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# The effect of brand on customer purchases in the business-to-business market: a case study of Boyang Co. Ltd, China

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## The effect of brand on customer purchases in the business-to-business market: a case study of Boyang Co. Ltd, China

Zhang Chenchen  
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In the 21st century, competition between companies can be intense particularly in the unstable markets of the world. The customer plays an important role in the survival of a company. The customer's behavior is affected by the company's brand and the customer's purchasing decision in turn can restrict the brand.

The purpose of this study is to examine brand as a factor affecting customer behavior in the B2B market. A case company, Boyang Co.Ltd, is used as an example to investigate whether their brand affects their customer's behavior. This study will identify the links between the brand and the customer.

The theoretical background of this study focuses on relevant areas of marketing management, such as business-to-business customer behavior, business-to-business customer decision processes, brand building, brand loyalty, brand image, brand equity and brand positioning.

The empirical study of the thesis was accomplished through quantitative and qualitative research methods, which involved a video interview and a questionnaire. The questions were based on the theoretical study of customer behavior and the decision making processes, brand image and brand loyalty. All the data was gathered by e-mail.

The research result in conclusion is presented in the form of effective suggestions for the company to survive in the B2B market and to discover the effect of the brand on the customer buying behavior.

Key words: customer buying in B2B market, brand build, brand image, brand loyalty, brand positioning

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# 1 Introduction

## 1.1 Background of the study

In the business to consumer (B2C) market, branding is an important issue. Whether it is a low-priced but low-quality brand or a high-priced but good-quality brand, how a company wants to portray its image and mission in the customers' perspective will affect the buyers' decision. Prices, trends or personal preferences are factors that company should consider in brand building. (Kolter & Pfoertsch 2006)

In the old B2B market, customers tended to have rational and unemotional buying processes which were not easily affected by brand. However, branding has become an essential aspect that can have an influence on the product design, profit of the company and the customer buying behaviour. A brand, in the current intensive market, is no longer just a symbol or a package design but rather an asset to a company. A trusted brand is a guarantee to its customer for good quality at a suitable price (Kolter & Pfoertsch 2006).

Boyang Co.,Ltd., - the case company, is a car component producers specializing in supplying spare parts. The main customers of the company are B2B customers - car producers. In the past few years, the number of the Boyang's competitors has increased steadily and the new competitors are trying to lower their prices to attract customers. Boyang leaders, however, believe that quality is the most important factor in the car industry and lower prices lead to lower quality. Therefore, despite the low prices offered by others, Boyang focuses on building their image as a high-quality brand in the customers' mind rather than keeping their prices the same as others. The purpose of the study is to assist the company in discovering the effect of the brand on customer buying behavior and how to raise the competitiveness by brand building.

## 1.2 Case company

Boyang is a producer of car spare parts. The main office is located at the foot of Wudang Mountain which is a shrine to Taoism, in Shiyan, Hubei, China. It was founded in 2000 with 70 employees, of which 20 are engineers, 15 are senior engineers and 35 are technicians. Boyang is a medium sized company with an annual profit of approximately 100,000 euros. The main products of Boyang are: auto stamping dies, checking fixtures, auto master model, auto components and die standard parts. In

recent years, Boyang has started an intense competition with new companies as the market of car producing is developing rapidly.

Boyang has offered dies for several famous car producers such as DFM, Dongfeng-citroen Motor, Dongfeng-Honda Motor, Jiangling Motor, Qingling Motor, Sichuan Toyota, and Shanghai Volkswagen.

### 1.3 The purpose of the thesis

The purpose of the thesis is to identify the effect of brand on customer buying behaviors by using quantitative and qualitative methods. Although Boyang has been operating for 13 years, they still lack experience in retaining their customers. In the thesis, the goal is to help them to identify the link between the brand and customer buying behavior. The conclusion will show the result that the relationship between the brand and customer buying behavior in B2B market and propose suggestions for Boyang of how to retain customers.

### 1.4 Research approach

The main target of the thesis is to identify the link between the brand and customer buying behavior in B2B market. Both quantitative and qualitative methods, which include a video interview and a questionnaire, are used in the research. The target respondents for the questionnaire are managers in the motor or car producing companies. For the video interviews, the interviewees are managers from chosen motor producing companies. All the questions in the questionnaire and interview are created basing on the objective of the thesis.

### 1.5 Theoretical approach

There will be two parts in the thesis which focus on the business to business customer behavior and branding.

In the business to business market (B2B market) part, the concept of B2B market, differences between B2B and B2C market, characteristics of customer behaviors, B2B customer decision processes will be introduced.

The section on branding contains definitions about brand loyalty, brand image, brand equity and brand position. A brief description of the brand building processes in the B2B market is also included.

## 1.6 Framework of the thesis

The first chapter includes the introduction, background information, case company information, the purpose and objective of the thesis, and research methods.

Chapter 2 presents the theoretical section which focuses mainly on the definition of B2B market, characteristics of B2B customer buying behavior, B2B customer decision-making processes, brand loyalty, brand image and brand position. There will be also a brief description of brand building processes in B2B market. All the definitions are based on the books.

Chapter 3 introduces the main research methods used in the thesis.

In the empirical chapter, there are information about the case company and questions of video interview of the managers. The analysis of the research is also included.

The next chapter is the findings and recommendations. The findings are based on the results of the questionnaire and the video interview and recommendation are based on the theories in chapter 2.

The last chapter is the summary of the whole thesis

Figure 1 describes the structure of the thesis.

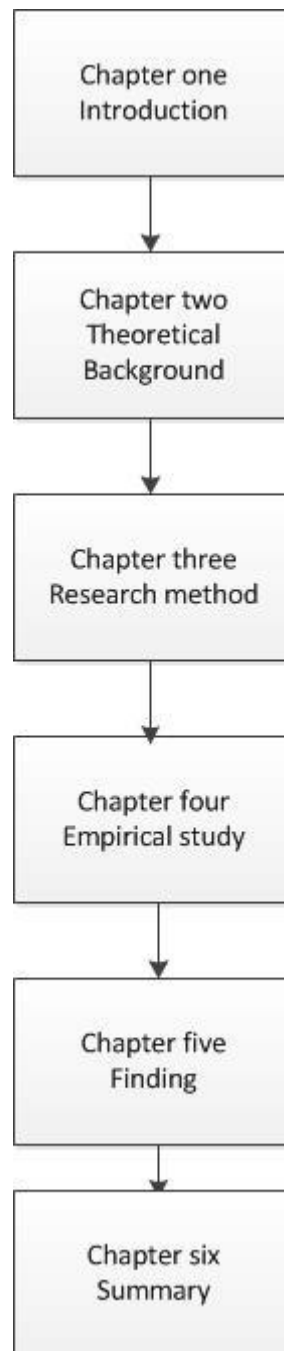


Figure 1: Framework of the thesis

## 2 Theoretical background

The base of the thesis will be the theoretical section, which consist of all the theories concerned the research. This part aimed at making full understanding about the idea of the thesis and the definitions which will be helpful for the experiential study in the future.



## 2.1 Business to business marketing

A simple definition of B2B market is that one organization selling to another organization products or services for own use or to sell on to other organization for own use (Ray 2004, 4). Vitale (2002, 5) also stated that B2B market is the process of matching and combing the supplier capabilities with the desired outcomes of the customers to create value for customers of both organizations (Vitale & Giglierano 2002, 5).

Hutt(2010,4) had also mentioned his understanding of B2B market as a market for product and services, local to international bought by business, government bodies, and institutions for a corporation, for consumption, for use or for resale(Hutt & Seh 2010,4)

Literally, B2B market is a term that is used to describe the marketing of any kind of organization which has exchanged relationship with other organizations or business (Turnbull 1994). Turnbull (1994) defined B2B marketing as a focus on building relationship, which is similar to Kotler's definition: "Cultivating the right relationship with business is paramount for any holistic programme."To improve effectiveness and efficiency, business suppliers and customers should have a closer relationship. (Koter & Kevin & Brady & Godman & Hanse 2009, 287)

### ***Type of business to business customers***

Sally (2001, 43) defined B2B market as a marketing activity targeting other organization rather than end-user consumers. He pointed out that an organization B2B market is made up of individuals or groups that purchase a specific type of product for re-sale, for use in making other products, or for their use in daily operations. Raw materials, major equipment, component parts, accessory equipment's and supplies, process materials and business services are the common products in B2B market.(Sally 2001,217)

Kotler (2009,268) mentioned that B2B market consists of all the organizations that acquire goods and services used in the production of other products or service that are sold, rented or supplied to others. Examples for industries are pointed out: agriculture, forestry and fisheries; mining; manufacturing;construction;transportations;communications;public utilities; baking and finance and insurance and distribution and services (Kotler 2009,268)

Figure 2 illustrates different types of B2B customers according to Ellis (2011).

For the commercial customers, there are distributors, original equipment manufacturer, user organization and retailers. Distributors are known as intermediaries. Original equipment manufacturers are firms that purchase materials or parts that they make into products that are marketed, often with the manufacturer’s brand name, to their customers. Users are organizations who buy goods and service to support their production process. Retailers are people who purchase goods to sell to consumers.

The second type is institutional customers. Bureaucratic procedures are involved in this kind of customer type, such as universities.

The third type of the customers is government organization. Different governments have different political priorities which could reflect on their health, education, and the military .B2B marketers could pay more attention to this part. (Ellis 2011 33-36)

“B2B customers are other organizations and not end-user consumers: manufactures; channel members such as retailers, wholesalers, agents, brokers, distributors and dealers; public sector bodies; not-for-profit organizations; other companies or government departments. Surviving in an intensive B2B market, the companies need to know well about their customers-the organizations buying behaviors. More and more business is now practicing market segmentation, based on customer need and customer buying behavior.” (Sally 2001, 217)

Commercial	Institutional	Governmental
<ul style="list-style-type: none"> <li>• Distributors</li> <li>• OEMs</li> <li>• User Organization</li> <li>• Retailers</li> </ul>	<ul style="list-style-type: none"> <li>• Government-related(hospitals,universities)</li> <li>• NFP organizations,charities,churches</li> </ul>	<ul style="list-style-type: none"> <li>• Health</li> <li>• Education</li> <li>• Military</li> <li>• Transportation</li> <li>• Civil service</li> </ul>

Figure 2: Type of business to business customers

Source: Ellis 2011 33-36

## 2.2 Business to business customer buying processes

B2B market is small and focused compared with B2C market. The company has less wiggle room in a small and focused market and at the same time they are required to stay within that focused target market. However, a good knowledge of marketing message and customer buying processes will offer the company opportunities to survive in the smaller and more concentrated market (Laura 2009).

At present B2B buying processes tries to follow the consumer buying processes, but a right supplier stand for an important position in the buying processes. B2B buying processes are a more formal process because of the risks and different decision makers in buying centers (Sally 2001, 217).

“Buying center is a collection of individuals with a stake in the buying decision, individuals who contribute to the final purchase decision. Members of the buying center determine, within their own specialties, the organization’s needs and the methods the organization uses to satisfy them”. There could be changes in buying center which depend on the complexity of the need (Vitale & Giglierano 2002, 62)

In a buying center, there will be a number of staff. Each of the staff will have different responsibilities and motivation for buying and choosing one firm rather than another. Organization will normally have a stereotype view of how decisions are made by their customers (Isobe & Robin 2005, 268).

Kotler (2009, 274) also mentioned buying center in his book which is a decision-making unit of a buying organizations. There will be seven roles in the buying center which are initiators, users, influencers, deciders, approvers, buyers and gatekeepers. People who participate in the purchasing decision making process could be one of the roles. Initiators are persons who request what are needed to be purchased. Users are persons who will use the products. They will help to define the product requirement in the buying processes. Influencers are people who affect the buying decision and help to define specification and provide information for evaluating alternatives. Technical personnel are particular important influencers. Deciders will decide on product requirements or on suppliers. Approvers will authorize the proposed actions of deciders or buyers. Buyers will have formal authority

to select the supplier and arrange the purchase terms. They could help to shape product specifications and to select vendors and negotiation. The buyers could be the high-level managers in the company. Gatekeepers have power to prevent sellers or information from reaching members of the buying center (Kolter 2009, 274). Figure 3 show the potential members in the buying center.

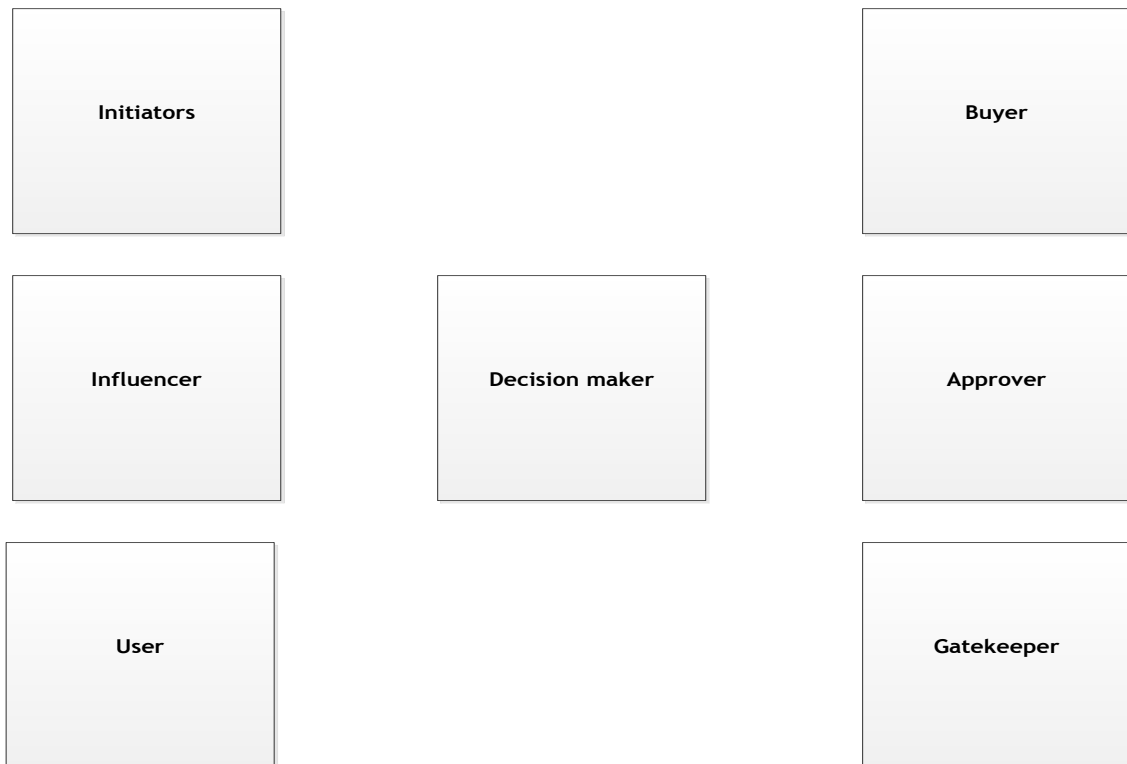


Figure 3 : Potential members in buying center

Source: Kolter 2009, 274

Hutt has mentioned the same things in his book about the buying center and he simplified it in the following table. Table 1 represents an example of the involvement of buying center participants at different stages of the procurement process for medical suppliers. This example could show the roles in the buying center clearly (Hutt & Speh 2010, 78-80)

Buying center participants	Identification of Need	Establishment of Objectives	Identification and evaluation of buying alternatives	Selection of suppliers
Physicians	High	High	High	High
Nursing	Low	High	High	Low
Administration	Moderate	Moderate	Moderate	High
Engineering	Low	Moderate	Moderate	Low
Purchasing	Low	Low	Low	Moderate

Table 1: Stage of procurement process for a medical supplier

Source: Hutt&Speh 2010, 78-80

In B2B market, there will be three buying situation: a new-task buying situation, a straight re-buy situation and a modified re-buy situation, which decide the buying process in the B2B market. A new-buy situation happened when a firm purchases a product for the first time. New-buy is the most time-consuming situation to both the buyer and seller. As for a complex product, there will be more vendors and products to be considered by the customers. For new-buy situation, all the stages will be gone through by the buying center. A straight re-buy situation is a situation in which a customer buys the same product in the same quantities from the same vendors. Under this situation, post-purchase evaluation will be skipped. A modified re-buy situation is the situation when a company wants to buy the same type of product it has in the past but make some modification on it such as different quantities, packaging or delivery (Jeff & Mary 2010, 89-96). Figure 4 shows the detail stage of buying processes.

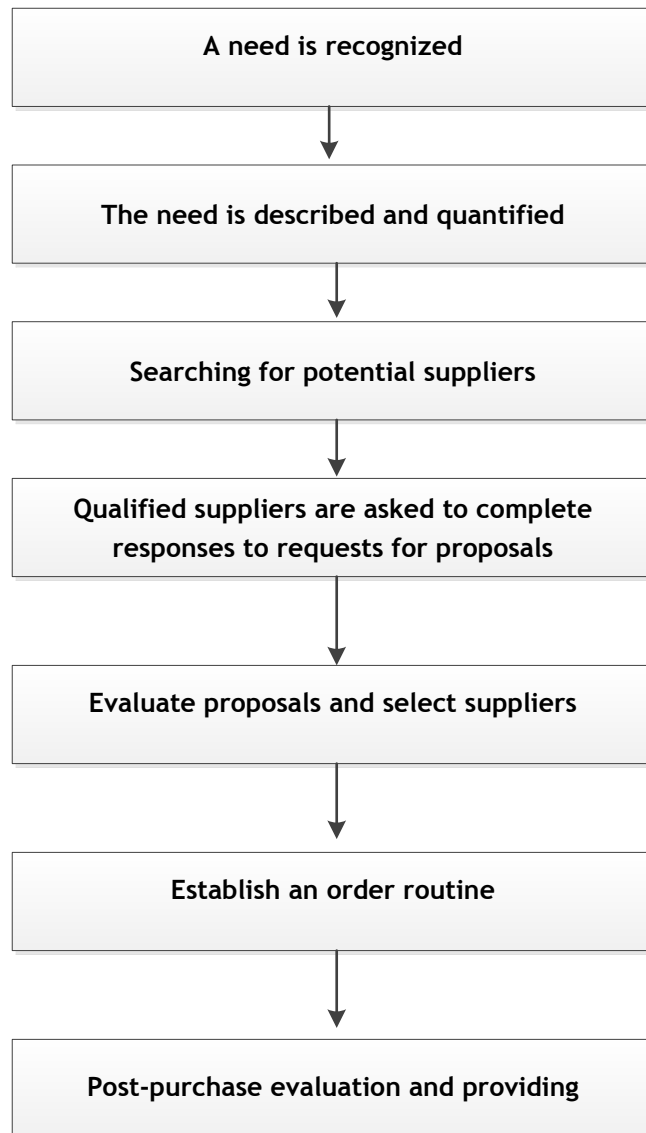


Figure 4 : Stages in business buying processes

Source: Jeff & Mary 2010, 89-96

The first step of buying processes is to recognize the need of the company. Users are often the person who finds out the need which may help the organization to solve their current problems (Jeff & Mary 2010, 89-96)

Next step is to quantify the need. The people in buying center will gather together to make the decisions about what needs should be purchased. The users and influencers in buying center will play an important role in this stage and describe the reason why the identified needs are suitable and, therefore, should be purchased (Jeff & Mary 2010, 89-96)

In the third stage, persons who are involved in the buying center will try to seek for information about the product they need and also the suppliers who can offer this product. Purchasing agents will play an important role in deciding the vendors. While buyers also find information from other medias, such as newspapers or internet (Jeff & Mary 2010, 89-96)

The fourth stage is like bidding. Each of the vendors will offer their own proposal to supply the products. The proposal could include the price, quality and deliver time. The most important thing in the proposal is that the vendor should take the buyer's problem into consideration. Vendors will present their products to people in the buying center (Jeff & Mary 2010, 89-96)

During the fifth stage, all the proposals and vendors will be reviewed by the buying center. Different companies will have different criteria to choose the best vendor; most of companies will take the real situation into account. There is also a score card approach to help company to rate the request for proposals. In order to avoid situation such as bad quality of products or late delivery, company prefers to do business with more than one supplier (Jeff& Mary 2010, 89-96)

The sixth stage is the stage in which the actual order is put together. The order includes the agreed-upon price, quantities and expected time of delivery, return policies, warranties and any other terms of negotiation. This order could be different type of orders and it could be a long term cooperation or short term relationship (Jeff & Mary 2010, 89-96)

The final stage is similar to that of the buying processes in B2C marketing. Company wants to get feedback from their customers, even the customers are not individuals. The buying unit might survey users of the products to see how satisfied they were with it. Buyers will have different ways to evaluate suppliers (Jeff & Mary 2010, 89-96)

### 2.3 Characteristics of business to business customer buying

A customer operating in an organizational environment can differ from the individual customer in a number of ways: B2B customers generally go through a more complex buying processes and their purchase maybe infrequent or one-offs; B2B customers will postpone the decision to buy the products and the demand for products and services is derived from their clients and the end users. Traditionally B2B customers have been highly concentrated on either geographically or industrial sector. On the

other hand, lead and delivery times are of paramount importance in B2B customer buying (Isobe & Robin 2005, 66)

B2B customers are manufactures or intermediaries who want to add value to the products or sell it on to the next link in the supply chain. This kind of customers will consider the following factors when they buy products: delivery time, ordering convenience, reliability and frequency of supply, product quality and the relationship with the suppliers. According to their buying behavior, Isobe & Robin has listed some characteristics: First, they are active participants in the buying processes; the process is one of the active negotiations on both sides which are different form individual customers. As individual customers impulse purchase or purchase made in response to aggressive advertising. Second, B2B customers prefer long term relationship with their suppliers (Isobe & Robin 2005, 66)

Vitale (2002, 63) had also summarized some characteristics of B2B customer buying: First, there will be more decision makers and distributors to portions of the decisions. No single person could make the decision during the buying processes. Second, people in buying center are professional in some field and they will focus on the real need of the organization which is not affected by personal likes or dislikes. Third, different types of decisions are often occur simultaneously in the process and spread throughout the buying organizations (Vitale & Giglierano 2002, 63)

Because of the size of B2B market and its globalization, B2B market will concentrate on the buyer power and the nature of demand more. (Ellis 2011, 15-16) Table 2 contains the characteristics of B2B customer buying that are concluded by Ellis. B2B customers purchase products for three aspects: first, purchase for further production; second, B2B buyers purchase for use in firm's operations; third, buyers want to resale to other customers (Ellis 2011, 16)



Behaviors & Characteristics	Business to business buying
Number of buyers	Normally small
Size of orders	Large
Value of orders	Normally high
Evaluating criteria	<u>Price, value, utility</u>
Purchase initiation	Normally others
Level of risk	Medium to high
Complexity of decision	Medium to high
Information search	Medium to high

Table 2 : Characteristics of business to business customer buying

Source: Ellis 2011, 16

Ray (2006, 443) wrote that B2B customers will be more rational and more professional. As B2B buyers purchase goods or services for organizations considering more about profit and functions. B2B buyers are more professional as they need to get benefit from the products or services which put pressure on the suppliers requiring them to have intense knowledge about their customer's functional needs and wants (Ray 2006, 443). B2B customers need to take more factors into account because of the limit of suppliers and importance on the products and large amount of money running (Ray 2006, 456)

Kolter (2002, 223) pointed out that B2B buyers will be influenced by economic and social factors during their buying processes. Morris (2001) also stated that there is a considerable social dimension to all organizations because they consist of people who have different background, personality, attitudes. Considering economic factors, Morris (2011) claims that the goods and services that an organization purchased are likely to directly influence the day-to-day operations and economic health of the enterprise. The fact is that a bad purchasing decision can lead to disruptions or stoppages in operation, declining product quality, slowdown in distributions, dissatisfied end customers and wasted resources. In a word, economic factor has a big influence on purchasing decision which could be an opportunity for the B2B marketers (Morris 2001).

Hutt (2007, 69-82) had summarized four different forces affect the B2B market buying in Figure 5 (Hutt & Seh 2007, 69-82)

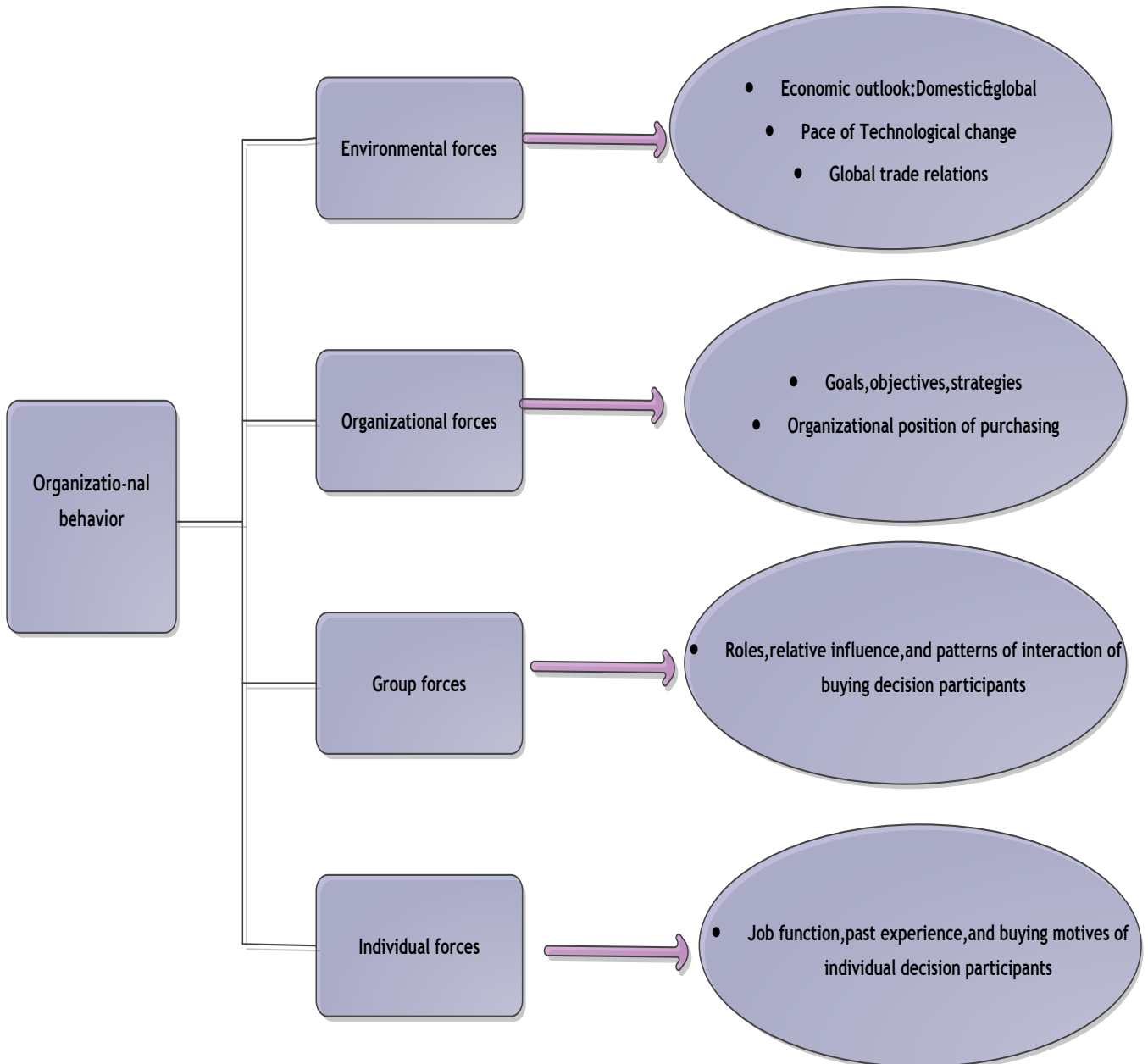


Figure 5 : Different forces to influence organizational behavior

Source: Hutt & Seh 2007, 69-82

The first one is environmental forces. Environmental forces include economic, political, legal and technological factors because of the technological development or a new piece of legislation. All

above factors, especially economic and technological, or changes will affect the buyers' plan, which the marketer should pay attention to. (Hutt & Seh 2007, 69-82)

The second one is organizational forces. "An understanding of the buying organization is based on its strategic priorities, the role of purchasing in the executive hierarchy, and the firm's competitive challenges" (Hutt&Speh 2007, 69-82). These forces could include the centralization of procurement centralization or decentralization of the buying organization. (Hutt & Seh 2007, 69-82)

The third one is group forces. In B2B buying process, the buying decision will be made by the buying center consisting of individuals. People in the buying center are from different backgrounds and have different preferences. This factor is similar to Morris's (2011) social factor. Defining the core persons in the buying center is important for the marketers. (Hutt & Seh 2007, 69-82)

The last one is individual forces. Individuals are who will make decisions in the B2B buying processes; each of them will have a unique personality. According to Hutt (2007, 69-82), organizational members who perceive that they have an important personal stake in the buying decision participate more forcefully in the decision process than their colleagues. The marketers need to consider individual perceptions of the buying situation (Hutt & Seh 2007, 69-82).

## 2.4 Brand

Brand is a name which is given to a particular product or is used to distinguish the product or service from others. It is a sustained effort by the company to fulfil the customer's goodwill accumulated during the lifetime of the products or services. Different brands will focus on different ways to broadcast or to test the customer's loyalty. Louis Vuitton, BMW, Vodafone, PlayStation and Ritz Carlton are the brands which command a price premium and elicit deep customer loyalty. New companies will focus on how to capture the imagination of customers and try to become the major brands, such as Google, Innocent, Red Bull and Zara. The rest of the brands will try to penetrate the market share and brand loyalty in a low price and low service, such as Ryanair, Aldi and Lidl (Kotler 2009, 422)

### 2.4.1 Brand concept

According to the American Marketing Association (AMA), brand is a "name, term, sign, symbol, or design, or a combination of them, intend to identify the goods and service of one seller or group of sellers and

to differentiate them from those of competition. "For anyone, who has created a new name, logo, or symbol for a new product or service, he could be said to have a brand or create a brand (Kevin 2008, 1)

Meanwhile the Chartered Institute of Marketing (UK) stated brand as "a symbol which could represent the customer's experience with an organization, product or service, it is a product or service whose dimensions differentiate it in some way from other products or services designed to satisfy the same needs. Brand could be viewed as a holistic, emotional and intangible experience or both. It could even be strong enough to evoke feelings of belonging, love and affection."(Kotler 2009, 423)

Different experts will come up with their own definition or nuance to the definition about brand. Kapferer(2012) has summarized two ways to define brand, one is from the customer based definition and another one is aimed at producing measures in dollars, euros or RMB. (Kapferer 2012, 3)

For the customer based definition, it is a financial approach. It measures brand as value by isolating net additional cash flows created by the brand. The additional cash flows come from the willingness of the customer to buy the brand more than its competitors regardless of the price. This is a financial way to define brand as brand has created assets in the minds and hearts of the customers, distributors or even the leaders. In this way, brand is a "set of mental associations, held by the customers who also add the value to the products. All of these associations are unique, strong and positive."(Kapferer 2012, 7)

Another definition is aimed at producing measures in dollars, euros or RMB. For this way, it comes out with the legal definition that brand is a "sign or set of signs certifying the origin of a product or service and differentiating it from the competition". (Kapferer 2012, 7)

Kevin(2008, 5) defined brand as a promise and the whole perception--whatever an individual sees, reads, knows, hears, feels, thinks and so on in a simple way. Brand is a promise to the customers about the products, the service or even the business. It should be connected to the customers' needs; it should be suitable and meaningful with the market. (Kevin 2008, 5)

For B2B brand, it is not a new invention as there have been a lot of known brands which has been hundred years. Examples can be found in Table 3:

<p>Saint-Gobain (1665), Siemens (1847), Bosch (1886), General Electric (1894), Goodyear (1898),</p>	<p>Daimler (1901), General Motors (1908), UPS (1913), IBM (1924), Caterpillar (1925), Hewlett-Packard (1939), Tetra Pad (1951), FedEx (1973), Microsoft (1975)</p>
---	--

Table 3 : Business to business brand

Source: Kotler2006, 50

Kapferer (2012, 7) has defined that brand is an asset, for both the company and the customer. Once a brand being created, it will be the most important asset for the company and it will be the emotional bridge between the customer and the company. At the same time, it will bring the company business and it is the reasons for the company to be successful. Understanding the definition of a brand and the role of a brand in the market has become an important thing for the business and the company. Figure 6 has summarized the role of brand in B2B market. (Kotler 2006, 51)

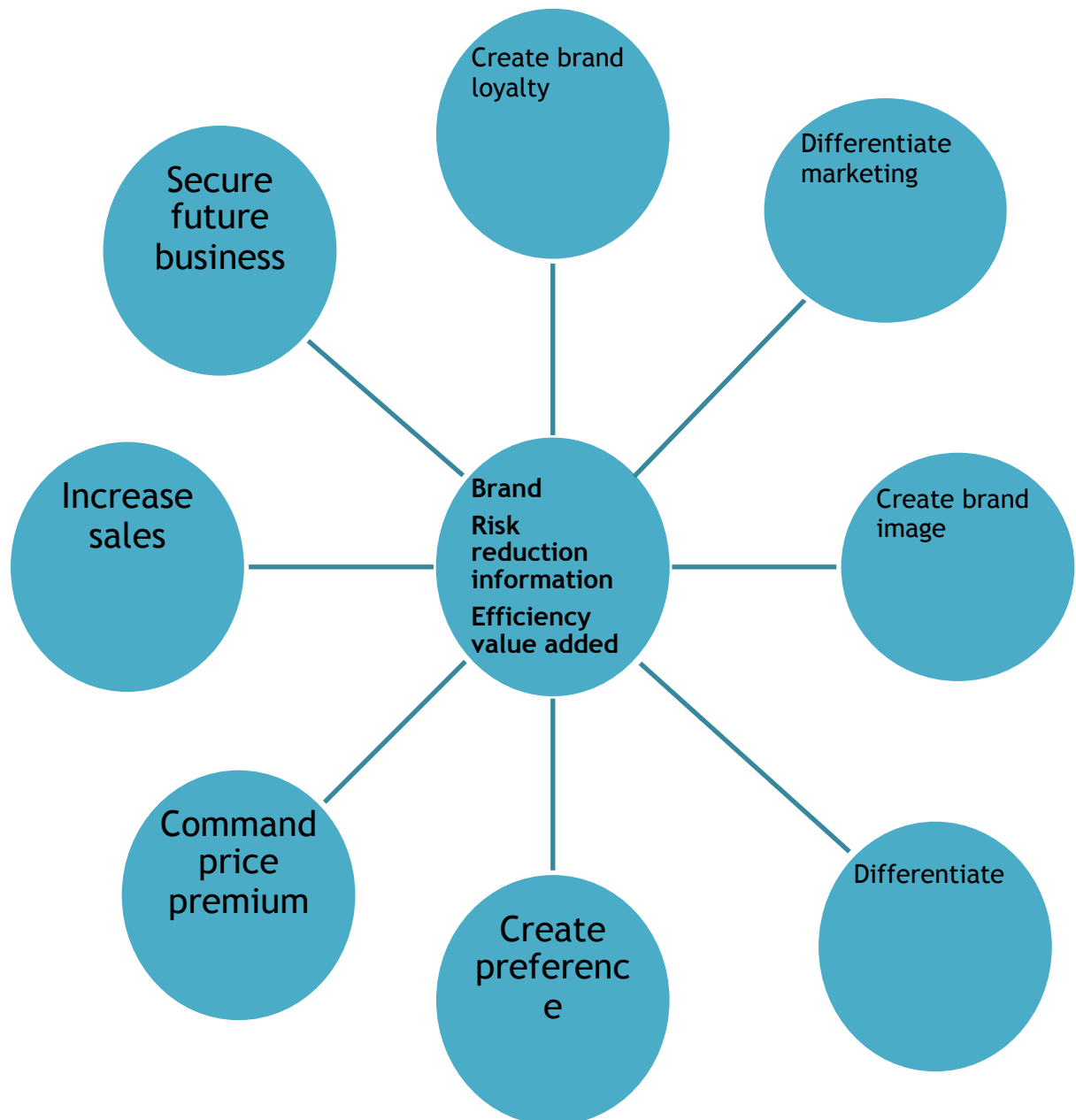


Figure 6 : The role of Business to business brand

Source: Kotler 2006, 52

#### 2.4.2 Branding process and concept

Many managers are aware of the power of branding as a successful branding process will lead to greater business success. But it might take hundred years for the company to build a top brand. Nowadays, there are also some companies taking decades to accomplish to build a known brand. However, the company prefers to build a known brand global in a sustained period of time rather than

to build a known brand temporarily. For achieving the goal, the company needs to have a hard and consistent work. At the same time, the company needs to pay attention to the surrounding conditions, competition and technology. According to Kotler, five steps needs to be taken in building a successful brand, which are brand planning, brand analysis, brand strategy, brand building and brand audit. (Kotler & Pfoertsch 2001, 157-160)

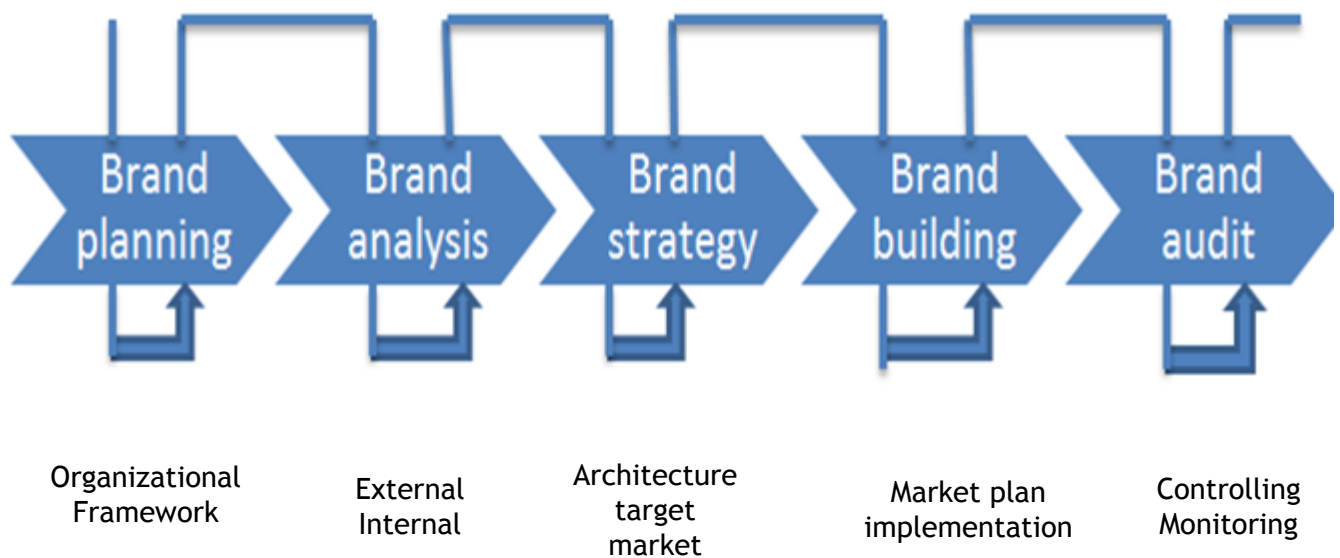


Figure 7: Brand building process

Source: Kotler & Pfoertsch 2006, 106

### ***Brand planning***

For most of the brands, they could not reach their full potential as most of the company focus on the marketing, sales or strategy plan rather than branding plan. To have a successful business and a good brand, the marketer should know how to keep the balance between continuity and involvement in brand planning. It will not happen overnight for a big brand changes, for this way, gradual process overtime should be prepared well for keeping the brand planning in the business plan. There are six steps should be focused during the brand planning: The first step is to build a climate of ongoing change. Next, the marketer should have a process of delivery timely information in which strong or weak opportunities or threats about the brand position and brand identity. The third step is to develop procedures for rapid breakthrough planning. This procedure could base on the profound analysis of the brand. By the following step is to have standard formats of communication brand plans and changes. This process could help the marketers to identify the known and unknown road blocks. Having a strong implementation processes is the next step that the marketers should pay attention to. In this step, the marketers should have a brand program which will include all other brand's activities

currently or future which will help to assume the rollout and long term management of the brand. The last thing is to involve everyone in the planning. Most brands fail because only a small number of people joining in the planning. However, a few branding principles should be considered when the marketers making the brand plan. The most important rule in B2B marketing is that the brand plan should be consistent. Consistency is necessary for all the dimensions in the brand plan and clarity is the second principle which is essential in the brand planning. If the brand planning is without clarity, the brand is not a true brand. The following three principles are continuity, visibility and authenticity. Being continuity means the company could not change its mission just for the sake of brand which will destroy the trust of the customers. Brand visibility will increase the exposure of the brand to the customer and authenticity will be directed to the thinking of the staff in the company (Kotler & Pfoertsch 2006 161-163)

### ***Brand analysis***

Brand building is not like other building models which will begin with the need defined; brand building will begin with market research. Market research is the most important element in brand building and a market research will help the company to define and formulate a proper brand mission, personality and brand value which will be suitable for the corporate vision and mission. Kotler summarized brand building as the following: “brand building starts with understanding the key attributes of your products and services as well as understanding and anticipating the needs of your customers.” A market research is the first step to build the brand and to help the brand analysis. An effective market research should include the internal and external market research which could help the company to know itself and its competitors clearly and also help the company to assert a position in the market. After doing the market research, the marketers should take action to create the brand power which will include the following four elements: brand loyalty, brand coverage, brand dominance and brand stretch, please see figure 8 (Kotler & Pfoertsch 2006, 165)



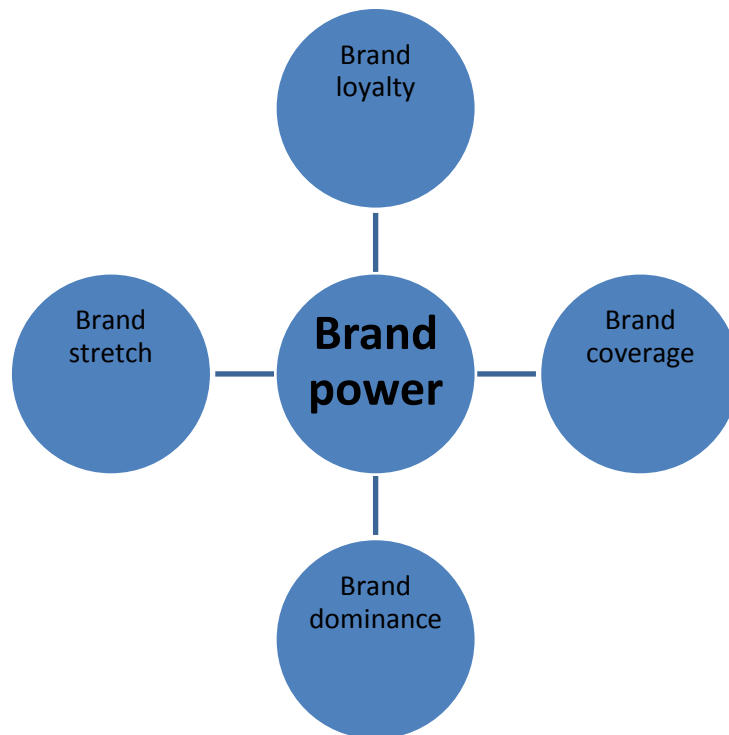


Figure 8: Create brand power

Source: Kotler & Pfoertsch 2006, 165

### ***Brand strategy***

Brand positioning, brand mission, brand value proposition, brand promise and brand architecture are the basement of the brand strategy. Figure 9 shows three factors that contribute to building a good brand. (Kotler & Pfoertsch 2006, 170)

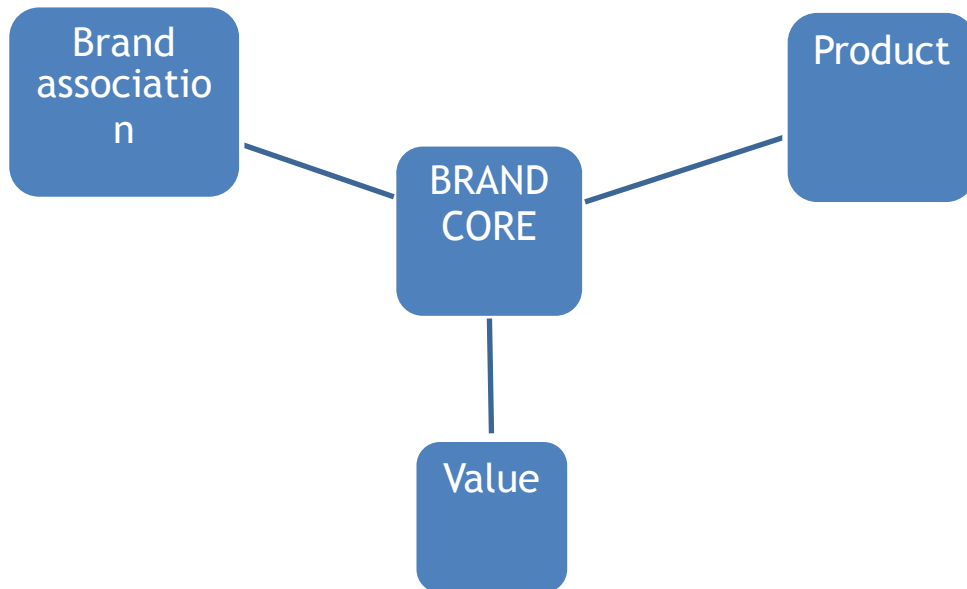


Figure 9: Brand strategy model

Source: Kotler & Pfoertsch 2006, 170

There are some factors need to be considered when the marketers do the brand strategy. Firstly, the marketer should define the target customer correctly. Only knowing who the target customer is can the marketers make a clear market segmentation to treat different customers. Secondly, the marketers need to decide the brand mission after positioning the brand. Marketers could define the characteristics of brand personality which is similar to the human personality. The third one is to keep the brand promise which is also important to support the brand strategy. The marketers also should consider about frontline the employee. The last important factor that the marketers should pay attention to is brand architecture when doing the brand strategy. ((Kotler & Pfoertsch 2006, 178)

### ***Brand building***

Brand should continuously build and modify time over time. A successful brand does not stand still and it will need to be continually innovated. When the marketers have a solid brand strategy and consistent brand architecture, he or she could begin the brand building in the following four logical steps according to the CBBE (customer-base brand equity) model in figure 10 (Kotler & Pfoertsch 2006, 185)

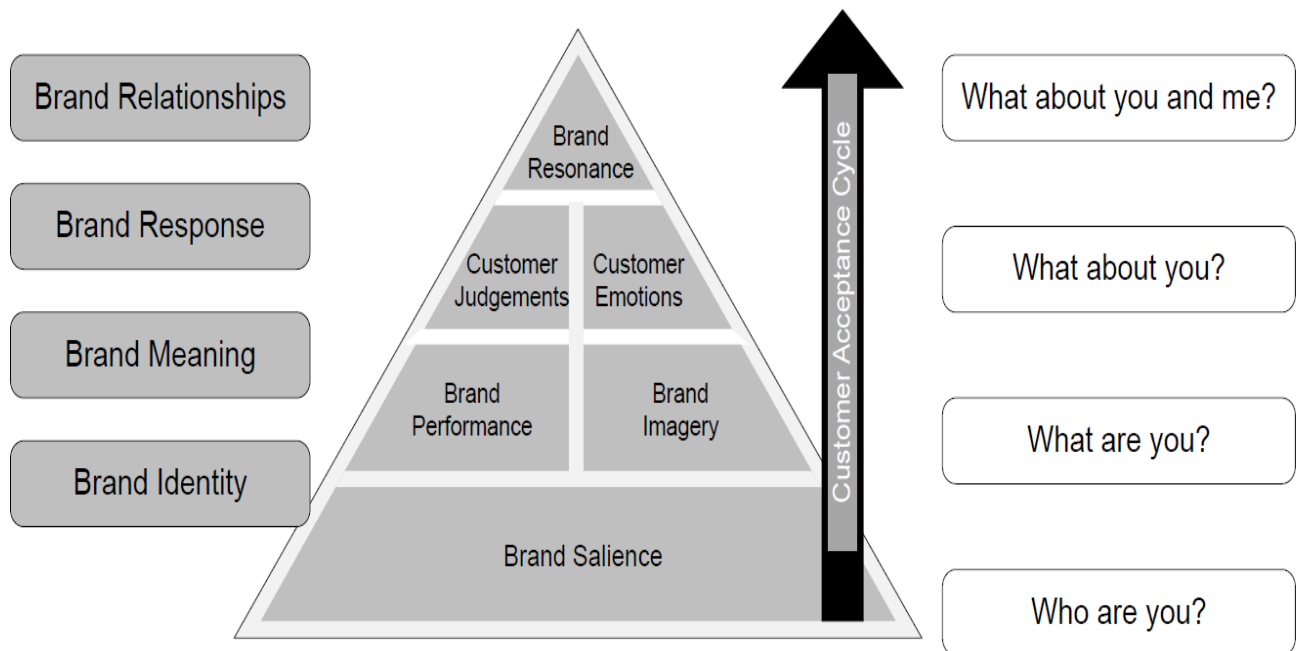


Figure 10: brand-building pyramid with brand strategy and architecture

Source: Kotler & Pfoertsch 2006, 185

### **Brand audit**

Auditing the performance of the brand periodically is an important job to the marketers. It will help the marketers to assess the strengths and weakness of their own brand or brand portfolio. There is an internal description which shows how the brand has been marketed and an external investigation which helps to identify what the brand does and could mean to customers. The internal description is also called brand inventor which is the first step for building a useful brand audit. The second step is external investigation which also called brand exploratory through using questionnaires and other consumer research methods to identify the brand. The final step is to analyse and interpret the results which were from the external investigation. (Kotler & Pfoertsch 2006, 191-196)

### 2.4.3 Brand image and positioning

#### 2.4.3.1 Brand image

Brand image and brand identity are two different matters which are hard to distinguish. According to Kotler (2009, 430), brand identity helps the company to identify or position itself or its product or its service. Brand image is “visual or verbal expression of a brand leading to the psychological or

emotional association that the brand aspires to maintain in customers' minds". It is not a fact but a perception and need for the customers. (Kotler 2009, 430)

On the other hand, VanAuken also defined brand image as "the totality of perception resulting from all experience with and knowledge of the brand. Brand image is how consumer perceives the brand". Aaker also presented five brand identities which could represent what were promised to customers and what a company brand stand for. Meanwhile the five brand identities could help people to distinguish from brand image and brand identity in a simple way. Brand identity is like the timeless asset and brand image is like the tactical assets. (Kotler 2006, 93-94)

A successful brand will be with the positive, strong and unique brand image which could take the marketing program to the brand in the customers' memories. Customers also could form brand image by brand association in a variety ways other than marketing activities, such as direct marketing shopping, information from other commercial or other source such as Consumer Reports, from the world of the mouth or other media vehicles. (Kevin 2008, 57)

Brand image aims at targeting the customer's distinct brand understanding and positive imagination to make the customer know or recognize the brand. For attracting the customers or achieving the goal, a good brand image should be strong, favorable and unique. (Comanou & Wolson 1991, 429)

#### 2.4.3.1.1 Strength of brand association

For creating a positive brand image, the marketer should remember three elements: strength, favorability, and uniqueness of associations. If the person thinks deeply about the product information and relate it to the existing brand knowledge that he or she has, he or she will get a stronger brand association. Both brand attributes and brand benefits will affect the strength and recall ability of a brand association (Kevin 2008, 56).

Brand attributes are descriptive features that characterize a product or service. While brand benefits will focus on the personal value and meaning which the customer attach to the product or service attributes. Different brand association will bring different brand attributes and brand benefits. Generally, direct shopping experience will be the fastest and most preferred way to build a strong brand attribute and benefits. (Kevin 2008, 57)

#### 2.4.3.1.2 Favorability of brand association

Marketers need to carefully analyze the customer and the competition to choose the best positioning for the brand. Only in this way could marketers decide the favorable and unique association related to the brand. Convincing the customers that the brand could offer them relevant attributes and benefits which could satisfy their needs and wants would be an important thing for the marketers to create a favorable brand association. Desirable to customers and delivered by the product and conveyed by the supporting marketing program are the most important elements for creating the favorable association. The brand association should be convenient, reliable, effective, efficient and colorful. (Kevin 2008, 58)

#### 2.4.3.1.3 Uniqueness of brand association

Strong and unique brand association is necessary to build a successful brand. Whichever product they offer, the company will face fierce competition. In such situation, sharing some association with other brands could be the best way to choose. It will be helpful for the brand to share association which could help to establish category membership and define the scope of competition. For some of the brands which do not need to face the direct competition in its product category, it still could share more abstract association and face indirect competition in a more broadly defined product category. As the brand is linked to the product category, some category association could also be linked to the brand. It will be an important determinant of customer response. Meanwhile, the strength of the brand association will be also an important determinant of brand awareness. A unique association will help the customer to choose the brand which means the marketers should be sure about their brand association are not only favourable but also unique and not shared with competing brands. (Kevin 2008, 59)

#### 2.4.3.2 Brand positioning

Brand positioning is the “act of designing the company’s offer and image so that it occupies a distinct and valued place in the target customer’s minds.” It means that finding a proper position in the customers’ minds which will help them to think about the product or the service of the company in a desired way. A successful brand positioning will guide the marketing strategy to clarify the uniqueness of the brand, the favor of the customers and the reason why the customer buy it (Kevin 2008, 98)

Kapferer defined brand positioning as focusing on the unique characteristics which could differentiate the brand from other competitors and appealing to the customers. Figure 11 shows four important questions managers should consider in making good brand positioning (Kapferer 2012, 152)

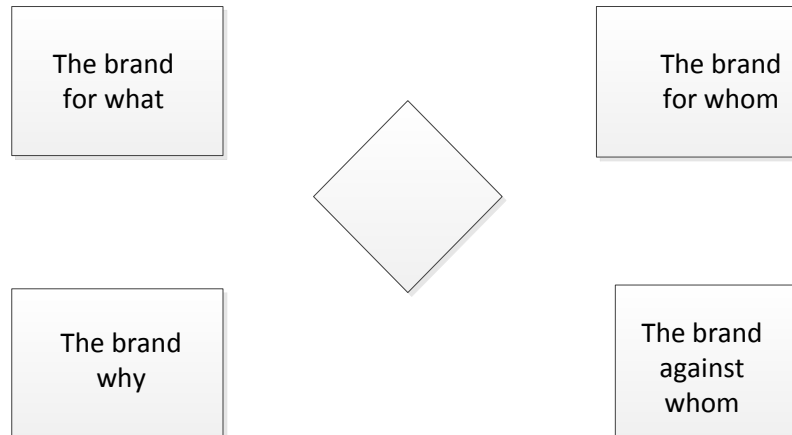


Figure 11: Positioning a brand positioning a brand

Source: Kapferer 2004, 100

Keeping the promise of the brand and taking care of the customer's benefit is the first question that the marketers need to think when they position the brand, which also refers to the benefit of the brand. The second question is about who will be the target of the brand. Positioning the brand for a suitable market segment could help the company to create a successful brand. For the third question, why they should position the brand, refers to the elements, factual or subjective which support the claimed benefit. The last question about brand positioning is who the brand is against. This question could help the marketers to define the main competitors which could help the marketers to make a suitable marketing strategy (Kapferer 2012, 152-153)

A brand's positioning is a key concept in its management. There is a fundamental principle for the brand positioning which are all choices comparative. Positioning is competitive as customers will make a choice when they see the brands and make a comparison when they need to buy the products. Brand positioning is aimed at identifying and taking possession of a strong purchasing which will give the customers a perceived advantage. It is competition-oriented meaning that positioning will specify the best way to attack competitors' market share, at the same time, it will change through time (Kapferer 2012, 154-155)

#### 2.4.4 Brand loyalty

A lot of prominent personalities have defined brand loyalty in many different terms. Anandan (2009,159) had stated a well-known definition of Jacoby and Chestnut(1978): “Brand loyalty is the biased, behavioral response, expressed over time, by some decision-making unit, with respect to one or more alternative brands out of a set of such brands, and is a function of psychological(decision-making, evaluative)process”.(Anandan 2009, 159)

In fact, in marketing side, brand loyalty means the customers will purchase the product again or even repeated buying the products, service, or other positive behaviours. But repurchasing does not entirely mean the customer is loyal to the brand or the product, as customers could keep buying the products as it is convenient or he or she does not have other choices.(en.Wikipedia.org,[WWW document])

Anandan (2009, 160) has introduced three models to measure brand loyalty which are preference behaviour model, purchase probability model and Markov chain analysis model. Preference behaviour model aimed at measuring the preference and switching behaviour of the customers on a single brand. A simple matrix needs to be used in preference behaviour model. Purchase probability model is used to measure the frequencies of the brands bought and it will focus on the behaviour of the customers instead of the attitudes of the customers. Markov chain analysis model is a mathematical system which could undergoes transitions from one state to another that between a finite or countable number of possible states. (Anandan 2009, 161-163)

To have a number of loyalty target customers will bring a successful brand and marketing strategy for the company. A successful brand needs customers to repeat purchasing and not to switch to other brands even with cheaper price. The major objective for the business is to retain the customers and increase the customers’ lifetime value. Brand loyalty as a less price-sensitive factor has played an important role in the market. Brand loyalty could keep the long term standing in the market place and reduce the cost of acquiring new customers. On the other hand, it also reduces the cost of servicing for the existing customers and enables the marketers to sail through the tough times. (Anandan 2009, 159)

#### 2.4.5 Brand equity

Brand equity has elevated the importance of the brand in the marketing strategy and provided focus for managerial interest and research activity. But different experts have defined brand equity in

different ways of different purposes. Kevin (2008, 37) has stated a common way to define brand equity as a way to promote the products or services which will take a unique marketing effects. At the same time, brand equity will show different results between a branded product and an unbranded product. Brand equity also provide a common denominator for interpreting marketing strategies and assessing the value of a brand, it will show the importance of the brand in the marketing (Kevin 2008, 37-38)

Different definitions of brand equity will be used in different ways to measure brand equity. Brand equity could be seen as the value added to a product by a brand name in a simple way. It is the way to know the differential effects that the brand name has on the customer's response to the product or service. Brand equity is measured to improve or monitor brand building efforts for that brand (Anandan 2009, 169)

Kotler (2004, 406) also stated that brand equity is the value of the brand. Brand equity will be related to brand awareness, brand loyalty, strong mental and emotional association. The company with high brand equity will have more advantages over their competitors. Figure 12 shows that the importance of brand equity in the marketing management process according to Aaker (Aaker 1996, 9)



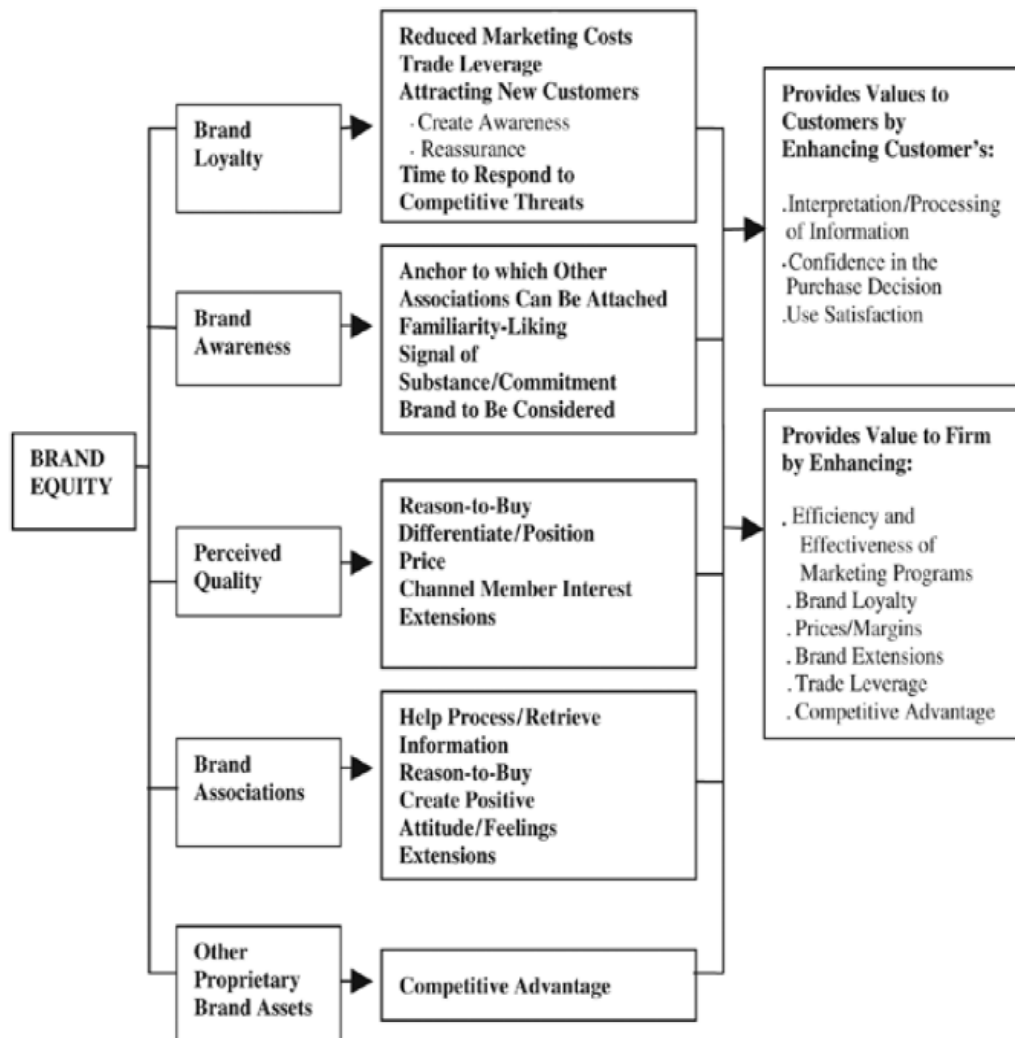


Figure 12: How brand equity generate values

Source: Aaker 1996, 9

Kevin (2008, 49-51) has suggested that marketers should consider the money has spent on the manufacture or marketing products as investments instead of expenses. In this way, these investments could help the marketers to understand the customers and implement the right knowledge in the customers' minds. At this point, brand as a direction of the past. Marketers should consider the outspent on brand equity as to create valuable, enduring memory traces in the customers' minds. Brand equity as a concept to marketer will depend on how they use it. For this aspect, brand equity will offer focus and guidance and provide a means to interpret past marketing performance and design future marketing programs, which the brand is a direction of the future (Kevin 2008, 49-51)

Brand equity as a direction of the past and the future, it starts with brand attributes, such as brand awareness, brand image and brand personality. At the same time, brand equity also as a way for providing indicators for the future action. For a suitable monitoring system which should be made up of brand valuation, as it will supply the valuable information to brand growth and brand strengthening. (De Chernatony & McDonald 2003, 443-457)

## 2.5 Theoretical summary

The theoretical framework is designed in the thesis which is the theory begins with the concept of B2B marketing, and followed with the customer buying behaviour in the B2B market, the last section of the marketing is the characteristics of the customer buying in the B2B market. Then there are theories about the concept of brand and the processes of building a brand, with following the brand image, brand loyalty and brand equity. Definitely, each of the processes and theories is introduced deeply.

## 2.6 Theoretical framework



Figure 13: Theoretical framework

## 3 Research approach

Burns and Bush (2003, 35) defined marketing research is “the process of designing, gathering, analyzing, and reporting information that may be used to solve a specific marketing problem.”

Definitely, marketing research helps a company to make decisions and marketing strategies; it is the best and quickest way to help a company to find out the problems and to solve them. On the other hand, it is more difficult to do marketing research in B2B marketing is than B2C marketing, as there will be more difficult to find the respondents and get the reliable answers. That is the reason for the researchers to find an effective way to do the research (Marketing Research 2010)

### 3.1 Research process

The following figure will show the processes of research. Choosing a topic will be the first step for the researcher, an interesting topic or a topic concerned with the study area could be the suitable topic for a research. After choosing the topic, the researcher should find relevant books with the topic to continue the topic and to be the base of the topic. It will be very important to find the relevant books as it will be the foundation of the topic. (Mississippi College 2012). Saunders, Lewis and Thornhill (2003, 75) also stated that research questions define the factors of the research. It is also important to generate key words, search terms and discuss ideas widely when doing the research. Examining and evaluating for the results and resources should also be included in the research (Mississippi College 2012)

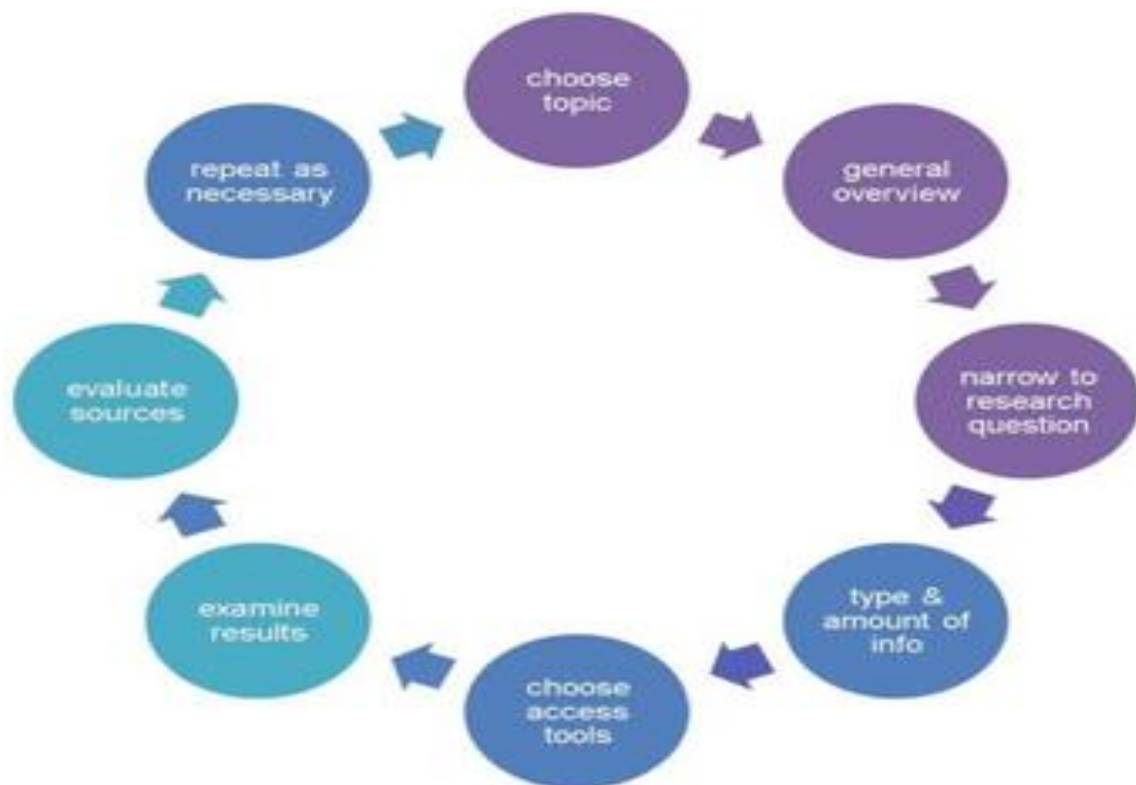


Figure 14: Research Process

Source: Mississippi College 2012

### 3.2 Quantitative method

Survey is an important method which will be used in quantitative research, it is an important way to collect data and to analyse the result. (Hair 2003, 211). Burns and Bush (Burns & Bush 2010, 235) defined quantitative research as a research containing the use of structured questions and the response questions are set in advance (Burns & Bush 2010, 235)

The topic of this thesis is to discover the effect of brand on customer buying behaviour. Boyang Co. Ltd will be used to complete the research. Based on this topic and considering the marketing and customers, questionnaire will be used to gather the information and to collect the data. The questionnaire will be sent to the managers by emails.

There will also be interviews with the managers who have corporated with Boyang Co. Ltd. There will be then two parts consisting of the data collection: questionnaires which were sent to the customers and small interviews with the managers of different companies.

### 3.3 Validity and reliability

Schuessler(2001,50) stated that reliability means the selection methods, tests and ensuring the results are consistent and do not vary with time, place or different subjects. A quotation of Cowling also be used “Reliability is a measure of the consistency with which a predictor continues to predict performance with the same degree of success.”(Cowling 1986, 29)

Marilynn and Janet (2010) had pointed out three ways to test the reliability of a research which are testing stability, tests for equivalence and internal consistency. While it is difficult to conduct the test due to several constrains which means it is impossible to make sure each conditions was suitable for each consequence. (Schuessler 2001, 52)

Validity will be more complicated than reliability. Reliability is a prerequisite for validity which means it will be necessary, but not sufficient to ensure validity.(Schuessler 2001,52). Cowling(1986,29) defined validity purports to measure how far a correct prediction of success which means the validity will be possible affected by the number of the respondents.

For obtaining a good result of the research which could meet the reliability and validity, the questionnaire had been carefully checked and each of the questions will be related to the thesis. There will be selected questions and open questions in the questionnaire. Each of the questions will be logically and strictly designed which could make sure for the validity of the research.

## 4 Empirical study

Boyang Co.Ltd is located in Shiyan, Hubei province. Automobile production is an important source of finance to the city. Shiyan has a nickname-car city attracting lots of customers to find the co-operators there. Boyang has started an intensive competition with the new companies as the rapidly development of the car producing market and the limited co-operators.

The economy of China has developed fast which brings a chance to most Chinese to afford for the luxury goods. In the past, only few of persons could afford for the car which makes most of the car producing companies in China failed selling products of the local customers. While with the fast development, car is not a luxury good to most of the persons which also bring a new opportunity to

the car spare parts factories. The big demand in the car market brings a chance to the whole city and all the local car spare parts companies.

Boyang Co. Ltd is founded in 2000 and has good reputation about their products. All the products of Boyang will be checked twice before it delivered to the customers. Boyang has succeeded in building a known brand because of their careful and serious work. For the past 13 years, Boyang's dies have been awarded many prizes on Die and Tools exhibitions which is "Advanced Enterprise for Protecting Environment", "Civilized Unit in Economic System" in Hubei.

There is a weakness of Boyang which is most of the customers are not stable and they would prefer to choose other companies with famous brands, even though Boyang has lower price of the same products and better design. The manager of Boyang has thought that brand should be an important issue to be considered for the company to improve the sales.

Even with the weakness, Boyang has some strength which could compete with other companies which is the price of the same products of Boyang will be 10% lower price than other companies' products. Boyang could also be sure about the quality and lifetime of the products. Boyang will in charge to fix the products if there is any problem with them.

Apparently, it is important for Boyang to think about their currently situation and to consider the effect of the brand on the customer buying. By knowing the way that brand affected the customer's behavior could Boyang try to change their brand to be more suitable and attractive for the customers and to make brand as an advantage of the company. This is also the main purpose of the research and the thesis. There will be 100 questionnaires sent to the managers of the older and currently customers, some potential customers are included too. The questions in the questionnaire will be based on the theories above and designed carefully.

#### 4.1 Result of the research and analysis

There were 100 questionnaires sent to the managers of the older and currently customers by e-mails, and 85 of them replied to the questionnaires. That means there will be 85 replies could be used for the analysis. The results of the questionnaires will be summarized in the following sections.

Among the 85 replies, only 3 of them are personal small company which did not have their own group buying centre. The rest of the replies imply that the group buying centre plays an important role in deciding to buy products. Figure 15 shows that among the 82 managers, 20 of them are users who play an important role in the buying centre. Hutt&Speh (2010) had used a table to show the different stage in a buying centre for different position. Based on the table, the users played an important role in the buying centre. They will decide whether to use the products or whether the products are needed or even the quality of the products. Influencers and buyers and deciders also play important roles during the buying processes according to the research.

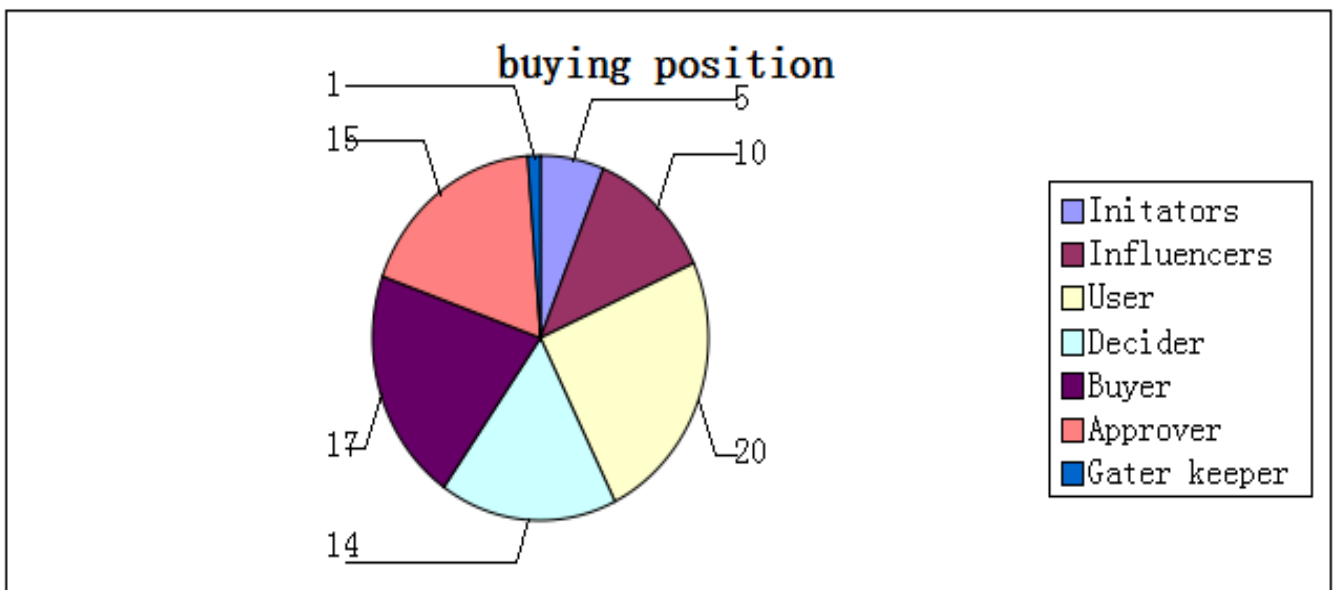


Figure 15: Position in the buying centre

Figure 16 shows the most important factors that people will consider when buying products. Most (60%) of the replies choose quality as an important factor to be taken into account when they buy the products. But 48% of the replies think the brand is more important when they consider whether to buy the products or not. Overall, brand and quality are the most important factors that people will consider when they make decisions.

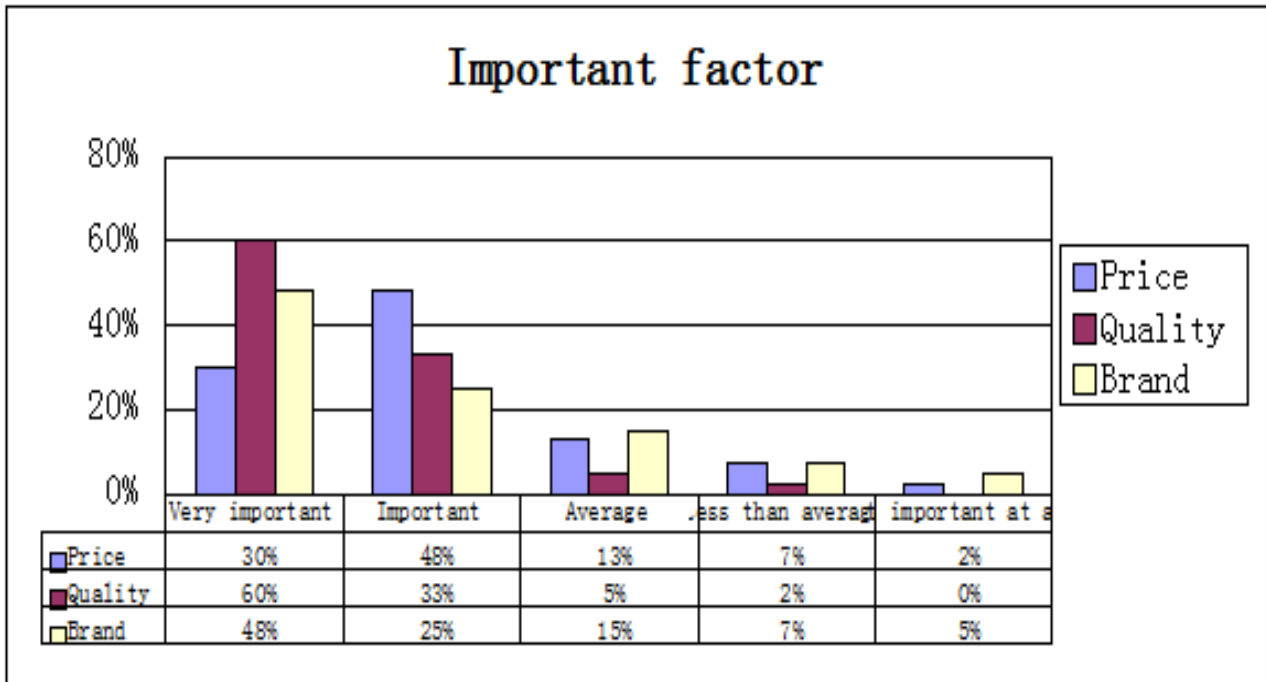


Figure 16: Important factor for buying product

Promotion is an important tool for sales and brand effectively. It is an important factor both in the B2C market and B2B market. Choosing an effective channel to promote the products and brand have become a necessary lesson for the companies. According to the research, web media and TV commercials are listed the two top important promotion channels which accounted for 53% and 75% among the 85 respondents. This result shows an effective way for the company to make the products or the brand known well among customers. Web media and TV commercials could be used to promote the products effectively.

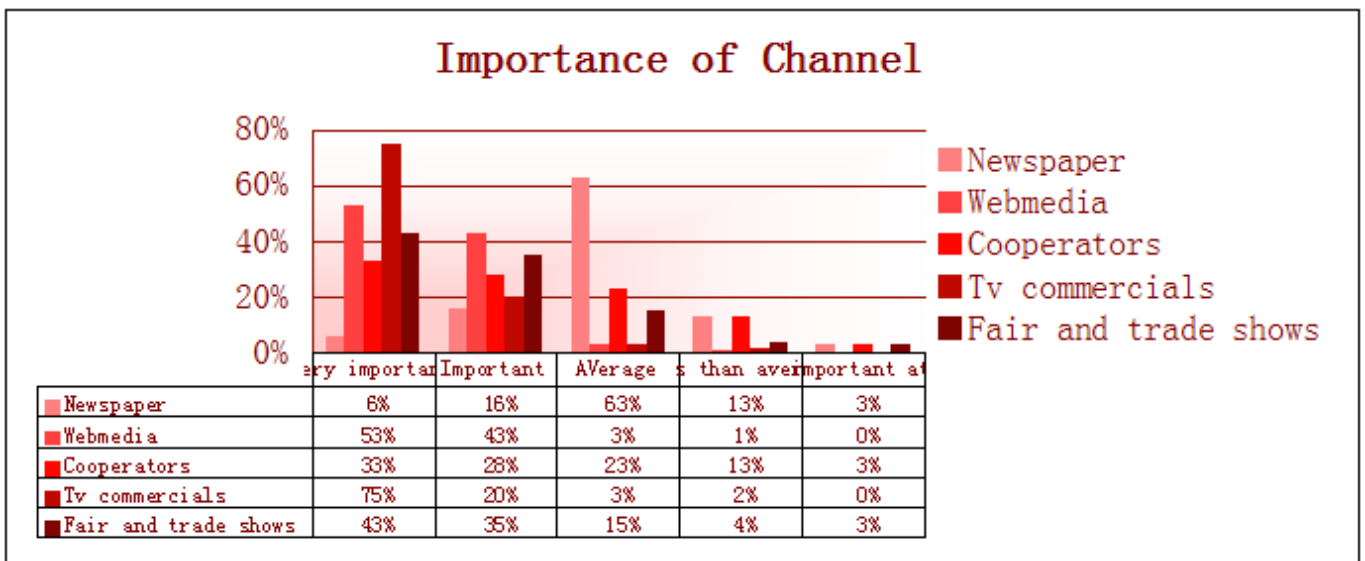




Figure 17: Importance of channel promotion

Figure 18 will show the successful of the promotion and brand image about Boyang Co. Ltd. Based on the result of the research, 60% of the respondents think the promotion and brand image of Boyang is normal. At the same time, 6% of the replies chose very successful about the promotion and brand image of Boyang and 23% respondents feel that the promotion and brand image of Boyang is successful. According to this figure, Boyang has made success in the promotion and built brand image temporarily. However, promotion is important for sales and brand as saying above, Boyang needs to do promotion to retain the customers. According to Figure 17, web media and TV commercial could be effective channels for Boyang to build their selling promotion strategy.

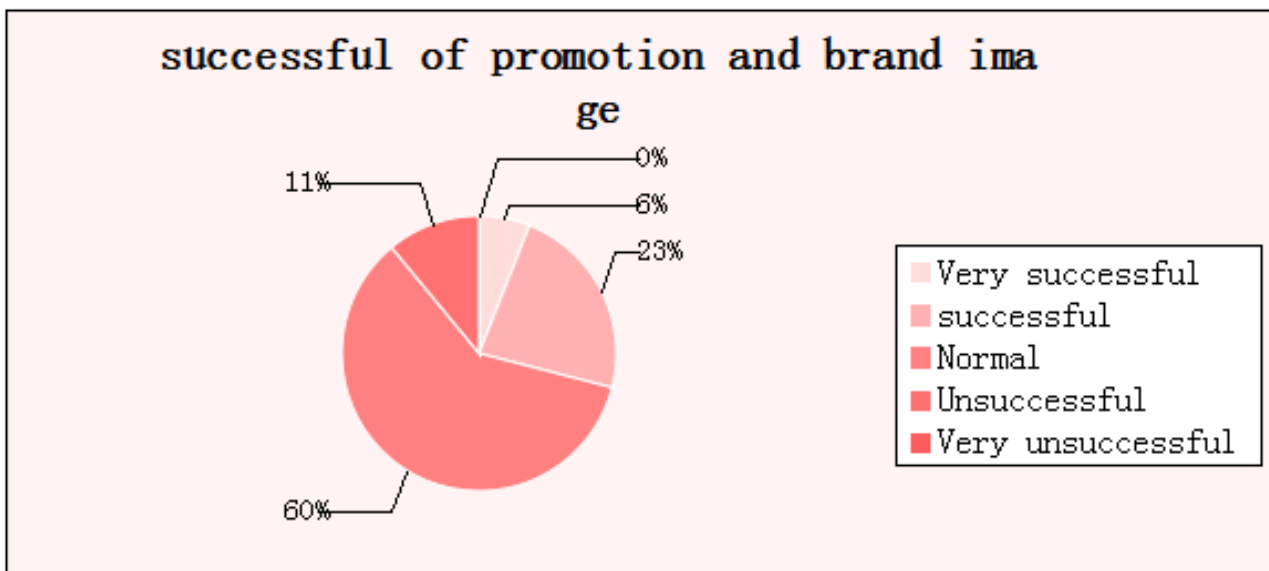


Figure 18: Successful of promotion and brand image

In figure 16, quality has been chosen for the most important factor when buying centre makes the decision to buy the products. Figure 19 will show the quality of some important products of Boyang through the answer from the customers. Most of the replies consider Boyang has high quality products among their five main products. Nearly 97% of the respondents acclaimed the auto aster model of Boyang. 65% of the customers considered the quality of auto stamping dies good and 72% respondents were satisfied with the checking fixture. At the same time, 72% respondents acclaimed the auto components and 83% people think die standard parts is good. Base on the results, people were satisfied with Boyang's products which are very important for the development of Boyang. It is important for the development of Boyang to have customers' trust and satisfactory.

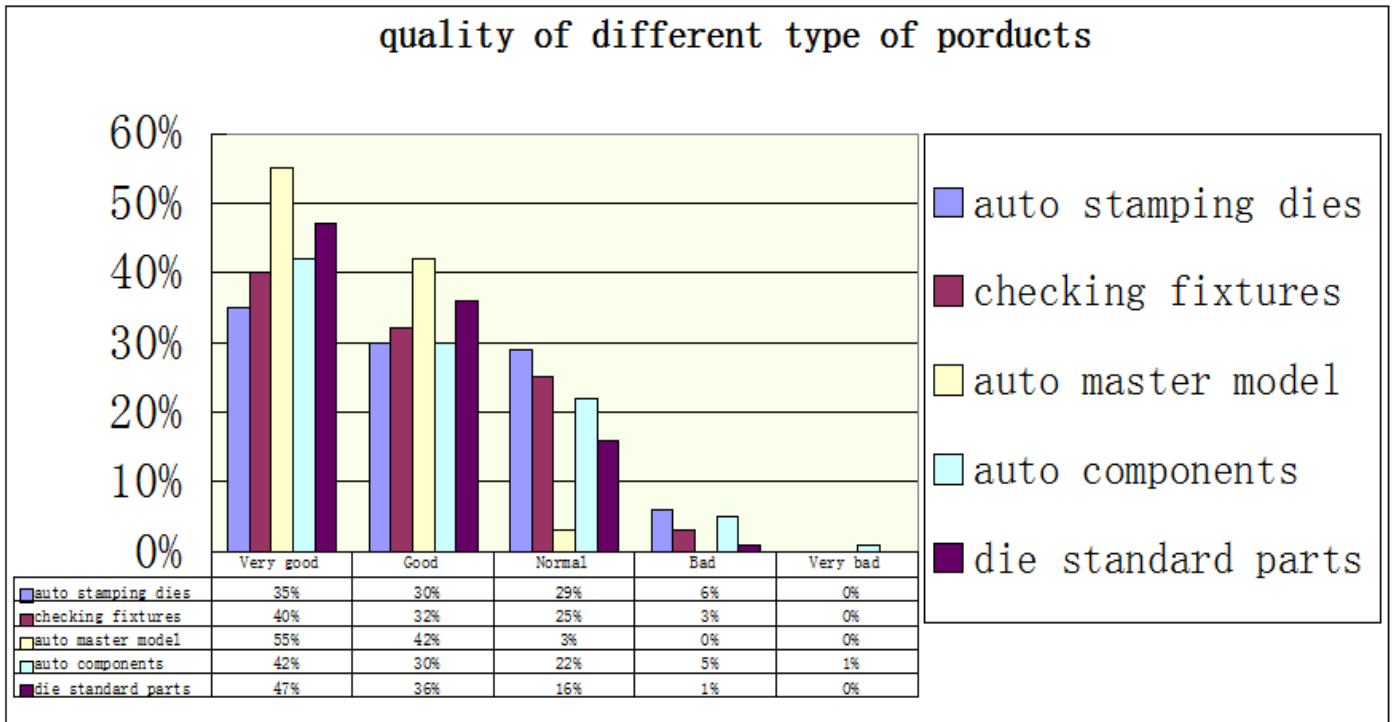


Figure 19: Quality of different types of products

Good quality is an assurance of image of the company and the reputation of the brand. Necessary communication with the customers is also important for the company to retain the customers. Figure 20 indicates that 60% of the replies think it is important to communicate with customers, while 35% respondents take it is very important to communicate with the customers. Definitely, B2B communication with the suppliers and customers periodically and actively will help to develop the business in a better way. Figure 21 will show the frequencies of communication between Boyang and their customers. According to the figure, only 1% of Boyang’s people will go to visit their customers very often. Nearly half (49%) of the respondents think Boyang’s people come to visit them sometimes. Only have a good relationship with the customers can Boyang get a good reputation and build a successful brand in B2B market. On the other hand, a good relationship with their customers helps Boyang to get more feedback from their customers directly and to modify their services and products. This could help Boyang to adapt to the market easier and survive among all the competitors.

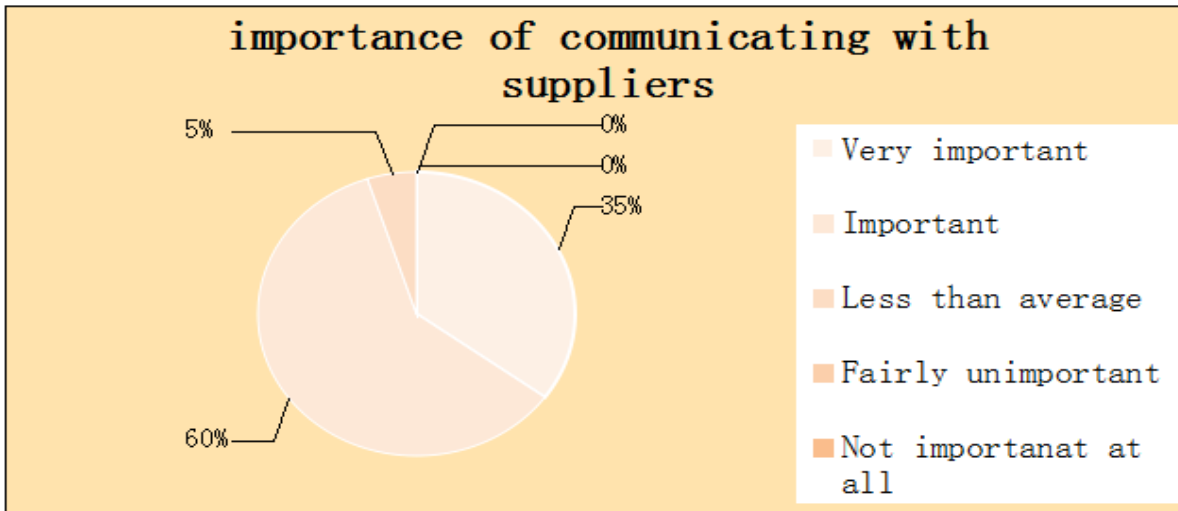


Figure 20: Importance of communicating with suppliers

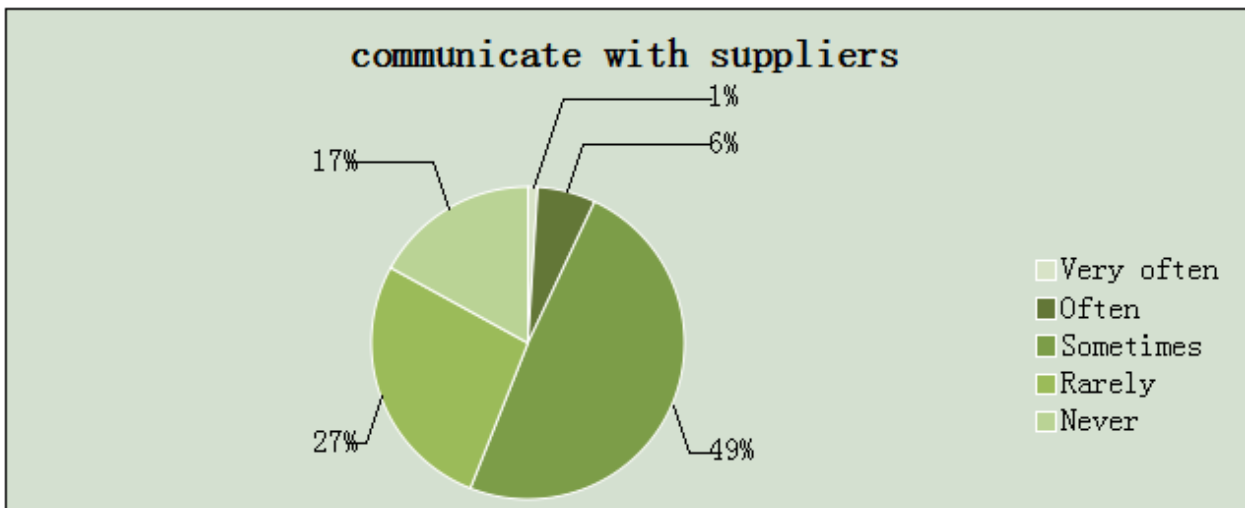


Figure 21: Communicate with suppliers

With good brand and high quality of the products, the company could survive in the market easily. While on the other hand, with a number of the loyal customers will be also important for the company to compete with other companies. The following figure will show the loyalty of the customers of Boyang with the question that if Boyang changed their brand logo or increase the price of the products, are you still buying their products? 57% of the respondents choose “yes” which are definitely satisfied with Boyang’s products and be loyal to the company. There are still 13% of the people choose “No” when they answered this question. Retaining the loyalty of the customer is important for a company to develop new customers and to build their brand. Figure 23 showed the result of the impression of Boyang’s slogan in customers’ minds. 45% of the people assumed that the slogan of Boyang is good and only 8% of the respondents think the slogan of Boyang is bad and not impressive at all. Slogan of a company will show the image of the company and indicate the mission of the company. It is important

for a company to have an imposing slogan to get the attention of the customers and to continue the cooperation with their customers. Boyang should also include the building of their slogan into their marketing strategy.

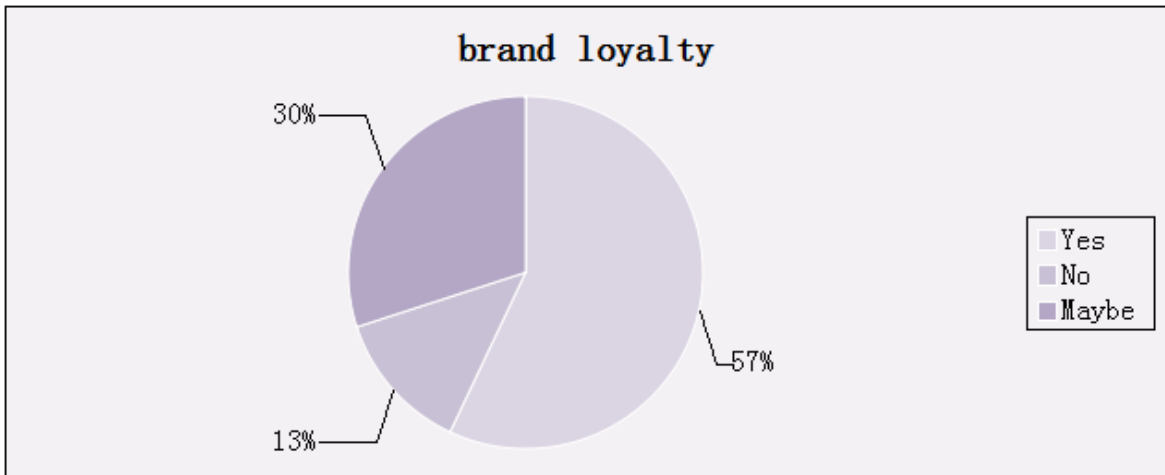


Figure 22: Brand loyalty

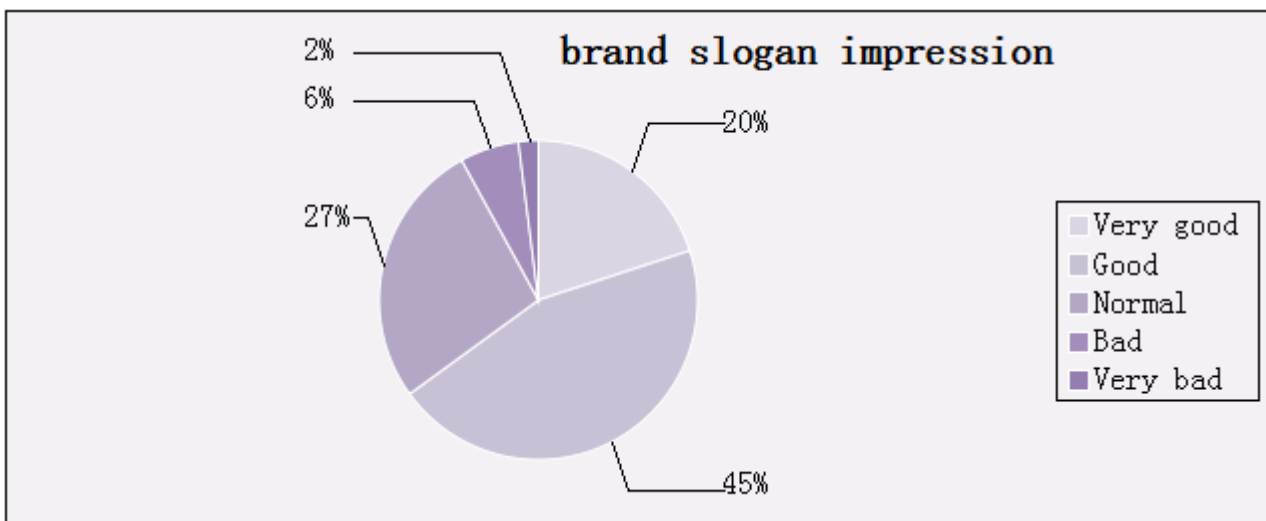


Figure 23: Brand slogan impression

At the last of the questionnaire, there are one open question and additional comments. The open question is "What is the most important factor that you cooperate with Boyang? Why?" Among 85 replies, their answers could be summarized which the quality of the products is the first important reason of Boyang. 45 respondents think the quality of Boyang's products is an important reason for them to cooperate with Boyang and insist quality should be taken more attention during the buying processes and the cooperation with the company. For the second reason, 33 of the replies think Boyang has good reputation in this market. Boyang is sure about their delivery issue and products and services, which help Boyang get good reputation among the competitors and obtain more customers.

The rest 7 replies choose to cooperate with Boyang because of the price. According to the research, customers are satisfied with Boyang's products and Boyang also has lower price with their products. High quality and lower price has become the mission of Boyang and an attractive factor to the customers. While on the other hand, some new customers are not trust Boyang's products and doubt the quality of their products because of the lower price. Some of the replies suggest Boyang to change their price strategy.

35 respondents wrote some comments at the end of the questionnaire. All the comments were summarized into the following three aspects which the first one is that Boyang should have more promotion tools to attract the customers. The customers suggest Boyang should invest more money in their brand image and building part. As Boyang needs to compete with the companies who have known brands for the past years, at the same time, Boyang needs to be careful about the competition of the new companies. If Boyang did not take actions in their brand promotion, they will fail in this competition eventually.

For the second comment, the respondents suggest that Boyang should have more communication with the customers to get the feedback and also for being in a good relationship with the customers. B2B market is different from the B2C market. It is necessary for the company to have a good relationship with the customers to develop the business and improve the brand image. The respondents have also pointed out that if the company could have good relationship with their customers, the customer would introduce the company to other customers which could be one way to develop the business. Kotler (2009) had said, "Cultivating the right relationship with business is paramount for any holistic programme." A closer relationship between the suppliers and the customers could improve effectiveness and efficiency for the company (Koter 2009, 287)

The last comment is about the quality of the products. Most of the respondents pointed out that Boyang should improve their quality of the products and also the innovation of their technics and products. Quality of the products is an important factor to assess the company's ability. There are good quality products in Boyang, also with some bad quality products which will affect Boyang's reputation. In this respect, it is urgent to improve the quality of Boyang's products and the customers also suggest that Boyang should send their people to go aboard to study or introduce some new technics from aboard.

## 4.2 Result of interview

Three managers are interviewed and it is about a 5 minute's interview by through computer. The interview is based on the questionnaire and the theories above.

The first interviewee is the manager of Boyang--Chen Wei. He pointed out that Boyang are facing a severe situation now. The whole car spare parts market has been affected and some of their customers have stopped the cooperation with them because of the economic crisis in 2010. At the same time, Boyang needs to face the new companies which offer cheaper price with malicious competition to gain profit and attract customers. Mr Chen also pointed out that reputation is very important as it will represent the quality of the company's product, the credit of the company and the image of the company in the customer's minds. However, Mr Chen said they have taken some actions to protect their brand image and the whole marketing department tried to find new approaches to promote their brand and attract the new customers and retain the old customers.

Another manager is from Boyang's partner company--Liu Jun. He was the decision maker in company in the buying centre. Their company has cooperated with Boyang for 5 years with good relationship. During the interview, Mr Liu suggested that Boyang should do improvements about their brand. The brand image of Boyang has been out of date and could not attract the customers as the rapidly development of the market. The design of their brand could not attract the customers even Boyang has good quality products. He suggested that Boyang should do promotion and innovation about their brand. Brand is the image of the company, without a good brand design, customers will not have interest in the company or even the products. Mr Liu also pointed out that they will take brand as the first consideration during the buying processes. As in their minds, brand could guarantee quality, reputation, honesty and safety. Brand also could represent the attitude of the company to their customers. Only with good brand could the customer buy the product without hesitation and with a reassuring.

The last interviewee is from the new cooperated company--Zhang Jie. Mr Zhang is a manager of a car producing factory. It was the first time for their factory to purchase Boyang's products. Mr Zhang said that Boyang is introduced by another partner company. Their factory does not prefer to use unknown products without assurance. One of their partner companies recommended Boyang's products to them and suggested them to cooperate with Boyang. Mr Zhang commends Boyang's products and their services after the first cooperation. "Although with good quality products, there are not many people

knowing about them” Mr Zhang said. For most of the car producing companies or factories, they trusted brand and co-operators. As the entire world is affected by the economic crisis, none of the companies would take risks losing the customers and reputation. Retaining the old customers and good reputation is the most important issue for the survival of the company now. In this aspect, Mr Zhang pointed out that Boyang should promote their brand and to make it known-well.

Based on the three interviews, all the managers had pointed out that Boyang is lack of promotion skills. At the same time, there are not many people knowing about their brand. Boyang will fail in the market without good promotion of their brand even Boyang could offer good quality products to the customer.

## 5 Conclusion and recommendation

### 5.1 Conclusion

Based on the above analysis results and interviews, there are some conclusions could be organized which were supported by the theoretical framework. The first one is that Boyang should do researches and promotion for building a strong brand in the customer’s minds, as few people have impression about their brand logo and slogan. On the other hand, Boyang also need high quality products to support their brand building which is one way to maintain the customers and to strengthen the brand image. Boyang should try to make their product as the first choice when people purchase the products. By achieving this result, Boyang should make their brand as strong as possible which could leave a deep impression in people’s mind. According to the questionnaire, some of Boyang’s products are not as good as people expected. Boyang’s technician should pay attention to the bad quality products to improve their skills to promote the products. As good quality of the products are the base of the strong brand image and good relationship with the customers. In the end, Boyang also need to increase the frequencies of the communication with their customers, according to the questionnaire, some of the customers are not satisfied with the relationship as Boyang’s staff rarely visit them after they purchasing the products. Because of the limitation of the B2B market, it is important for the survival of the company to maintain the customers.

### 5.2 Recommendation

There are some suggestions for Boyang according to the theoretical knowledge and the analysis results above.

Kotler had said “brand building starts with understanding the key attributes of your products and services as well as understand and anticipating the needs of your customers”. Based on this, knowing the market and the customer has become an important issue for the company. A strong brand could affect the customer buying behaviour particularly in the B2B market which is with limited customers. The first suggestion will begin with the B2B market.

In B2B market, product is not the only issue selling to the customers, but also with the services. Good services with good products could make a strong brand in the B2B market. According to the research, some customers are not satisfied with some of the products of Boyang. The bad quality of the products will restrict the buying of the customers. At the same time, it will affect the brand image of the company. Boyang needs to do renovation in their technical and also send some technicians to aboard to study to produce better products to meet the customers’ need and keep a good reputation.

Besides, in the B2B market, as the limitation of the customers, keeping the customers’ loyalty also became an important mission for the company. The company needs to have good services and high quality products to keep the loyalty of the customers. It is also helpful to have a healthy and good relationship with the customers also to enhance the image of the company and the brand. Some allowance could be offered to the customers who publicize their products and introduce new co-operators.

In the interview, the managers has pointed out that Boyang is lack of skills in promoting their brand. They have said that brand will affect the buying processes and the final decision of the customers. As in B2B market, there will be more than one person to join the buying processes and each of the stages will be affected by different persons. It will be more complex in B2B market than in B2C market and brand plays an important role from the first stage to the end of the stage in the buying processes. A known brand will affect each of the persons’ decision in the buying centre. People appreciate the products from the good brand which indicates that Boyang should use promotion tools to package their brand. At the same time, Boyang should invest money in channels to broadcast their brand and web media and TV commercials could be considered based on the result of the research. A suitable promotion channel could leave a deep impression in the customers’ minds and broadcast the brand image and mission of the company.



Strong brand is also needed in the market. So there are some suggestions for Boyang to make a strong brand. As Boyang is in a B2B market, they need to position B2B brand first. Boyang is well-known among the co-operators in Shiyang while fewer companies know this brand in other provinces in China. In this respect, Boyang needs to think about developing their business to other cities to achieve more customers. And then a positive brand personality is needed. Because of the malicious competition of other competitors, Boyang's reputation and brand has been affected in some aspects. Boyang should take urgent actions to rebuild the brand to have a good personality which is like a good person, be honest, and be trustable, especially in this market. The last suggestion is to have a strong brand promise. In order to achieve the strong promise, the high quality products are needed essentially. Making sure about the quality will be the best promise to the customers.

## 6 Theoretical linkage

The B2B marketing customer buying processes and characteristics of the B2B marketing customers, brand concept and power of business brand, processes of brand building, brand image and brand positioning have been introduced in the theory part. The case company is Boyang Co. Ltd which has a good reputation among their customers and survives in this market for more than 10 years. While with the development of this market, Boyang is facing strong competition with other companies. Brand has become a significant factor for Boyang to survive in this market. Brand influences customer behaviour and customer behaviour restricts the brand. Knowing the relationship between brand and customer behaviour in B2B market has become an important issue for Boyang to survive in the market in the future. Based on the findings, high quality products and good services are needed in building a strong brand and brand will affect the customer's choice for each stage during the buying processes. A suitable promotion will be helpful to build a strong brand image and to retain the customers. Deep impression of the brand is also a factor affecting the customer's buying behaviour. At the same time, a good relationship with the customers is also needed to keep the customer loyal and build a healthy and long last brand.

## 7 Summary

As mentioned before, the intensive competitions and the new companies have threatened the survival of Boyang in the car spare parts market. The purpose of the thesis is to identify the relationship between the brand and the customer buying behavior by using qualitative and quantitative methods.

At the same time, the thesis will submit some recommendations for Boyang to survive in the market. The theoretical framework for the primary research with the B2B market customer behaviour and the characteristics of the B2B customer buying, the concept of brand, brand image, building processes of brand and brand positioning are also necessary in the thesis.

In this thesis, a questionnaire had been designed and sent to 100 managers from the case company's partner companies. In the end, 85 of the replies are as valid answers to be used in this research. At the same time, the qualitative research is also used as a support of the study. Three managers are interviewed through the computer and each of the interviews was last for 5 minutes. There are some problems and suggestions putting forward after the research as follows:

Boyang is a short history company in car spare parts, while Boyang has got some rewards on their products which help them to build a strong brand among all the competitors. However, because of the economic crisis and the malicious competition of other companies, the brand and reputation of Boyang has been affected resulted in losing some customers. On the other hand, Boyang lose the trust of its customers because of quality problems which also affected the brand image of Boyang. A number of customers have stopped the cooperation with Boyang because of the lower brand promise and image. For clarifying the problems, Boyang should invest money to build a strong brand image in the B2B market and reclaim the trust of the old customers, at the same time, to attract some new customers. On the other hand, Boyang could send some technicians to go abroad to study and improve their products to build the strong brand. Finally, maintaining a good and healthy relationship with the customers and regular visit are also needed during the processes of building the strong brand.

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## Appendices

### Appendix 1

Hello, I am Zhang Chenchen from Laurea University of Applied Sciences. It would be my pleasure to send you this questionnaire to research about Boyang Ltd. It also would be my honor if you can spend time to fill the questions. The aim of the questionnaire is about the auto master model, auto components and other car model products and how brand affect the customer behavior Thank you in advance!

#### 1. Location

---

2. Do you have a group in the company to make the buying decision such as a buying center?

- Yes
- No

3. What is your position in the buying center?

- Initiator(request purchasing)
- Influencer(affect buying decision)
- User(use the products)
- Decider(decide on product requirement or supplier)
- Buyer(select the supplier and arrange purchase terms)
- Approver(authorize the proposed actions of deciders)
- Gater keeper(prevent sellers or information from reaching members of the buying center)

4. What is the importance of criteria when you choose suppliers among all the competitors? Please circle the right alternative: 1=very important 2=important 3=average 4=less than average 5=not important at all

Price	1	2	3	4	5
Quality	1	2	3	4	5
Brand	1	2	3	4	5

5. How important do you find each of the listed information channels in car model Promotion? Please circle the right alternative: 1=very important 2 important 3=average 4=less than average 5=not important at all

Newspaper	1	2	3	4	5
Web media	1	2	3	4	5
Cooperators	1	2	3	4	5
TV commercials	1	2	3	4	5
Fair and trade shows	1	2	3	4	5

6. What is your impression about the brand image of Boyang? Please use 1-3 to choose. 1=very impressive 2=could recognize the brand logo 3=not impressive at all

- 1
- 2
- 3

7. How do you find the promotion of Boyang' s brand? Please circle the right number. 1=very successful. 2=successful 3=normal. 4=unsuccessful. 5=very unsuccessful

- 1
- 2
- 3
- 4
- 5

8. How do you think of the following products? Please circle the right number. 1=very good. 2=good 3=normal. 4=bad. 5=very bad

- auto stamping dies, 1 2 3 4 5
- checking fixtures, 1 2 3 4 5
- auto master model, 1 2 3 4 5
- auto components 1 2 3 4 5
- die standard parts 1 2 3 4 5

9. How important do you find that the car model sales agents should visit your company? Please circle the right number. 1=very important 2=important 3= less than average 4=fairly unimportant 5=not important at all

5.1

6.2

7.3

8.4

9.5

10. How often does Boyang's sales visit your company?

4. Very often

5. Often

6. Sometimes

7. Rarely

8. Never

11. If Boyang changed their brand logo or increase the price of the products, are you still buying their products?

- Yes
- Maybe
- No

12. What do you find the slogan of Boyang. "Boyang car model, best quality with lowest price, lead you to success" Please circle the right number. 1=very good. 2=good 3=normal. 4=bad. 5=very bad

- 1
- 2
- 3
- 4
- 5

Open question

What is the most important factor that you cooperate with Boyang? Why?

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Additional comments

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Thank you for your time!



