

## 7'S' Model of Business Branding

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### Abstract

Branding is extremely vital in the B2B marketing, where businesses have to differentiate themselves from the competitors, not only on the basis of their product but also on aspects such as management competencies, technologies, services and infrastructure. Branding of businesses is equally important as in consumer products though the number of customers may be much less. Industrial product firms have to target not only the buyers but also the users, deciders and influencers in the buying organizations. Each of the buying unit member involved in industrial buying may be having different perception about the product, service or the suppliers. The marketers are therefore required to package, position and promote their offerings to satisfy each of them. Earlier, industrial marketer usually considered branding as expensive and irrelevant because selling was mostly to the businesses, which were located within a small geographical area or industry. However sourcing and manufacturing activities are these days carried out across the world and immense business opportunities exist for the B2B firms. With growing global competition, expanding markets and technological advancements, consumers have become more informative these days. Industrial product marketers, whether large or small therefore need to formulate their branding strategies effectively in order to compete with the global competitors. The present paper shall briefly discuss the branding strategies of few Indian and foreign firms. It shall also investigate the issues involved in the branding of B2B organizations. Paper shall finally conclude by proposing the strategies and a model for business branding in the contemporary global environment. Paper is based on secondary information sources from print as well as electronic medium.

**Keywords:** Branding, B2B, Global, Strategies, industrial product, marketer

## Background

In branding, organizations are differentiated on the basis of their sincerity & commitment in providing quality services and their ability to create emotional bonding with the customer. Firms dealing in business marketing have to differentiate themselves from the competitors to register a positive perception in the minds of consumers. It is very essential for a brand to develop regular communication and friendly relationship with the customers. A brand not only identifies a product from among the commodities but also conveys the image, goodwill and excellence of the organization.

The paper has been divided into four sections. Section 1 discusses the concept of branding and B2B marketing process. Section 2 explore the branding strategies of few B2B firms and also propose a model on business branding process. Conclusions and strategies have been discussed in Section 3 while a model for business branding firms has been suggested in Section 4.

## 1. Introduction

### *1.1 Business to Business Marketing?*

Business to Business (B2B) marketing involves selling of products and services to other organizations which may or may not be the consumers of those offerings. The offered products are generally more complex in terms of technology and costs involved in their development as compared to the consumer products. Normally business offerings are categorized as follows;

- Raw materials, parts and components
- Capital equipment
- Management & consulting services

Business marketing process is more complex as products and services are often technical in nature. It involves competent buyers from different specialized functional areas such as materials, finance, operations and design. At times the organizations could be both the buyer as well as seller of the industrial products. A telecom or computer system manufacturer might be selling equipment to the IT firm and in return buying software services from them.

### *1.2 B2B marketing Process*

Organizations generally consider following parameters while making their purchase decisions;

- Technical competence of the suppliers
- Product specifications
- Past performance of the product as well as suppliers
- Price and its impact on the final costing of their product

- Duration in which the ordered equipment would be supplied
- Reliability of suppliers in terms of after sales services, repairs, warranties, etc.
- Comparative of competing products and suppliers on the above parameters

The industrial marketers on the other hand, segment their customers on the basis of respective trade and industry, as mentioned below;

- Traders, contractors, builders
- Original equipment manufacturers
- Direct users or consumers of the product
- Engineering Projects

Further segmentation is done on the basis of whether buying organization is strategic and profitable in terms of volume of business generated and future growth potential and also whether the buyer has enough financial resources to make the purchases.

B2B buying is a complex process involving large quantities as well as different layers of purchase officials and staff, especially in the government organizations. The marketer has to understand the requirements of the buyers and their constraints in terms of product design, financial resources, technical competencies, etc. After assessing the strengths and weaknesses compared to those of the competitors, marketers then offers the product features which are most desired by the customers. However, for effective building of the brand, industrial marketer needs to be in regular touch with the customers, not only prior to receiving the order but also during and after its execution.

### *1.3 Branding – Why it is required for Businesses?*

Brand, whether in the form of name, logo or symbol, gives identity and recognition to a product. Once established in the market, it becomes an asset for the company because of the value it commands. High brand equity not only denotes the quality and performance but also signifies the confidence and trust placed on it by the satisfied customers. Thus organizations make every effort to successfully position and promote their brands so as to achieve growth and profitability.

Compared to FMCG or consumer products, which can be distinguished on the basis of attributes, business organizations cannot be positioned on the strength of their products alone. In B2B marketing, firms are at times more important than the product which they offer. It is essential for the organizations to build and maintain their reputation as being reliable and trustworthy. This can be done by serving their customers consistently with sincerity and honesty.

Branding has nowadays assumed higher significance in view of immense global business opportunities. Several commodity manufacturers, traders and exporters are branding themselves to create a separate identity. Through branding, an organization can position itself better among competition and increase its visibility for a longer period of time.

A successful business brand is developed when a firm keeps up its commitment on quality, price, deliveries and services to its customers. The reputed brands hold a distinctive and powerful position in the market, which helps them in introducing new products successfully. Such brands are able to withstand the competition with ease and can also command premium prices. Branding is essential as it helps in generating repeat sales for the company and earning goodwill from the consumers. Many products or services, which are otherwise reasonably superior in performance or are cost-effective, simply fail because of improper branding or incorrect brand positioning.

## 2. Branding strategies in Industrial product firms

Industrial product firms represent every major industry including food and beverages, metals, energy, heavy engineering, software and telecom. These firms though rely heavily upon personal selling, make use of other strategies to strengthen their brands, such as strengthening public relations, nurturing social responsibility, improving customer service and maintaining long term relationships. With electronic commerce getting immensely popular nowadays, the web sites of these organizations are structured not only to conduct business but are also used as a publicity tool. Firm’s mission, vision & ethics, CRM & CSR activities, employee achievements, customer testimonials, list of innovations, technology adopted, management competencies, new project ventures, past performances, awards & recognition, are all listed on the web sites as well as in the publicity literature. All these coupled with the quality products and services helps in creating a positive brand image of the organization and it is perceived to be more stable and sensitive to the customers, society and employees. This in turn leads to the positive perception and attitude towards the products or services offered by that organization. The positive perception developed and nurtured over a certain period of time, finally results in the customer preference towards the offerings of that organization. A satisfied customer repeats the purchase and the cycle further continues. Model suggested in Fig.1 explains the above process of branding in business or industrial product organizations.

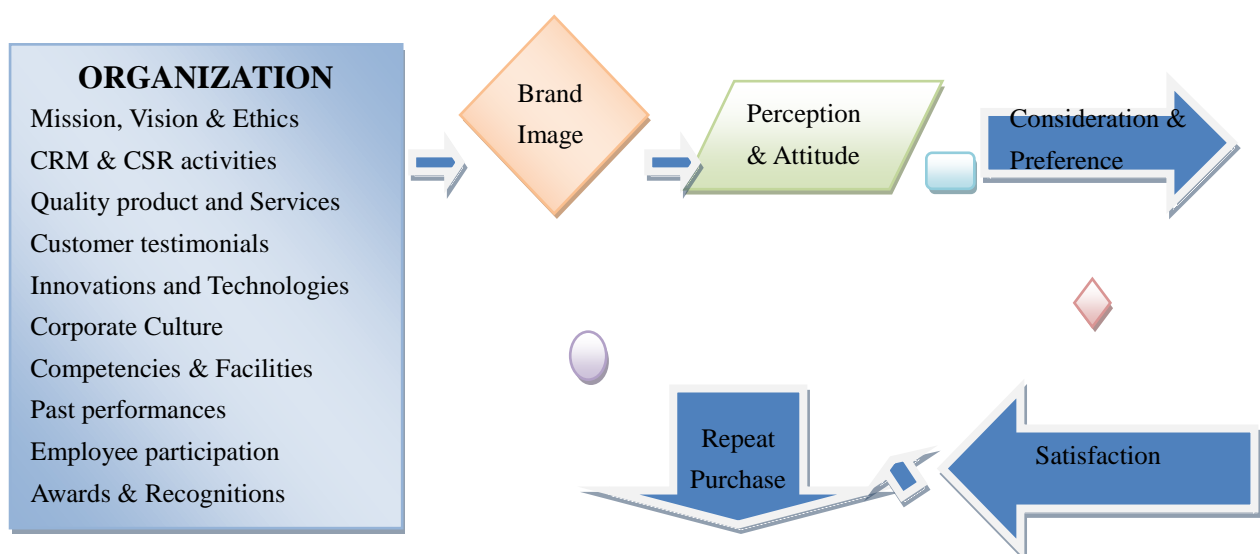


Fig.1 Business Branding Process

In business buying, the same tested brands are usually preferred by the customers till the existing ones are not able to meet the changing technical or commercial requirements. Hence apart from maintaining quality of existing products, business marketers have to continuously innovate so as to keep their brand image intact.

The branding strategies adopted by few industrial product manufacturers have been discussed in the subsequent paragraphs;

*2.1 Tata Consultancy Services:* The market leader in software services and part of the reputed Tata group, TCS has branded itself on the quality and consistency in delivering the services to its customers. Company has grown itself on the mission of value proposition to the customer. Its tagline in print media says ‘Experience Certainty’, confirming the commitment of the firm to deliver excellence in order to provide customers with certainty in their business objectives. It assures satisfactory and desired service experience to its customers in different parts of the world through completion of project in time and within budget.

*2.2 Wipro:* Leading IT firm, Wipro diversified from its core business of oil and soaps nearly three decades back. Though firm has retained the same umbrella brand name, the branding strategies of software business incorporates global identity and uniqueness. Wipro focus on the ‘Applied innovation campaign’ and differentiate itself on the basis of its competencies in unexplored areas. Its logo, ‘Wipro – Applying thoughts’ conveys the firm’s commitment to quality research and development.

*2.3 Infosys:* Apart from the trust and confidence that the software firm has earned over a period of last thirty years, its founders especially Mr. N. Murthy has also contributed significantly to the branding of this firm. The company has propagated itself as a strong believer of corporate ethics and among the best in governance. The firm has branded itself as business solution provider to client’s problems and surpassing their expectations through integrity, transparency and excellence.

*2.4 Suzlon:* Leading wind power company, Suzlon operates in a relatively less competitive market. Yet realizing the importance of cleaner and greener energy, firm has progressed tremendously in last over one and a half decade by focusing solely on the non-conventional power generation equipment and projects. The firm has manufacturing facilities and installed projects in different parts of world, which it has highlight through tagline ‘Born in India, embracing the world – Suzlon soars with the wind’. Noting the concern of whole world about global warming and depleting non-renewable energy resources, firm is branding itself as an environmentally responsible organization that is committed towards powering a greener tomorrow. Some of the branding strategies adopted by the firm are P.A.L.S (Pure air lover society) campaign, association with World environment day, sponsorship of CNN television’s capsule on environment preservation, in flight promotion in jet airways and a model of wind farm at the Pune airport.

*2.5 Siemens:* A multiproduct multinational firm has presence in almost every country of the world through its products ranging from motors, drives, building technologies, power & health care equipment to IT and financial solutions. Though the firm also sells home

appliances and lighting products, it is mostly known as a business solution provider. Till early 1990's firm did not attach much importance to branding. However with the beginning of globalization and liberalization in many countries around the world, Siemens anticipated the stiff competition ahead and threat to its market standing. A survey was conducted and based on the recommendations, firm adopted new pricing, distribution and advertising strategies for its branding and market expansion. It has developed eco friendly power generation and distribution equipments, constructed an environment friendly office complex and has engaged in green hospital programs. Siemens with its long history of over 160 years has branded itself as pioneering, innovative and socially responsible organization.

### **3. Conclusions & Recommendations**

Most of the business marketers rely on their trusted corporate group identity to promote different range of products or services. The umbrella brand especially in case of established businesses helps in promoting new products to the existing customers. The marketer requires less promotional and selling efforts to convince the customers on the quality and performance of their new offerings. However the single branding strategy sometimes becomes risky for the small businesses or for where some products may not have performed satisfactorily in the market. Customers then generalize poor quality for all the offerings of that firm and consequently it affects the overall brand image.

A business brand should reflect maturity, durability, utility and dependability not only of the product but also of the firm that is promoting it. Customers of business products or services are mostly government organizations, industries and institutions, in which buying authorities are technically qualified and experienced. They evaluate the brands by its specifications, past performances and competence of the suppliers.

A strong branding not only helps in creating an identity but also imparts a sense of responsibility and commitment within an organization. The responsibility is of satisfying the customers with quality products while commitment is of delivering the best services as and when required. Since industrial product branding is largely based on personal selling, the role of sales personnel is extremely important. He represents the brand and organization to consumers and it is important that he embrace the brand values fully before interacting with the customers. A successful brand has to begin with the corporate culture and extend to all its stakeholders including customers and channel partners. Sales personnel and channel partner's training and understanding of brand are essential so that they are able to promote the brand with sincerity and dedication.

The present business environment is rapidly changing due to globalization of market, movement of capital and shifting of production base. MNCs are utilizing economies of scale and moving their manufacturing units to cheaper locations. They are sourcing components and raw material requirements globally irrespective of the social, political or economic impediments. Industrial OEMs thus have immense opportunity to market their products to overseas locations and the best way by which they can brand themselves is by adhering to the quality, delivery and service commitments to the customers.



The advancement in IT technologies during last two decades, has led to tremendous improvement in communication, reduced infrastructure costs and ease of conducting business. In view of this, most of the manufacturers have installed ERP software for online communication among their different offices, manufacturing works and other channel partners such as vendors, transporters or distributors. This helps in reducing the response time to the customer considerably and assists in generating goodwill and trust for the brand. Software specific to Supply chain management coupled with technologies such as RFID, Bar coding and GPS have helped logistics, manufacturing and retail firms in streamlining their operations. Those firms which have embraced latest technologies in their businesses are able to project themselves as progressive brands that move along with the changing times. Such businesses brands are considered as youthful, fresh and creative.

In order to successfully position themselves, businesses should also promote their social and employee engagement activities, display testimonials from the satisfied customers and publicize endorsement of business ethics. They should highlight their capabilities in terms of strong sales, distribution and service networks. This is extremely beneficial in the successful image building of a brand.

Due to severe competition, industrial marketers nowadays communicate directly with the end users of their product or engage in Co-branding. Intel, which sells microprocessors to computer OEMs, targeted the end consumers through its 'Intel inside' campaign. The purpose was to assure the quality and reliability of the computer which customer was purchasing. Brand loyalty developed to such an extent that consumers themselves demanded only those computers, which had Intel microprocessors. Co-branding helps all the businesses which are involved in it, both in term of sharing of costs as well as increase in sales. Joint venture, mergers and acquisitions also contribute significantly towards branding of businesses. HP-Compaq, Microsoft-Nokia and Tata-Jaguar are few instances.

#### **4. Model for Industrial Branding – 7'S'**

Based on the above study, a '7-S' model for branding business organization has been proposed. (Refer Fig.2).

**S1 - Symbol:** It refers to logo or trademark of the firm. This should signify not only the name of the business organization but also convey its mission or vision. Recent logo of Crompton Greaves, an Indian MNC, has revamped its logo CG in blue and green giving global identity and also signifying concern for the environment. Bosch red coloured logo with caption 'invented for life' signifies the core expertise of the firm in delivering quality, reliability and innovation. Besides, it also conveys the focus on improving quality of life.

**S2 - Site:** With e-commerce becoming an extremely important tool for the B2B marketers, an informative web site helps in effective promotion and positioning of a firm. An exhaustive web portal giving detailed information about the product range, manufacturing facilities, past performances, test reports, accreditations, online enquiry and submission of offers, status of orders and despatches, complaint registration and closure status, list of vendors, pending orders, etc. can help a firm in generating trust not only among the customers but also the

suppliers. In export-import transactions, a detailed web site can help in reducing costs substantially, as business can be conducted without physical interaction between buyers and sellers.

**S3 - Solution:** A business firm should be capable to anticipate and provide solutions to the needs and problems of the customer organizations. Software solution providers develop programs catering to the customized needs of the telecom, retail or banking firms. A machine part manufacturer develops components and parts that could improve efficiency or reduce costs of the end products of its customer. By supporting their clients in achieving their end objectives, organizations are able to reinforce their brand identity and image.

**S4 - Sponsorship:** Business marketers can also increase their visibility and presence by organizing and sponsoring events, conferences or taking parts in expos, trade fairs, exhibitions and domestic & international events. This will not only help in developing business contacts but will also assist in brand recognition. By associating itself with the important government schemes or projects, even if it is at the cost of lower profit margins, firm can earn the goodwill and trust among the government buyers.

**S5 - Sincere:** Meeting the commitments given to the customers in terms of delivery of product or services within a given time schedule, at the budgeted costs and agreed quality norms, helps in retaining the existing customers and also generate new customers. Business brand image is largely dependent upon the faith and confidence of its customers, consistently over a period of time. The sincerity in attending to the requirement of its existing or potential customer helps in valuable brand building of an organization. After all the image of a client or its products and services are directly linked to the quality of supply from the vendors.

**S6 - Service:** Providing timely and satisfactory service, pre-sale, during or after sale, is important in B2B marketing. The industrial products are often technical in nature and require several rounds of discussions and clarifications between the buyers and seller organizations. Firm's representative should be able to resolve the queries and provide the required information and supporting data to the buying unit members, without losing patience. Similarly, providing drawings, manufacturing test reports or despatch related information to the customers in time will help them plan their manufacturing and sales accordingly. Prompt after sales service and rectification of complaint, helps in the saving of breakdown time of the customers and related costs considerably.

**S7 - Social Responsibility:** Engaging itself with a social cause, such as those related to child and adult education, shelter for homeless, poor women employment, tree plantation, green manufacturing processes, environmental protection projects, contributes towards projecting the business as ethical and sensitive to the society. Business houses such as TATA and Aditya Birla group have engaged in several charitable projects for rural development, health care and education, thereby strengthening their brand identity. Off late nearly every large MNC, whether it is Dell, Microsoft or ABB, has sincerely involved itself towards improving the quality of life around the world. The CSR activities facilitates in building public relations as well as successful branding of business organization.



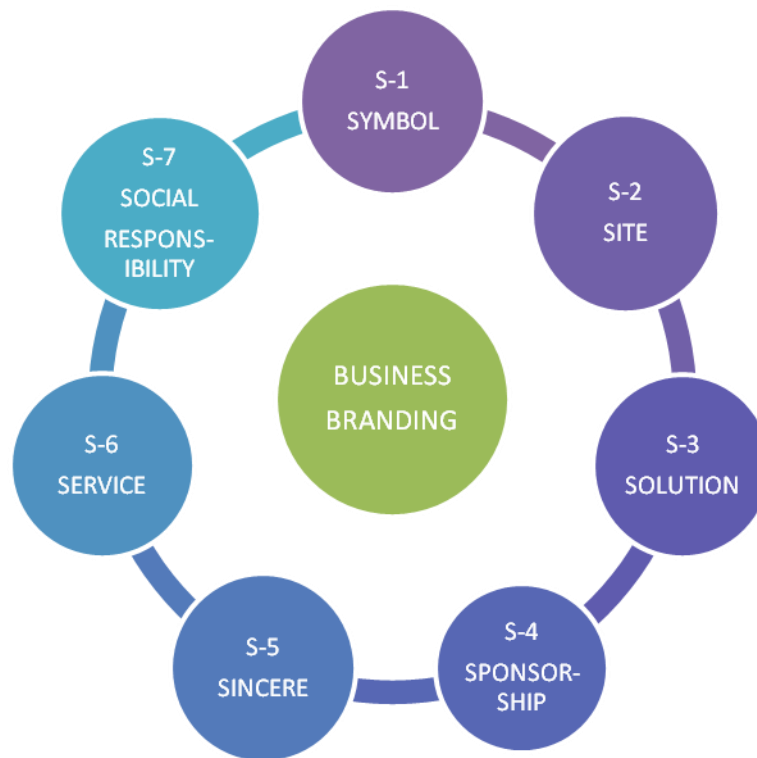


Fig.2 7 'S' model of Business Branding

By incorporating the above 7'S' model in their branding strategy, a business or industrial product organization can position itself quite successfully not only among the domestic buyers but also the global buyers.

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