



Original Research Article

Effect of corporate branding on industrial and organizational purchasing

T Bayavanda Chinnappa¹, N Karunakaran^{2,*}

¹Dept. of Management, People Institute of Management Studies, Munnad, Kasaragod, Kerala, India

²Dept. of Economics, People Institute of Management Studies, Munnad, Kasaragod, Kerala, India



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ABSTRACT

Brands are an important asset to an organization, though intangible. Specifically in the B2B domain Brand building exercises are not flaunted but subtly carried out. A brand insight fortifies is the contents of this paper.

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1. Introduction

Industries and corporations in the B2B space have realized the importance of apportioning an extra amount towards brand building activities owing to globalization and availability of multiple alternatives. In this endeavor they ensure that their brand offerings continue to remain as a “top of the mind” recall brand. It is interesting to note that with the advent of modern technology and the IT revolution, nurturing and revitalizing brands is easier than before.

2. Objective

In this paper an attempt is made to study the effect of brands in B2B domain and is focused on how the purchase pattern moderates with the influence of brands and the overriding factors that guide purchase decision. The role of brands and their moderation over the “buy-grid” is being discussed thread bare.

3. Materials and Methods

To search the effect of corporate branding on industrial and organizational purchasing, a systematic analysis was done and some current reports and articles were used for reference.

4. Results, Analysis and Discussion

4.1. Corporate branding and its effect on industrial and organizational purchasing

Brands are not ephemeral. It is to be seen how these definitions moderate vis-à-vis corporate branding with specific reference to industrial products. Consumers eat, smell, feel and hear brands. The concept of smell, feel, hear and eat pertaining to brands with respect to industrial products differ vastly. The buyer behavior as applicable to industrial products is scientific and rational.¹ Analysis Comparisons and reference checks precede the purchase decision. The influence of brands on the pre-purchase activity is far-reaching and pervasive.

Brand does play a decisive role in the purchase decision of industrial products. A typical purchase scenario in the

* Corresponding author.

E-mail address: narankaran@gmail.com (N. Karunakaran).

B2B space involves various agencies playing their role to perfection during purchase process. How the brand influences the initiator, influencer, decision maker, gate keeper and the user department over the buy-grid is important and attempted. A buy-grid in the B2B space and the effect of brands is depicted in Table 1.

4.2. Influence of brands: 'New Task'

Take the case of a new task; the purchase activities include drawing up of specification for the required raw material, part or machinery in detail along with the approved makes (very essential if it is an accredited company or organization). Once the specifications are drawn, the inquiries are sent to the approved vendors soliciting their quotations. After receipt of the offer from the vendors the valuation process starts. The detailed technical analysis to check the compliance or otherwise with the specification is done. Any deviation if found would be loaded in terms of the rupee value and finally the price of the offered item is arrived. Among the vendors who have offered and are subjected to this exercise the 'L1' (lowest bidder) is favored with the purchase order. In the whole exercise the brand subtly but surely plays a predominant role. The initiator only recommends 'the top of the mind' recall brand as his preferred choice.² The influencer chips in and also contributes his/her share regarding the brand. The gatekeeper is an important person in the buyer behavior and has to be handled with care. Niceties, Pleasantries and other Sales Promotional activities, apart from Brand reinforcement activities are a must.

The marketing personnel of the vendor company should have met with these 'important persons' at regular intervals, kept them in good humor and spirits. Only then would he/she utter the name of your brand and, only then would he recommend your brand. The decision maker is rational and scientific in his approach. He indulges in a series of activities of comparison and reference checks, keeping at the backdrop the 'top of the mind' recall brand.³ The user department would have the last laugh since he would have indicated his preferred choice of brand. The marketing personnel of the Vendor Company have his task defined and cut out. The integrated marketing communication activity as applicable to B2B space should be deployed. Letters of appreciation from existing users and instances of prompt service rendered along with regular up-dates on innovation and development augments the promotion campaign thereby ensuring that the brand is retained as the top of the mind recall brand.

The visible ground efforts of brand promotion require the air cover of advertising. In the B2B space the typical brand promotion activity would include technical mailers and in-house bulletins along with data sheets, mailed regularly to the customers/prospects. Complementing, this is the personal selling activity. The Sales Executive or the

Regional Manager or even the Big Boss make courtesy calls to check the level of customer satisfaction in case of existing customers for repeat purchases. In the case of prospects, this will lead to reinforcement of the brand offering and aides recall. Conduct of In-House Seminars and participation in Trade Fair and Exhibitions also helps build brands in the B2B space.

4.3. Influence of brands: Straight re-buy

The adage "once a customer always a customer" belies facts if brands fail to deliver. Across the domains this picture prevails. In the B2B sphere the customers are concentrated and few in numbers. The incidence of repeat purchase is high. The players in the purchase process are influenced to a large extent by the pre-sales activity 'during the sale' activity and post-sale activity of marketing efforts of the suppliers. Complementing these efforts is the 'Brand'. The brand instills confidence in the minds of the user and the decision maker.⁴ The brands spell quality and performance which has since been experienced. It is known that the brand is a promise to be delivered. If the delivery has occurred the brand is reckoned as a Power brand. Delivery and promise in the case of B2B includes such diverse parameters as compliance to specifications, output deliverable and performance measurements.

4.4. Influence of brands: Modified re-buy

This scenario occurs only when there are major or minor changes in the specifications of the end-user/ultimate customer requirements. This is translated by the immediate or intermediate customer to the supplier. The supplier in turn checks into the required specifications to see if the requirements can be met in totality and if so what the implications on the cost parameter are.⁵ The brands play a powerful and dominating role in persuading the customer towards the offerings. The alternatives if any should not be in the scope of consumers' mind set.⁶ The previous use experience (product performance and service offerings) augments the incidence of a brand being re-purchased.

Modified re-buy occurs in the B2B space for anyone of the following:

1. Where the customer increases the scope of supply thus warranting a change in the specifications.
2. Compliance to norms of geopolitical, politico-social and cultural nature results in changes in the original specifications. Recent example of this could be the Harley Davidson fiasco. On its wish to enter the Indian markets they have run into rough weather due to the emission norms. They have requested the Government of India, Ministry of Environment to waive the emission norms calling the Motor cycle a highway Motor cycle.

Table 1: Effect of branding over various buying situations and phases

Phases	New Task	Modified Re buy	Straight Re buy
1.Problem Recognition	Anticipate Problem: use advertising and Creative sales people to convince buyers of Problem-solving Capabilities	In supplier: maintain quality/service standards: out supplier: watch developing trends	In supplier: maintain close relationship with users and buyers: out supplier: Convince firm to Reexamine alternatives
2. Solotion determi-nation	Provide technical as-sistance and infor-mation	In supplier and out supplier: stress capa-bility, reliability, and Problem-solving capabilities	Same as Phase 1
3.Determining needed item	Provide detailed product/service information to decision makers	Same as phase 2	Same as phase 1
4.Searching for and qualifying supplier	In supplier: maintain dependability: out supplier demonstrate ability to perform task	In supplier: watch for problem: out supplier: demonstrate ability to perform task.	Same as phase 1
5. Analyzing proposals	Understanding details of customer problem/need: make timely proposals.	Understand details of customer problem/needs: make timely proposals.	Make timely proposals.
6. Effect Branding	Aides Recall Search for alternate Brands. Influence of Word of mouth if any.	Reinforces and Aides Recall No search for alternate brands since use-satisfaction prevails.-Otherwise search for alternate brands	Reinforces and Aides Recall No search for alternate brands since use-satisfaction prevails Otherwise search for alternate brands

3. Reduction in the scope of supply due to paucity of funds or any reasons. Again the earlier use experience dictates the behavior of the re-purchase activity. Brands only augment the positive effects. Similarly, negatives if any will also diminish the brand re-call. The manner in which. The modifications are handled by the marketing personnel of the supplier company also determines the “re-call or otherwise” of the brand.

5. Conclusion and Recommendations

The recommend strategies would facilitate organizations in its brand building exercise.

1. Point of Entry: In many product categories, there are nonusers who are likely to enter the category coincident with some life stage or life event.
2. Personalized Integrated Marketing Communications: A tailor made and exclusive marketing plan is drawn up similar to Key Account Management — KAM. Specific Key Accounts are chosen and ear-marked to be ‘pampered’ especially by top big-wigs of the supplier company.
3. Life-cycle: Unlike the various stages in the Product life-cycle a Brand is evergreen, meaning that the brand remains to stay in spite of the product going obsolete.
4. Brand intimacy: A brand that has customer intimacy as its primary means of deliberating value is integrated into the minds and behavior of its customers. Instead of merely selling a brand, customer intimate brand offers a solution to buyers’ problems and thereby forges a close relationship with buyer.

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7. Conflict of Interest

None.

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Author biography

T Bayavanda Chinnappa, Assistant Professor

N Karunakaran, Principal and Research Guide in Economics

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