The Importance of B2B Brand Strategies...

A brand is a brand is a brand. Right? Not so fast. We're all familiar with the consumer brands that we incorporate into our lives on a regular basis. Kleenex. Coke. And even bald Mr. Clean. We remain loyal to them for various reasons—an emotional tug, an aspirational pull, unswerving reliability, or a host of other attributes. But what about business-to-business (B2B) brands? How do they establish a presence? How do they cultivate loyalty? And how do you measure B2B brand effectiveness when a sales cycle can last months in some cases? And, let's face it, a lot of business brands just aren't sexy, so how do you inject any valuable recognition?
Are B2B brands the Rodney Dangerfield of marketing?

It may feel like B2B brands “get no respect.”

It’s true that B2B brands don’t have the vast day-to-day exposure that consumer brands do, so even if they are lovable they’re not going to easily get mainstream recognition. That does not mean B2B brands have to be dry and dreary.

Brand exposure and brand recognition are, in fact, just as important in the B2B world as it is in the B2C world. Conventional wisdom may say: “Isn’t that what our sales force is for?” or “Branding efforts are for B2C companies, our audience knows who we are.” The truth is that brand positioning and careful target segmentation play an influential role in the B2B customer journey, and B2B buyers are relying on the ability to relate to a brand to make decisions more than ever now.

Business leaders tend to underestimate the power of brands and trademarks in business-to-business decision making. But, in fact, some of today’s highest performing brands are not, or at least not exclusively, consumer brands. Prominent examples of brands that have a significant impact on a company’s business performance include Microsoft, Siemens, General Electric, Allianz, and MasterCard. Even companies without any consumer business whatsoever have gone to great lengths to build powerful brands, like IBM, SAP, Goldman Sachs, Oracle, and Thomson Reuters to name a few. The conscious build-up of
these very successfully brands has and will continue to pay off dividends in the market—their strong brand positioning is no accident.

Some experts argue that branding doesn't have a part in B2B marketing, and their arguments will usually include that:

- Buyers of B2B products or solutions tend to be more rational about decisions, relying less on emotional factors which come into play more frequently in consumer purchasing decisions.
- The individual sales rep owns the B2B brand because the purchases all funnel through the sales department.
- There's nothing about B2B products that will alter your personal brand or style, so pricing is the only thing that matters.
- The complexity of B2B products prohibits value proposition development into brand personas or taglines.
- Investing in B2B branding is a waste because the target audience is too narrow to warrant the expenditures.

Many marketers argue that customer intimacy in the B2B world is achieved by face-to-face interactions between the individuals of each company, which affects the overall benefit of the brand. The truth is that individuals can factor into the corporate reputation of an enterprise, but the customer journey for B2B brands starts well before a sales rep is involved. Some of the best B2B companies have a very structured and well thought-out customer journey that provides a seamless, positive experience—much of that earned before company representatives interact.

So, is there a difference between “corporate reputation” and brand positioning in the B2B world? If so, how does that difference play out for B2B companies today?
Why does B2B brand strategy matter

In the current competitive landscape, companies should not rely only on product or service differentiation strategies as their focus for keeping and growing market share. Today’s buyers, including B2B decision makers, are much more sophisticated in their approach for evaluating potential partners.

We are all well-aware of the increased exposure to information that technology has brought upon us. People seamlessly interact with businesses through multiple mediums online every day. We get information brought to us more than ever, and this often includes insights into a company’s direction, operations, or positioning.

Buyers today are exposed to companies through both passive and interactive touch points, and they draw conclusions about the ideologies embraced by each organization. These interactions and conclusions consistently happen before a representative of the company is even involved.

Buyers in today’s environment take the social, ethical, and behavioral impacts of a business into consideration and gain these insights through multiple platforms. These inferences create differentiation between brands, and buyers are consistently crafting their decisions through these perception funnels. In this way, a B2B company develops significant competitive differentiation by exposing customers to the company’s vision, culture, and image in a thoughtful way.

Some of the most successful B2B organizations have gone through extensive rebranding processes. These are companies
that have significant recognition, and often the public is surprised they rebrand. It’s a big company, people know it, so why reposition?

That’s one significant reason we know brand recognition and customer perceptions are impactful in the B2B world. These large B2B organizations invest valuable time into difficult rebranding projects, but, most importantly, they see significant positive results from repositioning their brand.

These companies, although very successful, are going through strenuous and challenging projects to adjust and better align with their buyers. They understand that brand recognition and buyer perceptions deeply impact business performance in the long-run, so they adjust. They invest heavily to relate better to their customers—and keep up with the times. It’s not easy nor is it simple, but these large B2B organizations commit because they know strategic branding is key to long-term success.

Philips
A few years ago, Philips rolled-out a reworked logo alongside their new brand positioning strategy. The massive, global electronics company decided it was time to adjust how they expressed the work, vision, and impact of the organization. So, as part of the process, they redesigned and rolled out a modern version of their corporate logo.
The new logo pays homage to an older Philip’s logo debuted in the ‘30s, but with a much bolder, digitized look. The modernized logo ties the organization’s influential era of innovation and historical brand equity to their current intention for change. But the rebranding was not simply the roll-out of a new logo.

Philips was increasingly perceived as a consumer marketer that made toothbrushes and light bulbs, despite two-thirds of their offerings situated in the enterprise and government segments. The organization realized they needed a focused B2B message to create customer touch points that curated perceptions of the organization as a proactive B2B company. Philips also launched an “Innovation and You” campaign designed to display how different industries, like infrastructure or healthcare, partner with Philips every day to innovatively execute operations and services. The company wanted to embrace their role in everyday innovation and their direct impact on B2B industries. They’ve done so with a personal campaign that humanizes the brand while at the same time showcases the actual B2B activities the company delivers. What Philips has successfully done is embraced the times. They understand that changing customer's perceptions today depends on connecting with them, especially B2B customers, transparently and consistently.

They’ve humanized their brand, paid homage to their historical brand equity, and successfully transitioned into the world of B2B innovation. Philips has been around for hundreds of years, but they continuously display the importance of
correctly positioning your brand to stay relevant and create differentiation from competitors every day.

**Assessing the state of your B2B brand strategy**

But, how do you know if your B2B brand positioning is as robust as you would like it to be? A critical part of useful brand strategy is consistent testing and refinement.

While thinking of your B2B brand strategy as a test may be unsettling at first, the prospect of having a lagging or lackluster brand is much more damaging. Too many companies make assumptions about what should work related to their brand, and they’re hesitant to test. But smart B2B companies know the long-term impact is worth it. Instead of trying to prove that your B2B brand is working, look at the process as if you are uncovering what works for your B2B brand.

Tracking KPI’s (key performance indicators) carefully and consistently gives your team insight into different elements of the brand. Through metrics, you can identify what areas of your strategy are working well and which areas are lacking. The impacts of the brand are spread throughout the organization and affect the business both internally and externally. That’s why it’s important to look at various types of metrics to get a full picture of what your brand is currently doing or not doing for the organization as a whole. Below are the different metrics you can track to assess the current health of your branding:

1) **Behavior Metrics**. They provide an ongoing understanding of how your brand is performing internally and externally concerning customer
expectations and competitor actions. Companies can gauge the success of their branding efforts by analyzing employee engagement scores, employee understanding of business strategy, and percentages participating in employee referral programs. Intelligence gained through brand awareness and perception surveys, search engine rankings, website traffic reports, sales conversion rates, and lead generation tracking are also commonly used to measure the effectiveness of external branding initiatives.

2) **Perception Metrics** answer the question: “What do customers think and feel about your brand?” Insights are gained through brand awareness and recognition measures, and the attributes perceived by current and potential customers. By measuring and quantifying customers’ and prospects’ perceptions of your brand, you can see where you stand in the market relative to your competition, what key aspects of your brand are effectively “owned” by competitors, and determine whether customers purchase your product, recommend your company to others, or turn to the competition.

3) **Performance Metrics.** These metrics evaluate how customers “act” on their perceptions and help assess how brand-building activities directly drive overall business results, ranging from price premium to loyalty to the lifetime value of a customer. Brand performance is an important measure for organizations to monitor how the brand impacts overall business goals and is measured from both a financial and customer perspective. Performance metrics assess how customers think and feel about the brand. These measures also facilitate a
company’s ability to estimate an accurate financial value of brand equity. Some common metrics measured include customer acquisition, retention, and satisfaction all contribute.

As you work on the ever-present goal of improving your business value, it is critical to determine the role that your B2B brand strategy plays. Studies show that almost 60% of a normal B2B purchase decision is made long before a company contacts a supplier.

Successful B2B companies treat branding as the culmination of the entire brand experience, invest heavily in it, and see positive results from the changes. We have consistently guided and watched quality B2B brands adapt their brand positioning to continue growing the business by listening to, interacting with, and understanding their customers.

Brand perception drives differentiation in the marketplace. Companies with perceived strong brands have higher margins and continually outperform companies with weaker or nonexistent brand identities. Business brand strategy is critical in driving the bottom line, and purchasers are willing to pay a premium for products and solutions with a strong brand identity they can relate to. That’s the key of brand strategy for B2B industries, a strong positioning humanizes your brand in a way that customers can relate to it genuinely. A well-thought out brand strategy will have impacts that can be measured and felt throughout your organization, so make sure to consistently track, measure, and assess the strength of your B2B brand strategy.