

THE IMPACT OF BRAND IMAGES ON B2B BUYING RELEVANCE

Aaron Leander Haußmann

University of Latvia, Raiņa bulvāris 19, Rīga, Latvia

Abstract

Despite an increased interest in B2B branding in the last decade, academic research on B2B branding has been slower to emerge which makes this field of marketing a relatively under-researched one. In this context, the purpose of the paper is to investigate the influence of brand images on the perceived buying relevance for B2B customers. Gaining insight into if and how brands play a role in establishing perceived buying relevance is expected to be determining subsequent decision-making processes.

Through surveying B2B professionals on their emotional responses on brand stimuli, the emotionality of the respective brands was identified. The methodology used was the Self-Assessment Manikin, a pictorial method to measure emotions which has found various applications in both psychological and marketing-related research. Further, through correlation analyses, a relationship between emotionality and buying relevance was identified. The participants of the survey were professionals and managers working in the railway industry, an industry-branch which is characterized by a high degree of specialization, complexity and long-term business relationships which math the long lifecycles of the equipment subject to purchase or lease.

The main findings were that, unlike former assumptions, B2B brands can vary in emotionality and that emotionality has an impact on perceived buying relevance. Further, the context in which deciders in heavy railway equipment operate has been empirically established. The research results contribute to a better understanding of the role of brand images in B2B markets, especially in high-risk and high-complexity contexts. The chosen research topic has a high degree of actuality since many investment good markets are increasingly shifting to demand-driven markets where marketers need to gain competitive edge understanding and utilizing intangible, emotional assets and build on their brand equity. This trend is expected to sustain which makes the research topic an interesting and actual one for both marketing scholars and practitioners. Development of a measurement instrument for brand emotions using proven non-verbal rating scales. Empirical testing of brand images using real-world industry brands in the railway industry. Practitioners in B2B markets should dedicate more attention to how their brand is perceived in general and the emotional side of their brand image in particular as this impacts their market success. Neglecting the role brands play in the B2B market place can lead to negative effects in terms of sales success, while building positive and emotionally touching brand images can have a positive impact.

Keywords: emotions, brand images, B2B marketing.

1. INTRODUCTION

Powerful brands create meaningful images in the minds of consumers (Keller 2008, 2), with brand images serving as a means of differentiation from the competition and thus positively influencing customer's buying behavior. In contrast, most discussions of marketing in technical fields focus on the performance characteristics of the product or on the needs of buyers addressed by tangible features of the product and price (Bendixen et al., 371). This issue results in part from the belief that brands, which are per-se irrational, have little significance when dealing with organizational buyers (Han & Suk, 807). Industrial marketers have long argued that brands play little role in the decision making process simply because B2B buyers are more rational than consumers, thereby limiting the impact of brand messages typically viewed as playing more to emotions and self-expressive desires on behalf of buyers (Lindgreen et al. 2010, 1223). However, an increasing amount of studies indicate cases where price and tangible factors do not fully explain buying decisions made by B2B customers.

Therefore, the notion which has arisen since the brink of the new millennium is that B2B customers who are trained professionals and who normally operate within organizational constructs called buying centers, can be influenced by brand images that are based on nonfunctional and subjective attributes (Bendixen et al., 371). It has become evident that branding is no longer an exclusive domain of consumer marketing (Van Riel et al., 845). This can in practice be seen by the fact that among the world's top 100 brands, names like Caterpillar, Cisco, SAP and Xerox can be found, all of which are either largely or fully B2B brands (Interbrand).

Eventually, B2B companies have adopted communication methods such as the product placement of Caterpillar excavators in the 2012 Hollywood Blockbuster “Skyfall” or Kuka industry robots in the earlier James Bond picture “Die another Day” (Homburg and Schmitt, 2010). These examples show that the importance of branding B2B is being increasingly acknowledged and, moreover, that through targeting B2B customers as private persons and appealing to their emotions, marketers attempt to emotionalize the image of their brands to influence the buying behavior of their organizational customers. Therefore, the research underlying this article seeks to investigate the relationship between brand emotionality and purchasing relevance. The chosen industry is the railway industry.

2. EMOTION AS AN ESSENTIAL COMPONENT OF BRAND PERCEPTION

What distinguishes a brand from an unbranded commodity and gives it equity is the sum total of consumer’s perceptions and feelings about the brands attributes (Keller 2008, 3). Therefore feelings are an integral concept when trying to understand brands, their benefits and their effects. Aaker compares brands with „boxes” in someone’s head, boxes which hold information and which can be either positively or negatively labelled (Aaker 2010, 10). This is where the distinction between brands and brand images is an important one to make. Contrasting brand from brand image, it can be said that brand image is on the receiver’s side, it is concerned with how certain groups perceive a brand and how they decode stimuli and signals emanating from the products, services and communications covered by the brand (Kapferer, 1997, 94). Understanding feelings and emotions is therefore paramount for the present research which focuses on the emotional side of brand images.

It is to be seen as a difficulty, however, that there are various proposed definitions of emotions, a clear common ground has so far not been identified (Trommsdorff and Teichert 2011, 60). Emotions are often confused with feelings and moods. The differentiation between emotions and moods, which lies particularly in the notion that emotions are strong and feelings which are object-related, i.e. directed to a person or an object (Werth, 2004, 159), whereas moods can be rather diffuse and unrelated to an object and tend to be more long-lasting, for instance melancholy. A brand, for that matter, can also constitute an object, its visual or logo representing a stimulus evoking an emotion. Feelings can be experienced in very fine nuances, which is why emotion research attempts to classify this variety (Trommsdorff and Teichert 2011, 60). Paul Ekman developed a Facial Active Coding System (FACS) allowing to identify emotions based on facial expressions which was later redeveloped as a tool to identify and recognize facial expressions, then called Facial Expression, Awareness, Compassion, Emotions (FACE) (Ekman, 1993). Izard (1981) describes ten basic emotions which can be observed independent of cultural context (Izard, 1992). Table 1 summarizes and compares emotions as per the above as well as Plutchnik’s categorization for eight primary emotions (Camras and Plutchnik 1980).

Table 1:
Comparison of Basic Emotions according to Ekman, Izard and Plutchik

Ekman	Izard	Plutchik
Joy	Joy	Joy
Anger	Anger	Anger
Disgust	Disgust	Disgust
Fear	Fear	Fear
Contempt	Contempt	
Sadness	Distress	Sadness
Surprise	Surprise	Surprise
	Interest	Acceptance
	Shame	Anticipation
	Guilt	

As can also be seen from Table 1, some basic emotions such as joy, anger or disgust are common to contemporary frameworks, while at the same time there are differences in the understanding and acceptance of other emotions. The emergence of the Pleasure Arousal and Dominance Theory (PAD), contributed to reconciling a scientific dispute on what valid definitions for basic emotions are. The theory represents that emotional reactions to one's environment can be characterized by three response dimensions of pleasure, arousal and dominance. Pleasure refers to a positive affective state, arousal is a feeling state that ranges from sleep to frantic excitement and dominance is based on the degree to which one feels unrestricted or free to act in a variety of ways (Mehrabian and Russel 1974). In their studies, the founders of this theory, Russel and Mehrabian (1974, 1977), provided evidence that three independent dimensions, being pleasure (as opposed to displeasure), arousal (as opposed to non-arousal) and dominance (as opposed to submissiveness) are both necessary and sufficient to adequately define emotional states (Mehrabian and Russel 1977).

The Self-Assessment Manikin Scale by Peter Lang (Bradley & Lang, 1994), as a form of non-verbal measurement, depicts the Pleasure Arousal Dominance (PAD) model with a graphic character arrayed along a continuous five-, seven- or nine-point scale (Morris 1995, 64). It helps overcome the criticism that is being posed against verbal methods. "To make the PAD approach functional by quickly establishing a response to a given stimulus; applicable, by accurately reflecting a subject's full range of feelings; and useful, by measuring affective responses among many different audiences without linguistic interference, a visual rather than a verbal response measure is needed" (Morris 1995, 63). SAM has been used in many psychophysiological studies with high correlations between SAM scores and those obtained from semantic differential procedure, pleasure and arousal with both a value of .94 were highly significant, dominance at .66 less so, however, still substantial (Morris 1995, 64).

3. FROM EMOTION TO PURCHASING RELEVANCE

As stated before, emotions are directed to an object which in the context of this research is manifested by a brand, the stimulus being the brand name and logo. Being confronted with such a stimulus, subjects automatically mentally engage with the brand and their knowledge about it. The degree and the intensity to which this engagement takes place is referred to as activation (Trommsdorff and Teichert 2011, 34). Figure 1 depicts the mental and situative process which is latent one and thus non-observable. Things do not become observable and manifest until actual behavior as manifest actions takes place.

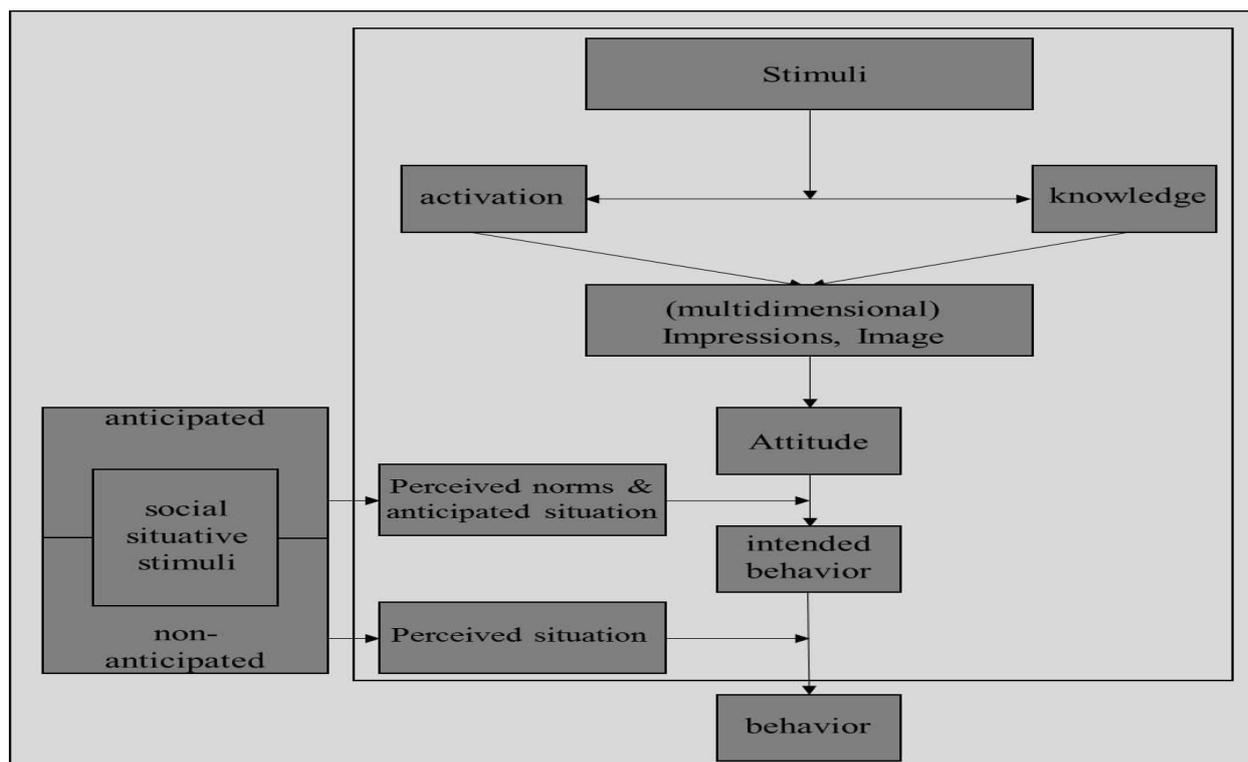


Figure 1: The S-O-R paradigm of consumer behavior (Own construction adapted from Trommsdorff and Teich, 2011)

Prior to behavior, however, activation and knowledge about a brand, hereinafter translated with brand familiarity, lead to impressions and ultimately to an image of a brand (Trommsdorff and Teichert 2011, 36). An image, preferably a unique and positively connotated one, is a prerequisite for an attitude. An attitude consequently leads to intended behavior which is succeeded by actual observable behavior. As figure 1 further shows, the relationship between attitude and intended behavior as well as the one between intended behavior and actual behavior are moderated by social situative stimuli, both expected and unexpected. As research on B2B branding is a relatively new and comparably underresearched academic subfield, the present research exclusively focuses on the relationship between emotionality and buying relevance. The former variable being a result of activation and knowlege, whereas the latter is to be placed between attitude and intended behavior.

4. CONTEXT OF THE RAILWAY INDUSTRY

After establishing the theoretical foundations and prior to examining the impact of brand images on B2B buying relevance, the author explored the contextual setting of the industry. Semi-structured interviews with 15 B2B professionals from the railway industry have allowed to set the context by which this branch of industry is constrained.

When asked about the life-cycle of their products, over 80% of respondents stated that it was longer than 20 years. When asked about the relationship between customers and suppliers, again the same percentage of respondents stated that generally customer-supplier relationships lasted over 20 years.

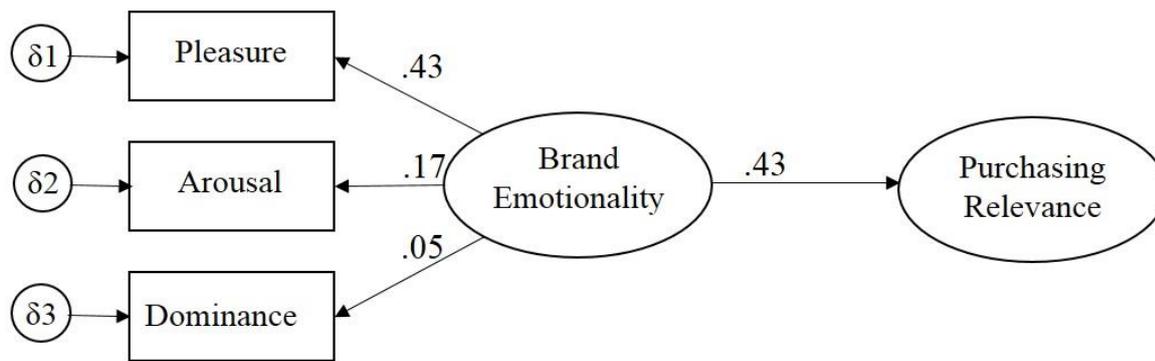
In terms of risk, all respondents stated that purchasing railway equipment was associated with high or very high risk. The nature of the risk was answered with risk of financial loss, risk of the endproduct not performing because of insufficient components, risk of reputation of the purchasing company.

Equally, respondents answered the question on complexity. Purchase of railway equipment was stated to be either highly or ver highly complex in terms of comparing different offerings, understanding the functionality and interfaces of the products and processing information about the products to be procured.

5. RESEARCH CONDUCT AND RESULTS

Consistent with the previous argumentation, the relationship between brand emotionality and purchasing relevance is postulated as the basis of the survey on the emotionality of brand images and purchasing relevance. A number of 31 B2B professionals from the railway industry, and more specifically in the manufacture of rail vehicles powered by diesel engines, from different functional areas were surveyed through a paper-and-pencil questionnaire. The questionnaire was constructed so as to present the participant with a brand name and logo as stimuli, followed by the pictorial SAM scale. Subsequent to expereession of emotional response, questions regarding the familiarity of the participant with the brand as well as the purchasing relevance of the shown brand followed.

Since literature suggests that familiarity is a prerequisite for emotionality (Aaker 1991, 64-65), the basic relationship had to be augmented by the dimension of familiarity of a subject with the respective brand. Only brands which B2B deciders are familiar with can enter their considerations set and be subsequently evaluated as alternatives meeting both personal preferences and organizational requirements (Choffray and Lilien 1978, 21). Consequently, only those brands which were rated high on familiarity were used for further analysis in order to prevent inclusion of data which were based on random input or mere rating of names or logos without familiarity. This procedure reduced the initial set of 13 brands down to five. The data were analyzed with SmartPLS software, a software package working on the basis of Partial Least Squares approach, which is particularly useful for the present research as is capable of handling small samples and does not assume any distributions (Weiber and Mühlhaus 2007, 66). The result of the survey indicated that brand emotions are accountable for 43% of the variance in purchasing relevance, which can be considered as remarkable, since, as explained earlier, B2B purchasing has traditionally been thought to be very rational. Within the construct of brand emotionality, which was measured through the SAM scale, pleasure was clearly the predominant factor representing 43% of the variance, followed by arousal with 17% of the variance and lastly dominance with a mere 5% influence on the variance. Both the the high influence of pleasure and the low influence of dominance as emotional states has been obeserved in earlier studies (Möll 2007, 116-119). Figure 1 provides an overview of the research results.



Source: Author's own construction based on research results

Figure 2: Association between Brand Emotionality and Purchasing Relevance

As for quality criteria, the factor pleasure was .86, for arousal .43 and for dominance .74, which locates pleasure and dominance above the threshold of .70 of acceptable values and arousal below. Hence, the two of the three factors meeting this quality criterion still explain 48% of the variance compared to 65% of all three factors. Composite reliability was at .72 for pleasure, .66 for Arousal and .75 for dominance.

6. CONCLUSIONS, LIMITATIONS AND NEED FOR FURTHER RESEARCH

Not only consumer brands but also industrial brands vary in their degree of emotionality. The research results show that emotions play a role when B2B professionals assess brands and decide upon which of the available brands are relevant for purchase. Empirical testing of the emotional side of brand images using real-world industry brands in the railway industry. Based on these findings, practitioners in B2B markets should dedicate more attention to how their brand is perceived in general and the emotional side of their brand image in particular as this impacts their market success. Neglecting the role brands play in the B2B market place can lead to negative effects in terms of sales success, while building positive and emotionally touching brand images can have a positive impact. As expected, empirical data suggest that other, rational, factors have a role to play as well and probably even a stronger one than emotional factors. Even so, the importance of an emotional influence is supported by the present research. As for limitations, the research was conducted in a specific B2B sub-field, namely the rail industry and the manufacture of diesel powered rail vehicles. While the research results are promising, and presumably also indicative of other heavy duty industry branches with similar contextual settings, it is deemed necessary to conduct further research in other B2B industries. Furthermore, this research solely focused on the relationship between brand emotionality and purchasing relevance, the findings yield potential for inclusion of contextual variables. This would be beneficial to gain insights as far as other influences are concerned.

Biography

Aaron Haußmann holds a degree in international business from Hochschule Furtwangen University in Germany and is currently a Ph.D candidate at the University of Latvia. His research is concerned with B2B branding and B2B buying behavior. In parallel to his academic research, Aaron works in a sales management position at Rolls-Royce Power Systems AG, Germany.

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