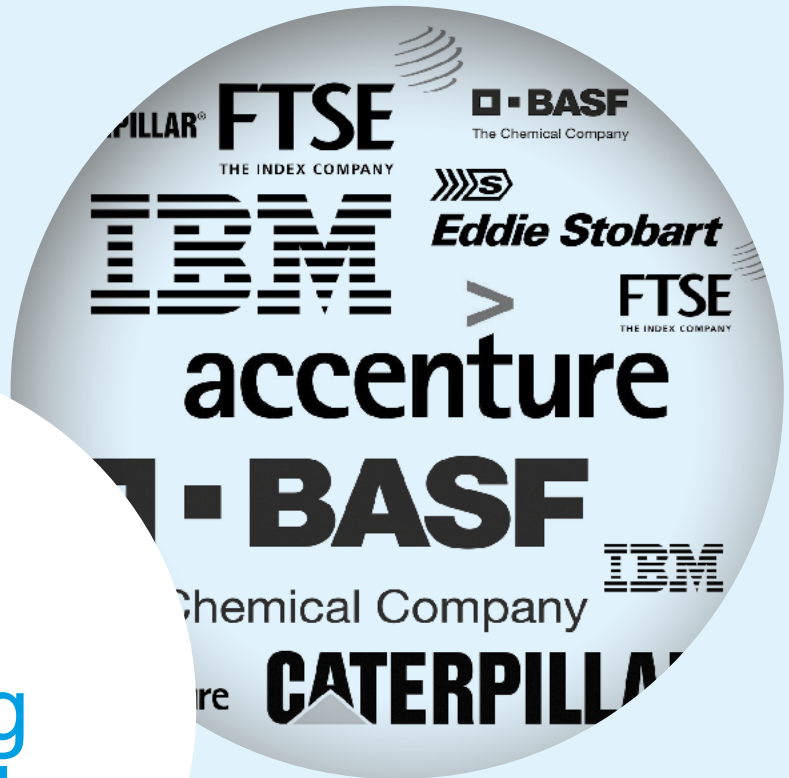


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# B2B Branding Research



## IN SUMMARY

This paper on B2B branding research:

- Defines what a brand is and why it matters to B2B companies
- Outlines the commercial benefits of having a strong brand
- Identifies the seven key features of a strong brand
- Details a three step process to measuring brand perceptions

# Executive Summary

## Defining a Brand

A brand is a perception held in an individual's mind and created by the sum of their experience. It concerns their view, whether conscious or unconscious, about:

- What you do and how you do it
- What you stand for as a company
- What makes you different from others in your space
- The functional and emotional benefits to be derived from working with you

## Benefits of a strong brand in B2B

As a brand is a perception you have no choice whether you have one or not. You can however manage it. There are six benefits of building a strong brand:

- It makes you a must-have on short-lists
- In riskier buying situations it makes you the safe choice
- It simplifies the decision for buyers – it's 'shorthand' which conveys a lot of meaning
- It is a point of differentiation especially in commoditised markets
- It allows you to charge a price premium
- It builds preference and loyalty

## Key features of a strong brand

A strong brand – we call it an **Alpha Brand** – has seven key features:

1. It is prominent, understood and inspires affinity
2. It is based around a single clear anchoring idea
3. It is perceived to provide a better solution
4. It appeals to the emotional as well as the rational
5. It recognises 'one size fits all' doesn't work
6. It is built to have multi-dimensional appeal to all stakeholders
7. It is true to its word

## Three steps to understand brand perceptions

Any strong brand is built on understanding – of how it is perceived and what the market wants. To gather this understanding, follow a three step process.

Successful brands ensure that their chosen positioning is reflective of their core essence and is something everybody's bought into. That's why you should start 'inside-out' by holding a series of workshops with colleagues to explore what your brand stands for and what they would like it to stand for. Then audit competitor brands to establish their positioning. The output of this activity will be an initial 'brand statement'.

Stage two adopts an exploratory approach (focus groups or in-depth interviews) and various enabling techniques to gather insights into the perceptions of three key audiences: customers, prospective customers and opinion formers. This deep understanding will allow you to:

- Position your brand in a way which is relevant, appropriate and resonates
- Adopt a differentiated position
- Identify any gap between the actual and aspirational position

Stage three uses a structured, quantitative survey to establish where your brand is on its journey. It explores five key areas: prominence, functional associations, emotional associations, distinctiveness and performance. It then applies two statistical techniques – Brand Mapping and Key Driver – to identify the final brand positioning to be adopted. This stage also acts as a benchmark and provides KPI targets.

## 'B2B' and 'branding' – oil and water?

'Brand' has become a dirty word in some circles. It's seen as a fluffy concept, the preserve of FMCG marketers and no more than jargon for a logo. Many simply don't see 'branding' as relevant to B2B organisations. They say that:

- *Brands are critical in FMCG environments where products are often bought because of what they say about the buyer. B2B products are not aspirational and they're being bought for the company not the person, so any aspirational benefit is irrelevant*
- *Brands are only relevant when purchase decisions are 'irrational'. B2B buyers being rational creatures are therefore not swayed by branding – they will make a logical, considered decision about the pros and cons of the different options putting the 'brand' to one side*
- *B2B purchases are all about the relationship. A salesperson or account manager doesn't need a corporate brand, they just need a good product and social skills*

These prejudices are often driven by a misunderstanding of what a brand actually is.

When most people think 'brand', they see it only as an identifier. A set of visual and verbal cues – a name, a logo, a slogan, a colour scheme – that identify your organisation and its products amongst a sea of others.

But this alone doesn't make a brand.

Of course, these identifiers communicate something in their own right even if the receiver knows nothing of your organisation. But for a brand to be born they need to be imbued with meaning. Only once these identifiers trigger a series of associations can we truly say that a brand is present. Associations about:

- What you do and how you do it
- What you stand for as a company
- What makes you different from others in your space
- The functional and emotional benefits (yes, even in B2B) to be derived from working with your organisation or products

These associations are developed through the sum of an individual's experience. Through every encounter they have had with your organisation, your employees or products. Through what they hear and see from you. Through what they hear and see about you.

So, because a brand is a perception held about you, you have no choice about whether that perception exists. You can however choose to manage your brand. Those that reject the need for branding in B2B environments should contemplate this. They can be the master of their fate, or they can leave it up to others



**77%**  
of B2B marketing  
leaders say branding  
is critical to growth<sup>1</sup>

## The benefits of a strong brand

And if further persuasion is needed, consider the following benefits of having a strong brand:

- It makes you a must-have on short-lists. If your brand is dominant then you'll often be considered by default as not to do so would raise eyebrows
- In riskier buying situations where the cost of making the wrong choice is high (either for the individual's reputation or for the company's effectiveness) a strong brand makes you the safe choice. As the old adage goes, 'you won't get fired for buying IBM'
- It simplifies the decision for buyers. The brand acts as 'shorthand' which quickly conveys a lot of meaning. Less well known brands require the buyer to work harder to understand the benefits they bring. This matters because despite what textbooks tell us, B2B buyers are humans with emotions and they often opt for the easy choice
- It is a point of differentiation, especially in commoditised markets where there is little apparent difference between products and services. A strong brand also comes into its own in situations where it is difficult to compare products and services, e.g. if the buyer has limited knowledge, if the product is complex
- It allows you to charge a price premium because it implies that the product or service is somehow better, or it provides a sense of trust worth paying extra for
- It builds preference and loyalty. Positive brand associations make buyers want to be associated with you and increase the perceived risk of switching

All of the above translate into the most important benefit of a strong brand – greater profitability. A brand has real tangible value. For example, Interbrand regularly values the world's brands in its Best Global Brands series. In 2013 three B2B brands featured in the top ten: Google ranked second with a brand value of \$93,291 million, IBM ranked fourth with a value of \$78,808 million and GE ranked sixth with a value of \$46,947 million.

### So how do you go about building a strong, valuable brand?

## Building a strong brand

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Based on dozens of B2B branding studies and a thorough review of the latest branding theory, Circle has developed the Alpha Brand principle. It's a framework to understand the defining features of a strong B2B brand and guide the journey towards becoming one.

The Alpha Brand has seven key features:

- 1. It is prominent, understood and inspires affinity.** Alpha Brands are widely recognised within their target market. They are top of mind and create a dominant image in the buyer's consciousness when they think of the category. But Alpha Brands aren't just loud; they're seen as familiar and relevant. People have a preference for things they know and feel an affinity towards. For this reason Alpha Brands seek to build a sense of being on the same wavelength as potential buyers. They also strive to ensure that potential buyers understand the full range of their capabilities so that they're recalled when shortlists are being created

**2. It is based around a clear anchoring idea.** Awareness is vitally important but strategic awareness is the true hallmark of an Alpha Brand. Not just to be known, but to be known for the right things. To conjure up associations on recall which lead to positive feelings and a predisposition to buy. So when building awareness Alpha Brands are careful to identify a space which has strong appeal to the target market, is not occupied by competitors and which they can credibly, sustainably occupy. Then they firmly anchor themselves here with a central organising idea; the one core thing they want to be known for. As time passes this anchor holds strong. The Alpha Brand is consistent in the message it conveys and how it behaves. From the anchor idea a number of supporting meanings are generated which combine to form the overall brand identity. Meanings concerning the functional and emotional benefits the brand provides

**3. It is perceived to provide a better solution.** Alpha Brands offer a solution which meets expected mandatory criteria, matches competitors on points of parity and then differentiates where it adds greatest value. The Alpha Brand is also careful to create associations with higher quality. This is not only because of professional pride. Multiple studies show that there is a direct correlation between perceptions of quality and a company's share price outperforming the market

**4. It appeals to the emotional as well as rational.** The Alpha Brand then goes on to create three emotional associations concerning: who the brand is, what the brand says about the buyer and how the brand makes the buyer feel. The Alpha Brand has a personality which appeals to the buyer. It has become personified in their mind and possesses a series of human traits which are appealing in its category. The optimum set of traits differs by market and segment, but four are often universal to strong brands across markets: they are competent (reliable, trustworthy, intelligent, expert, successful), they are respected (they define, lead and deeply understand their area), they are respectful (they appreciate and value customers) and they are an organisation the buyer is proud to be associated with. The Alpha Brand also recognises that even B2B brands can have a self-expressive role. In some circumstances people buy a brand because of what it says about them/their organisation to the outside world or because it's in keeping with their own self-image

**5. It recognises 'one size fits all' doesn't work.** In selecting the optimum combination of functional and emotional associations the Alpha Brand is smart. It recognises that every individual is different. That to some a particular association could be highly attractive but to others it may be a turn off. For example, a 'high performance' positioning may be attractive to many, but a signal to those in the 'low price' segment to look elsewhere. The Alpha Brand groups its target market into segments not just according to firmographic dimensions (such as company size or sector) but also based on behaviours, needs and attitudes. Then it targets those segments which are commercially attractive, where it has credibility and where it can sustainably deliver a differentiated offer

**6. It is built to have multi-dimensional appeal.** The Alpha Brand is built to appeal equally to all key audiences - customers, prospects, employees and opinion formers. Its most telling hallmark is the behaviour it inspires in each of these audiences. Amongst customers and employees the brand has created a strong bond which causes them to be intensely loyal and vocal advocates. Amongst prospects it is seen as a must have on any short list. And amongst opinion formers it generates consistently positive commentary



Only **39%**  
of B2B companies  
have a clearly defined  
brand strategy<sup>2</sup>

7. It is true to its word. The Alpha Brand recognises that the journey never ends; that its position is not guaranteed. That's why the Alpha Brand is true to its word. It delivers the promises it makes (whether explicit or implicit) without exception, it ensures that the brand promise matches reality and that employees genuinely embody and live the brand



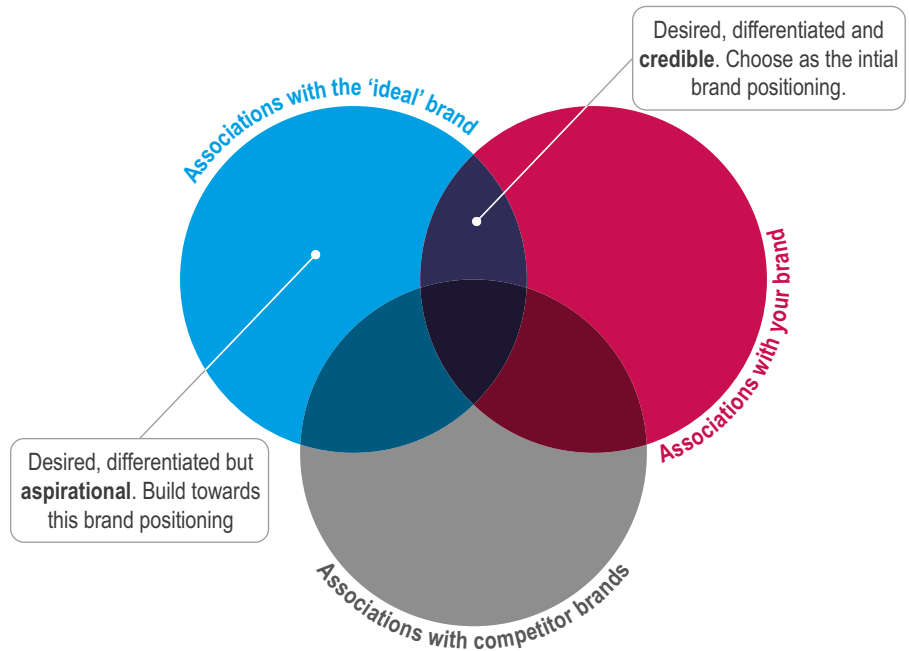
1. Prominent, understood and inspire affinity
2. Based around a clear anchoring idea
3. Perceived to provide a better solution
4. Appeals to the emotional as well as the rational
5. Adopts a segmented approach
6. Has multi-dimensional appeal
7. Is true to its word

## Building an Alpha brand

To build an Alpha Brand you need to first understand three things:

- What brand associations are desirable in your market
- How your brand is perceived and how it credibly could be seen
- What perceptual space is occupied by competitors

This understanding will allow you to build a brand which is compelling, credible and differentiated. To gather the required knowledge, adopt a three step process.



## Step one – look inside out

Successful brands are built on dimensions that matter to the market. But they're also careful to ensure that their chosen positioning is reflective of their core essence and is something everybody's bought into. That's why you should start 'inside-out' to ensure that:

- Existing knowledge and expertise is leveraged
- Key players feel part of and buy into required actions
- Any changes to the brand positioning reflect and can be lived by the organisation

To achieve this, hold a series of workshops involving four key internal audiences – senior management, the marketing team, external agency partners and key customer facing staff. In a nutshell, these sessions should explore three questions:

1. What attributes and behaviours should a brand display in your market?
2. What does your brand stand for and what would you like it to stand for?
3. How credible is this aspirational position and how can it be achieved?

Then audit competitor brands by reviewing their marketing material, exploring their websites and speaking with any ex-employees now working for your organisation. In doing so try and elicit their brand positioning – what they are seeking to stand for and what are their claimed USPs.

The output of this activity will be an initial 'brand statement' which details:

- The central anchor idea your brand is built around
- The behaviours, attributes and values your brand will display to support this idea
- Your primary points of brand differentiation

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## Step two – look inside in

But this is just a starting point. A successful brand can't be built on internal knowledge alone. It lives in the mind of the market which is why it's essential that the primary focus of the research programme is outward looking.

So stage two is about external discovery. It adopts a fluid, exploratory approach (focus groups or in-depth interviews) to gather insights into the perceptions of three key audiences:

- Customers
- Prospective customers
- Opinion Formers (industry analysts, 'gurus' and media)

In engaging with these audiences you should begin by exploring:

- Key functional and emotional influencers on supplier choice
- The benefits of making the right supplier choice
- The attributes, behaviours and values they want a brand to display
- The brands – inside or outside your industry – they respect and why

This will allow you to position your brand in a way which is relevant, appropriate and resonates with core needs. But to ensure this position is differentiated you also need to explore:

- Stereotypes of and frustrations with the supplier community
- Perceptions of different supplier brands
- What's missing from the supplier community

And finally you need to understand how your brand is perceived so that you can establish the size of the gap between the actual and aspirational position.

When exploring all of the above remember that there's a tendency for people to over-rationalise decisions and thought processes when asked to describe them.

It's also true that when dealing with a 'soft' concept like a brand, if you ask someone a direct question sometimes the answer may not be forthcoming or could be misleading because:

- People don't always know what they think
- People sometimes find it hard to articulate what they think
- People are sometimes uncomfortable sharing what they think

This means that direct questioning identifies valuable information, but to explore more emotional considerations you need to be a bit smarter. To really get under the skin and explore thoughts indirectly you should consider employing a variety of enabling techniques.

There are numerous such techniques, but when choosing the most appropriate remember that these are B2B decision makers and there's a danger of trivialising the discussion. So here are two from Circle's arsenal which we find particularly effective:

○ **The dinner party:** This exercise helps to explore relative positioning, brand personality and the level of brand affinity. The respondent is asked to imagine that they've been invited to a dinner party with a difference; the guests are all major supplier brands. A series of questions are then discussed which provide revealing insights into brand perceptions. Who would be hosting the dinner party and who would have been invited? Who would they each choose to sit next to and why? Taking each brand in turn, describe them. How would they look, what would they be like to talk to, what personality would they have? Which brands would you get on with best; who would you sit next to? Which brand would the others secretly aspire to be like and why?

○ **The brand user:** This exercise is particularly valuable in situations where brand choice can be influenced by whether a brand 'fits' with a potential buyer's own self-image or whether it will send the desired message about them/their organisation to the outside world. As people can be uncomfortable expressing or simply unaware of these feelings, allowing them to project them onto another person helps uncover insights. In this exercise the respondent is asked to describe the typical user of a brand. How would you describe someone who buys this brand? What kind of organisation would they work for? What would they be like as a work colleague, e.g. competent, respected? What made them choose this particular brand? What does their choice say about what's important to them? To what extent would this person fit within your team or organisation?



**62%**  
of B2B companies  
don't measure external  
perceptions of  
their brand<sup>3</sup>



## Step three – the brand map

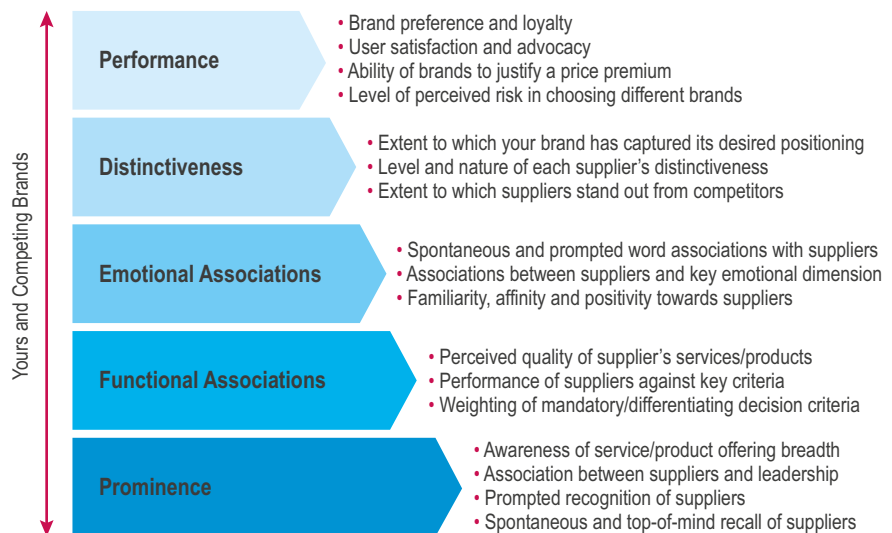
You'll have plenty of insights into the optimum brand positioning by now, but there's one final step. It's essential to build on previous learnings by:

- Validating, substantiating and refining your knowledge
- Reliably measuring differences in perceptions between audiences
- Establishing a benchmark of brand perceptions to track your journey

Ultimately this stage of the research process will determine the final brand positioning and establish where your brand is on its journey towards Alpha Brand status. To gain an accurate picture it's critical to conduct a structured, quantitative survey which is:

- Robust enough to draw clear conclusions
- Representative of all key audiences in order to identify any differences
- Conducted 'blind' so that knowing who's behind the survey doesn't bias findings

The content of this brand perceptions tracking research will be unique to your situation but will most likely explore five key areas:



When exploring these areas it's important to compare findings against two benchmarks so that they can be interpreted in context:

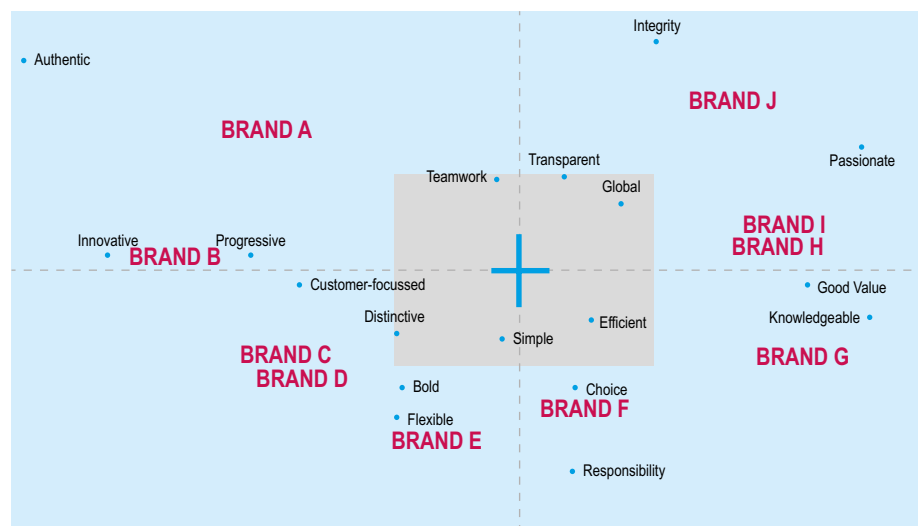
- All questions should be asked not just about your brand, but competitor brands too. This shows your relative position
- Findings from other studies of B2B brands should also be incorporated so that you know what 'good' looks like, e.g. spontaneous awareness of 20% may be the highest score in your sector, but should you aspire to a higher score given what brands in other B2B sectors achieve?

And also remember to probe deep into the findings. In earlier exploratory stages we suggested the use of enabling techniques to look beyond the obvious. In this more structured stage the same rule applies, but this time consider using two statistical techniques:

- **Brand Mapping** (also known as Correspondence Analysis) helps better understand what makes a brand distinct and identifies where it sits perceptually relative to other brands. To do so, survey participants are asked to indicate whether they associate different brands with various attributes and characteristics. These can be a mixture of 'hard' factors relating to the product/service and 'soft' factors relating to more emotional dimensions. The resulting answers are interesting in their own right but there's a tendency for some brands, especially market leaders, to benefit from a halo effect. When people are asked to rate the extent to which they associate them with different features, they perform well against many of these. This makes it hard to clearly understand what they really stand for. Here enters the Brand Mapping statistic. It accounts for this halo effect and identifies the small number of attributes which most closely define a brand. It then goes a step further by identifying which brands it is perceptually similar and dissimilar to. The result is a visual map which plots the relationship between a brand, different features and other brands
- **Key Driver** (also known as Regression Analysis) accounts for the fact that when asked what makes them feel positively towards a brand, people often find it hard to articulate the reasons. So rather than ask, Key Driver deduces the answer. To do so, two questions are asked in relation to each brand under consideration – how positive they feel towards the brand and the extent they associate it with different functional and emotional attributes. Key Driver looks for links between a high brand positivity score and high scores in relation to particular attributes. In doing so it works out what attributes create a positive overall perception – these should be at the heart of your brand positioning

### Brand Mapping

A real life example (with names changed to protect the innocent)



## Make the journey

After these three steps you will have a solid picture of what your brand is, could and should be. This provides a clear map for your journey towards **Alpha Brand** status. It sounds obvious, but to reach this prized status don't forget to follow the map:

- Clearly articulate your brand positioning
- Communicate it internally and ensure people and processes 'live it'
- Then communicate it externally and monitor your ownership of the position

This of course is easier said than done, but don't despair. You're not alone. In a recent survey of 100 B2B marketing leaders they told us that they face three major challenges when it comes to building a strong brand:

- **Identification** – finding a positioning which appeals to all segments, is flexible enough to evolve and gets internal agreement
- **Resources** – branding is a lower priority than revenue generating activity
- **Delivery** – front line staff often don't live the brand promise

**So be prepared to overcome these headwinds in your journey. But remember, it's a journey well worth making.**

**Sound interesting?  
We'd love to talk.**

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or email him at **david.willan@circle-research.com**