on straight repurchases. Conversely, brand popularity and brand reputation did not exhibit significant score differences among purchase situations.

Test Statistics <sup>a,b</sup>										
	Support services (ex: before and after sales, including maintenance)	Product/ service properties (ex: durability; reliability)	Brand's popularity (or awareness)	Ordering and delivery services (ex: availability)	Price (ex: fixed price; discount level; financial support)	Technology (ex: innovation; updated resources)	Quality of the working relationship (ex: relationship with sales representatives)	Frequency of prior purchases from the same supplier	General reputation of the supplier (how others see the supplier)	Geographical coverage
Chi-Square	1,812	1,319	2,137	,717	1,615	2,020	5,205	9,249	3,285	,665
df	2	2	2	2	2	2	2	2	2	2
Asymp. Sig.	,404	,517	,343	,699	,446	,364	,074	,010	,194	,717

a. Kruskal Wallis Test

b. Grouping Variable: 1.3 Select the type of situation that matches your company's need



**1.3 Select the type of situation that matches your company's need.**

**Figure 3** – H2 Testing Results: impact of different purchase situations on decision criteria (including branding) relative importance

### Hypothesis 3

**Different firm dimensions will result in different levels of importance of at least one of the factors associated with branding.**

There were no significant statistical differences between buyer dimensions in terms of importance scores of decision criteria ( $p > .05$ ).

Thus, Hypothesis 3 was not confirmed. Differences between groups were found when firm dimension was measured by the number of workers, but not when it was measured in terms of business volume. However, even so, identified differences do not correspond to any of the factors associated with branding.

### Hypothesis 4

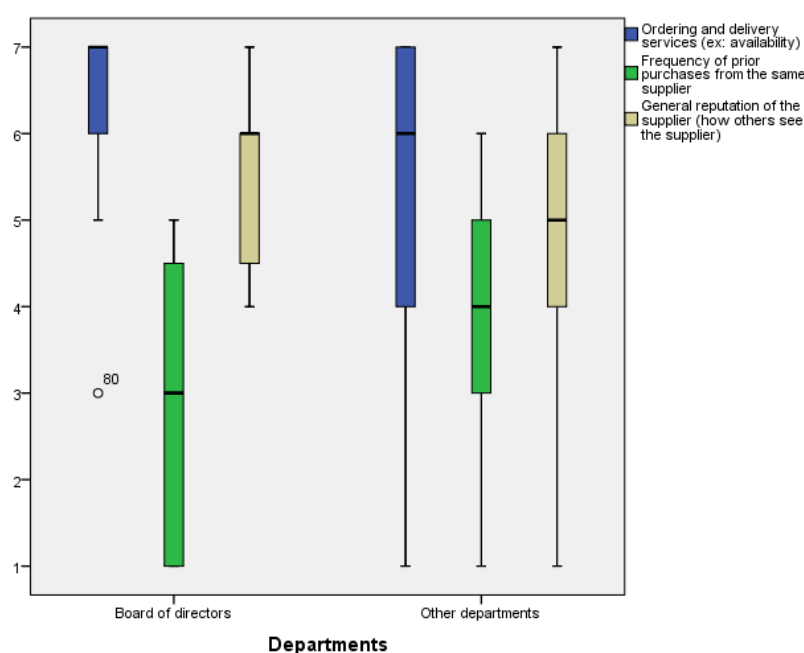
**Different decision-maker characteristics, considering the department which he/she belongs to and their role in the buying process, will result in different levels of importance of at least one of the factors associated with branding.**

Test Statistics<sup>a,b</sup>

	Support services (ex: before and after sales, including maintenance)	Product/ service properties (ex: durability; reliability)	Brand's popularity (or awareness)	Ordering and delivery services (ex: availability)	Price (ex: fixed price; discount level; financial support)	Technology (ex: innovation; updated resources)	Quality of the working relationship (ex: relationship with sales representative s)	Frequency of prior purchases from the same supplier	General reputation of the supplier (how others see the supplier)	Geographical coverage
Chi-Square	,196	1,237	,097	8,312	,223	1,888	,208	5,684	4,327	,087
df	1	1	1	1	1	1	1	1	1	1
Asymp. Sig.	,658	,266	,755	,004	,637	,169	,648	,017	,038	,769

a. Kruskal Wallis Test

b. Grouping Variable: Departments



**Figure 4** – H4 Testing Results: impact of different decision-maker characteristics (department) on decision criteria (including branding) relative importance

We have studied two decision-maker characteristics: the department which he/she belongs to and their role in the decision-making process. In terms of department, we have considered two categories: members and non-members of the board of directors. In terms of the role in the buying process, we have considered the typology suggested by Webster Jr. (2004), which considers six categories: beginners, users, buyers, deciders, influencers and gatekeepers. Answers relating to the role in decision-making do not correspond to a single variable as they are not mutually exclusive, so we had to conduct 6x2 tests.

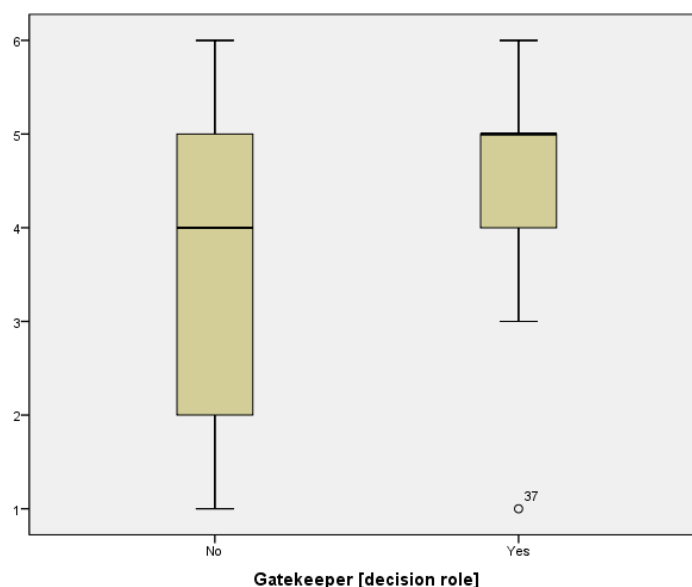
There are significant statistical differences between members and non-members of the board of directors in terms of the importance given to two attributes associated with branding (Aaker, 1996): the frequency of prior purchases to the same supplier and the reputation of the supplier. Members of the board of directors give more importance to reputation and less importance to prior purchases than members of other departments. Also, although not related to branding, ordering and delivery services were more important to members of the board than other departments (Fig.4).

In terms of the role in the decision-making process (Fig.5), gatekeepers significantly differ in terms of the importance given to brand popularity ( $p<.05$ ), an attribute related to branding (Aaker, 1996). Other differences, although not related to branding attributes, include ordering and delivery services (when the role of the decision-maker is “buyer”) and technology (when the role of the decision-maker is “beginner” or “user”). Thus, Hypothesis 4 was supported.

**Test Statistics<sup>a,b</sup>**

	Support services (ex: before and after sales, including maintenance)	Product/ service properties (ex: durability; reliability)	Brand's popularity (or awareness)	Ordering and delivery services (ex: availability)	Price (ex: fixed price; discount level; financial support)	Technology (ex: innovation; updated resources)	Quality of the working relationship (ex: relationship with sales representative s)	Frequency of prior purchases from the same supplier	General reputation of the supplier (how others see the supplier)	Geographical coverage
Chi-Square	,151	,593	4,049	1,214	,780	,142	,047	,240	,175	,041
df	1	1	1	1	1	1	1	1	1	1
Asymp. Sig.	,697	,441	,044	,271	,377	,706	,828	,624	,676	,839

a. Kruskal Wallis Test  
b. Grouping Variable: Gatekeeper [decision role]



**Figure 5** — H4 Testing Results: impact of different decision-maker characteristics (role) on decision criteria (including branding) relative importance

## 5. Conclusion

The aim of this study was to analyze the relative influence of branding on buying decision process in a B2B setting taking into account the context specific characteristics. As key determinants of the relative influence given to branding, purchase needs, decision-maker characteristics, firm size and purchase situation were considered.

Findings suggest that attributes related with branding (namely brand reputation, brand popularity and frequency of prior purchases to the same supplier) matter even in B2B rational decision-making processes. However, purchasing managers are likely to consider more rational and objective aspects. In fact, in this study, brand popularity and frequency of previous purchases to the same supplier register the lowest importance scores. Interestingly, reputation, “a firm tangible foundation with strong links to many intangible elements” (Mudambi, 2002, p.526), is overall considered as important as traditional functional attributes like e.g. the physical properties of the product, since it improves corporate credibility.

However, branding is not important to all organizational buyers or in all situations. Different purchase needs proved to have impact on the relevance given to brand popularity. Also, different purchase situations influenced the importance given to the frequency of prior purchases to the same supplier, more relevant in straight repurchases. This may be related with brand loyalty or with mere routine repetitive decisions. Unexpectedly, however, other brand attributes weren't considered more important in the other, more complex situations. Moreover, decision-maker characteristics also determined the importance given to brand reputation and prior purchases (namely the department he/she belongs) and brand popularity (namely if the role is that of a gatekeeper). As stated in the literature, top directors and gatekeepers, responsible for information management in the buying process, are more sensitive to branding. Only firm dimension was not confirmed as a determinant of brand relevance in the B2B decision-making process.

Our study makes several contributions. Compared to consumer markets, B2B branding research is scarce. Some recent articles have examined B2B branding, but much still remains to be done (Roberts and Merrilees, 2007). By investigating the influence of brands in a B2B decision-making context, considering its specific complexities and examining the real behavior of buyers of an industrial group, our study contributes to bridge this literature gap. Moreover, the few studies on the subject have been largely descriptive in nature and managerial oriented (Zablah et al, 2010; Ohnemus, 2009), while our investigation emphasizes hypothesis testing through a proposed research framework. Also, in managerial terms, identifying determinants of the importance given by organizational buyers to branding is critical in deciding when investments in brand development are more likely to payoff.

However, this study is not without limitations. A larger sample could add to the validity of results. Another suggestion for future research would be to include more dimensions in each determinant or even more determinants, such as e.g. competitive intensity (Zablah et al., 2010). Future studies may also explore the relative importance of the brand according to more specific factors, namely value drivers. Finally, future studies should expand this study to other industries or products in order to increase understanding of a still limited and under researched academic field.

## References

Aaker, D. (1996), *Building Strong Brands*, New York: Free Press.

Ballantyne, D. and Aitken, R. (2007), "Branding in B2B markets: insights from the service-dominant logic of marketing", *Journal of Business and Industrial Marketing*, Vol. 22 No.6, pp.363 – 371.

- Bendixen, M., Bukasa, K. A. and Abratt, R. (2004), "Brand equity in the business-to-business market", *Industrial Marketing Management*, Vol. 33 No.5, pp. 371-380
- Bengtsson, A. and Servais, P. (2005), "Co-branding on industrial markets", *Industrial Marketing Management*, Vol. 34 No.7, pp. 706-713
- Blombäck, A. and Axelsson, B. (2007), "The role of corporate brand image in the selection of new subcontractors", *Journal of Business & Industrial Marketing*, Vol. 22 No.6, pp.418 - 430
- Brown, B., Zablah, A. Bellenger, D. and Johnston, W. (2011), "When Do B2B Brands Influence the Decision-Making of Organizational Buyers? An Examination of the Relationship between Purchase Risk and Brand Sensitivity", *International Journal of Research in Marketing*, Vol.28 No.3, pp. 194-204
- Brown, B., Zablah, A., Bellenger, D. and Donthu, N. (2012), "What factors influence buying center brand sensitivity?", *Industrial Marketing Management*, Vol. 41 No.3, pp. 508-520
- Campbell, C., Papania, L., Parent, M. and Cyr, D. (2010), "An exploratory study into brand alignment in B2B relationships", *Industrial Marketing Management*, Vol. 39 No.5, pp. 712-720
- Cretu, A. and Brodie, R. (2007), "The influence of brand image and company reputation where manufacturers market to small firms: A customer value perspective", *Industrial Marketing Management*, Vol. 36 No.2, pp. 230-240.
- Davis, D. F., Golicic, S. L. and Marquardt, A. J. (2008), "Branding a B2B service: Does a brand differentiate a logistics service provider?", *Industrial Marketing Management*, Vol. 37 No.2, pp. 218-227.
- Doyle, P. and Stern, P. (2006), "Marketing Management and Strategy" (4<sup>th</sup> Ed), London: Prentice Hall
- Glynn, M., Motion, J. and Brodie, R. (2007), "Sources of brand benefits in manufacturer-reseller B2B relationships", *Journal of Business and Industrial Marketing*, Vol.22 No.6, pp. 400-409
- Kalafatis, S., Remizova, N., Riley, D. and Singh, J. (2012), "The differential impact of brand equity on B2B co-branding", *Journal of Business & Industrial Marketing*, Vol. 27 No.8, pp. 623-634.
- Kotler, P. and Pfoertsch, W. (2007), "Being known or being one of many: The need for brand management for business-to-business (B2B) companies" *Journal of Business-to-Business Marketing*, Vol.22 No.6, pp. 357-362
- Kuhn, K., Alpert, F. and Pope, N. (2008), "An application of Keller's brand equity model in a B2B context", *Qualitative Market Research: An International Journal*, Vol. 11 No.1, pp. 40-58.

Leek, S. and Christodoulides, G. (2011), "A literature review and future agenda for B2B branding: Challenges of branding in a B2B context", *Industrial Marketing Management*, Vol. 40 No.6, pp. 830-837.

Leek, S. and Christodoulides, G. (2012), "A framework of brand value in B2B markets: the contributing role of functional and emotional components", *Industrial Marketing Management*, Vol.41 No.1. pp. 106-114.

Lynch, J. and de Chernatony, L. (2004), "The Power of Emotion: Brand Communication in Business-to-Business Markets", *Journal of Brand Management*, Vol. 11, No. 5, pp. 403-41

Low, J. and Blois, K. (2002), "The evolution of generic brands in industrial markets: the challenges to owners of brand equity", *Industrial Marketing Management*, Vol. 31 No.5, p. 385-392.

Marquardt, A., Golicic, S. and Davis, D. (2011), "B2B services branding in the logistics services industry", *Journal of Services Marketing*, Vol. 25 No.1, pp.47 - 57

McQuiston, D. (2004), "Successful Branding of A Commodity Product: The Case of Raex Laser Steel", *Industrial Marketing Management*, Vol.33 No.4, pp. 345-354.

Michell, P., King, J. and Reast, J. (2001), "Brand Values Related to Industrial Products", *Industrial Marketing Management*, Vol. 30 No.5, pp. 415-425.

Mudambi, S. (2002), "Branding importance in business-to-business markets: Three buyer clusters", *Industrial Marketing Management*, Vol. 31 No.6, pp. 525-533.

Mudambi, S. M., Doyle, P. and Wong, V. (1997), "An exploration of branding in industrial markets", *Industrial Marketing Management*, Vol. 26 No.5, pp. 433-446

Murphy, J. (1990), "Brand strategy", Cambridge (UK): Director Books.

Ohnemus, L. (2009), "B2B branding: A financial burden for shareholders?", *Business Horizons*, Vol. 52 No.2, pp. 159-166.

Roberts, J. and Merrilees, B. (2007) "Multiple roles of brands in business-to-business services", *Journal of Business and Industrial Marketing*, Vol. 22 No.6, pp.410 - 417

Veloutsou, C. and Taylor, C. S. (2012), "The role of the brand as a person in business to business brands", *Industrial Marketing Management*, Vol. 41 No.6, pp. 898-907

Webster Jr., F. (2004), "A roadmap for branding in industrial markets", *Journal of Brand Management*, Vol. 11 No.5, pp. 388-402

Webster Jr., F. and Keller, K. (2004), "A roadmap for branding in industrial markets", *Journal of Brand Management*, Vol. 11 No. 5, pp. 388-402

Webster Jr., F. and Wind, Y. (1972), "A General Model for Understanding Organizational Buying Behavior", *Journal of Marketing*, Vol. 36 No.2, pp. 12-19.

Zablah, A., Brown, B. and Donthu, N. (2010), "The relative importance of brands in modified rebuy purchase situations", *International Journal of Research in Marketing*, Vol. 27 No.3, pp. 248-26