Investigating the Effects of Branding in Business-to-Business Relationships

A Qualitative Study of *LexCorp* and its Customers

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“Just because you can’t see something doesn’t mean it doesn’t exist.”

Susan Gale
ABSTRACT

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Research Question: In what way does industrial branding affect business relationships and how can this knowledge be used to support B2B brand decision making in various relationship stages?

Purpose: The purpose of this thesis is to investigate and analyze industrial branding and business relationship management in order to contribute to narrowing down the gap in the B2B branding literature. In particular, it examines which factors influence industrial branding to reduce inconsistencies in the literature and resolve possible associated uncertainties companies might face. Simultaneously, this study is scrutinizing the controversy whether brands are even important in long-term relationships, and the role of trust, as part of business relationships and emotional brand value. Therefore, an additional goal is to provide a better understanding of to what extent to engage and invest in industrial branding strategies. Through considering the various perspectives brought up by the case of company LexCorp and its customers related to relationships and branding, the interdependencies between the addressed concepts are evaluated.

Method: This study examined the business relationship through two standpoints: the buyers´ and sellers´. Specifically, an in-depth case study has been conducted with qualitative semi-structured telephone and Skype interviews. The applied deductive research strategy assisted in comparing the fit between the developed model and the obtained data. Moreover, interview results were interpreted with a content analysis approach, enabling the connection of empirical findings with theoretical concepts.

Conclusions: Strong interlinkages and dependencies between B2B branding and business relationships were detected. Correspondingly, the case study revealed that industrial branding has varying consequences within LexCorp, namely a clear positive impact on relationship establishment stages and a rather indirect effect on long-term relationships. This is also influenced by the interplay between the different concepts as addressed in the Dynamic Business-to-Business Brand Relationship Development Model. However, possible adaptations, such as including internal branding or the actors´ company size, need to be elaborated on in future research to gain an improved understanding of this complex research field and accomplish a higher level of the model’s generalizability.
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Västerås, Sweden, June 5, 2015

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1. INTRODUCTION

This section aims to provide a brief introduction to the field of industrial branding and shortly presents the case company LexCorp. Specifically, branding and the characteristics of the business-to-business (B2B) setting are illustrated and linked. This highlights the gaps in the existing literature and facilitates the formulation of the research question of this thesis, which guides the study’s direction and overall structure.

1.1 Background

Branding is an established marketing tool mainly prevalent in consumer markets which can strengthen a company’s competitive position (Kotler & Pfoertsch, 2007). Implementing a brand is often described as the process of highlighting unique features by a certain design, label or character (Kotler, 1991, p. 422). Kotler and Pfoertsch (2007) expand this definition by adding a less tangible side to brands, such as brand sentiments and individual perceptions and attitudes. Additionally, brands can increase value and lower risks inside a company (Madden, Fehle, & Fournier, 2006), enhance communication, symbolize a certain level of quality as well as minimize customer uncertainty and price sensitivity (Keller & Lehmann, 2003). Yet there seems to be disagreement regarding the various factors and aspects of what a brand is composed of, and how it should be defined and explained especially in the industrial area (Leek & Christodoulides, 2012). Most research in branding has been conducted in the business-to-consumer (B2C) setting whereas less is known for companies operating in B2B (Glynn, 2012; Herbst, Schimdt, Ploder, & Austen, 2012; Kotler & Pfoertsch, 2007; Leek & Christodoulides, 2011; Zhang & He, 2014). Anderson and Narus (2004, p. 136) claim that industrial brands have an identical role as in B2C, such as distinguishing products from competitors. Although small adaptations are made, B2C branding models are often applied to the B2B area and hence viewed from a consumer perspective (Glynn, 2012; Kuhn, Alpert, & Pope, 2008; Ying-Chan, Fen-May, & Sheng-Yao, 2008). Nevertheless, brand management decisions for the consumer setting differ from B2B (Mudambi, Doyle, & Wong, 1997). Consequently, applying concepts from one area to another has to be performed with caution (ibid.) Even though B2B and B2C seem to share similarities, there are crucial differences: industrial products and markets can vary extensively due to more adapted products as well as the amount and importance of exchanges between the involved actors (Baumgarth, 2010; Glynn, 2012). Håkansson (1982, pp. 14-22) emphasizes the fact that the industrial area consists of complex interdependencies with much tighter linkages among the actors compared to consumer markets, underlining the significance of retaining long-term relationships. Business relationships progress and grow over a certain time frame (Batonda & Perry, 2003). This development process can be divided into several stages, such as the pre-relationship phase, negotiation phase and development phase (Andersen, 2001). Hereby, the concept of trust is a crucial catalyst for establishing and maintaining long-term relationships (Doney & Cannon, 1997; Ganesan, 1994; Wilkinson & Young, 1999). Notwithstanding that trust evolves over time (Selnes, 1998), it can be found in various relationship stages (Holmlund, 2004).

Brand value, a sub concept of branding, is developed in relationships and consists of two main determinants, which are the functional and emotional brand value (Leek & Christodoulides, 2012). However, opinions in the field of B2B branding differ in recognizing branding as a valid marketing tool for the industrial setting. The concept is either considered as inefficient when managing a complete portfolio of various brands or as possessing limited usefulness for strategy management (Bendixen,
Bukasa, & Abratt, 2004). Bendixen et al. (2004) claim that functional values, such as price and quality, are of higher importance compared to intangible branding aspects. Previous research on industrial branding identified the rational focus of B2B markets and neglected impacts of feelings and emotions (Kuhn et al., 2008). This emphasis on tangible and functional brand value is based on the assumption that the industrial setting is less affected by emotions; therefore, purchase and decision making is rather guided by rationality and pure objectives (Bendixen et al., 2004). This somewhat extreme standpoint towards industrial branding is opposed by contradictory research, arguing that emotions likewise affect B2B brands and that not only functional features direct the buying and selling processes (Kotler & Pfoertsch, 2007; Leek & Christodoulides, 2012). Leek and Christodoulides (2012) stress that, besides a satisfactory functional quality, brands can additionally support business relationship establishment. It is similarly asked for future research, concentrating also on later stages of business relationships and thus elaborating on the role and importance of B2B branding (ibid.).

In order to contribute to and investigate B2B branding and business relationships, a case study with a Brazilian company is conducted; due to anonymity reasons it is further referred to as LexCorp. Starting in the 1980s as a small local business, it became a successful manufacturer in Latin America, which nowadays has over 200 customers.1 LexCorp produces metal packages, such as cans, which are utilized by its customers for different purposes, for example as containers for paint. Hence, several industries are served, for instance, furniture, real estate and chemical industries.2 LexCorp has developed various relationships with its customers which are at different stages.2 In order to maintain and improve its successful market position, LexCorp is investing in branding strategies.2

1.2 Problem Description

Although three out of the ten most successful global brands are industrial brands (Forbes, 2015), B2B branding is still not recognized as an important marketing approach compared to branding in the consumer setting (Herbst et al., 2012; Zhang & He, 2014). The prevailing literature highlights a gap, requesting studies which clarify the role and usefulness of B2B branding (Webster & Keller, 2004). Hereby, the literature mainly focuses on the rational side of B2B (Kuhn et al., 2008), whereas industrial branding also contains many intangible and emotionally-related aspects (Leek & Christodoulides, 2011). This incongruity, along with related concepts within the addressed research field, should be further studied to analyze how branding can be implemented and combined with B2B characteristics. Specifically, industrial branding proved to be most effective in the initial stages of companies’ business relationships (Webster & Keller, 2004), whereas less is known about the following stages. Correspondingly, research should examine if industrial brands can enhance already established relationships and the branding’s significance in sustaining and nurturing relationships (Leek & Christodoulides, 2011). Thus, it is useful to research the brand existence and effects on all relationship stages, with particular focus also on the later stages of business relationships. Accordingly, considering the unique industrial specifications in relation to brand management, related factors need to be elaborated on since branding decisions likewise affect and incorporate business relationship concepts.

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1 From the company’s webpage which is due to anonymity reasons not revealed
2 Alpha, personal communication, April 20, 2015
1.3 Purpose and Research Question

The purpose of this thesis is to investigate and analyze industrial branding and business relationship management in order to contribute to narrowing down the gap in the B2B branding literature. In particular, it examines which factors influence industrial branding to reduce inconsistencies in the literature and resolve possible associated uncertainties companies might face. Simultaneously, this study is scrutinizing the controversy whether brands are even important in long-term relationships, and the role of trust, as part of business relationships and emotional brand value. Therefore, an additional goal is to provide a better understanding of to what extent to engage and invest in industrial branding strategies. Through considering the various perspectives brought up by the case of company LexCorp and its customers related to relationships and branding, the interdependencies between the addressed concepts are evaluated. Hereby, different relationship lengths and stages are included as a means to study industrial branding after overcoming the relationship’s beginning stage.

This purpose leads to the following research question:

In what way does industrial branding affect business relationships and how can this knowledge be used to support B2B brand decision making in various relationship stages?
2. THEORETICAL FRAMEWORK

This chapter starts with a general description of business relationships and related concepts such as trust and relationship value. Then, the focus gradually shifts towards industrial branding and mutual characteristics are elaborated on as well as the specific factors of brand equity and brand value. Finally, the main concepts of business relationships and B2B branding are summarized and connections are illustrated in the developed model.

2.1 Business Relationships and the Concept of Trust

Relationships in the industrial setting possess some differentiating characteristics compared to B2C, such as being comparatively more long-term, interdependent and sophisticated (Håkansson, 1982, p. 22). Establishing and maintaining these relationships should be handled with high priority in a company (Andersen & Kumar, 2006; Caceres & Paparoidamis, 2007). The benefits of long-term relationships can be of both a tangible nature, for instance financial gains, as well as provide intangible advantages, like safety or knowledge sharing (Håkansson, 1982, p. 13). Therefore, actors should strive to obtain business relationships (ibid.). Relationship quality and closeness can influence the resulting benefits (Caceres & Paparoidamis, 2007). Håkansson (1982, p. 23) created the so-called Interaction Model, which aims to explain the dyadic relationship between the B2B partners and the surrounding in which the actors are embedded in. This model has been widely accepted in the literature (Harris & Goode, 2004; Johanson & Vahlne, 2003; Wilson, 1995). One of the model’s components is the interaction process between the actors consisting of various episodes, which can enable relationships to become of the long-term character (Håkansson, 1982, p. 24). Business relationships grow over time and the development can be divided into multiple relationship stages; each includes various elements, such as the amount of interaction (Batonda & Perry, 2003). Some authors agreed on dividing the business relationship development into five stages, for instance Håkansson (1982, p. 297) distinguishes the pre-relationship stage, the early stage, the development stage, the long-term stage and the final stage. Dwyer, Schnurr and Oh (1987) identified the stages of awareness, exploration, expansion, commitment and dissolution. On the contrary, in the later literature three business relationship stages are agreed upon, by for example Andersen (2001), Andersen and Kumar (2006) and Eggert, Ulaga and Schultz (2006). Respectively, the development ranges from a pre-relationship stage (Andersen, 2001), referred to as a build-up stage (Eggert et al., 2006), to a negotiation stage (Andersen, 2001) and finally to a development stage (Andersen, 2001; Andersen & Kumar, 2006). Some models further include a termination stage of business relationships (Eggert et al., 2006). In order to first of all establish a relationship, the concept of reputation can have an impact (Wilson, 1995). A company’s reputation can, for instance, lessen initial uncertainty and cautiousness (ibid.) of other parties for whom it provides information about potential business partners (Blois, 1999). Whereas a company’s reputation can influence actors’ behaviour in initial stages of relationship building, reputation alone cannot affect whether relationships are established or not (ibid.).

During the interaction episodes a social exchange occurs, which can link companies in the long-term (Håkansson, 1982, pp. 24-25). This exchange, mainly consisting of intangible aspects, is dependent on personal characteristics and experiences and can additionally reinforce the nurturing of the business relationship (ibid.). Relationship interactions often involve contacts with different employees between the participating companies (Andersen & Kumar, 2006). Accordingly, sometimes the interaction between the
companies concerns more than just two employees (Håkansson, 1982, p. 26). Narayandas and Rangan (2004) state that the actors involved in business relationships should be empowered in order to enable the company’s business and facilitate the cooperation. The participating employees represent the company and their combined efforts can help to develop trust between the business partners (Doney & Cannon, 1997). Håkansson (1982, p. 25) claims that trust can be seen as a condition for allowing social exchange in the interaction process. Furthermore, a company’s reputation can have an effect on the amount of established trust (Wilson, 1995). This is in line with Andersen’s and Kumar’s (2006) view, that emotions can affect business relationships due to their impact on sellers’ and buyers’ actions and behaviour. Correspondingly, trust between individuals evolves gradually and forms the foundation of business relationships; and therefore time plays an important role in this process (Bennett, McColl-Kennedy, & Coote, 2011; Blois, 1999; Håkansson, 1982, p. 25; Narayandas & Rangan, 2004; Wilson, 1995). There are various definitions for the concept of trust in business relationships (Doney & Cannon, 1997; Dwyer et al., 1987; Ganesan, 1994). Some of these interpretations vary quite extensively from each other, for instance, one only focuses on the associated feelings (Blois, 1999). According to Wilson (1995), most trust definitions involve actors behaving in favorable ways towards each other. When actors are very trusting of their partners, aspects, which have been restricting the relationship, can become less of a hindrance (Doney & Cannon, 1997; Morgan & Hunt, 1994; Narayandas & Rangan, 2004). Agreeing with Håkansson’s (1982, pp. 24-25) social exchange concept, Wilson (1995) emphasizes that social bonding, which is the process of personal binding, starts already in the beginning of relationships and along with it trust develops. Repeated interactions replace initial uncertainty and inexperience over time and consequently trust starts to evolve (ibid.). Wilson (1995) further elaborates on the importance of early information exchange in business relationships as well as frequent interactions to develop a base for social bonding. The more trust that exists in a business relationship, the stronger the bonds are and thus the higher the probability that the relationship becomes long-term (Hennig-Thurau, Gwinner, & Gremler, 2002). Higher relationship trust increases the resulting relationship quality (Wulf, Odekerken-Schröder, & Iacobucci, 2001), which in turn can affect the relationship benefits (Caceres & Paparoidamis, 2007). Furthermore, it has been recognized that quality and benefits are connected to the concept of trust in already established relationships (Gounaris & Venetis, 2002). Therefore, the presence and intensity of trust can guide the relationship length as well as the subsequent benefits (Wilkinson & Young, 1999).

2.1.1 Relationship Value

The concept of relationship value describes the mutual goal of the interacting B2B actors to develop values, which goes beyond pure business reasons and the exchange of goods (Mölter, 2006). Creating value inside relationships should be a primary company goal due to its various advantages (Lindgreen, Palmer, Vanhamme, & Wouters, 2006). For example, the relationship’s possible resistance towards external impacts of the economy (Vargo & Lusch, 2004) or the innovation initiated through knowledge sharing (Mölter, 2006). Relationship value, which delivers benefits to both involved actors, can lead to the shared desire to strengthen and maintain business relationships (Palmatier, Dant, Grewal, & Evans, 2006). Wagner and Benoit (2015) claim that relationship value is affected by the actors’ interactions and that it is highly influential on relationship outcomes. Besides the crucial importance of trust, relationship value is also a necessary concept to create successful business relationships (Eggert, Ulaga, & Schultz, 2006). Accordingly, relationship value needs to be incorporated when researching B2B relationship components (Ulaga & Eggert, 2006a). Most research on relationship value focuses on a specific relationship moment but it should instead consider the relationship as a continuous process, which evolves over time (Eggert et al., 2006).
2.2 B2B Brands and Business Relationships

Business relationships and relationship value can be affected by industrial brands (Webster & Keller, 2004). Through connecting companies with each other B2B brands can influence actors’ perceptions and behaviour (Ford, Gadde, Håkansson, & Snehota, 2011, p. 9). Consequently, brands can foster monetary outcomes coupled with increasing the amount of the actor’s trust (Glynn, Motion, & Brodie, 2007). Hence, the concept of trust similarly appears in the B2B branding literature (Ballester & Alemán, 2005; Garbarino & Johnson, 1999; Reast, 2005). Brand trust reflects the belief towards a product, service or company to deliver a steady amount of value (Ballester & Alemán, 2005) as well as the expectation that brands contain certain benefits, such as reliability (Glynn et al., 2007). In particular, positive brand experiences can increase the assigned future trust (Ballester & Alemán, 2005). Furthermore, B2B brands can influence relationship trust (Glynn et al., 2007; Webster & Keller, 2004) because trust towards another actor and brand are related (Anderson & Weitz, 1992). Hereby, Doyle (2000, pp. 227-229) claims that powerful brands can support trust development and establishing business relationships due to the strength to let a company appear more attractive compared to competitors. Since brand trust can ultimately affect brand loyalty, employees need to be encouraged and trained to increase the actors’ confidence in the relationship (Bennett et al., 2011). Nevertheless, limited studies have been conducted which link trust in various relationship stages with branding concepts (ibid.), as well as future research is needed to investigate on B2B branding impacts on other actors (Glynn et al., 2007).

2.3 Brand Equity

Business relationships are not isolated, but instead, to a high extent influenced by branding (Jones, 2005). In the literature brand equity and brand value are often used interchangeably (Raggio & Leone, 2007). Even though the theories are linked, they are not examining the same phenomena, which has not been recognized in the field of brand equity over the last 15 years (ibid.). Moreover, brand trust has a positive effect on brand equity, which is further related to brand value (Ballester & Alemán, 2005). Brand equity can be traced back to the 1980s with one predominant definition (Leek & Christodoulides, 2012): “Brand equity is a set of brand assets and liabilities linked to a brand, its name and symbol, that add to or subtract from the value provided by a product or service to a firm and/or to that firm’s customers” (Aaker, 1991, pp. 15-16). Brand equity consists of five sub concepts (see Figure 1), which are brand loyalty, brand awareness, perceived quality, brand associations and other brand assets (ibid.).

Figure 1: Extracted from the Brand Equity Model (Aaker, 1991, p. 270)
Brand Loyalty

High brand loyalty exists when customers proceed to buy products although competitors provide equal or even superior offers (Aaker, 1991, p. 39). It reflects the bond or allegiance towards the brand and the probability that customers will stick with the company, illustrating that the higher the brand loyalty, the lower customers’ uncertainty when choosing a product (ibid.). The concept consists of intangible factors, develops over time and can result in a positive brand perception (Oliver, 1999). Accordingly, also brand trust is a driving force behind brand loyalty (Bennett et al., 2011; Chaudhuri & Holbrook, 2001). Brand loyalty can accelerate attracting new customers through higher brand awareness as well as sustaining company’s competitiveness (Aaker, 1991, pp. 46-47). However, brand loyalty is strongly tied to individuals’ past experience and emotions (ibid., p. 41).

Brand Awareness

When customers can identify or remember a brand there is a certain level of brand awareness, which can be ranked from simply remembering to preferring or even being dependent on it (Aaker, 1991, pp. 61-62). Conversely, brand awareness by itself does not necessarily lead to a high brand equity since other factors can further affect and influence the brand equity (Jones, 2005). In order to create brand value, it is therefore essential to understand its effects on the overall brand equity and apply suitable strategic management tools (Aaker, 1991, pp. 63-64).

Perceived Quality

Perceived quality is the customers’ judgment on branded products compared to competitive offers (Aaker, 1991, p. 85). Composed by various quality aspects, for instance the actual product quality or ingredients, this brand equity sub concept is also affected by external marketing communication. Perceived quality can improve company benefits, such as being able to charge higher prices or strengthen customer purchase intentions (ibid., p. 86; Zeithaml, 1988). When perceived quality is high then brand equity will rise and ultimately brand value, which in turn can lead to higher brand loyalty (Zeithaml, 1988). Furthermore, Aaker (1991, p. 86) emphasizes that perceived quality is intangible since it is linked to individual emotions and associations. In general, positive customer perceptions can be beneficial for brands (Yoo, Donthu, & Lee, 2000).

Brand Associations

When customers relate certain characteristics to a brand then the concept of brand associations is addressed, which links to customer emotions (Aaker, 1991, p. 109). Marketing efforts influence brand associations while intended connections can be altered when transferred into customer minds (Jones, 2005). Brand associations convey often information, can simplify the buying process and distinguishing associations can improve a company’s competitiveness (Aaker, 1991, pp. 110-111).

Other Brand Assets

Through other brand assets companies can achieve or maintain a favorable market position, for example, implementing certain delivery conditions (Aaker, 1991, p. 21). Due to the potential effects on brand equity those should be monitored carefully (ibid.). In contrast to the remaining four brand equity sub concepts, which are affected by customers’ mind-set, the other brand assets can be rather influenced and controlled by the brand-owning company (Leek & Christodoulides, 2011).
The above-explained five sub concepts build the concept of brand equity in Aakers´ *Brand Equity Model* (Aaker, 1991, p. 270). Hence, importance and effects need to be carefully managed since the sub concepts are to a varying extent interdependent, for instance, *perceived quality* and *brand associations* can impact *brand loyalty* (ibid., p.42). Managing these brand equity can however be impeded by the intangibility of some concepts, such as *perceived quality* (ibid., p. 86). This model has been applied and acknowledged in the previous literature (Leek & Christodoulides, 2011), and can be utilized for various branded products and industries (Aaker, 1991, p. 274). Nevertheless, Leek and Christodoulides (2012) emphasize that Aakers´ (1991) model, along with other brand equity models, has not been adapted enough to the specific characteristics of the industrial area.

### 2.4 Brand Value

As mentioned previously in this chapter, brand equity can lead to brand value since both can affect business relationships (Jones, 2005). Brand value, as a part of relationship value, can be generated from successful brands and is influenced by customers´ judgments and past experiences (Chu & Keh, 2006). Besides intangible benefits, brand value is defined as the brands´ power to deliver monetary gains and especially financial brand value can be the overall motivation to invest in branding (Kapferer, 2012, p. 15). Additionally, Keller and Lehmann (2003) developed a model covering the *customers´ mind-set*, which contains aspects, such as *awareness, associations, attitudes* and *market performance*. Kapferer (2012, p. 14) similarly mentions that brand assets, such as *brand reputation*, can lead to brand value. Thus, the monetary brand value benefits are underlined and brand assets are considered as ingredients to earn profits from branding (Kapferer, 2012, p. 14; Keller & Lehmann, 2003). Other authors claim that brand value consists of intangible and tangible factors from a customers´ point of view (Mudambi et al., 1997). Hereby, the brand value factors are grouped into four areas, namely *company, distribution, product* and *supporting services*; these areas interact and are the basis for customers´ brand value perception (ibid.).

Leek and Christodoulides (2012) acknowledge the latter brand value depiction but criticize the main focus on functional brand value. Consequently, the *B2B Brand Value Framework* (see extract Figure 2 below) illustrates that brand value consists simultaneously of functional and emotional brand value (ibid.).

#### 2.4.1 Functional and Emotional Brand Value

The tangible functional brand value, such as price or quality, is part of the overall brand value in B2B (Leek & Christodoulides, 2012). In the literature tangible concepts have been recognized as highly important (Bendixen et al., 2004; Kuhn et al., 2008; Mudambi et al., 1997) since B2B is rather seen as guided by rational and objective reasons (Bendixen et al., 2004). A study where industrial buyers had to classify certain branding features demonstrated that especially product quality along with other functional branding factors have been more valued than intangible ones (ibid.). This finding focusing on the rationality of B2B has also been supported by previous research (Aaker, 1991, pp. 85-103). Functional brand value can impact actors´ brand value judgments and should be regarded as a requirement that needs to be maintained (Leek & Christodoulides, 2012).

Besides the rather rational functional brand value also the emotional brand value affects the overall brand value, for instance trust or risk reduction (Leek & Christodoulides, 2012). Including the subjective brand value is not acknowledged by many authors in the literature, for example, Kuhn et al. (2008) tested a model originating from B2C and applied it to B2B; concluding that intangible factors are unimportant and that especially tangible product characteristics are essential for industrial branding. Nevertheless, brand
emotions are slowly recognized in the industrial setting (Jensen & Klastrup, 2008; Lynch & De Chernatony, 2007). B2B branding, like business relationships, contains functional aspects along with less rational concepts, such as trust (Jensen & Klastrup, 2008). Equally, Jones (2005) underlines effects of trust and reputation on the brand value creation. Although including emotional values is recognized, the interchangeable use of relationship value and brand value by Jensen and Klastrup (2008) is noted (Leek & Christodoulides, 2012). Instead, Leek and Christodoulides (2012) separate emotional from functional brand value and conclude that those can lead to relationship value. Although a possible connection between functional and emotional brand value is suspected future studies are referred to in order to elaborate on this (ibid.).

Figure 2: Extracted from the B2B Brand Value Framework (Leek & Christodoulides, 2012, p. 112)
2.5 The Dynamic B2B Brand Relationship Development Model

To combine the above mentioned theories, a new model (see Figure 3) has been generated. The so-called *Dynamic B2B Brand Relationship Development Model (Dynamic B2B Brand RDM)* links the concepts of business relationships, relationship value, trust, brand value (consisting of functional and emotional brand value) and brand equity. The reason for illustrating it in another way than a stagnant one-to-one model is that B2B brands in business relationships are evolving and dynamic. This is in agreement with Jones (2005) criticizing that most models covering brand equity or brand value are rather static, which is however inconsistent with the characteristics of branding. Hence, also relationship value has to be seen as a process instead of a single point in time (Eggert et al., 2006).

![Diagram of the Dynamic B2B Brand Relationship Development Model](image)

Figure 3: *The Dynamic B2B Brand Relationship Development Model* (own illustration)

As emanating from Figure 3, the axes of the model are time and relationship intensity. On the one hand, time is a crucial aspect within most theories covered in this chapter, for instance, business relationships (Andersen, 2001; Andersen & Kumar, 2006), trust (Bennett et al., 2011; Blois, 1999), relationship value (Eggert et al., 2006) and *brand loyalty* as sub concept of brand equity (Oliver, 1999). On the other hand, relationship intensity, respectively the amount and depth of contact between the involved actors, is in line with Håkansson’s (1982, pp. 23-24) *interaction process* in business relationships. Below the time axis, the model is structured into three development stages, which are named in accordance with the literature examined earlier in this chapter. Subsequently, the first stage is called *Pre-Relationship stage* (Andersen, 2001), the second *Early Relationship stage* (Håkansson, 1982, p. 297) and the third is denoted to as *Relationship Development stage* (Andersen & Kumar, 2006). In general, business relationships contain interactions and *social exchanges* between at least two actors (Håkansson, 1982, pp. 25-27). Thus, in the centre of the model the business relationship is depicted, which develops with relationship intensity and time. Additionally, reputation, consisting of brand and company reputation, is positioned at the *Pre-
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**Relationship stage.** This is because the actors face initial insecurity and inexperience and according to Wilson (1995) information exchange can be a base for the *social exchange*. Correspondingly, B2B brands possess the power to connect the actors in the first stage of relationship establishment (Doyle, 2000, pp. 227-229), which is hence related to brand reputation. Moreover, trust is needed for long-term relationship development (Wilson, 1995) as well as maintaining relationships (Gounaris & Venetis, 2002). Therefore, the illustrated trust increases over time with relationship intensity and is depicted between the black sector lines. Hereby, trust is summarizing the concepts of relationship trust and brand trust because those, referring to Blois (1999) and Wilson (1995) are linked, develop over time and affect business relationship development.

Functional brand value is rather objective and rational (Leek & Christodoulides, 2012) as a result also the business relationship arrow in the model contains functional brand value. It grows over time along with the business relationship. Furthermore, the *other brand assets*, as the fifth brand equity sub concept, is incorporated inside the functional brand value because of its rather tangible nature (Aaker, 1991, p. 21), which can be seen in accordance with the functional brand value characteristics (Leek & Christodoulides, 2012). Since B2B brands can influence business relationships (Webster & Keller, 2004), emotional brand value as second part of brand value, is presented intertwined with the business relationship arrow. In detail, the remaining four brand equity subcomponents, particularly *brand loyalty, brand awareness, perceived quality and brand associations*, are included inside emotional brand value since these are in agreement with Leek and Christodoulides (2011) closely related to the customer mind-set. Aaker (1991, p. 86) also stresses the high impact of individual emotions and the intangibility of the four brand equity sub concepts. Emotional brand value is portrayed together with relationship value since the literature emphasises that emotional brand value (Leek & Christodoulides, 2012) and relationship value are mainly intangible and possess a rather subjective nature (Möller, 2006). The concept of relationship value can be seen as a continuous process, which is important for business relationship development and is additionally affected by trust (Eggert et al., 2006). Hence, emotional and functional brand value are attached to different concepts inside the *Dynamic B2B Brand RDM* but evolving mutually and depicted closely together. Dividing brand value into functional and emotional concepts is in line with the literature (Leek & Christodoulides, 2012). Therefore, including branding theories, such as brand value, into the *Dynamic B2B Brand RDM* combined with the addressed business relationship concepts is supposed to fill gaps in the existing literature, which asked for studies connecting trust with different relationship stages and B2B branding (Glynn et al., 2007) as well as analyzing possible connections between functional and emotional brand value (Leek & Christodoulides, 2012). Accordingly, the model includes three relationship stages, which fit to this studies’ purpose of identifying and understanding the role of B2B brands in business relationships along with related concepts.
3. **Method**

Starting with an explanation of the chosen research approach, strategy and design, the fundamental basis of conducting this study is placed. This is coupled with the rather complex process of choosing the case company and followed by the data collection. The analysis method is consequently unfolding how the collected data was evaluated and interpreted. Finally, this chapter ends with an explication of the implemented measurement concepts to facilitate replications and future studies as well as an ethical part highlighting the fairness of this work. Overall, limitations are incorporated in the respective parts of this method to clarify related boundaries.

### 3.1 Research Approach and Strategy

The purpose of this study is to investigate the effects and usefulness of B2B branding on business relationships in various relationship stages in order to fill gaps in the existing literature. According to Bryman and Bell (2011, pp. 410-411) a qualitative approach assists researchers to apply a narrower standpoint to research aspects and focus rather on words and meanings instead of figures and numerical data. Therefore, a qualitative approach was chosen, which enabled to have an in-depth focus on the case companies’ employees and customers and gain a detailed understanding of industrial branding in business relationships. Thus, this approach has the advantage of helping to comprehend the research field with gaining inputs from background, beliefs or behaviour (ibid.). Cooper and Schindler (2014, p. 145) however underline the difficulty to draw general conclusions from qualitative research and the need for including a wider perspective and sample to achieve higher generalizability. The study’s sample size of 15 respondents is representing a limitation whereas with more time additional interviews could have been conducted. Although being aware of weaknesses the advantages have been acknowledged and provided a useful basis for conducting this research. Even though a qualitative research approach is usually related to an inductive strategy, there can be situations where a deductive strategy is more suitable (Bryman & Bell, 2011, p. 620). Accordingly, a rather deductive research strategy was seen as applicable for this study. This allowed to first reflect and combine already established theoretical concepts also with developing a model and afterwards comparing its fit with the gathered qualitative data from the case company. Such a procedure might instead, after analyzing the gathered information, lead to a later adaptation of the theoretical framework (ibid., p. 12). Consequently, certain conclusions can be drawn from a logical standpoint (Fisher, 2010, pp. 109-110) even though this depends on the specific researcher situation and circumstances (Bryman & Bell, 2011, pp. 11-12).

### 3.2 Research Design

A case study was chosen to focus on one company and its customers as well as apply a concentrated view on a specific context; hence fulfilling the criteria of a case study (Bryman & Bell, 2011, pp. 59-60). By analyzing a situation in-depth the research field details can be seen more specifically and incidents linked (Cooper & Schindler, 2014, p. 128). Similarly, Fisher (2010, p. 69) stresses that, when applying a more narrow view, case studies support researchers in including detailed aspects. However, since the occurrence of some incidents might not necessarily appear in another case study (ibid., p. 70) the representativeness is limited. This case study excluded involving additional actors and concepts, which constitutes a further limitation. By utilizing a case study for this thesis, thorough information was retrieved to analyze and draw conclusions from LexCorp’s business relationships and B2B branding. This case
study was evaluated, as mentioned previously in this chapter, by applying a qualitative research approach as this, according to Bryman and Bell (2011, pp. 59-60), can facilitate comprehensions of a situation or the research field by analyzing specific incidences.

3.2.1 Choice of Company

In order to find a suitable case company and get some ideas for potential research topics, the job fair Högvarv Arbetsmarknadsmässan in Västerås, Sweden, was attended on February 4, 2015. There, some initial ideas were discussed and first contacts established. After presenting possible research fields to five different companies, as well as discussing research topics and case companies with this thesis tutor, it was first decided to collaborate with Volvo CE due to the wide network of dealer relationships and information access. Surprisingly, on April 10, 2015 Volvo CE refused to give access to the dealers although already one interview took place. A changing business strategy and more careful dealer handling was the explanation for the refusal in cooperation. After this incident, two companies were contacted to proceed with the process. Those companies fulfilled the criteria of operating in B2B, selling a physical product and investing in branding. Through several telephone and email discussions it was decided to proceed with the Brazilian company LexCorp because of the time pressure and faster interview access compared to the other company.

3.3 Literature and Data Collection

Finding, gathering and analyzing the literature and empirical data was a crucial element for this study. Understanding the previous literature can facilitate in building a knowledge base and formulating the research question (Bryman & Bell, 2011, pp. 91-92). Additionally, the literature review helped to discover gaps in the existing literature, namely industrial branding in long-term business relationships. As a thesis limitation, also further concepts, aspects or involved actors can influence business relationships, for example competitors. The literature was collected with help of Google Scholar as well as Mälardalens´ University database Discovery. Hereby, the focus was on screening articles published in scientific journals and applying books, which have been cited often in the previous literature, for instance, Håkansson (1982). Primary data was applied as a main source within this study and secondary data assisted this process.

3.3.1 Primary Data Collection

Cooper and Schindler (2014, p. 96) identified that primary data is, despite not screened by another individual or group, a needed information source for qualitative research. Overall, eight interviews were executed with the case companies’ employees and seven with the customers. Conducting interviews is one of the most applied method in qualitative research approaches (Bryman & Bell, 2011, p. 465; Cooper & Schindler, 2014, p. 152; Fisher, 2010, p. 182). A mix between telephone and Skype interviews, by using the conference-call function, were utilized. Telephone interviews were only adopted when a Skype interview was not possible. This was done in order to avoid possible telephone interview disadvantages, for example, limited interview length or lack of body language, which thus restricts observation (Bryman & Bell, 2011, p. 207). Nevertheless, the advantages of minimizing the geographical dispersion and saving time and costs (Cooper & Schindler, 2014, p. 240) weighted heavier than the disadvantages, because it allowed to keep contact across continents and gather research information. The telephone interviews
The length of the Skype interviews was less restricted as compared to the telephone interviews, which lead to an average length of 35 minutes. Being able to see and hear each other over the Skype can provide similar advantages as face-to-face interviews (Straus, Miles, & Levesque, 2001), such as observing the interview partner (ibid.) and body language, taking this together with respondents´ answers into consideration (Cooper & Schindler, 2014, p. 153). Besides the benefits, also weaknesses can appear, such as the interviewer effect, meaning the interviewers´ presence can influence responses when interviewing face-to-face (ibid., p. 240). Further issues connected to the internet are likely to occur, such as a connection lag (Straus et al., 2001). The disadvantages of each interview type were tried to even out but could not be completely erased. Interviews were spread over a time frame of two weeks, and maximum four interviews per day were conducted, matching Fishers´ (2010, pp. 186-187) suggestion not to exceed five interviews per day to stay focused and concentrated. Even though bounded by a given list from the case company, respondents relevant to the study could be chosen. The main criteria for selecting appropriate respondents were backgrounds of employees and customers as well as relationship length and involvement in business relationships. Furthermore, interview questions were not revealed to respondents in advance, neither in case of telephone nor in Skype interviews. This was done to overcome the observation loss when conducting telephone interviews (Bryman & Bell, 2011, p. 207) and aimed to receive more impulsive answers and reactions in both types of interview methods. A short introduction and explanation was given at the beginning of each interview, in order to ensure that respondents understood the addressed concepts in the intended way.

To gather the primary data a semi-structured interview approach was applied. Hence, two interview guidelines types (see Appendices 1 & 2) with questions belonging to the specific theoretical concepts were developed. Such guidelines can be a useful tool (Bryman & Bell, 2011, pp. 473-475) to ensure that main categories are covered in the interviews. At the same time interview guidelines give freedom to drift from the questions, as long as the answers are relevant to the main research field (ibid.). The semi-structured interviews provided flexibility to be sensible towards respondents´ answers and behaviour, as well as adapting questions depending on the situation (ibid., p. 205; Cooper & Schindler, 2014, p. 153). This was particularly done by asking respondents to give examples when replying to the interview questions, which is according to Fisher (2010, pp. 186-187) important to clarify statements. Interview answers were, after asking for permission, recorded and transcribed; inspection to recordings and documents can be requested. This is mainly important for semi-structured interviews because of possible deviations from the guidelines (Fisher, 2010, p. 81). Although transcribing take time it is beneficial to truthfully capture respondents´ replies (Bryman & Bell, 2011, p. 476). The interview language was in Portuguese due to respondents´ insecurity of speaking English. This was though no barrier because of ethnic backgrounds and language proficiencies. For the purpose of understanding the questions were translated (see Appendices 3 & 4), answers transcribed and translated back to English. This was done in a careful procedure to maintain proper meanings, which is according to Bryman and Bell (2011, p. 488) important, when translating respondents answers. Translations might constrain when interpreting interview responses (ibid.), however, certain standards were taken care of. In specific, a from this thesis and case company independent person, speaking Portuguese as mother tongue and capable of good English skills, due to working in an English speaking company in Sweden within the marketing department, double checked translated versions and gave feedback if contents were translated in a reliable and meaningful way. Linked to this, no cultural or country related considerations were made, which can
also be a limitation. Theories and concepts elaborated on in the theoretical framework, as well as the *Dynamic B2B Brand RDM* have been ordered, questions designed and operationalized (see Table 1). This can help in formulating theories into relevant interview questions (Bryman & Bell, 2011, p. 154) and support researchers in measuring the intended theories (Cooper & Schindler, 2014, p. 195).

<table>
<thead>
<tr>
<th>Concepts</th>
<th>Definitions</th>
<th>Interview questions for <em>LexCorp</em>’s employees</th>
<th>Interview questions for <em>LexCorp</em>’s customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business relationship</td>
<td>The dyadic relationship between actors embedded in the industrial setting possessing some specific characteristics, such as being rather long-term, interdependent and more sophisticated (Håkansson, 1982, p. 22).</td>
<td>1, 2</td>
<td>1, 2, 3</td>
</tr>
<tr>
<td>Brand relationship</td>
<td>Brand relationships consist of B2B brands, which influence business relationships (Webster &amp; Keller, 2004), because brands can connect a company with another party (Ford et al., 2011, p. 23).</td>
<td>6, 16</td>
<td>5, 7</td>
</tr>
<tr>
<td>Relationship value</td>
<td>Relationship value can occur inside business relationships and describes the mutual goal to develop value, which goes beyond the exchange of goods and pure business reasons (Möller, 2006).</td>
<td>1, 2</td>
<td>1, 2, 3</td>
</tr>
<tr>
<td>Brand equity</td>
<td>“A set of brand assets and liabilities linked to a brand, its name and symbol that add to or subtract from the value provided by a product or service to a firm and/or to that firm’s customers.” (Aaker, 1991, pp. 15-16).</td>
<td>5, 7, 8, 9, 10, 11, 12, 13, 14, 15</td>
<td>5, 6, 8, 10, 11, 12, 13</td>
</tr>
<tr>
<td>Brand value</td>
<td>Brand value is a sub component of the overall value development, which can be obtained from successful brands but is also affected by individual judgments and experiences (Chu &amp; Keh, 2006). Additionally, brand value can generate monetary gains (Kapferer, 2012, p. 15).</td>
<td>7</td>
<td>5, 6, 7, 10, 11</td>
</tr>
<tr>
<td>Trust/Brand trust</td>
<td>Trust can be defined as the feeling relationship partners can be relied upon and will act with consideration of the other actors interests (Ballester &amp; Alemán, 2005). Brand trust is the expectation brands contain certain benefits, such as reliability (Glynn et al., 2007), and the belief brands deliver a steady amount of value (Ballester &amp; Alemán, 2005). Furthermore, brand trust is related to the broader concept of relationship trust (Anderson &amp; Weitz, 1992; Ballester &amp; Alemán, 2005).</td>
<td>3, 4, 5</td>
<td>4, 9</td>
</tr>
</tbody>
</table>

Table 1: Operationalization (own illustration)
3.3.2 Secondary Data Collection

Secondary data from webpages, applied in the introduction chapter, have been used within this thesis. An advantage of using the internet is the wide array of information, which can be accessed quickly. Nonetheless, some sources are less trustworthy and not always scientifically reviewed, which is what Bryman and Bell (2011, p. 107) warn for. This disadvantage was tried to be minimized by using mainly webpages, which originated from the case company or acknowledged sources. This approach is suggested by Cooper and Schindler (2014, pp. 100-101) stating that online sources itself need to be examined as well as the reasons of the online exposure.

3.4 Analysis Method and Thesis Structure

The primary data collection was initially aligned and ordered to the various concepts used in the theoretical framework and the Dynamic B2B Brand RDM. Transcribed responses from the qualitative interviews were screened and similarities or differences filtered. Therefore, a content analysis method has been applied aiming to order data into prior defined categories in such a way that the study can be repeated (Bryman & Bell, 2011, p. 291). This approach has the advantage to be flexible and adaptable towards collected data and research characteristics (Cooper & Schindler, 2014, p. 384), although not completely possible to exclude researchers´ personal interpretations (Bryman & Bell, 2011, p. 308). This analysis method enabled connecting empirical findings with the theoretical concepts mentioned in the operationalization.

This study is discussing B2B branding in business relationships. Therefore, the thesis structure was adapted to illustrate this in a suitable composition and evolve logically. The introduction chapter is familiarizing the reader with the addressed research topic and purpose of this thesis. Following, the theoretical framework presents and confronts the two main research concepts. It similarly demonstrates that some of the sub concepts appear in both fields, like trust or reputation, which is already indicating possible connections. This second chapter is rounded off by the Dynamic B2B Brand RDM, illustrating the composition between the main concepts along with potential linkages. Thereupon, the method chapter aims to clarify the studies´ background as well as the chosen methodological tools for conducting this study. Additionally, chapter four combines empirical findings and analysis with the intention to directly link the primary data with the theoretical concepts. This aims in guiding the reader along the “red thread” of this thesis and mirroring the empirical findings in the light of the covered theory.

The discussion chapter is continuing this analysis and perpetuates the findings to an additional level by drawing further inferences. Hereby, the new model´s fit is tested in confronting it with the case studies´ findings and foundations are laid for the finalizing chapter. The reason for combining the future research together with the conclusions, was to directly pinpoint possible prospective studies and further approaches to fill the addressed research gap. Likewise, the managerial implications are incorporated in this chapter to facilitate the readers´ practical understanding and give implications on how to utilize the study´s outcomes for companies dealing with issues, related to the addressed research problem. Overall, the intention is to merge connected parts and topics, such as the findings and analysis, in order to not impede the reading flow and logically develop the research elaboration.
3.5 Reliability and Validity

To achieve and maintain reliability (Cooper & Schindler, 2014, p. 260) it was attempted to maintain certain standards. For instance, when conducting semi-structured interviews, attention was carefully paid in retaining a certain style of asking and explaining questions or added information. Such procedures can, according to Bryman and Bell (2011, p. 476) and Cooper and Schindler (2014, p. 157), increase the interview quality. The primary data collection, with the semi-structured interviews, present an extensive part of this thesis. To ensure validity (Fisher, 2010, p. 267) it was important to relate interview questions to previous research. Accordingly, some questions have been taken directly from the five applied scientific articles, namely Aaker (1991, 1996), Ganesan, (1994), Glynn et al. (2007) and Kuhn et al. (2008). However, articles covering concepts, such as trust (Doney & Cannon, 1997), used mainly a quantitative approaches. In that case, some questions needed to be adapted, as shown in the appendices, to design more open questions suitable for this study. Own questions, which have been seen as important, were added since those could not be found in the previous literature. Thus, adaptations and applications of own questions can be seen as thesis limitations. Nevertheless, this study adds to fill gaps in the prevailing literature (Leek & Christodoulides, 2011), which can explain applying a different research approach for this thesis. Linkages of interview questions to the literature, as a basis for analysis and conclusion, can add to higher validity since Bryman and Bell (2011, p. 159) state that research tools need to be verified to measure the addressed research concepts. Moreover, interview questions are included in Portuguese (see Appendices 3 & 4) to increase transparency.

3.6 Ethics

This thesis has neither been influenced nor biased by the case company nor any other party. Furthermore, to fulfil the case company’s wish, the case company’s name was changed. Before conducting the telephone and Skype interviews anonymity was promised as well as discretion with interview answers and personal data. Securing anonymity and guaranteeing confidentiality is a significant step in conducting research (Cooper & Schindler, 2014, p. 31). Due to anonymity reasons respondents’ transcribed answers and names are not included in this thesis. Hesitancy and insecurity can result from respondents’ fear that the answers are not anonymous and could have effects on responses (Cooper & Schindler, 2014, p. 256). Anonymizing respondents’ answers by, for instance using pseudonyms, can be utilized within qualitative research even though the risk to identify actual sources behind obtained data is still present (Bryman & Bell, 2011, p. 129). Therefore, respondent names were changed and pseudonyms chosen according to the Nato Phonetic Alphabet. The LexCorp’s employee’s pseudonyms were assigned from the beginning of this alphabet and respectively the customer names start from the end of the alphabet. Also, customers have been given alphabetical letters and employees’ numbers as footnotes. This aims to facilitate the understanding the following chapter. Table 2 below illustrates the respondent information and interview specifications. Customers conducting business with LexCorp for more than four years have been classified as old customers and belonging to the Relationship Development stage of the Dynamic B2B Brand RDM. Whereas customers of the Early Relationship stage of the model with relationships shorter than four years were denoted as new customers. Accordingly, the size of the interviewed customers was taken into consideration when analyzing the primary data. Thus, a company size of less than 50 employees was considered as small-sized company and correspondingly more employees were regarded as big-sized company. These designations were applied in the following chapters in order to simplify the understanding and hereby examine possible effects of these on the research topic.
<table>
<thead>
<tr>
<th>Respondent pseudonyms</th>
<th>Customer company size</th>
<th>Employed since/ Customer relationship length</th>
<th>Interview date</th>
<th>Interview length/ type of interview</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LexCorp’s employees</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alpha</td>
<td></td>
<td>16 years</td>
<td>April 20, 2015</td>
<td>40 minutes/ Skype</td>
</tr>
<tr>
<td>Bravo</td>
<td></td>
<td>4 years</td>
<td>April 30, 2015</td>
<td>29 minutes/ Skype</td>
</tr>
<tr>
<td>Charlie</td>
<td></td>
<td>5 years</td>
<td>April 23, 2015</td>
<td>32 minutes/ Skype</td>
</tr>
<tr>
<td>Delta</td>
<td></td>
<td>1 year</td>
<td>April 26, 2015</td>
<td>35 minutes/ Skype</td>
</tr>
<tr>
<td>Echo</td>
<td></td>
<td>2.5 years</td>
<td>April 23, 2015</td>
<td>17 minutes/ Telephone</td>
</tr>
<tr>
<td>Foxtrot</td>
<td></td>
<td>7 years</td>
<td>April 30, 2015</td>
<td>36 minutes/ Skype</td>
</tr>
<tr>
<td>Golf</td>
<td></td>
<td>4 years</td>
<td>April 17, 2015</td>
<td>24 minutes/ Telephone</td>
</tr>
<tr>
<td>Hotel</td>
<td></td>
<td>5 years</td>
<td>April 22, 2015</td>
<td>35 minutes/ Skype</td>
</tr>
<tr>
<td><strong>LexCorp’s customers</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Zulu</td>
<td>Big-sized</td>
<td>Old customer</td>
<td>April 29, 2015</td>
<td>33 minutes/ Skype</td>
</tr>
<tr>
<td>Yankee</td>
<td>Small-sized</td>
<td>Old customer</td>
<td>April 29, 2015</td>
<td>38 minutes/ Skype</td>
</tr>
<tr>
<td>X-Ray</td>
<td>Big-sized</td>
<td>Old customer</td>
<td>April 30, 2015</td>
<td>36 minutes/ Skype</td>
</tr>
<tr>
<td>Whiskey</td>
<td>Small-sized</td>
<td>New customer</td>
<td>April 28, 2015</td>
<td>34 minutes/ Skype</td>
</tr>
<tr>
<td>Victor</td>
<td>Small-sized</td>
<td>New customer</td>
<td>April 28, 2015</td>
<td>19 minutes/ Telephone</td>
</tr>
<tr>
<td>Uniform</td>
<td>Medium-sized</td>
<td>Old customer</td>
<td>April 30, 2015</td>
<td>37 minutes/ Skype</td>
</tr>
<tr>
<td>Tango</td>
<td>Big-sized</td>
<td>New customer</td>
<td>April 29, 2015</td>
<td>20 minutes/ Telephone</td>
</tr>
</tbody>
</table>

Table 2: Primary data collection information (own illustration)
4. **EMPIRICAL FINDINGS AND ANALYSIS**

To clarify and facilitate the representation and analysis, the chapter is ordered into two main parts. The first is mainly concentrating on the case company’s brand and the second on the relationships with the customers, reflecting and combining the buyers’ and sellers’ perspectives. Hereby, the characteristics of business relationships and effects of branding are intended to crystallize the background, circumstances and impacts on the involved actors.

4.1 *LexCorp*’s Branding Approach

*LexCorp* is investing quite extensively in branding because of the importance to be known in its industry as well as separating itself from competitors in the market. Conforming to this, one *LexCorp* employee reported that it would be difficult for a company to survive in the market without a strong brand name. Consequently, brands can distinguish products from competing alternatives (Anderson & Narus, 2004, p. 136) by communicating certain values and encompassing a distinct brand reputation (Jones, 2005; Kapferer, 2012, p. 14). Analogous, advertising and promotion campaigns are vital means for *LexCorp* in receiving customers’ attention and spreading its brand name. This links to the brand equity sub concept of *brand awareness*, which is contributing to customers memorizing or even preferring of a certain brand (Aaker, 1991, p. 61). In this instance, customers identified *LexCorp*’s brand with quality, efficient service, innovation and fair prices. The employees connected the brand to quality, reliability and credibility. Moreover, employees claimed that the associations customers have with the brand, company and employees affect each other and should thus be taken care of. This is related to Aaker (1991, p. 109), stressing that *brand associations* are particular characteristics customers attach with brands, which is also coherent with customer emotions. One respondent agreed to Aaker (1991, pp. 110-111), that distinguishing *brand associations* can lead to an improved market position. Complementary to this, a customer survey is made twice a year by *LexCorp*, which contains among others, questions measuring customers’ brand and company associations. These results are evaluated and if some inconsistencies occurred appropriate actions are taken, such as higher investments in brand image. Related to *brand awareness*, employees should spread relevant customer feedback about, for example, certain branding campaigns; since *LexCorp* needs to be aware if there is a negative or unwanted brand understanding in the market. An employee claimed that with such measures the branding strategies can be adapted and improved. Some employees were though uncertain how *LexCorp* is able to spread and ensure the intended *brand associations*. Here some interviewed employees indicated that without the brand probably customer’s overall product and service quality perception would be lower. Additionally, *LexCorp*’s

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5 Aaker, personal communication, April 23, 2015  
6 Bravo, personal communication, April 30, 2015  
7 Charlie, personal communication, April 23, 2015  
8 Delta, personal communication, April 26, 2015  
9 Echo, personal communication, April 23, 2015  
10 Foxtrot, personal communication, April 30, 2015  
11 Golf, personal communication, April 17, 2015  
12 Hotel, personal communication, April 22, 2015
brand communicates a certain image and customers form expectations, which can facilitate but as well impede business. The superior and reliable brand image combined with high prices is intended to signal exceptional product and service quality. Such assets, following from the company’s branding strategies, can enhance brand equity (Leek & Christodoulides, 2011), and can help to stay competitive (Aaker, 1991, p. 21). Supplementary services, such as purchase planning or flexible delivery conditions, is also included in LexCorp’s branding promises. Therefore, LexCorp developed a customer classification system, which is dividing customers according to profitability. This system assigns extra service especially to new and more lucrative customers. As major advantages of business relationships with LexCorp, customers pointed out flexible prices, delivery negotiations and reliability. Some employees and customers emphasized mainly financial benefits, which is in consonance with the literature (Håkansson, 1982, p. 13), arguing that monetary gains can result as relationship benefits. Accordingly, one customer commented:

“For us, the business relationships has to bring monetary benefits, because the main goal of a company is to make profits.”

When it comes to LexCorp’s branding benefits, employees regarded higher profits as the leading reason to invest in branding, which then can be allocated back in order to continuously improve operations. This branding motivation, which focuses on the financial aspects of brand value, is in accordance with the literature (Kapferer, 2012, p. 15). Returning to business relationships, employees acknowledged the convenience of exchanging experiences or creating new products and services together. Similarly, some respondents stated that usually both sides benefit, which emerges from the mutual relatedness within the industry. Resultant, a long-term view should be applied so business partners develop within the relationships. This resembles to a respondent explaining that the longer LexCorp is working together with a certain customer the higher the mutual support, for instance, with product design. Such experiences were also reported by some customers. Thus, when operating with known customers, routines evolve, which can simplify business. These relationship benefits, going beyond simple business exchanges, are as well covered by the concept of relationship value (Möller, 2006), which can bond the respective actors and further effect relationship length (Palmatier et al., 2006). Related to this, Eggert et al. (2006) stress that relationship value is evolving over time as an ongoing process. Vice versa, customers can gain from LexCorp’s branding efforts through receiving information and promises about prices, quality or delivery conditions, which can be considered as valuable data for customers in this B2B industry. The aforementioned brand value can be connected to functional brand value, which are, due to the tangible character, most visible and easiest to observe (Bendixen et al., 2004; Leek & Christodoulides, 2012). The respondents’ minor focus on less tangible values reflect, according to Jensen and Klastrup (2008) as well as Lynch and De Chernatony (2007), the rather slow recognition of emotional B2B brand value in the existing literature. Branding benefits can be related to emotional brand value, which can inversely affect

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Yankee, personal communication, April 29, 2015
X-Ray, personal communication, April 30, 2015
Whiskey, personal communication, April 28, 2015
Victor, personal communication, April 28, 2015
Tango, personal communication, April 29, 2015
Alpha, personal communication, April 20, 2015
Bravo, personal communication, April 30, 2015
Charlie, personal communication, April 23, 2015
Echo, personal communication, April 23, 2015
Golf, personal communication, April 17, 2015
Hotel, personal communication, April 22, 2015
Investigating the Effects of Branding in Business-to-Business Relationships

functional brand value (Leek & Christodoulides, 2012). Several employees agreed that brand value can enhance customer relationships, which links to Leek and Christodoulides (2012) claiming that emotional brand value can foster B2B relationship development. Also, some LexCorp’s employees recognized that branding can help to facilitate customers’ purchasing decision. As shown in the following interview extract, this was in a similar manner reported by customers perceiving lower risks when collaborating with LexCorp:

“I have a lot of trust in the LexCorp brand and I feel safe when doing business with them. We prefer to buy from a well-known brand instead of taking risks with unbranded or unknown seller.”

4.2 LexCorp’s Business Relationships

Agreeing to Håkansson (1982, pp. 14-22), that B2B is different when compared to the consumer setting, the case company’s business relationships are rather long-term with on average between 10 to 20 years. Some respondents were not personally involved in the whole relationship length. This is coupled with the aspect that LexCorp’s offers are often adapted to specific customers. These adaptations and the collaboration between the involved companies, are according to Håkansson (1982, p. 22) further B2B characteristics. To exemplify relationship interdependencies one LexCorp employee highlighted:

“Some customers are big companies and we are very dependent on them because they often place huge orders. Everything stands still when those customers have questions or issues. (...) They have their own customers that need to be served on time.”

LexCorp’s employees described customer relationships as honest, respectful and mutually beneficial. The customers valued LexCorp’s high commitment, engagement, professionalism and service quality. Hereby, the following statements signal how employees and customers perceived the business relationships:

“In general, we have two forms of relationships: either professional or friendship. It is not that only those types exist, there are many variations in between these (...) Some customers are treated in a strictly professional way, but to older customers we often have a very close relationship.”

“Our relationship is professional but mainly to some employees very close (...) these friendships can of course affect our decisions and how we conduct business with them.”

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a Zulu, personal communication, April 29, 2015  
b Yankee, personal communication, April 29, 2015  
c X-Ray, personal communication, April 30, 2015  
d Whiskey, personal communication, April 28, 2015  
e Victor, personal communication, April 28, 2015  
f Uniform, personal communication, April 30, 2015  
g Tango, personal communication, April 29, 2015  
h Alpha, personal communication, April 20, 2015  
i Bravo, personal communication, April 30, 2015  
j Charlie, personal communication, April 23, 2015  
k Delta, personal communication, April 26, 2015  
l Echo, personal communication, April 23, 2015  
m Fox trot, personal communication, April 30, 2015  
n Golf, personal communication, April 17, 2015  
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Respectively, respondents explained that business relationships usually start on a distant and merely business-related level, but over time many transform into closer business relationships.\(^2\)\(^,\)\(^8\) This mirrors the *social exchange episodes* and *interaction processes*, which can support establishing and prolonging business relationships (Håkansson, 1982, pp. 24-25). Respondents remarked that in general business with new customers involves increased efforts and higher uncertainty, which follows from missing trust and routines, for example, employees’ perception that payments will not be received on time.\(^5\)\(^,\)\(^7\) New customers are usually unaware of *LexCorp’s* strengths and doubtful if the right company was chosen.\(^6\)\(^,\)\(^9\) Due to prevailing insecurities, for instance, if the price is worth the quality, especially new customers need to be assured in their decision.\(^3\)\(^,\)\(^4\) Hence, when dealing with new customers, *LexCorp* has certain procedures, such as payment or pricing conditions,\(^2\)\(^,\)\(^6\) which depend on the aforementioned customer classification and purchase volume.\(^3\) Equally, one new customer respected *LexCorp’s* pricing levels but seemed not too convinced:

“Of course their price is higher, and we expect that it will be worth it. It is hard to judge it now since we did not work with them for so long (...) but compared to other companies we rather pay more to hopefully get better quality.” \(^d\)

Notably, customers are often worried about product quality or punctual delivery.\(^9\) Such initial hesitancy corresponds to Wilson (1995), identifying that repeated interactions can ensure the involved actors and reduce the insecurity while trust develops. Considering new customers’ insecurities, *LexCorp’s* brand aims to signal credibility and communicates certain traits, such as high quality products.\(^4\)\(^,\)\(^5\) Industrial brands can facilitate relationship establishment (Doyle, 2000, pp. 227-229; Leek & Christodoulides, 2012) as well as connect companies with each other (Ford et al., 2011, p. 9). Hereby, customers either agreed that branding was a reason to choose *LexCorp*, because of its positive reputation\(^a\)\(^b\) and lower risk perception\(^-d\) or felt in contrast that it was not a high influencing factor.\(^8\) Since especially word-of-mouth can be helpful for a positive reputation *LexCorp’s* employees argued that it is essential to invest in current customers in order to attract new ones.\(^7\)\(^,\)\(^9\) Consequently, a company’s reputation can influence if relationships are even established and also affect actors’ behaviour (Blois, 1999). On the contrary, the aforementioned uncertainty usually changed after business partners became acquainted with each other.\(^5\) As an illustration, some old customers regarded *LexCorp’s* prices as fair compared to the offered quality and innovation.\(^b\)\(^,\)\(^e\) For older customers, *LexCorp’s* employees were aware that especially not fulfilling promises could affect its reputation.\(^7\)\(^,\)\(^9\) In spite of this, the interviewed customers agreed that *LexCorp* is usually keeping promises, which makes it more reliable and simplifies business.\(^5\)\(^,\)\(^e\) Employees emphasized that it is vital to behave in a honest and reliable way to obtain and maintain a positive image in the

\(^{a}\) Zulu, personal communication, April 29, 2015  
\(^{b}\) Yankee, personal communication, April 29, 2015  
\(^{c}\) X-Ray, personal communication, April 30, 2015  
\(^{d}\) Whiskey, personal communication, April 28, 2015  
\(^{e}\) Victor, personal communication, April 28, 2015  
\(^{f}\) Tango, personal communication, April 29, 2015  
\(^{g}\) Uniform, personal communication, April 30, 2015  
\(^{h}\) Hotel, personal communication, April 22, 2015
market. To ensure trust, keeping promises is crucial because loyalty and trust are related. Similarly, Glynn et al. (2007) indicate that higher trust can lead to higher loyalty. Albeit, LexCorp’s employees trust varied especially when realizing customers are not reliable, which can accordingly prolong the trust building process. Whereas, small issues are seen as rather confident if in the past everything functioned as agreed upon. This is in line with the literature, stating trust is developing over time and can serve as fundament for continuing business relationships (Bennett et al., 2011; Blois, 1999; Håkansson, 1982, p. 25; Narayandas & Ranga 2004; Wilson, 1995). Identically, the more established the trust the more favorable the actors treat each other (Wilson, 1995). As a result, some employees described, the longer they know a certain customer, combined with positive experiences, the higher is the related trust. One customer also experienced that previous unproblematic business practices increased trust:

“Since the beginning of our relationship they always did what they told us and acted in a professional and ethical way. (...) I feel that we can rely on them because we never had negative experiences in the past. It is important that we know we can count on them.”

The interviewed employees had customer contacts from at least once a week to an everyday frequency. The customer contact is depending on employee’s tasks and the contact type, which ranges from usual business towards specific issues. Correspondingly, also the interviewed customers had differing contact to LexCorp, determined by orders or other concerns. Customer contact persons can vary quite extensively, contingent upon the customers’ organizational size and structure. Some customers stayed in contact with the same LexCorp’s employees while for others many changing employees were involved. Furthermore, some customers regarded the same LexCorp’s contact employees as advantageous, for instance, to save time and establish trust. Customers with rather few contact employees claimed that, due to missing experience and fewer touch points, it would be difficult to trust another LexCorp’s employee to the same extent. One customer experienced the following:

“I have contact mostly with (...). It is important for me, because I prefer to talk with someone that knows our company. I can trust (...) because I know she is committed to find the best solutions for us.”

Contact with the same employees of the customers’ company was regarded as favorable, because of professional as well as personal trust reasons. Employees added that trust is sometimes formed by personal feelings even when there are no underlying rational explanations. This is illustrated by Andersen and Kumar (2006) stressing the impact of emotions in business relationships, which can control actors’ behaviour and actions. In comparison, some customers claimed that they trust LexCorp in general, rather than specific contact employees. Hereby, Andersen and Kumar (2006) underline the involvement of

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1 Zulu, personal communication, April 29, 2015
2 Yankee, personal communication, April 29, 2015
3 X-Ray, personal communication, April 30, 2015
4 Whiskey, personal communication, April 28, 2015
5 Victor, personal communication, April 28, 2015
6 Uniform, personal communication, April 30, 2015
7 Tango, personal communication, April 29, 2015
8 Alpha, personal communication, April 20, 2015
9 Bravo, personal communication, April 30, 2015
10 Charlie, personal communication, April 23, 2015
11 Delta, personal communication, April 26, 2015
12 Foxtrot, personal communication, April 30, 2015
13 Golf, personal communication, April 17, 2015
14 Hotel, personal communication, April 22, 2015
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various employees in business interactions as a B2B characteristic. The bundled effort can help to build trust between business partners (Doney & Cannon, 1997). Customers related LexCorp’s brand as well to trust. Respondents explained that they trust LexCorp more in comparison to unbranded competitors because of the long history and market position. Some LexCorp employees specified that without the brand it would not be possible to gain the same amount of trust, which would decelerate relationship development. Employees considered that branding increased the level of trust among the companies, which reflects Ballesters’ and Alemany’s similar finding (2005). LexCorp’s employees mentioned that with more trust in the brand also the perception of the overall quality can rise. Related to this, Zeithaml (1998) argues that high perceived quality can increase brand equity. While some LexCorp’s employees agreed on the brand importance with new customers, opinions differed regarding long-term relationships. The rejection of the branding importance for older customers is exemplified with the following quotation:

“For getting new customers the brand can help; so the customers heard and are aware of us. Brands in long-term are not needed anymore. It is just a name afterwards. Of course the relationship is very important. Later they will trust us because we deliver good service and provide a high quality product.”

This comment signals older customer’s brand awareness and that other benefits, like the service experience, replaced the brand role. Employees argued that altering branding approaches would not change the business relationship because customers already trust LexCorp. One interviewed customer shared this view and claimed that the longer the business relationship, the less important the brand. Customers regarded their brand perception as either similar or as increased with time and higher trust. After knowing the high quality, modifications in LexCorp’s brand would not change customer’s impressions and loyalty anymore. Nonetheless, some customers were unsure if there was a change in their brand perception, which links to Jones (2005), indicating that only brand awareness is not sufficient because other aspects further influence loyalty. In contrast, some respondents regarded branding as essential for all relationships as customers’ brand confidence is growing over time. In this instance, one employee claimed:

“I think their perception about us changes in a sense that in the beginning of the relationship they know about our brand reputation through other contacts in the market, but after a while this turns in their own perception: that we are a serious, honest and reliable company.”

Besides this, employees argued that older customers needed to be reminded of the brand. This was also acknowledged by customers realizing that the branding approaches still remember of the product and

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1 Zulu, personal communication, April 29, 2015
2 Yankee, personal communication, April 29, 2015
3 X-Ray, personal communication, April 30, 2015
4 Whiskey, personal communication, April 28, 2015
5 Victor, personal communication, April 28, 2015
6 Uniform, personal communication, April 30, 2015
7 Tango, personal communication, April 29, 2015
8 Echo, personal communication, April 23, 2015
9 Hotel, personal communication, April 23, 2015

company characteristics. Branding is vital in early stages of business relationships (Webster & Keller, 2004), which is in line with some respondents’ experiences. Whereas the disagreement within LexCorp employees and equally among its customers mirrors the differing opinions in the literature, which are according to Leek and Christodoulides (2001) unclear about the role of branding in long-term business relationships. Frequently, LexCorp’s employees’ opinions diverged when asking if customers are rather loyal towards employees or the brand. The respondent answers were consistent with Aaker (1991, p. 39) that customers are considered as brand loyal when staying with the company although the competitors provide better offers. Some employees claimed that customers are more loyal to the brand and company since even when employees with close customer relationships left to a competitor the customers stayed. Related to this, higher brand awareness can improve brand loyalty and sustain competitiveness (Aaker, 1991, p. 41). Vice versa, while some customers valued the close contact to a limited amount of employees, switching reasons were not mentioned in this regard. In specific, low delivery conditions, unacceptable product quality, broken promises or unjustified prices were noted as possible termination reasons. For the customers, the brand value and developed trust to employees were reasons to stay with LexCorp and without branding there might have been no business in the beginning. Assuring customers has also been considered by employees to influence customers’ trust:

“LexCorp provides the whole package with high quality product and excellent service along with it. This involves definitely human beings and employees often have changing contact with different customers. I would say this combination is what our customers value and rely on and why they always return.”

Referring to this, Bennett et al. (2011) stress that trust is actually enhancing brand loyalty. Instead, one employee claimed customers are not loyal to the brand, which is only important when acquiring new customers. Contrariwise, some customers emphasized that even without the brand they would remain loyal if there would be no other issues. This is partly in agreement with Aaker (1991, p. 41) stating that brand loyalty depends on past experience as well as Kotler and Pfoertsch (2007) explaining that emotions can affect industrial business. Instead, one customer declared that loyalty is associated towards LexCorp itself and not to its brand or employees, which can be linked to Bendixen et al. (2004) detecting the rational B2B side with involving fewer emotions.
5. DISCUSSION

In this chapter all addressed concepts are combined and discussed together to display interdependencies as well as elaborate on the research question of this study. Hereby, the Dynamic B2B Brand RDM serves as a guideline and simultaneously the fit to relevant empirical findings is tested.

5.1 Business Relationships

Embedded in the industrial setting, LexCorp is exhibiting typical B2B characteristics, such as rather long-term, interdependent and complex business relationships with its customers. Even though LexCorp is selling a physical product, the related service helps to distinguish itself from its competitors. Fast and professional service was stressed by the customers and it seems important to upgrade the product quality into an integrated value offering. However, respondents’ business relationship descriptions differed: employees mainly focused on the dependency from some customers while customers concentrated on service quality. Overall, new customers, belonging to the Early Relationship stage of the model, recognized rather tangible and conversely older customers, located in the Relationship Development stage, the intangible aspects. The literature is mainly acknowledging B2B’s rational characteristics but similarly focuses highly on business relationship establishment. This could be explained by the amount of trust related to relationship intensity and time. Thus, the interviews demonstrated that the more trust develops over time, the higher is the recognition of further intangible relationship facets.

LexCorp is conducting a customer survey to receive feedback and find out about the usefulness of its branding strategies; for employees nothing similar exists. Hence, customers and employees brand associations from the interviews were compared and two agreements detected, namely quality and reliability. Nevertheless, there were as well incongruent brand associations noticed together with some highly unsure employees about how LexCorp ensures spreading the intended brand image and values. Moreover, respondents mentioned the similar relation of brand associations to LexCorp and its employees, showing the interdependence of the associations and linkages to individual emotions and understanding. Since most respondents’ brand associations were intangible, the significance of the related brand equity sub concept, along with emotional brand value, can be confirmed and the occurrence in the Dynamic B2B Brand RDM justified (as can be seen in Figure 3, p. 10). When contrasting relationship and branding benefits, customers and employees primarily mentioned financial advantages. Nonetheless, also shared benefits and knowledge exchange were emphasized. Overall, the declared brand benefits and relationship advantages were rather tangible and reflect the functional brand value. The rational benefits, along with the finding of the tangibility of most LexCorp’s customers’ switching reasons, indicate that the concept of functional brand value, including the fifth brand equity sub concept, fit to the business relationship arrow in the Dynamic B2B Brand RDM. Correspondingly, some of the mentioned functional brand values can be connected to the emotional brand value, like product quality is affected by perceived quality, a sub concept of brand equity. Likewise, risk reduction, trust and credibility were noted as benefits; relating to emotional brand value and are further included in the four intangible brand equity sub concepts of the model. Accordingly, emotions and individual judgements can affect tangible features. For instance, older customers, who can be located in the Relationship Development stage of the model, regarded prices in relation to quality as fair whereas new customers were rather unsure, showing perceived quality is conjointly influenced by time and interaction intensity. This is reflecting effects between functional and emotional brand value, despite that those are similarly impacted by other concepts, which
is as well underlined in the developed model. Finally, interviews specified the partly influence of branding and reputation on relationship and branding benefits, for instance, brand promises could impact perceived quality; displaying reputation might have a more far-reaching consequence than depicted in the model.

Returning to the axes of the Dynamic B2B Brand RDM, subsequently time and relationship intensity, some distinctive results were obtained. Time, linking to the three respective relationship stages, adds to relationship intensity: the longer relationships the closer were the actors; combined with higher shared benefits and adaptations. Employees’ personal relationship involvement did not demonstrate specific effects. Respectively, relationship intensity is reflecting contacts between the actors, which is interestingly affected by LexCorp’s customers’ company size. Interviews illustrated that the bigger the customers own company, including more involved people and departments, the less important were changing LexCorp contact employees. Vice versa, the smaller the customers company the more significant were stable relationships to few contact employees. Even though the literature states that business relationships typically involve several actors, the interviews indicate that smaller-sized companies seem to build trust easier with contact to less employees. For medium to bigger-sized companies the concept of trust was expanded to the whole LexCorp. In brief, customers’ company size influences if trust is related to interactions with specific or changing employees. Notwithstanding contact persons play a crucial role for smaller-sized customers, it seemed not essential enough to terminate business relationships, because this was not mentioned as a switching reason. Although LexCorp is not treating customers differently depending on size, it classifies them on profitability and accordingly invests more in, for instance, service. This usually means that the larger customer’s orders, probably in relation to company size, respectively more contact exist; albeit no allocation is made for specific LexCorp’s contact persons. Some employees recognized benefits when staying in touch with the same customers, such as trust building, whereas other employees had no specific employee-related requests. None of the interviewed employees associated this to company size or other factors, mirroring difficulties of grasping the intangible concepts of trust and social interactions. By contrasting the actors’ standpoints it became obvious that both parameters on the axes of the Dynamic B2B Brand RDM highly influence other addressed concepts. For instance, relationship intensity and time effect the trust establishment and branding, which will also be discussed below. Nevertheless, relationship intensity itself has to be seen in combination with actors´ preferences, along with the company size.

5.2 Branding in different Relationship Stages

Industrial branding seems to be particularly important for attracting and ensuring new customers. LexCorp’s investments to stay competitive and distinguish itself from product alternatives can be connected to company reputation and brand reputation, which is built by branding and identically by current customer experiences, spread by word-of-mouth. Hereby, prospective or new customers receive information, which can help to overcome initial uncertainty resulting from missing trust. When reputation is replying to main customer worries, such as delivery conditions, then customers feel safer in choosing LexCorp. Thus, brands along with reputation, can facilitate purchase decisions and establish business relationships, which is in line with the Dynamic B2B Brand RDM (see Figure 3, p. 10). Additionally, branding and reputation shape customers´ expectations through promises, for example product or service quality. If these can be fulfilled in later relationship stages, respectively the Relationship Development stage of the model, will decide about the level of customers´ trust. Time and relationship intensity can deepen business relationships; together with positive experiences trust is hereby increased. In contrast, as
shown by the interviews, LexCorp’s employees’ insecurity with new customers is minimized over time. Regardless some customers disagreed, others claimed that branding affects their purchase decisions because LexCorp is associated with lower risks. As depicted in the Dynamic B2B Brand RDM, this indicates that branding efforts, along with reputation, has effects on relationship development and trust development, even though unclear if accelerating this process.

Coming to the main essence of this thesis, respondents’ opinions about the relevancy of branding in later relationship stages, hence the Relationship Development stage, were divided in three categories. Some respondents viewed branding as substituted by experiences and thus unimportant in long-term relationships. Any brand related change would not alter neither the established trust nor quality perceptions. This is opposed by the same respondents agreeing on brands initial importance in forming the expectations. The other extreme was respondents claiming that branding is still needed for long-term customers, because customers’ brand confidence and LexCorp’s reputation increase over time and need to be reinforced. Instead, without branding in the Relationship Development stage of the model, relationship development would be slowed down and inhibited as the customers trust in LexCorp’s brand and employees, which are also reasons to remain loyal. Following, the last respondents’ category was unsure and some even contradicted themselves. As previously mentioned, this is reflecting the disaccord in the literature and simultaneously the purpose of this thesis, to help clarifying the field of branding in various relationship stages. In line with the interview results, the Dynamic B2B Brand RDM is depicting the intertwined and dependent concepts, which are evolving conjointly. In addition, the differing customer branding perceptions could even be influenced by LexCorp’s employees, since those possess, as explained before, a crucial role in the interactions and the trust building. Equally, respondents had varying views whether loyalty is rather linked to LexCorp’s brand, company or certain employees. It became obvious for smaller-sized customers that loyalty along with trust was sometimes connected to a certain employee, while bigger companies broadened loyalty and trust to various employees. Therefore, small companies exhibited more person-associated emotions compared to the rather rationally-thinking bigger companies. Some smaller-sized companies regarded being brand loyal as crucial because they could not afford any issues. This less risky behaviour could make LexCorp’s brand more attractive to those customers. Past experiences and keeping promises were viewed as significant by respondents, while long-term customers considered problems less critical than new customers. Findings indicate that the more positive the experiences, the higher the trust and resulting loyalty, which reversely matches relationship intensity and time. Accordingly, branding and reputation play a role here, through raising expectations by promising certain aspects. This demonstrates the fit between the concepts of time and relationship intensity, trust and reputation on business relationships in the Dynamic B2B Brand RDM. Nevertheless, interviews revealed a tendency for medium to bigger-sized companies to be more brand loyal than smaller-sized companies. Despite some customers arguing to still remain loyal even without branding, those also claimed that branding is vital in the relationship beginning. Nonetheless, the question arises if customers would have even started business, reached the present relationship stage or still be brand aware without LexCorp’s branding.
6. CONCLUSIONS

This final chapter intends to draw on the outcomes of prior chapters which will enable the answering of the research question: “In what way does industrial branding affect business relationships and how can this knowledge be used to support B2B brand decision making in various relationship stages?” Similarly, the applicability of the Dynamic B2B Brand RDM, along with improvement suggestions, is addressed. Together with the conclusions, managerial implications and future research aim to give inferences to facilitate branding and business relationship management decisions as well as provide related forward-looking ideas.

For the case company, the Dynamic B2B Brand RDM (see Figure 3, p. 10) generally exhibited a suitable framework to identify the particular role of branding. Relationship intensity and time were a logical combination for the model’s axes and affected each of the covered concepts. The illustration of brand value, divided into functional and emotional parts, revealed to be reasonable since separating the otherwise very connected concepts aided in obtaining a clearer picture of the topic. Allocating the brand equity sub concepts to the respective brand value parts was in accordance with this. Consequently, two main categories became discernible: intangible and tangible branding aspects. The interviews confirmed the fitting combination of the intangible emotional brand value with relationship value and between the more tangible functional brand value and the business relationship arrow; with reputation as a catalyst for the Pre-Relationship stage. Furthermore, trust as an additional intangible part indicated effects on the other concepts in the model. This study clarified that although respondents repeatedly agreed on tangible factors, their answers often incorporated intangible factors, showing subconscious effects. The model is depicting the proven influences of concepts like trust and emotional brand value on the otherwise rather rational theories. As a result, managers working with B2B branding could use the Dynamic B2B Brand RDM to visualize linkages between brand and relationship value, trust and reputation, as well as realizing the role of B2B branding within business relationships.

In line with the literature, brand value was found to be important in the Pre-Relationship stage of LexCorp’s business relationships; especially to attract customers, to deliver information and other promises, and to start the process of trust development. Surprisingly, long-term customers can have a retrospective effect on LexCorp’s reputation through, for instance, word-of-mouth. Thus, managers are advised to verify this result in their industry and company in order to possibly invest and direct the focus from profitable customers also to brand-influencing customers, which could hence attract new customers. Interviews revealed that on the one hand, relationship value is affected by emotional brand value and on the other hand that functional brand value influences the tangible parts of business relationships. Additionally, the two tangible and intangible concepts affect each other, along with the impact of relationship intensity and time, which likely lead to respondents’ contradictions and unclearness of the addressed research field. Hereby, long-term relationship actors also valued intangible benefits and characteristics, such as higher trust or knowledge exchange. These findings seem to not have gained enough attention in the prevailing literature, which mainly focuses on rational B2B characteristics. Therefore, future research is needed on industrial branding within business relationships after overcoming the first Pre-Relationship stage. Correspondingly, while the case study delivered clear findings for business relationship establishment stages, research on the Relationship Development stage was inhibited due to the mentioned complex interweavements between trust, relationship and brand value, branding as well as intangibility. The case study suggested, even though it was contradicted by some respondents, that
B2B branding exists and is of importance even in long-term business relationships. The established linkages between business relationships and brand relationships could further affect brand value perceptions. These underlying and hidden outcomes need to be focused on in future studies to detect even clearer results and give advice to managers for how branding might assist in strengthening business relationships.

Even though the *Dynamic B2B Brand RDM* appeared to generally fit the case company, some adaptions would be beneficial. Trust and relationship intensity was impacted by *LexCorp*’s customers´ company size which could be incorporated into the model. Nonetheless, future research, including more companies with varying sizes from different industries, might enable detailed advice on adapting the *Dynamic B2B Brand RDM*’s fit within various scenarios, for example, branded B2B companies of various company sizes could be compared with unbranded ones. Accordingly, *LexCorp*’s employees seem to have crucial impact on customers´ branding perceptions since they represent the company and often have very close customer contact. Trust is, especially for *LexCorp*’s small-sized customers, connected to specific employees. Therefore, managers are advised to think “inside”-the-box and invest in internal branding, clarifying that brand value might improve business relationships. Nevertheless, future research could test if employees´ attitudes and commitment affect branding. Here, studies should concentrate on the concept of trust, elaborating on reasons why some customers trust certain employees more than brands themselves. In-depth and longitudinal research on specific employees and assigned customers could elaborate if B2B branding leads to longer and thus more profitable relationships. Resulting from the influence of *LexCorp*’s employees on brand value within business relationships, internal branding might be added to the *Dynamic B2B Brand RDM*. More research needs to identify the exact fit within the model and additionally, effects of internal versus external branding could also be researched on. As managerial implications, *LexCorp*’s customer surveys should also be applied to employees to compare and analyze brand awareness and understanding, because interviews showed that employees were often unsure about branding; some even doubted its importance apart from attracting new customers. *LexCorp*’s branding strategies seem to focus more outside of the company, whereas investments in internal branding could simultaneously further improve external branding. Moreover, along with future studies, managers could consider if it would be beneficial to allocate certain contact employees to small-sized customers in order to develop trust.

This study revealed strong interlinkages and dependencies between the addressed concepts. Respondents frequently contradicted themselves and each other or indicated vagueness. Consequently, this cannot lead to a straightforward answer to the research question and even further emphasizes the topic´s complexity and need for additional research. To sum up, the case study displayed that industrial branding has varying effects on the business relationship stages and is influenced by the interplay between different concepts as shown in the *Dynamic B2B Brand RDM*. However, possible model adaptions, such as including internal branding or the actor´s company size, need to be elaborated on in future research to gain deeper understanding of this complex research field of B2B brands in business relationships and reach a higher level of the model´s generalizability.
References


Investigating the Effects of Branding in Business-to-Business Relationships


Investigating the Effects of Branding in Business-to-Business Relationships


Investigating the Effects of Branding in Business-to-Business Relationships

Interviews

Interviewed LexCorp Customers


Interviewed LexCorp Employees


Appendices

Here, the respective interview questions for the semi-structured interviews can be found: first in English and thereafter in Portuguese. This is intended to facilitate the understanding of this studies’ procedure as well as increasing the transparency.

Appendix 1: Interview Guideline for LexCorp’s Customers

<table>
<thead>
<tr>
<th>General Questions:</th>
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<tbody>
<tr>
<td>- Can we record the interview?</td>
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<tr>
<td>- Explain us a bit about your business: what do you work with etc.</td>
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<tr>
<th>In-depth interview questions:</th>
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<tbody>
<tr>
<td>1.) How long did your company work with LexCorp? How long did you personally work with LexCorp? (adapted from Ganesan, 1994)</td>
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<td>2.) How would you describe your relationship with LexCorp? (adapted from Ganesan, 1994; Kuhn et al., 2008) “What aspects of this relationship are important to maintain it?” (Glynn et al., 2007, p. 409)</td>
</tr>
<tr>
<td>3.) Do you have contact with changing LexCorps’ employees or repeated contact? How important is this for you? (adapted from Doney &amp; Cannon, 1997)</td>
</tr>
<tr>
<td>4.) How much does trust in a LexCorps’ employee affect your overall perception of the company? (adapted from Kuhn et al., 2008) Do you trust the employees you conduct business with more compared to another unknown LexCorps’ employee? (adapted from Doney &amp; Cannon, 1997)</td>
</tr>
<tr>
<td>5.) “(...) what benefits do you think (...) brands have?”; “In what ways do brands influence (...) relationships?” (Glynn et al., 2007, p. 409)</td>
</tr>
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<td>6.) “When I say (...)”LexCorp the brand “(...) what are the first associations, which come to your mind? “ (Kuhn, et al., 2008, p.21); what are your feelings towards the LexCorps’ brand when conducting business with them? (adapted from Kuhn et al., 2008)</td>
</tr>
<tr>
<td>7.) How important was the LexCorps’ brand when you started to do business with them? How important is the LexCorps’ brand nowadays? Did this change over time and why? (adapted from Glynn et al., 2007)</td>
</tr>
<tr>
<td>8.) What connection do you see between the LexCorps’ brand and their prices, quality and innovation? (adapted from Aaker, 1996)</td>
</tr>
<tr>
<td>9.) What is your overall judgment of LexCorps’ brand and their credibility? Do you feel you can trust the brand and how does it feel to interact and do business with this brand? (adapted from Kuhn et al., 2008)</td>
</tr>
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Investigating the Effects of Branding in Business-to-Business Relationships

10.) Do you think you would judge LexCorps´ overall quality different without knowing it is a brand? Why?

11.) How would you position LexCorps´ quality in comparison to other companies? (adapted from Aaker, 1996)

12.) What would be a reason to switch the supplier? Why?

13.) Does the reason LexCorp is a brand affect your loyalty towards the company? (adapted from Aaker, 1996)

Appendix 2: Interview Guideline for LexCorps´ Employees

General Questions:
Can we record the interview?

“What product categories are you responsible for? Tell us a little about your experiences (…)” (Glynn et al., 2007, p. 409)

In-depth interview questions

1.) How long are you relationships with the customers on average? Is there a different approach when taking care of the customers which are long term vs. new acquired? (Adapted from Ganesan, 1994). “To what extent do you collaborate with (…)” the customers “(…) to enhance your business?” (Glynn et al., 2007, p. 409)

2.) How would you describe LexCorps´ relationship with the customers? Do you have contact with the same person over the time or does this vary? (adapted from Kuhn et al., 2008)

3.) Are there customers you trust more? Why? Does time affect your trust towards a dealer? Which other aspects would you say affects the trust in your relationship? (adapted from Ganesan, 1994)

4.) Do you think the customers trust your company more because of the brand? Do you experience customers judge the brand differently after conducting more business with them?

5.) How do you think does the relationship length and established trust of a customer affects his/her perception of the brand?

6.) Do you think the LexCorps´ brand helps/support the company when trying to establish new business relationships? How important would you say is the brand in long term relationships? (adapted from Glynn et al., 2007)

7.) “What aspects of (…)”LexCorp as a “(…) brand manufacturer are important to you, and/or the (…)” customers? (Glynn et al., 2007, p. 409)
8.) Do you know what the customers think about the *LexCorps*´brand? Are there any measures you apply or how do you act when you receive positive or negative brand feedback from the customers?

9.) When you conduct business with the customers, how important is the *LexCorps*´brand in this situation? Does it change with newer or more established customers? Do you think conducting business with the customers would be different without the brand name?

10.) Do you think the customers would perceive *LexCorps*´overall quality different without knowing it is a brand? Why? (adapted from Aaker, 1996)

11.) How do you work towards improving the customers´loyalty to *LexCorps*´brand? Does this change with different types of customers (long term vs. short term)?

12.) Do you think the customers are loyal towards the brand or towards the employees they conduct business with and why? (adapted from Aaker, 1996)

13.) How does *LexCorp* improve the brand awareness towards the customers? Do you apply different approaches with newer or more established customers? Do you think brand awareness is important? Why? (adapted from Aaker, 1991, p. 76)

14.) How do you ensure customers relate the intended brand associations with *LexCorp*? Are there any measurements for this? (adapted from Aaker, 1991, p. 129) Do you think the customers´ brand associations influence *LexCorps*´brand? Why?

15.) What effect has *LexCorps*´brand, if any, on the overall quality perception of the customers? How does this vary among new and more established customers? (adapted from Aaker, 1991, p. 103)

16.) Do you have a varying branding approach for different customers and different stages of the relationships (new vs. long term customers)? “In what ways do brands influence the relationships? How important is the brand´s relationship with ...” (Glynn et al., 2007, p. 409) the customers?

Appendix 3: Interview Guideline for *LexCorps*´Customers translated to Portuguese

**Perguntas para clientes da *LexCorp***
- Podemos gravar a entrevista?
- Você poderia em poucas palavras nos falar um pouco sobre seu negócio/empresa?

**Perguntas para entrevistas:**
1.) A quanto tempo você é cliente da *LexCorp*? A quanto tempo você trabalha pessoalmente com a *LexCorp*? Qual a frequência com que você tem contato com a *LexCorp*?
2.) Como você descreveria o relacionamento de negócios que você tem com a *LexCorp*? Quais fatores são importantes para manutenção deste relacionamento? Você teria algum exemplo?

3.) Você tem contato sempre com a mesma pessoa? É importante para você ter contato sempre com a mesma pessoa? Por quê?

4.) A confiança que você têm na pessoa que sempre te atende afeta sua percepção sobre a *LexCorp*? Você diria que você confia mais na pessoa que você está acostumado a falar do que em um outro funcionário que eventualmente fala/ atende você?

5.) Quais benefícios você acha que as marcas dos fabricantes oferecem? Como você acha que a marca influencia seu relacionamento com a empresa? Quais aspectos da marca *LexCorp* são importantes para sua empresa?

6.) Quando você ouve o nome *LexCorp*, qual o primeiro pensamento que vem a sua cabeça (com que você associa o nome *LexCorp*)? Quais são seus sentimentos para com a marca quando conduzindo negócios com a *LexCorp*? Explique.

7.) Qual a importância que a marca *LexCorp* tinha quando vocês começaram a trabalhar juntos? E qual a importância da marca hoje? A sua percepção sobre a *LexCorp* mudou com o tempo? Por quê?

8.) Você acha que a marca *LexCorp* está alinhada de acordo com o que a empresa oferece em preços, qualidade e inovação?

9.) Qual a sua percepção geral sobre a credibilidade da *LexCorp*? Você tem confiança na marca *LexCorp*? Como você se sente quando interagindo e fazendo negócios com a marca *LexCorp*?

10.) Você acha que você julgaria a qualidade geral da *LexCorp* de forma diferente se não soubesse que é uma marca conhecida? Por que?

11.) Como você classifica a qualidade da *LexCorp* comparada com a qualidade dos concorrentes?

12.) Tem alguma razão específica pela qual você trocaria de fornecedor?

13.) O fato de a *LexCorp* ser uma marca bem conceituada no mercado de embalagens metálicas afeta sua percepção sobre eles?

### Appendix 4: Interview Guideline for *LexCorps’* Employees translated to Portuguese

<table>
<thead>
<tr>
<th>Perguntas para funcionários da <em>LexCorp</em></th>
</tr>
</thead>
<tbody>
<tr>
<td>-Podemos gravar a entrevista?</td>
</tr>
<tr>
<td>-Qual sua posição na empresa? A quanto tempo você trabalha na <em>LexCorp</em>? Você tem contato direto com os clientes?</td>
</tr>
</tbody>
</table>
Perguntas para entrevistas:

1) Qual é a duração média dos relacionamentos da LexCorp com os clientes? Qual é a frequência e os principais motivos dos seus contatos com os clientes? A LexCorp tem maneiras diferentes de trabalhar com clientes novos e antigos?

2) Como você descreve o relacionamento da LexCorp com os clientes? Quando em contato com os clientes, você fala sempre com a mesma pessoa ou com pessoas diferentes?

3) Você acha que o tempo afeta a confiança que você tem nos clientes? Na sua opinião que fatores poderiam afetar a confiança no relacionamento? Existem clientes que você confia mais que outros? Por quê?

4) Você acha que os clientes confiam na empresa por causa da marca LexCorp? Você acha que os clientes julgam a LexCorp de forma diferente depois de certo tempo de relacionamento?

5) Você acha que o tempo de relacionamento e a confiança afetam a percepção que os clientes tem sobre a LexCorp?

6) Você acha que a marca LexCorp ajuda quando a empresa está tentando estabelecer novas relações de negócios?

7) Quais aspectos da marca LexCorp são importantes para você e/ou seus clientes?

8) Você sabe o que os clientes pensam sobre a marca LexCorp? Existe algum tipo de avaliação ou como a LexCorp procede quando recebe avaliação dos clientes, seja positiva ou negativa?

9) Quando conduzindo negócios com os clientes, qual a importância da marca LexCorp? Você acha que isto muda com clientes novos e antigos? Você acha que fazer negócios com os clientes seria diferente sem a marca LexCorp?

10) Você acha que a percepção de qualidade dos clientes sobre a LexCorp seria diferente se eles não conhecessem a empresa? Por quê?

11) Como a LexCorp trabalha para aumentar a fidelidade dos clientes? Existe alguma diferença entre clientes novos e antigos?

12) Você acha que os clientes são fiéis a LexCorp ou as pessoas com que eles tem contato?

13) Como a LexCorp trabalha para aumentar o reconhecimento da marca? Existe diferença entre clientes novos e antigos? Você acha que é importante que a marca tenha reconhecimento/notoriedade no mercado? Por quê?

14) Como vocês asseguram que os clientes associem a LexCorp com a imagem que vocês querem transmitir? (no sentido de que a LexCorp tem uma imagem a zelar e quer que os clientes
percibam de forma correta). Vocês fazem algum tipo de avaliação? Você acha que estas associações tem influencia sobre a marca?

15) Você acha que o nome *LexCorp* tem algum efeito na percepção geral de qualidade dos clientes? Você acha que existe diferença desta percepção entre os clientes novos e antigos?

16) Você tem abordagens diferentes em se tratando da marca *LexCorp* para clientes diferentes? E em diferentes estágios do relacionamento? (novos e antigos clientes) De que maneiras você acha que a marca influencia o relacionamento com os clientes?