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Brand Management in Business-to-Business Context

Relational Perspective

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It is a common belief among managers that branding is only useful in Business-to-Consumer markets and not in Business-to-Business. These managers think that the Business-to-Business rational and unemotional buying decision-making process cannot be affected by brand because it is only concerned with features, price, quality and so on. This is incorrect information. The possibility to choose between competitors has grown during time and this has expanded the traditional view of branding. A trusted brand provides to the customer an easy and trustworthy selection of a supplier or a service provider. Brand is a promise of quality, origin and performance to select among the options. Even the person who is in charge of the organizational buying process has emotions after all. This thesis aimed at finding practices on how Business-to-Business organizations can manage their brand equity in the long-term and to provide examples of these findings through case studies conducted in Finnish corporations.

The theoretical framework covered the Business-to-Business brand management process and the steps included in it. The actual branding process was at the center of the study, as were also the customers. The model consists of customer brand perception and the actions taken by the organization to create the brand. The customer segments were divided to three groups according to their brand receptiveness and what they see as sources of brand equity. The lower part of the framework is the actions of organization divided to two major categories, brand management tools and brand management in the long-term. The model – and the branding process – starts by the actions of the organization and ends with the customer.

In the empirical part, the theoretical framework was tested by using UPM Raflatac Oy, KONE Oyj, Neste Oil Oyj and Wärtsilä Oyj as case companies. The case studies consisted of interviews conducted with the case company’s representative. The four qualitative interviews were held as open discussion to reveal the actual perceptions of the representative and the case company.

The revised framework crystallizes the case study findings. It highlights the five critical components of Business-to-Business brand management. The major five components revealed by the study were brand planning, brand strategy, brand building, brand audit and the process cycle. According to the study these five components have a major effect on the success of the branding in the Business-to-Business context.

| Keywords | Brand equity, brand management, B2B |
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1 Introduction

Brands have been used since medieval times. The first signs of branding were signatures made by craftsmen and artist to identify their products in the market. Brands have come a long way from those times and now they have a daily function in business as buyers select brands that suit them and their organizations better. [Kotler, Keller, Brady, Goodman & Hansen 2009: 426]

A known definition for a brand is made by American Marketing Association [2011]. They define brand as follows:

A name, term, design, symbol, or any other feature that identifies one seller's good or service as distinct from those of other sellers.

But this definition is too narrow to define the whole meaning and nature of a brand. Brands are used to build a relationship between the company and the customer. The meaning and the feeling that customer has in their mind is created by the brand. Brands can have different power or in other words equity to customers; it can be negative or positive. The higher the equity is the more loyalty and preference towards the brand the customer has. With a strong brand the customer will choose the branded version of the product over the unbranded. Branding is all about creating a strong and quality bond with the customer to gain more market and competitive edge in pricing competition. [Kotler & Armstrong 2010: 260-262]

1.1 Brand Management’s Necessity in Business-to-Business Context

It is a common belief among managers that branding is only useful in Business-to-Consumer (B2C) markets and not in Business-to-Business (B2B). These managers think that the B2B’s rational and unemotional buying decision-making process cannot be affected by brands because it is only concerned with features, price, quality etc. This is incorrect information. The possibility to choose between competitors has grown during time and this has expanded the traditional view of branding. A trusted brand provides to the customer an easy and trustworthy selection of a supplier or a service provider. A brand is a promise of quality, origin and performance to select among the options. Even the person who is in charge of the organizational buying process has emotions after all. [Kotler & Pfoertsch 2006: 1-5]
Interbrand is a well-known brand consultancy agency that reports yearly on the world’s most valuable brands in US dollars. The list consists of a total of 100 brands. It is interesting to find out that approximately 23 % of the brands in the list are B2B brands. [Interbrand 2011] These companies have been investing in branding over the years to achieve their place among the most valuable brands. Can it be stated that B2B branding is not important if almost one quarter of the world’s top 100 B2B brands are branded and doing significantly well?

Studies show that the B2B brands in market have great value when calculated in terms of money. It was calculated that the B2B brands were worth billions of dollars in over 450 companies and were responsible for up to 20 % of stock performance. [Gregory & Sexton 2007]

1.2 Research Objective

This thesis focuses on revealing the importance of B2B branding for corporations. This aspect in branding is not that popular compared to B2C branding - as stated in the previous part - but is slowly being acknowledge by corporate leaders.

The thesis objective is to find practices on how B2B organizations can manage their brand equity in the long-term and to provide examples of these findings through case studies conducted in Finnish corporations. The outcome will be a set of guidelines on how B2B companies can perfect their brand management. To accomplish the principal aim of the study the main research questions are:

1. What does branding in B2B context mean?
2. How can brand equity be managed and increased in the long-term?

1.3 Limitations

Brand value can be researched in numerous manners. This thesis concentrates on the brand’s effects on B2B consumers. Another way to research brand value is by calculating the value as an asset of the company. This financial point of view is left outside the scope of this thesis. Another aspect that is not taken into account in this study is the B2C branding although these market types have a lot of similarities. These differences are explained in more detail later on in this study.
2 Research Method

This study is based on case studies. This method was chosen to be used in this study as the study compares Finnish companies against the theoretical practices found in existing researches. Case information is gathered from four Finnish companies to ensure solid comparison material. These phases and methods are clarified to a greater depth in the following chapter.

2.1 Description of the Phases

There are two main phases in this study. The first is to find theoretical practices from research conducted by marketing gurus and the second phase is to compare these findings against material from interviews conducted in the Finnish case companies. These phases are explained in more detail in the next two paragraphs.

The first phase consists of finding existing studies of B2B branding and combining these findings to create practices for comparison. This phase pursues to find quality studies and combining the parts that suit the purpose of this thesis. This process is explained in chapter 2.3.

The second phase is interviewing the brand managers of the Finnish companies. This phase explores how organizations manage their brand or brands and attempts to determine whether it has been done successfully or not. These qualitative interviews are based on the findings of the previous phase and the interviews pursue to find similar objects on the path towards successful branding. The purpose of this phase is to find out how corporations deal with brands and analyze these findings.

Figure 1 illustrates the process and phases of this thesis that are required to provide the outcome.
2.2 Case Study Research Method

According to Robert K. Yin the case study method should be used when the researcher has no or little control over the events of the study and the research includes some real-life context. He additionally states that the case study method is most effective when answering to questions starting with how or why. [Yin 2003: 1]

According to the previous paragraph the case research method applies perfectly to this thesis as it pursues to clarify how and why B2B brands should be used. It is also obvious that the researcher of this study has no influence on external companies whose representatives are interviewed and to the external market conditions.

The case study method tries to clarify why a certain decision or series of decisions were taken, implemented and what the result of these actions was. It drives to clarify the set of happenings between the context and what actually happened. On the other hand these differences between context and real-life actions are quite often blurry and this is why the case study method is an all-embracing method concerning all the methods of research; logical design, data collection and analyzing techniques. [Yin 2003: 12-14]
2.3 Information Gathering and Analyzing Methods

Branding has been studied for centuries and therefore there are great amounts of existing studies about it. To find only the best and most suitable researches for this thesis the existing studies selected are written by famous and well-known marketing gurus and the selected researches are relatively new. The theoretical cornerstone of this study is B2B Brand Management book by Kotler and Pfoertsch.

The case company interviews are held as qualitative interviews in the companies. The idea is to conduct semi-structured interviews. The objective of the interviews is to find a better understanding between established theoretical practices and the methods that companies are using for brand management. The structure is selected to be semi-structured because this way the interviewing session can be more creative and it can provide more profound information compared to structured interviews. [Wengraf 2001: 3-6]

Trustworthy case studies often require more than one case study. By executing more than one case study the research has a more solid information base and therefore is more trustworthy. The more the researcher has objects of study the more versatile the findings. Via four cases the research can provide findings that support the hypothesis made. [Yin 2003: 53-54]

The case study data analyzing strategy for this study is relying on theoretical propositions to provide support for the theoretical framework of this study. This allows to focus on the important data for this study and to avoid spending time on unnecessary findings. To analyze the found data in a supporting manner this study uses pattern matching as an analytic technique. Pattern matching in this case is based on finding patterns between the theoretical study and the interview findings. [Yin 2003: 111-116]
3 Brand Management

This part explores the needed theoretical framework for the thesis. It consists of four parts and in the end these are summarized into a framework that consists of the practices found from existing studies of B2B branding. In the beginning of this section the behavioral models of B2B organizations and their parts are explained. After this the following chapters clarify the objectives and methods of brand management.

3.1 Nature of Business-to-Business Markets

Business and consumer markets have a great deal of similarities. In the end both types of markets try to create a profitable relationship with its customers by creating exceptional customer value. The B2B market is just the one that operates in the shadows and is not visible to a normal consumer. For example B2B organizations provide the raw-material for another organization that uses this material to create some product and then sells that forward again. It is a long process before the actual consumer gets his hands on it if it is a consumer oriented product. But the markets have also differences; structure, demand, buying unit and decision process. [Kotler & Armstrong 2010: 192-193]

Buying unit or in other words buying center is a part of an organization that takes care of the organizational buying. It includes all the participants in an organization that are involved in the buying process. These people have different roles in the process and the process usually includes employees and managers. The amount of people in a buying center varies depending on the corporation from five up to dozens of people. As every one of these participants are individuals they all have different aspects and goals for the purchase and these affect the buying process, and therefore the decision. In the end it is crucial to remember that even though they are part of a process the buyers are individuals and are affected by different values not only by corporate rules. This brings to the equation several new factors such as emotions, culture, personality and etc. [Kotler et al. 2009: 275-276]

Figure 2 illustrates the values and factors that affect to the buying process in an organization. The actual buying decision process is in the middle framed by interpersonal,
individual and organizational influences. The environment and buyer responses are on the sides of the figure representing the external factors.

Figure 2. Business buyer behavior [Kotler & Armstrong 2010: 196].

Business buyers are most significantly affected by the current and future financial perspectives, demand and cost of money. However supplier’s offers are often quite similar and in such case there is no more usage for rational decision making because all of the suppliers fulfill the needs of the organization. Thus, emotional buying decisions become part of the buying decision process. [Kotler & Armstrong 2010: 199]

This chapter has shown that the buying center and the actual decision process are affected by individuals and their feelings which is crucial for branding. Now as the nature of the market is known the next part of this study explains the theoretical terms, brand and brand equity in B2B context.

3.2 Branding and Brand Equity

Business markets are all about providing good products and services to keep the competitive edge in the rapidly evolving market; the brand can help in this. There are three main factors that make B2B branding crucial for surviving in the market. [Kotler & Pfoertsch 2006: 34] These three factors are explained in the following three paragraphs to give a clear image why branding is useful.
The amount of suppliers for B2B buyers has increased rapidly during the last decade. The buyer has to select from a vast selection of similar products or services. The previous chapter explained that in situation like this the buying centers turn often emotional and the decisions are not anymore only rational. The buyer might feel another brand more trustworthy and select it over another brand. [Kotler & Pfoertsch 2006: 41]

The trend is nowadays to provide packaged solutions for the customers. The purpose of this is to fulfill all the needs that customer has concerning a certain matter and not just to provide a product or service to fix a small part of the problem. More complex the products or services are it often means that the information happens to be likewise. For example the brochures send to companies goes to everyone included to the buying center and the brochures include all the technical aspects of the product or service. All the participants are not interested in every small detail of the provided solution and therefore they face an overflow of information. Brands can help, in this complex environment, to clarify the range of products and services that are hard to identify and understand. [Kotler & Pfoertsch 2006: 41-42]

Growing competition has affected also the pricing of products and services. Corporations try to sell their offering for cheaper price than the competitor. But is this efficient way to do business by continuous price competition? Strong brands provide corporations possibility to charge price premium from their customers and this way compete in the market with the brand. [Kotler & Pfoertsch 2006: 43]

These theories have shown that the markets have changed during time and there is a need for more deep information and this should be delivered to customers in a clear format. The following two chapters explain how brand can be used to meet the needs of the market.

Studies show that the most important functions for a B2B brand are increased information efficiency, risk reduction and creation of added value or image benefit. These three points are similar compared to the three factors presented earlier in this chapter and it can be seen that brands are the most efficient tool to encounter them. [Kotler & Pfoertsch 2006: 43-44]
The factors presented above can be summarized into two important functions for B2B brands: Risk reduction and instrument of pride. Risk reduction means a way for the company to provide more secure option via quality parts in its product. As the brand is known to have high quality it is not as risky to be used as a part of company’s own product. It is a chain of quality from the early beginning to the end of finalized product. Instrument of pride means that the brand’s product or service is selected because it is professional’s choice. This depends on how the brand is created and communicated to the market. Instrument of pride provides to the professionals more pride from using this product. [Kapferer 2008: 114-115] A good example of instrument of pride is how Apple’s computers and handheld devices have become to a trademark of web designer and similar trendy jobs.

The Introduction part of this study presented a short definition of the term brand equity. The following paragraphs will explain this term and its meaning for the brand to a greater detail. This part explains what brand equity is, where it comes from and what its benefits are.

Every brand has equity, it can be positive or negative or in other words it can be added or subtracted value to or from company’s products and services. The equity is affected by how the consumers feel and respect the brand. Market conditions have an effect to the brand equity by the means of price, market share and profitability. These factors all together define if the brand is strong or weak. [Kotler et al. 2009: 446]

David A. Aaker lists four different asset categories concerning customer [Aaker 2002: 8]:

- Brand name awareness
- Brand loyalty
- Perceived quality
- Brand associations

These categories are explained in the following chapters.
Kevin Lane Keller points out that the source of brand equity is following [2008: 53]:

Customer-based brand equity occurs when the consumer has a high level of awareness and familiarity with the brand and holds some strong, favorable, and unique brand association in memory.

The brand awareness defines if the customer recognizes the brand or not. Can the customer recall the brand on the moment of purchase or not? It can be created or managed by continuous exposure to brand. Brand awareness has several advantages but basically it could be said that the awareness is crucial as it makes your brand to be learned and kept in mind of a consumer. It obviously affects to every purchasing process if it is well known it will pop-up to the mind of customers among the first brands. This can be vital if a customer is looking for a product and contacts a supplier. [Keller 2008: 54-55]

Brand loyalty is not always thought as a part of brand equity but it is a part of it. A company that has loyal customers can more easily achieve lower marketing costs compared to another company but the loyal customers should not be though as a self-evidence. The relationship should be kept ongoing and developed all the time. Another parts of the brand equity can help to achieve more loyal customers but it can be pushed forward by customer loyalty programs, clubs or by effective database marketing. [Aaker 2002: 21-25]

Perceived quality means the quality of organization’s product or service has. It has a major effect on the customer satisfaction and has - as a single factor - most effect to an organization’s return on investment. It has been studied that perceived quality affects the stock return of a company and therefore it is not a big surprise that it is the goal of many quality management methods. Perceived quality is important for companies which have corporate brands that represent all of the company’s products. The quality of product or service can be managed by numerous ways but the most important thing to remember when managing the quality is that it should not be done for the sake of the organization but for the sake of the customer. [Aaker: 17-20]

Brands can be associated to many things depending of the consumer. The problem is that the consumers do not only create their associations through provided communication by marketers, but the associations are shaped by word-to-mouth, product experi-
ences, etc. The goal is to achieve strong and unique associations to be able to create a successful brand. The associations are strengthened by personal relevance and consistency on how the brand is represented long-term. Organizations can provide positive information in form of marketing communications but it provides only weak associations and needs elaboration from the customer’s side to keep it strong. [Keller et al. 2008: 56-59]

The previous chapters have covered the customer aspect in brand equity and how it should be nurtured. The brand has to be managed also inside the company. This is clarified in the following chapter.

It is crucial to remember that the branding is not just about the customers. Marketers need to market the image of the brand also inside the company, internal branding, to develop the brand. Depending on the company type it might even need distributor and other network motivation to reflect the brand to all the actions concerning company’s brand. [Grönroos 2007: 335]

The terms brand and brand equity were discussed in the previous chapter. The goal of brand management is to create high brand equity but the brand equity provides benefits to the organization. These benefits will be clarified in the following chapters.

Organization holding high brand equity will have plenty of competitive advantages. Strong brand will have high brand awareness and loyal customers. This makes the consumers to choose the brand over others. On the other hand when customers are looking for a certain brand strong brand will have more leverage in the negotiations with resellers. [Kotler & Armstrong 2010: 260-262] Studies show that the extremely strong B2B brands not only hold high brand awareness but they also have high understanding and positive feelings about their products or services in their key audiences [Carney 2004: 41].

The research conducted in the B2B field indicates that strong B2B brands and B2C brands have similar benefits for the organization concerning brand equity. It has been proved that B2B companies are willing to pay the price premium for strong brands.
This willingness to pay price premium and noticing strong brands over weaker ones shows that brand equity exists also in the B2B markets. [Tran & Cox 2009: 131]

This chapter explained what is branding in B2B context and brand equity. The following chapter focuses on how brand equity is created in the long-term between organization and its consumers.

3.3 Brand Management Tools

Brand creation is a long term investment to increase shareholder value. Brand building is not an easy task for a company and therefore often fails. Kotler and Pfoertsch recommend establishing a brand with five steps: Planning, analysis, strategy, building and audit. This process is illustrated in the figure 3. In this manner organization can achieve clarity, consistency and leadership for its brand. [Kotler & Pfoertsch 2006: 159-160]

![Brand building process](image)

Figure 3. Brand building process. [Kotler & Pfoertsch 2006: 160]

It should be remembered that the branding process is structured and manageable but brand formation lives its own life. As mentioned earlier in this study the brand is an image in the consumers’ mind and it cannot be built. It is created by continuous brand messages communicated to the customers and then built by the customers themselves in their own minds. The process is a tool to provide the touch points and brand messages. [Grönroos 2007: 336]

The communication can be delivered via different channels or in other words touchpoints. These are explained in the following chapters. Figure 4 illustrates the touchpoints between the brand and customer. In the core of the relationship is the brand
and the touchpoints are categorized to three groups pre-selection, purchase and usage experience and ongoing relationship and referral. Every category has several touchpoints with the customer.

As defined in the earlier chapter it is an illusion that a brand could be just created and therefore customer needs to be given an active role in the process. A customer’s relationship to the brand creates brand touchpoints which are presented in the figure 4. The touchpoints creates an emerging and developing relationship between the customer and brand. These touchpoints differ depending on the product or service type. Proper management of the relationship and touchpoints has an effect on brand equity. [Grönroos 2007: 331-333]

As the importance and nature of brand touchpoints and communication are defined this section of the study continues by explaining the steps in the figure 3. This part is
divided to five parts according to the steps of the process presented in figure 3. Each of the steps is explained in the following chapters.

3.3.1 Brand Planning

Brand plans are as important as marketing and sales plans for companies pursuing towards a strong brand. Branding creates long-term result and needs planning. Branding does not happen in a minute, it is long and continuous process. In case of releasing a new brand the organization structure and procedure might need some changes. There are several processes, steps and procedures that need to be integrated to organization to build and nurture a successful brand. There are six procedures and processes that need to be taken into consideration. First of all managers need to have time to discuss about the brand strategies; organization’s processes needs to be modified to extract timely information about the brand or brands; establish procedures for fast breakthrough planning; standardize communication methods for brand plans and changes; strong implementation processes; and at last planning needs to involve everyone from the organization because it motivates to commit to the brand. [Kotler & Pfoertsch 2006: 160-161]

These six points have to be taken into account already in the earliest phase of brand creation as these enable the organization to lay down a robust base for the brand. This phase prepares the company to create strong brand. The next chapter explains what brand needs and how it should be shown to customers to achieve high brand equity.

Building a strong brand requires fulfillment of the following principles: Consistency, clarity, continuity, visibility and authenticity. The most important of these for B2B organization is consistency. All of the touchpoints need to be consistent to create a successful relationship with customer but on the other hand this alone does not make a powerful brand; it requires also the other principles. To create a powerful brand and long-term brand equity the brand requires leadership. Without proper leadership the brand will probably be reinvented by competitors and the customers will forsake the brand. But most important is to remember that truth is the best tool to achieve brand equity and competitive edge. [Kotler & Pfoertsch 2006: 162-163]
3.3.2 Brand Analysis

Brand analysis is one of the most important phases when building a brand. To build a brand you need to know who your customers are, who your competitors are and who are you. This phase also defines and formulates brand mission, personality and brand values. The most important point of analysis is to create understanding of products or services and customers. [Kotler & Pfoertsch 2006: 163-165]

Brand mission tells to consumer what the brand really is and where it wants to be in the future. It defines the reason for existence for a brand. It answers to the questions starting with why, what, who and how. [Urde 1999: 125-126]

Proper brand mission can affiliate processes, strategies and programs in organizations. It also drives the innovation, creativity, effectiveness and collaboration inside organization. A brand mission that is believed in attracts the customers to the brand and therefore creates customer-based brand equity. [Posner 2007: 16]

As the analysis has been conducted the next step of the process is to move to brand strategy which is explained in the following chapter.

3.3.3 Brand Strategy

Brand strategy needs to build on positioning, mission, value proposition, promise and architecture. These parts of the strategy are explained in this part of the thesis. This part starts with a general definition of brand strategy.

Brand strategy is commonly confused with company’s strategy. But it is not the same thing. Brand strategy defines the meaning of the brand and why it is necessary. The brand strategy should be able to show what the market lacks if this brand would not exist. [Kapferer 2008: 33]

Brand is one of the most effective communication tools available but often it is not used that delicately in organizations. Brand needs a proper strategy to fulfill all the aspects needed: positioning, mission, value proposition, promise and architecture. To create an effective strategy for a brand marketer needs to know what company’s cus-
tomers want from the brand. Secondly an important point is to find out how customers feel and what emotions raises from your brand usage. Branding strategy describes the conjunctive and the disjunctive brand elements that are used in the organization. Brand strategy can be seen just as choosing brand elements but in real life it is much more than that. It uses all the information found in the earlier step of the process, brand analysis. [Kotler & Pfoertsch 2006: 168]

One of the first branding strategy decisions is whether to go for one or several brands – in other words select the brand architecture. The most important factor is that the brand should be positive addition to the brand equity. There is a couple of strategies to select the amount of brands in organization, but basically just two types to select among; to go for corporate or product branding, one big brand or several smaller ones. [Kotler et al. 2009: 436]

Brand architecture allocates organization’s brands to a defined structure. There are three general structures to choose from; Corporate, product and mixed structures. Corporate architecture uses the organization as an equity driver for the brands and on the contrary product architecture uses the product brands. Mixed structure is a mix of the previous ones and uses both corporate and product architectures. Brand architecture can be used as a tool to leverage the current brand equity by structuring, reducing or adding brands in an industry category. [Uggla 2006:787]

Aaker and Joachimsthaler have defined guidelines for choosing proper brand architecture: Product brand suits well if the business supports new brand and corporate brand is better if the existing corporate brand is strengthened with the new product in it. In product brands the risk of failing is smaller as it will only affect to this certain brand and a company can provide different price categories in the market. Corporate brand provides security, lower development and marketing expenses and therefore is quite often used but involves higher risk in failing as the whole brand will be affected. [Kotler et al. 2009: 436–437]

Product structures are rare in the B2B market. The most common version of the different structures is the mixed structure and it can be found in any kind of market. The trend is to make the architecture structures more and more like mixed architectures.
When used effectively brand architecture provides connection to the business strategy and procedures to gain growth and brand equity. [Kotler & Pfoertsch 2006: 178-181]

The selected architecture should fulfill the needs of customers and organization. As the proper model is selected the second step is positioning this selected architecture in the market. The following part of this study describes the positioning process according to the studies used for this thesis. First the benefits of positioning are explained and after that the actual process is clarified.

As described in earlier parts of this study B2B companies find themselves often in offering situation where offers from different companies are very much alike. This easily drives suppliers into a price competition. They blend to each other, no one differentiates from another. Proper positioning helps to achieve differentiation from competitors, thus, it eases price competition. [Levi 2007: 10]

Studies show that positioning and responding to the changes in the environment has an effect to organization’s competitive advantage and performance. It has a positive influence to the different factors of brand equity; Awareness, association and loyalty. Properly nurtured positioning as a strategic asset can create more comprehensive processes that results in equity. [Yang 2010: 338]

Positioning can be defined in the following way: Every brand has a space in individual consumer’s mind and that space’s relation to other brands reflects similarities or differences between them. This space and its relations to other brands can be created and modified by effective marketing communication. Once a steady and good space is found it is better to keep it with successful touchpoints and continuous communication with target customers. It could be said that positioning is not about the product or service but how the consumer’s perception of the product or service is handled. [Sengupta 2007: 5-17]

Positioning is important when creating strong brands. Clear brand positioning helps customers to understand company’s offering and they will more likely choose well branded provider over others. To have an impact to the market positioning needs to be creditable, consistent and differentiated. [Clifton & Elwood 2009: 73-74]
The previous chapters has discussed that positioning is crucial in order to create brand equity as it affects to the customer’s perceptions of the brand and how it affects to the factors of brand equity. The following chapters will clarify the actual brand positioning process.

The first step in the creation of the positioning strategy is to know whom your product or service is targeted to. B2B companies usually have less key customers compared to B2C companies and therefore it is easier to identify them. But on the contrary it is even more important to segment them properly because it is harder to differentiate in the B2B market. It is crucial to know who your customers are and where they are. [Kotler & Pfoertsch 2006: 172] The segmentation of the customers is executed in the analysis step.

Kevin Lane Keller has illustrated the brand positioning process as described in figure 4. It consists of four elements: Selecting competitive frame of the target market and competition, the points-of-difference, the points-of-parity and brand mantra. [Keller 2009b: 7] These components are explained to greater detail in the following chapters.

![Figure 5. Brand positioning process](image-url)

The first step in brand positioning is to find the proper frame of reference that communicates to customers what they can expect from this brand. It is highly important as it creates the associations for points-of-difference (PODs) and points-of-parity (POPs).
It defines the level of competitors marketer wants to include to the positioning strategy. The age of the product or service affects to the frame; for younger brand it might be better to compare only direct competitors and not the indirect ones. Postal service provider for example competes directly with other postal delivery methods but on the other hand it is an indirect competitor for email and other electronic communication services. [Keller, Sternthal & Tybout 2002: 82]

The frame of reference defines the customer target market and the level of competition. Level of competition refers to the competition which the brand takes part in the market. Marketer needs to make a competitive analysis to find this information about the competitors. [Kotler et al. 2009: 363]

Points-of-Difference are features differentiating brand from its competitors. Customers believe they could not find similar attributes from competitor’s products or services. Every brand association is not suitable to be a POD. There are criteria that the features need to fulfill. Firstly the attribute needs to be alluring to customers and personally relevant. Secondly the organization has to be able and have the commitment to provide the feature to customers and maintain it in the minds of customers. Finally the customers need to recognize the attribute as an extraordinary and exceptional compared to competitors. Every attribute of the product or service can act as a POD for a brand but it needs to answer to criteria explained previously. [Keller 2009b: 8-9]

Kevin Lane Keller [2002: 83] has identified three brand differences:

brand performance associations, brand imagery associations, and consumer insight associations.

All these factors should be considered when thinking brand’s PODs otherwise the PODs might be only one-dimensional. Brand performance clarifies that does the product or service do what has been promised. Brand imagery depicts who uses the brand and in what circumstances. Consumer insight associations are the insights provided by the brand as solutions to customer’s problem. But Keller points out that this difference is not as important as other ones and is used as a last association. [Keller et al. 2002: 83-84]
Points-of-parity are associations that are similar with the competitors. They are categorized to two different categories: Category and competitive. Categorical are the basic functions that are wanted from a certain product or service. Bank is not thought as a bank if it does not provide account or loan services. The categorical POPs change over time and certain PODs might come to POPs of a category. Competitive POPs are associations used to compete with competitors PODs. Competitor having a more luxury version of the service the provider can launch premium classes to create a competitive POP. [Keller 2009b: 9]

Brand mantras are well known as advertising slogans in B2C markets but in B2B markets it is an internal brand slogan. It is needed to be adopted by all employees and external marketing partners and understood in a way that it can be adopted to their daily practices. It is the core of the brand, a short sentence that explains essence and positioning of the brand. The brand mantra is a powerful instrument to strengthen and support the brand meaning. [Keller 2009a: 17-18]

Positioning needs to be measured all the time to achieve a powerful brand. There are three important factors that companies need to take in consideration when measuring the positioning’s performance: employee attitudes and behaviors, customer attitudes and behaviors and business performance. Employees, customers and business performance need to be measured monthly, quarterly and yearly depending on the type of business. This measurement information helps to take new strategic directions if needed. [Clifton & Elwood 2009: 81-83]

According to Kotler & Pfoertsch [2006: 173-174] brand positioning answers to the following questions:

- Who are you going to give this positioning to?
- Who are you going to market your product to?
- What do they want and need?
- What customer insight is your positioning based on?

Brand positioning shows what the company can be at its best and how it is unique. Company must feel its positioning powerful and to be passionate about it and to show that passion to the customers. [Kotler & Pfoertsch 2006: 173-174]
This part has explained the meaning and importance of positioning in branding. The brand strategy's next step in this study is the brand value proposition that uses positioning to deliver the value of the brand to customers. This is explained to a greater depth in the following chapters.

Brand value proposition is a statement that shows to organization's customers how they can achieve value by selecting this brand over another. According to studies in B2B field most managers choose the easiest way by just listing all the benefits their product or service has. This way it certainly answers to the question why the customer should buy from this provider but on the other hand it also provides points of benefit that are not necessary for all customers. Another common method is to explore the points-of-difference and enumerate all of them to customers. This shows to the customer why they should select this provider over the competitor but it lists too much of PODs, thus, the list's objects might provide only minimal value to customer and the customer might feel uncertain of the points that are best for them. The best solution according to researches is to explain one or two PODs for possible customers and this way give them compelling reason why to choose this company. [Anderson, Narus & Rossum 2006: 91-94]

The brand is not just a strategy that is not seen by the customer but it has to make a promise for the customer. The following chapter will explain the meaning of brand promise.

Brand promise is a promise of quality for the customers. It promises that if you buy this brand it will fulfill certain attributes of quality. It is especially important to have good and deliverable brand promise to achieve brand equity. Brand promise creates expectations in customers and these needs to be seen through or otherwise the customer will be unsatisfied with the brand. If customer expectations are consistent with the brand promise it encourages repurchasing the brand. But if the expectations are not consistent it creates dissatisfaction and might develop brand avoidance. [Lee, Conroy & Motion 2009: 422]

It is important to know that the quality does not just include the end product. Brand promise should be carried out in every touchpoint the company has with the custom-
ers. One of the most important factors in the brand promise is the employees of the organization. They need to maintain the organization’s identity, image and reputation. It is important that they know and assimilate the values of the brand to deliver the brand promise properly. Proper delivery of the promise will lead to added customer satisfaction, preference and loyalty. [Punjaisri & Wilson 2007: 59-60]

3.3.4 Brand Building

This chapter will explain step number four from the process defined by Kotler & Pfoertsch in figure three. It is highly important to remember Grönroos’ point that brand building is a communication between marketer and customer and therefore cannot be just built by marketer as stated in the earlier part of this thesis. This chapter begins by exploring the different types of B2B customers and how they see branding and after that suggest models how brand can be established depending on the brand’s customer cluster.

Susan Mudambi has found three different types of B2B customers based on her research on effects of branding in the organizational purchasing. These categories are highly tangible, brand receptive and low interest and these types show different level and type of interest towards B2B brands. The highly tangible cluster requires messages that emphasis quantitative and objective benefits of product and company. The brand receptive cluster is interested in financially sound and manufactures with good reputation, the emotional branding suits for this group. The low interest cluster is appealed to information about the importance of purchase and ordering support. [Fill & Fill 2005: 281]

Due to these different clusters this thesis introduces two different types of models for brand building depending on the type of target industry. The first one is Kevin Lane Keller’s Customer-Based Brand Equity (CBBE) model which suits better for the brand receptive and low interest cluster and the second model is a revised model of the CBBE which is better for the highly tangible cluster.

Brand building is a continuous process and the brand need to be modified over time. Important aspect in the creation of the brand is taking customer into consideration because brands come to existence in the mind of the customers. Brand equity is there-
fore an important factor in the building process and the brand equity associations presented in the previous part of this study are taken to consideration by Kevin Lane Keller’s CBBE model. CBBE model creates bondage between customer and organization in four steps [Kotler & Pfoertsch 2006: 166-181]:

1. Create a proper brand identity and awareness
2. Develop PODs
3. Elicit positive customer reactions
4. Creating a strong and loyal customer relationship

These steps are presented in figure 6 below. The steps start from the bottom of the pyramid and the last step is at the top. On the left hand side of the figure 6 there are stages of the brand development and on the right hand side there are the objectives of each stage. These steps will be explained to a greater detail in the following chapters.

Figure 6. Customer-Based Brand Equity model pyramid [Keller 2009b: 59]

The brand equity pyramid presented above consists of six brand building blocks: Salience, performance, imagery, judgments, feelings and resonance. The building blocks
on the left side of the pyramid are rational blocks and the right hand side is emotional side. Usually when strong brands are built every block is gone through. To create a strong brand the step before another needs to be gone through to achieve true brand resonance. [Keller 2008: 59-60]

Brand salience at the bottom of the pyramid and as a first step of brand building requires establishing strong brand awareness in the mind of the customer. As defined in the chapter Brand Equity; brand awareness is the customer’s ability to recall the brand. Customer with strong brand awareness knows in which category brand belongs to and does it fulfill the needs of the customer. Brand awareness is created by linking the product or service to a certain product category and related purchase and consumption or usage situation. [Keller, Apéria & Georgson 2008: 57-58]

Brand performance is probably the most important aspect concerning brand equity. It refers to the quality of product or service. The quality does not need to be as high as possible but it needs to meet the customer expectations. Customers view performance as reliability, durability and serviceability or effectiveness, efficiency and empathy when concerning service. Brand performance also includes the price and its relation to the perceived quality. Brand imagery step consists of how the brand tries to reach its external features of product or service. It deals with more abstract psychological or social needs of the customer compared to brand performance. Imagery has four major categories user profiles; purchase and usage situations; personality and values and history; heritage and experience. A proper positioning is crucial to achieve this stage and a strong brand. The brand associations must be strong, unique and favorable to create brand equity and achieve strong relationship with customers. [Keller 2001: 16-18]

Brand judgments are created by customers by adding together brand meaning stage’s building blocks and making personal opinions and evaluations of the brand. There are four categories that are above all other judgments: Quality, credibility, consideration and superiority. Brand feelings are the feelings that arise about the brand. The feelings can be positive or negative, but the goal when creating strong brands is to achieve positive feelings. The feelings can be affected and modified via marketing programs or by usage. The goal of customer response is to gain positive reactions and responses from customers. [Keller 2008: 67-71]
Brand resonance is the level of commitment that customer shows towards the brand. It is the personal relationship, the bond, between the customer and the organization. It results in loyalty to the brand and customer makes re-purchase, takes part to events and makes recommendations to other people. The last level of loyalty is the recommendation, where the customer actively engages to the marketing of brand by recommendations. [Keller et al. 2008: 70-72]

The strongest brand’s masters all the building blocks of CBBE. To achieve the most important building block, brand resonance, all the other blocks needs to be properly in order according to customer’s needs and wants. CBBE model can be used to estimate brand building efforts’ progress and to create successful marketing research initiatives. [Keller 2001: 19]

Kevin Lane Keller has announced that he could build up a brand in less than a decade using the CBBE model he has created. The building in decade would though require that the strength, favorability and uniqueness are recognizable. [Kotler & Pfoertsch 2006: 279]

The revised second model of Keller’s CBBE includes many same dimensions with the original model but some has been modified to suit better the B2B context and especially the earlier presented highly tangible cluster researched by Mudambi. Keller’s original model concentrates more on the product brand and as stated in this thesis most B2B brands use corporate or mixed brand architecture, thus, it is more suitable to measure the brand equity of corporate brand name. In B2B context the user profiles, purchase and usage situations and credibility are very important. Studies showed that the feelings plaid no part in the highly tangible B2B customer type. Kuhn’s, Alpert’s and Pope’s research revealed that in the highly tangible cluster “the need for support from well-established, reputable and flexible manufacturers. They acknowledged the importance of a high-quality physical product as well as augmented services.” Study indicated also that the most important attributes for brand loyalty are quality, reliability, performance and service. [Kuhn, Alpert & Pope 2008: 50-51]
3.3.5 Brand Audit

Brand audit estimates the strengths and weaknesses of a brand or portfolio of brands. Organization should periodically audit their individual brands. Brand audit consists of internal and external audits. These can be performed by questionnaires or focus groups and etc. The purpose of the audits is to find how the brand has been marketed and how customers see it and what it could mean to customers. The last part of the audit is the analysis of the results. [Kotler & Pfoertsch 2006: 191]

Brand audits are executed to find out the channels of brand equity and to recommend ways to improve and to capitalize its equity. It is important for a successful audit to be able to access to the minds of the customers and reveal their perceptions and beliefs of the brand. They are the ones who define the true meaning of the product or service, not the company itself. The results and findings of brand audit can be used to campaign the brand or make strategic changes to it to maximize the long-term brand equity. Audits should be carried out regularly or whenever major changes happen. It can be executed every second month or annually depending on how continuous information an organization wants and needs. [Keller et al. 2008: 357–358]
3.4 Long-term Brand Management

As stated previously in the thesis brands require continuous nurture and development. This part of the study presents common mistakes and possibilities to reinforce an organization’s brand or brands. At this stage the brand strategies has been implemented and brand built successfully but that is just the start. This part consists of two separate parts, the first explains the communication’s importance in brand management and after that the need of differentiation and freshness are discussed.

It is not uncommon that a brand fails even from a steady position and only because of communication does not reach desired customers or make an impression on the customer [Kotler 2006: 277]. Grönroos has defined two different types of communication problems with brands: Bad brand image or unknown brand. In any communication problem case the problem should be properly analyzed, identified and then resolved. Quite popular solution among the managers is just to launch a marketing campaign and that might be just waste of money. In case of the bad brand image the good thing is that company is already known, but on the other hand it needs work to be properly introduced and the first step would be auditing the brand and making the corrective plans and actions. Unknown brand is a situation that needs new or better and more effectively targeted marketing communications. [Grönroos 2007: 341-342]

Figure 8 illustrates that communication is not the only factor that affects the customers and therefore might not always create customer based brand equity. The figure consists of four different stages which are company’s actions, customer’s thoughts and feelings, customer’s actions and how financial markets react [Keller & Lehmann 2006: 753-754].
It is vital to remember that the customers are the source of the brand and not just to plan everything by company inner values. This is one of the starting points of this study and models presented: Customers are the resource of brand equity and their values are number one in the planning and execution of processes. Kotler and Pfoertsch [2006: 279] describe the equity and brand ownership relationship as follows:

The company owns the brand equity but the customer owns the brand.
Even though the brand communication is done properly it does not necessarily save brand from external threats. The methods to protect organization’s existing brand equity are explained in the following chapters.

As illustrated in figure 8 competition, customers’ and organization’s actions affects to the perceived brand equity. The strategies made few years back might not be currently most effective. Thus companies must react all the time to competition and to customer changes. Continuous market research and brand audits help to identify these changes and possible needs for brand strategy modification. Ideally the sources of customer based brand equity would be permanent but unfortunately that is not the case usually. [Keller 2008: 550]

Jean-Nöel Kapferer has defined four rules how brand can keep its superior brand image. These rules are presented in table 1.

<table>
<thead>
<tr>
<th>Table 1.</th>
<th>Rules for keeping superior brand image [Kapferer 2008: 242-243]</th>
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</thead>
<tbody>
<tr>
<td>Regular renewal of the product or service to meet the customer expectations. Requires continuous research and development from the company.</td>
<td></td>
</tr>
<tr>
<td>Making old points-of-difference as points-of-parity in the market and to create new needs for customers.</td>
<td></td>
</tr>
<tr>
<td>Product or service line extensions. Offer similar products or services to keep up with the competition and to gain more market share.</td>
<td></td>
</tr>
<tr>
<td>To offer line extensions that offer better or more suitable solutions to existing customers and this way prevent customer choosing competitor.</td>
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Brand management requires actions before the bad things happen: A proactive management model. Organization that notices decline in the brand equity should act fast with differentiation or re-branding. Easy solution for this problem is continuous research and auditing to identify the problems in advantage. [Kotler & Pfoertsch 2006: 280]

3.5 Framework

The thesis studies brand management in B2B context with relational perspective. It provides information on how an organization can manage brands to achieve high customer-based brand equity. The focus is on customers and how they create equity to a brand in B2B context.
The theoretical part of this study consists of two separate major sections, i.e. brand building and brand management. These processes run side by side as both are continuous when building a strong brand that creates brand equity. The first part, brand building, has five steps in it and is a key to create a robust starting point. The second part, brand management, consists of actions that depend on the market factors. It includes such activities as communication and acting to prevent external threats. One attribute that affects to these first two parts are the buying center policies and how they act depending on the customer type. This study represented three clusters that differentiate organizational buyers and how they are affected by brands.

The framework, presented in figure 9 below, has been divided according the previous chapter. The base is the organizational buying center which determines the approach type and the top is the goal: High brand equity. The left hand side of the picture illustrates the topics of the process and the right hand side is the actual attributes or process steps.

![Figure 9. The framework of the study](image-url)
4 Case study

This section provides information of the case studies conducted in the Finnish case companies. The qualitative interviews were conducted in four Finnish corporations to find out the practices of B2B branding in a real life context. These interviews as stated in section two of this study were kept in a more or less open discussion session so that the interviewer was able to keep the qualitative aspect and gain the information needed. The framework of the study served as a basis for the sessions and the interview questions were provided to the interviewee in advance so that they could prepare themselves.

Figure 10 on the next page illustrates the framework in more detail. The questions can be found in appendix 1. But it should be remembered that all of the questions were not asked as the goal of the interview was to find the best practices according to the knowledge of the interviewee. Each interview has a transcript from the recording and the selected parts have then been freely translated from Finnish to English.
4.1 Case UPM Raflatac Oy

UPM Raflatac, UPM’s label business subsidiary, is one of the world’s leading self-adhesive label material providers. The labels are used in product and information labeling. The industries using Raflatac’s labels vary from food industry to medicine industry and everything in between. UPM Raflatac has 12 factories in five continents and employs over 2,000 people. The sales of the company were approximately 1.1 billion euros in the year 2010. [UPM Raflatac 2012]
The company has roots all the way back until 1970’s when the production of the labels began in Tampere, but the UPM Raflatac in its present format was established in 2006 when Raflatac and UPM Rafsec merged. The company has two business areas, label-stock and Radio Frequency IDentification (RFID). Raflatac has committed itself to finding more environmentally friendly solutions to its customers and providing them superior service all around the world. [UPM Raflatac 2012]

The branding process of UPM Raflatac is based on the company’s vision and its own beliefs of what it represents. The decision of branding was made by the company executives and they took part to the actual branding process actively. They decided that the best way to brand UPM Raflatac was to trust the company’s strong vision and understanding of themselves. They thought that it is better to do it this way because in this manner the brand would not just be a copy of the competitors’ brand but it would represent what they really are. The company naturally possessed information about the market and themselves but did not execute any additional research or analyses. The managers were put in charge of creating a robust brand strategy and to implement this under the supervision of the executives. [Nilsson 2012]

UPM Raflatac had the required management and leadership for their brand and the time to create and develop it. But on the other hand the company took a great risk as they decided to trust their own visions without customer or stakeholder analyses. The result of the brand creation was successful but it could also have been worse. The company could have implemented a brand strategy that had nothing to do with the factors that create brand equity to the customer and therefore the branding would have been unsuccessful. Creating a brand that has strong customer-based brand equity is safer to build on robust research and analysis base in order to identify any gaps between the company and customer visions.

The brand architecture of UPM Raflatac was decided to be corporate brand over product brands. The interviewee did not see any beneficial addition from the product brand for the corporate brand. UPM Raflatac is a subsidiary of UPM-Kymmene Plc. and it has adopted some of the mother company’s brand values. The brand of Raflatac not only creates brand equity to itself but at the same time it creates brand equity to the parent company. The goal of this strategy is to accomplish innovative and ecological industry. [Nilsson 2012]
A brand can be strengthened by selecting to combine a new brand with an existing strong brand. This creates immediate awareness for the brand and can be more easily trusted. UPM Raflatac is a separate brand from its parent company but creates more value by using its parent company name and vice versa creates more brand equity to the parent company.

The competitors of UPM Raflatac are more or less lookalikes of the other companies with their offers and brand identities. A differentiating factor of UPM Raflatac is the people behind the business and the brand. Raflatac was the first company in B2B business to use employees as a differentiating factor. This POD has been actively campaigned and has created brand equity over the years. The UPM Raflatac brand achieved second place in the US market only in one year with the employee perspective. Local manufacturing and people behind the business really stood out in a situation where products and prices are similar. [Nilsson 2012]

The positioning of the brand is crucial for creating unique equity for the customers. The completely new and innovative way to approach the customers created high level of brand equity in the case of UPM Raflatac. The rapidly changing global markets require new aspects filled with innovativeness. The approach can be something as simple as in this case and does not require any industry revolutionizing technology but rather to show a new way of thinking. The frame of reference and the POPs have to be fulfilled naturally at the same time to compete with the competitors.

UPM Raflatac has achieved a high level in the revised Keller’s customer-based brand equity pyramid. After a short introduction the interviewee felt that the revised model would suit their industry better. Raflatac has achieved the highest level of the pyramid – partner solutions with its customers. Their customers actively sell their products to their customers via a partner solution. Every step of the pyramid has been accomplished on the way up to the top. [Nilsson 2012]

UPM Raflatac audits its brand regularly. They conduct an audit every second year or after a bigger change in their brand strategy. The Interviewee felt that this together with the timely information gained from the processes is enough. The audits are conducted to corporate executives and to the customers. [Nilsson 2012]
The cycle of the audits is fairly regular and therefore good but they could be conducted annually. Annually conducted audits would prevent the possibility of not knowing the effects of the branding when needed. A mistake is easier to fix when it has just happened or is going to happen soon. The good thing is that they conduct an audit after every change and therefore know if the changes in the strategy have created more brand equity. The audits should be conducted to a larger group. The group should include also employees of the company and other needed stakeholders. The internal branding effects should never be forgotten, not even in the research.

The Interviewee pointed out that UPM Raflatac differs from a normal B2B organization as it has approximately 1000 customers globally. This has given a wide perspective to different types of industries and cultures. The interviewee felt that the corporate culture and nationality of the customers affects greatly their receptiveness to the brand. But branding after all is crucial for organizations if they want to survive in the competitive market. It is the people who make the buying decisions after all. [Nilsson 2012]

Mrs. Nilsson [2012] defined four of the most important factors when building a brand:

1. Corporate executives must be committed to branding
2. Branding needs to be in accordance with business strategy
3. The brand need to be modern
4. The brand must be congruent

This case study has explained how UPM Raflatac has built their brand and ways to create brand equity. Raflatac trusted its own vision combined with the four most important factors presented above and in this manner has created a highly valued brand in the B2B market.

4.2 Case KONE Oyj

KONE is one of the leading global players in the elevator and escalator industry. They provide industry-leading elevator and escalator products and related services around the world from over 1 000 offices and eight production facilities. They employ approximately 35 000 employees globally. The main customer group consists of builders, building owners, developers etc. KONE had sales of 5.2 billion euros in the year 2011. [KONE Corporation 2012]
KONE is over 100 years old, established in the year 1910. During the long history of the company KONE has taken part in different kind of industries starting as an engineering company to becoming a global player in the elevator and escalator industry, but this business area has always been the main focus area of KONE. Their objective is to deliver solutions that help people to live and move more easily in an urbanizing environment. [KONE Corporation 2012]

As mentioned in the previous paragraph KONE is over 100 years old and therefore its brand building has not been a managed process over its whole history. The marketing function in KONE was established approximately 15 years ago and after the establishment the company has changed from a strictly product and service oriented company to one that is also thinking about marketing and brands. The brand of KONE has received special attention for three years now after the brand function was separated from the marketing functions as a separate department. [Seppänen 2012]

The brand of a company which has a century-long history has been evolving ever since the early beginning till nowadays. As the KONE brand has been purposely developed for 15 years and more delicately for three years, it is clear that the interviewee did not have a clear image of how the brand has been built during the 100 years over her three-year-long career. This interview concentrated more on how brand equity is nurtured at this very moment at KONE.

KONE has a robust history as being an engineering company and it still is that. The original values of KONE can be seen in its brand even nowadays and these values are entrepreneurship, family corporation and innovativeness. KONE has modified the whole industry with its innovations especially during the 1990’s. These innovations have brought a great deal of brand equity and created brand awareness. According to the interviewee the focus of the brand is on continuous product development and on the actual product. They think that through technically advanced products combined with superb delivery they can create more value to their customers. [Seppänen 2012]

The interviewee stated that the brand equity has been gained by trusting their know-how and innovations with a strong inspiration to do continuously more and new. The biggest individual factor affecting KONE's brand equity is the consistency in its brand
strategy and the monolithic business ideas. KONE’s directors are active in the branding process and show their deep interest for it. The processes of KONE have been developed in a manner that enables continuous and timely information output for the branding department. The follow-ups unveil to them if the actions are correct and develop the relations between different countries. [Seppänen 2012]

The previous chapter has described the same steps that the framework’s brand planning step includes. Even though these might not have been knowingly created they exist in the organization. Combined brand and business strategy can make the brand be more dynamic in the fast changing market. This probably has helped KONE to keep its brand responsive and up-to-date during all the years. Innovativeness and a dynamic brand create a good combination. This way the organization has all the time their own product development, creating the market PODs to POPs, and secondly it can respond more easily to any competitive actions.

KONE has selected the corporate structure as its brand architecture. They feel that the one unified brand can create more brand equity compared to a chopped down model. This creates a more combined structure in the minds of consumers and helps to clarify the perception. As described previously KONE’s values come from the history and these values are still in usage. The company has been positioned around these values but naturally they have made some changes during the years in the business. Their newest slogan and brand mantra is “Dedicated to people flow” which has been very well adopted inside the company. The internal branding of the mantra has been successful. The mantra communicates that KONE’s thinking includes the big picture and not just the product, they want to take themselves already in the building designing process with the architecture not just to plant the elevator to point x. This positioning creates greater value to their customers because the buildings could be designed in a manner where the movement of people is thought over carefully, not just the design. The buildings are usually built after all to people not for the sake of the building. [Seppänen 2012]

The interviewee did not have a clear image of the actual positioning process in KONE as the current positioning has been done before her employment [Seppänen 2012]. It is easy to recognize the same feature that the framework presents in the brand strate-
gy block. The brand value proposition can be identified from their slogan; they offer unique PODs to their customers in the format of movement solutions. The consistent brand strategy closely tied together with business strategies has helped KONE to gain high brand equity and to keep evolving during the years. The Interviewee pointed out that the most important thing when creating the branding strategies is to design them in a manner that they can be easily adopted all around the world [Seppänen 2012].

The discussion about the actual brand building revealed that according to the CBBE model KONE has achieved a high placement in the pyramid. According to the interviewee the revised B2B model suited better for their business. It shows better the sources of the brand equity in KONE’s case then Keller’s original model. KONE has achieved, during its history, the second highest level in the pyramid which is Sales Force Relationship. This relationship between KONE and its customers is truly well known in the market and one of the differentiating factors. It is among their goals to achieve and develop customer relationships that create high benefit for both – creation of high customer-based brand equity. The customer relationships are developed by listening to customers and receiving continuous feedback from them. The actual process of the brand building is not clear to the interviewee but KONE has grown to its present size by acquisitions and achieved brand awareness at the same time. [Seppänen 2012]

KONE makes a brand audit once a year and additionally their organization’s processes have follow-ups for the brand more frequently. The audits are conducted via customer satisfaction and brand receptiveness research. The research target group at KONE includes present and possible customers. They also conduct an employee well-being survey which includes questions about the branding but not a separate audit. The data gathered from the audits and researches are used to develop their brand. The active discussion with country offices and their marketing units is important in order to gather the information that is timely and to develop the co-operation between countries. According to the interviewee the researches and audits are crucial for mapping the development of the brand and whether the organization’s actions have been successful. [Seppänen 2012]
This shows that KONE is gathering the needed information from the field and not just from the executives. Their research, however, are more on the generic level and it might be that more brand oriented research should be implemented some times, not necessarily even annually but from time to time. They have the needed processes implemented and research but audits digging exclusively into branding could reveal interesting information about their brand. Naturally the most important thing about the research is that the information gathered is actually used and the research or audits are not just done for the sake of them.

The previous chapters have described the ways how KONE has built their brand in accordance to the framework. The following concentrates on the next level of the framework: Long-term brand management.

KONE has been able to develop and protect its brand over the years. The key actions according to the interviewee have been continuous product development and communication. The executed brand communication has been greatly in line with marketing communications. The communication of KONE is unified and it is done together to achieve the best results. The thinking of all of the touchpoints in the communication and branding is duly noted in KONE. All the strategies are thought in a manner that is understandable by every employee from executive to engineer in a factory and how customers see this in the street. Even though KONE has quite high brand awareness – at least in Finland – the recent project of designing engineer’s cars and uniforms have raised the awareness among the customers and creates more employee satisfaction. Small things such as employee satisfaction in the field is what customers see and if the employees at KONE are more satisfied this reflects in their work and therefore creates more brand equity. KONE Brand Experience pursues to pay attention to every possible touchpoint. [Seppänen 2012]

As stated previously, KONE has processes that produce timely information and it implements research annually. Thus it could be said that KONE’s branding is proactive and they should be able to react before anything bad happens. The previous chapters show that KONE actually quite closely follows the framework presented in this study and have been taking into consideration the theory explained.
The most important things in B2B brand management according the Mrs. Seppänen are as follows [Seppänen 2012]:

1. Consistency
2. Positioning and PODs
   a. PODs need to be true and connected to reality
3. Strong strategy and values
4. Internal branding
   a. All employees need to understand the strategy, values and mission
5. Knowing the customers and development of customer relationships
6. Customer brand experience
   a. Thinking about the big picture
   b. Thinking about all the touchpoints

The Interviewee felt that it is good that people have started thinking about the humanity of B2B buying. The importance of branding in B2B markets has become very important as the market has evolved to highly competed and filled with similar products. How to get the customer think about your brand over another? Executives are still very resilient towards adopting ideas from the B2C market because they feel that the markets still have no similarities. The differences in brand acceptance are depending on the buyer and the interviewee did not see very clear segments among customers. In general it could be said that the countries that understand marketing also have understanding of brands. [Seppänen 2012]

According to the previous chapter Seppänen did not see customer segmentation as so important and suitable which matches the ideas presented in this study. But it could be stated that branding actions of KONE are in accordance with the presented framework and creates to its customers unique brand equity.

4.3 Case Neste Oil Oyj

Neste Oil is an oil refining and marketing company. The company focuses on different types of lower-emission traffic fuels. They sell their products to B2C and B2B customers. Neste Oil employs approximately 5 000 people globally working in 15 different countries and had sales of 11.9 billion euros in the year 2010. [Neste Oil 2012]
Neste Oil’s history begins in 1948 but Neste Oil in its present format has been established in the year 2005. The history includes several separate companies, but has always been a significant player in the oil refinement business. Neste Oil pursues to deliver sustainable and ecological solutions for oil refinement and fuel industry. [Neste Oil 2012]

The brand of Neste Oil has been evolving even before the organization in its present format was established. Neste has a long history of over 60 years and the Neste brand in Finland has been familiar with B2C customers for quite a while. The year 2005 brought Neste Oil and the Neste brand also to B2B market. Before this breakpoint Neste was a product brand of Fortum’s brand portfolio and therefore as the name of the organization changed a new brand strategy had to be created. The initiation for branding came from the directors in the executive board which includes one member from Neste Oil’s marketing department. Brand is also a matter of the top executives at Neste Oil. [Tuomi 2012]

This shows that even from the early beginning Neste Oil had the leadership and appropriate processes in place for brand management. The existence of previous brands and branding in organization had formatted the organizational structure in a manner that the adoption of a new brand could be easier.

This study and the case study describes branding as a process but it should be remembered, as stated previously, that branding is not a strict process from step one to five. Instead, it should be seen as a continuum. The interviewee emphasized that Neste Oil does not see branding as a onetime event starting from 2005 and ending at some point, but as a continuous process that all the time tries to identify the needed corrections [Tuomi 2012]. The brand process is a treadmill running over and over again and at the same time continuously creating more brand equity.

The interviewee did not have a very clear image about the conducted research before the actual development of brand strategies. Neste Oil itself gathers great amounts of research data from its customers and about markets. The marketing department includes a team solely dedicated to researching the brand, customers and the market.
The knowledge from the previous branding experiences was also used in order to create a strong brand. [Tuomi 2012]

The knowledge gathered from the previous brand and research conducted on customers and markets are necessary to create a strong brand. It is safer to create strategies once the organization knows who they are and how they are seen. One aspect regarding the interview was forgotten when Neste Oil conducted its self-analysis. The executives were strongly involved but the internal analysis among the employees was not conducted. This could create an identity of the company that is not shared with the employees and the result would be a brand that is therefore not communicated to customers or external stakeholders.

Neste Oil has a monolithic corporate brand. The brand consists of two businesses, i.e. retail sales and oil and renewable products. The brand used to consist of several product brands but when the new brand strategy was planned it was seen more suitable to go with one corporate umbrella brand that would create more equity compared to product brand architecture. A corporate brand was seen as cost saving and as a trust of quality from the existing good identity of the Neste brand. The executives from Neste Oil did not see that the product brands would have created any additional equity for the Neste Oil brand and therefore decided to select the corporate brand strategy. The interviewee pointed out that in retrospection this was a good and wise decision. [Tuomi 2012]

It turns out that Neste Oil established brand architecture in the correct manner. The selection of the architecture should be done by selecting the model that creates most brand equity. The brand architecture modification was carried out with robust criteria and it paid off in the end. Even though the corporate brand model is used more in B2B market the product strategy is always a good choice when the product brands create additional brand equity for the corporate brand.

The interviewee saw positioning as the most important element of the brand strategy. The positioning process at Neste Oil includes usage of the self-analysis data and from that form the frame of reference and the POPs. These are then used to create brand vision which needs to be in accordance with the corporate strategy. The brand vision
stipulates what the brand is going to be in future and this can be achieved by the PODs that are incorporated into the process. PODs are used for the positioning and form the brand promise of Neste Oil. External communication uses positioning to create the messages and to fortify the brand in the minds of the customers. All of this is used to create a brand slogan and mantra which at Neste Oil is one message externally and internally: “Refining the future”. Neste Oil has additionally country specific customer and brand promises. The interviewee felt that the brand mantra is internally well understood and adopted. [Tuomi 2012]

Positioning cannot be overseen in any company and the process must be well taken care of. The process presented above follows roughly the theoretical process defined in this thesis – i.e. is frame of reference, POPs, PODs and brand mantra. PODs need to be acknowledged to gain an understanding of why this brand is better over another. In the case of Neste Oil the numerous customer and brand promises can confuse the employees. The organization should pursue one consistent promise to be able to show clearly how they differ. One clear promise creates more brand equity as the customer and employees have a clearer image of what the organization actually is and why they are the best at what they do.

To maximize the gained customer-based brand equity it is highly important to acknowledge the PODs of the company and not only globally but to adapt locally with local competitors. These points need to create added value to the customer and the organization needs to be able to reclaim the promises made to the customers. Neste Oil continuously listens and follows up on its customers to ensure that they fulfill the promises they’ve made and that they have the competitive advantage in every market they compete. [Tuomi 2012]

The interviewee explained that to create a strong brand the company needs to have consistent communication and by brand actions to redeem the promises the communication has made. Consistent communication needs to consider every touchpoint the organization has and even the tank truck driver needs to be educated to know the promises made. Neste Oil trains their staff to maximize the knowledge of their brand but unfortunately in an organization as large as Neste Oil it is hard to achieve high
level of brand knowledge. Branding is not only the business of the marketing department; the whole company needs to be aware of it. [Tuomi 2012]

This study presented earlier that a strong brand needs to be consistent in every touchpoint and be properly branded internally. Internal branding is crucial for creating a strong brand and it needs to involve the whole staff. Every employee of the organization needs to know the brand promise made to the customer to be able to redeem it. If they just do their job and do not fulfill the promise, the customer will more easily consider the competitor over the organization’s brand.

The brand management process at Neste Oil is seen as a continuous examination of the brand strategy and something that needs modification. The changes, big or small, are implemented to the brand strategy if needed but these have to be approved by Neste Oil’s executive board. The changes Neste Oil makes to its brand strategy are always customer oriented and are planned in a manner that increases brand equity. [Tuomi 2012]

In the opinion of the interviewee the revised model of the Keller’s CBBE pyramid is more suitable for their business. Neste Oil has achieved quite a high placement in the pyramid by redeeming its brand promise and increasing its awareness in the markets. They have achieved a good reputation among the customers but their salesmen relationships need perfecting in order to create more customer-based brand equity. The large size of the organization results in differences in the methods and quality of the customer relations, thus, they have achieved the second highest level of the pyramid. [Tuomi 2012]

The relationship between salesmen and customers is extremely important in the B2B market. The amount of customers is not very big and therefore needs proper nurturing to keep them. It is not enough to deliver the promise and qualitative product in today’s competitive world. Good relationship requires continuous care. The customer-based brand strategy changes can help to gain higher evaluation among customers if the salesmen listen to them and the brand develops in a manner that they would it like to develop. Neste Oil could easily climb up to the top of the pyramid if they could standardize the quality of their customer relationships because the other building blocks are
properly established. The following paragraph introduces Neste Oil’s way to research and audit its brand.

The goal of Neste Oil’s research is to create a deeper understanding of their customers. They continuously execute research dealing with customer experience, expectations and visions. They have additionally started to audit their brand to gain more knowledge of it. Neste Oil does not carry out audits or research for the sake of it. They analyze every research or audit carefully and use this information to modify their strategy. The changes made to brand strategy are carefully audited to achieve proactivity in the market. The audits include investors, media, customers etc. [Tuomi 2012]

According to the interviewee Neste Oil has strict processes concerning the research and audits but the conducted audits are missing one important aspect – the employees of the company. The study described earlier that they train their every employee when it comes to branding but according to the interview the knowledge of the brand inside the company is not researched. It is naturally crucial to audit the customers and other stakeholders in order to identify the future sources of brand equity but the study should also be conducted among the employees in order to figure out if the touchpoints’ promises are in line with the company’s strategies.

The values of Neste Oil stand for environmental friendly solutions. Neste Oil pursues to deliver the newest solutions to its customers before the competitors do and in this manner to protect their brand by new line extensions. They have managed to increase their brand equity because they deliver their brand promise and answer to the rapidly evolving needs of the customers which are researched. [Tuomi 2012]

The interviewee felt that a brand affects greatly the buying decisions of the customers. It is easier to gain new customers when the organization has achieved higher level of brand awareness and is known as a player. The single biggest benefit of branding is hard to name because every customer values different factors in a brand but every experience with the brand in corporate or civilian life affects the buying decision. The interviewee stated that when branding the brand should create additional value to the customer and this is the most important aspect that should be taken into consideration in branding. [Tuomi 2012]
Mrs. Tuomi stated as the five most important things in branding:

1. Understanding the Points-of-Differences and the relevance
   a. Competitive advantage
2. Communication of the brand promise
   a. Brand awareness
3. Redeeming the brand promise
   a. Internal and external communication of the brand strategy
4. Continuous research

4.4 Case Wärtsilä Oyj

Wärtsilä is the world’s leading complete lifecycle power solution provider in the marine and energy industries. It has three separate main business areas – ship power, power plants and services. Wärtsilä’s leading solutions maximize the efficiency of the vessels and power plants. Wärtsilä employed approximately 18 000 people globally and had sales of 4.2 billion euros in the year 2011. [Wärtsilä Oyj 2012]

The history of Wärtsilä dates back to the year 1834 when a saw mill was established in a small Finnish municipality Tohmajärvi. The saw mill changed ownership in 1898 and after that the company has been called Wärtsilä. Nowadays Wärtsilä pursues to create better technologies that create a greater benefit to both customer and to the environment. Continuous research and development are a crucial part of Wärtsilä’s business combined with global high quality, expert services. [Wärtsilä Oyj 2012]

The brand of Wärtsilä has revolved during its history but the company started concentrating on branding in 2005 by hiring their first brand manager. The brand manager was at some point overemployed as he was responsible for taking care of the whole marketing. This left the brand of Wärtsilä once again a bit drifting and without proper management. Nowadays the brand of Wärtsilä is in good hands as they have a brand board taking care of it and a CEO that is involved in branding. The state of the brand is not superior – it is known but people do not really know what Wärtsilä does. [Pohjan- niemi-Kivi 2012]

The most probable reason for not achieving high brand equity is the absence of brand management. The possible actions do not affect positively immediately as branding is a
long-term investment. An unmanaged brand cannot reach the stars – branding requires management and strategies.

Wärtsilä has three separate businesses: Power plants, ship power and services. The services unit provides maintenance services to the other businesses. Wärtsilä is seen traditionally as an engine manufacturer but due to past acquisitions and growth Wärtsilä has modified its core business to providing turnkey packages. Wärtsilä has created a POD between itself and its competitors with the services unit. It is a strong and growing business. Their values, eco-friendliness and responsibility, are in the center of their attention as they develop their business and create equity to customers. Wärtsilä offers its customers gas engines which are more economical and ecological. [Pohjanniem-Kivi 2012]

In the beginning, Wärtsilä did not provide its brand manager with time to discuss branding in the organization as he had so many other responsibilities. This resulted in a lack of rising brand equity. It is obvious that the time to discuss and develop is crucial for any brand to succeed. What can a man do if he does not have the time to do it? The managerial and time issues have now been fixed, however, by establishing the brand board.

The kick-off of Wärtsilä brand was established by the former CEO and the first part of the process was to gain knowledge about Wärtsilä and what it really is through self-analysis. The executives of Wärtsilä were active in the branding process in the start and they still are. The analysis was conducted only internally and included interviews and discussion sessions globally to find out what the employees truly thought about Wärtsilä and what it is. The next step of the brand building was to create the brand strategy. The findings of the analysis were used to create brand personality and message. The analysis produced two separate messages, i.e. a mantra “We are the doers – we make things happen” and an external message “We are the engine of the industry”. The external message was dropped after some time because it was misleading for the employees of Wärtsilä as the message focused on engine and the solution of Wärtsilä is turnkey packages. The problem emerged in general discussions. [Pohjanniem-Kivi 2012]
The positioning of brand strategy includes to a great extent the same values that have been around from the early beginning. The only change that came with the new strategy was to bring turnkey packages to ship power industry. The interviewee was not sure if this was due to brand development or a need for business growth. The architecture of Wärtsilä brand is a strict corporate brand structure. Customers can only see the one united corporate brand. The corporate brand has increased brand awareness in the power plants. The purpose is to strengthen the corporate brand and unite with businesses to be able to benefit from it. [Pohjanniemi-Kivi 2012]

The extra work for developing a misleading brand message might have been possibly avoided if the analysis would have been conducted for several target groups. The target group could have included also customers and competitors. A broader study creates more accurate information and can be used better. The competitor analysis could have shown what the current PODs and POPs are in the market – the frame of reference. This information could be then used to create more brand equity as the differentiation could be done according to the research. The customers would have brought also much needed information to the positioning process. The actual place of brand is in the mind of the customers and that is the place where brand equity is created. The architecture has helped to increase the awareness of the brand.

The next step of the actual branding process was the building of the brand. The point of this step was to clarify and crystallize what Wärtsilä is and to deliver the identity and differentiation to the world. Brand communication is only based on the truth. The touchpoints of the brand have been established but the actual realization has not taken place. The salesmen have been instructed but for example the servicemen do not have very clear instructions, they just go and do their best. Wärtsilä has conducted several internal branding campaigns in order to achieve higher recognition for the brand inside. The campaigns have been helpful but the previously mentioned “We are the engine of the industry” slogan was not understood despite the campaigns. The branding has changed the amount of awareness and according to the interviewee the most important thing in brand communication is to consider to what segment the communication is directed. The revised customer-based brand equity pyramid shows that the brand of Wärtsilä is still in its beginning stages. Brand awareness has not reached the state of deep understanding of the brand and is only well recognized in the ship power
industry. The interviewee found the revised version of the pyramid more suitable for Wärtsilä. [Pohjanniemi-Kivi 2012]

Brand building is a long term process and it needs proper nurturing. The Wärtsilä brand has had management issues during its branding history and therefore has not achieved higher brand equity. The touchpoints should be analyzed more carefully and make corrective action in order to create a more unified brand.

Wärtsilä has not conducted regular brand audits after the kick-off but they performed an audit in the fall of 2011. They have executed some kind of analyses but the interviewee herself has not taken part in these. The brand board decided to start a more frequent audit cycle for their brand and the newest one is a part of that. The recent audit included interviews with brand board members and a couple of key customers. The company’s executives did not consider an internal brand audit essential. The interview findings were developed into scenarios of Wärtsilä’s present and future positioning. These scenarios were introduced to approximately 50 customers and to company executives. The results showed that there are not that big differences between Wärtsilä’s and their customers’ opinions and the same values were seen suitable for every business. The results are not yet properly analyzed or implemented into strategies. [Pohjanniemi-Kivi 2012]

It is good that the brand board has noticed a need for regular auditing. To take correct actions and receive timely information is crucial to be able to manage the brand properly. A brand audit conducted every six years will not do the trick; brands require constant deep analyses to achieve high brand equity. The audit should be conducted also internally as it is an important aspect in branding to unify the message of the organization. Employees around the world feel differently about the brand and these opinions cannot be known without a brand audit.

Having thus explained the brand building process at Wärtsilä, the following will concentrate on long-term brand management.

Wärtsilä possesses different states of brand awareness depending on the industry. For instance, ship power is more known then power plants. But on the other hand in ship power industry customers do not usually know that Wärtsilä delivers turnkey packages
and not just motors. Wärtsilä has been a highly product centered company in history and even nowadays the turnkey attitude is not internally adopted properly. The organization has recently launched intensified marketing campaigns to raise the awareness of Wärtsilä and its selection. [Pohjanniemi-Kivi 2012]

The unknown brand problem has been introduced previously in this study. Christian Grönroos presented that the first solution should be a deep analysis of the problem and then, if needed, new or better and more effectively targeted marketing communication. The segments are already known but the problem is ignorance of the selection or unfamiliarity with the brand depending on the industry.

Wärtsilä is constantly maintaining its brand by product development and revealing line extensions. Eco-friendliness and fuel product development are the main strengths of Wärtsilä. High technology solutions are often seen as important in Wärtsilä’s customer satisfaction surveys. The continuous product development and communication has kept Wärtsilä brand developing and the brand board has not seen re-positioning needful. [Pohjanniemi-Kivi 2012]

Mrs. Pohjanniemi-Kivi felt that the three most important factors in B2B branding are

1. Internal branding, internal communication and commitment
2. Knowing what the organization is made of
   a. The brand must come from inside the company
3. External communication and its conformity

The customers’ reaction to brands does not vary a lot in the opinion of the interviewee. Every customer values different kind of factors, but brand has an effect on buying decisions. It should be remembered, however, that in B2B market the buying decision requires a great deal more than just a strong brand. Brand loyalty does not have such a big role in the B2B market but security plays an important role. [Pohjanniemi-Kivi 2012]

The findings of the interview provided support for the suggested framework. Wärtsilä has just started its branding and the action it has taken has been in accordance with the framework of this study. The process would require small adjustments according to
existing research to maximize the benefits of the branding. It is crucial not to forget at any point that the most important aspects are the customers and the employees. In this case internal branding has been seen as a problem and it should be taken care of in an appropriate manner as fast as possible to gain high brand equity.

4.5 Comparison

This part of the thesis compares the case studies between themselves. The differences and similarities are examined in order to find the practices of B2B brand management. The comparison is constructed in a similar manner with the framework and it exploits the organizations’ solutions for the steps, starting from the bottom of the framework.

The case studies have unveiled that every one of the studied organizations has a branding strategy but the process of brand management differs quite a lot. The differences found take place in every step of the process and it could be said that most of the case studies have evolved their brand during a long time period.

This study has stated earlier that it is more than important for a brand to be strong and that it has good and robust leadership all the time from the very beginning. The case studies revealed that every company studied had their executives onboard with the branding and the kick-off decision came from the top of the company. It could be said that in the case studies the planning phase of the framework and brand building was consistently well taken care of except in the early years of the Wärtsilä branding. This mistake of not allocating time for managers to develop the brand backfired in a way that the brand was not developed for several years and it was just left to float without an anchor.

In the case of Wärtsilä the interviewee felt that self-analysis was crucial in branding in order to know what the company stands for and what the customers think of it. On the other hand Mrs. Nilsson explained that the brand should only be built on self-awareness so as not to copy at all the competitors. The importance of the analysis is in not taking that big a risk in the creation of the strategy. Without the analysis the organization could create a strategy that only reflects the ideas of the executives and not the whole company and does not even properly fit the frame of reference. This said it
is also highly important to be different and differentiate in the market to gain competitive advantage.

The architecture findings of the case studies are in accordance with the theoretical study. All the case study organizations use corporate brand architecture and they saw it as the best solution to increase brand equity. The positioning process of KONE and Wärtsilä was not clear to the interviewees but generally it could be said that the companies mainly created positioning in a similar manner to what this study recommends. The findings from the case studies suggested that the companies approach positioning by clarifying to themselves the frame of reference, POPs, PODs and a brand mantra as suggested in the theoretical part. The organizations then selected the value promise in accordance with these findings. The actual process of positioning is unknown but the results are similar to the findings of this study. The importance of positioning in B2B branding was seen as a top five factor by 75% of the case studies. UPM Raflatac was the only one who only trusted their own vision of their positioning and in their case it also paid off.

The building of the brand in the case companies was conducted in a similar manner. All of them communicated their brand strategy to the consumers. None of them had any special framework as a support to map their success. A framework could help in brand building by identifying the next communication needs to create more brand equity. All of the interviewees felt that the revised model of Keller’s CBBE pyramid would be more suitable for their business. The interviews revealed that one of the most important aspects in brand building is that the brand strategy communicated to the customers’ needs to be closely in accordance with the business strategy. The problem found in the interviews was that none of the companies had all of their touchpoints in order to give consistent and strong brand experience. This decreases the creation of brand equity in every case study company.

The auditing in the case study companies probably reveals the most differences. All the organizations had a different approach, but all of them saw it as important in branding. It seems that the brand audits generally are not popular yet and are slowly finding their place in branding. Every company engaged in some research of their brand but normally as a part of another survey or something like that. Another aspect that the
case studies revealed was that the internal audits are not seen as important or at least are not conducted in the companies even though it is seen as important. KONE and UPM Raflatac have been conducting audits regularly but Wärtsilä and Neste Oil have conducted their first audit just recently. The cycle of the audits differs from annual to every second year.

The second ladder of the framework is brand management in the long-term. The case study revealed that the most common way of protecting a brand in the long-term is to innovate new solutions and create competitor PODs to POPs by line extensions or create new PODs to the market. All of the companies felt that they have had no need for repositioning during their existence but in the case of Wärtsilä the problem of communicating the new meaning of the company might just be it that they have not fully understood that they have repositioned themselves by shifting to turnkey projects.

The case study companies felt that they are proactive and gather enough different research data to react to the market. All of the companies stated that research is not conducted for the sake of research but to evolve with the market.

The interviewees felt that the categorization of the customer brand receptiveness is not that easy. They stated that every person sees brands differently and it is hard to categorize them. The importance of branding was seen generally highly important in the B2B business and they stated that it has an influence on the buyer’s decisions.

The interviews included a question about the most important factors in B2B brand management and the following list is combination of the four most mutual factors in random order:

- Internal branding
- Congruency
- Positioning and PODs
- Brand strategy in line with business strategy
4.6 Conclusion

The thesis has shown that according to the conducted four case studies the presented framework answers the research question. The interviews revealed, however, some points that have resulted as small modifications to the framework and the revised model is presented in figure 11. The steps that are highlighted with a red dashed line were seen as extremely important and the added touchpoints were found to be in a bad shape in the organizations.

The planning phase has been seen as generally important and the management of the company should be the ones who take the initiative to branding. Consistent and continuous leadership is required as the Wärtsilä case showed. The case studies put emphasis on the matter that the management should have time to discuss the branding process. In case where the management did not have the time needed the brand was left to float without any anchor and to sail without any direction. The decision of branding is not enough; it also needs continuous care and nurturing.

The interviews showed that the importance of brand strategy and connecting it to the business strategy is crucial. The brand strategy should extrude from the inside of the company – from the heart and the truth of the company. The brand building process of this thesis concentrated on the external building. The case studies pointed out the importance of internal building and how all of the touchpoints should be taken into consideration to maximize brand equity. The case study companies had no brand building framework in usage but the revised Keller’s pyramid was seen as suitable and could be used as guidance about which sector to invest in next in order to gain brand equity.

The internal auditing in the case organizations was not executed well, if at all. The importance of a consistent brand message was somehow neglected even though the interviewees saw the touchpoints and internal branding as highly essential. In general, audits should be conducted more frequently and consistently to gain more information about the sources of brand equity. The meaning of a brand audit is to find the gaps between customer, internal and other stakeholders’ sources of brand equity. If the sources are not researched the brand might not speak to the customers for example and thus the branding investments would have been a waste of money if not fixed.
The study presented three customer segments and how they respond to branding. The interviewees did not see very clear segments and mutually thought that every customer and buyer is a person and responds to brands differently. The customers are affected by the industry and need of data and therefore the segments were kept as a part of the framework. Organizations should carefully research their customers in order to identify the right type of brand information. Most of the case study companies work with huge projects that are very expensive and therefore their customers are mostly brand receptive as they are looking for a trustworthy manufacturer.

Mrs. Tuomi especially emphasized that branding should not be thought of as a one-time process and as this study has presented the process should be continuous and more like a cycle. The development should happen as a part of the brand management process and when an audit is conducted the planning should start again. But to gain brand equity, continuous brand development is not enough. The companies need to be innovative and create line extensions etc. The continuous growth and increase of brand equity can only be gained by proactiveness in the market.
The findings of the study are highly similar to Kevin Lane Keller’s six key guidelines for B2B branding. The six guidelines are presented in Table 2.

**Table 2. Six key B2B branding guidelines [Keller 2009a: 15]**

1. Ensure the entire organization understands and supports branding and brand management

2. Adopt a corporate branding strategy if possible and create a well-defined brand hierarchy

3. Frame value perceptions

4. Link relevant non-product-related brand associations

5. Find relevant emotional associations for the brand

6. Segment customers carefully and develop tailored marketing programs
5 Summary

This thesis covered the theory of brand management in a B2B context from a relational perspective and how this is practiced in four well-known Finnish corporations in four different industries. The brand management in B2B organizations is often underrated and this thesis was carried out to find best practices of B2B brand management.

The main objective and the research question was to concentrate on how B2B organizations can manage their brand equity in the long-term and to find out how the management is conducted in four Finnish corporations. The theoretical framework suggested in the thesis gives a robust framework for B2B brand management. The framework was reflected against the brand management practices of UPM Raflatac Oy, KONE Oyj, Neste Oil Oyj and Wärtsilä Oyj. The thesis discovered that there are huge differences between brand management practices in the case companies but all of the companies managed their brand in some accordance with the framework suggested in the thesis.

The thesis writing process consisted of two major phases which are the analyzing of the existing studies to reveal the brand management theories and the second phase was to conduct four interviews in the previously mentioned Finnish organizations. The first step included a deep analysis of large amount of existing studies researched by well-known branding gurus from suitable sources. After these steps were completed, the information was compared to each other to find best practices.

This thesis shows that brand management in a B2B context cannot be left sailing on its own and that it needs proper management in organizations. Secondly, this thesis shows that brand management is crucial for B2B as it is for B2C organizations and that it has an effect on B2B buyers and buying centers. The next section proposes some practical guidelines to the executives.

5.1 Practical guidelines

This section provides information on B2B brand management and proposes some practical guidelines for executives. The actual guidelines are presented in table 3 and are more deeply illuminated in the conclusions of the study. Table 3 presents five guide-
lines of B2B brand management and these in particular should be properly taken care of according to the theoretical research and the conducted case studies.

Table 3. Practical guidelines of this thesis.

<table>
<thead>
<tr>
<th>Step</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning</td>
<td>The importance of management and time for branding cannot be neglected. Organizations that decide to brand need to have the management’s commitment and the brand managers need to have time to manage the brand.</td>
</tr>
<tr>
<td>Strategy</td>
<td>The brand strategy needs to be in line with business strategy. The brand strategy and especially positioning must be properly considered as it gives the position for the company in the minds of the customers.</td>
</tr>
<tr>
<td>Building</td>
<td>The revised model of Keller’s CBBE pyramid should be used to identify the target of brand investments. None of the companies had any model as a help in the building process.</td>
</tr>
<tr>
<td>Audit</td>
<td>Internal and external audits should be conducted at least annually and after every major brand change. This way the effects of branding can be measured and therefore managed. The internal audits can help to unite the communication in every touchpoint as the audit reveals the differences and sources of brand equity.</td>
</tr>
<tr>
<td>Process cycle</td>
<td>Continuous cycle management with development and innovation. Brand management is a continuous process that goes around and around, it does not stop at any point.</td>
</tr>
</tbody>
</table>

These five guidelines should be considered with the framework presented in this thesis. The five points are not enough to create a strong brand but according to the interviews these points are crucial for a strong brand.

5.2 Evaluation

The theoretical framework is based on recent literature and studies from trustworthy sources. Thus the gathered data is reliable and the conducted case studies showed that the model is more or less in usage at the organizations. This thesis can be used as a practical guideline for branding in a B2B organization. The study could be continued
by conducting wider case company analyses within different industries. The case companies’ industries were quite similar and additional research should be conducted within different industries to prove the suitability of the framework. Another benefitting aspect of a future research could be the protection phase of the suggested framework. None of the case companies discussed in this thesis had had serious problems with their brands and had therefore not taken major remedial action.
References


Interview questions

General information
Interviewee:
Title:
Date:

How B2B organizations can manage brand equity in long-term?

What branding in B2B context means?

How can brand equity be managed and increased in long-term?

How your brand has been built and what were the steps in the building process? How did you take into consideration increment of customer-based brand equity in your process?

How have you managed your brand equity to ensure high brand equity in the future?

How important do your customers see the brand equity in buying situations and do you think that it has an effect to the decisions of the buying centers?
What are the five most important matters in the creation of B2B brand?

1.
2.
3.
4.
5.

Other thoughts about brand equity, brand building or branding in B2B context that came to your mind during the interview?