



# The Potential of B2B Lovemarks

## – A Managerial Perspective on Strong B2B Brands –

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## Abstract

- TITLE:** The Potential of B2B Lovemarks: A Managerial Perspective on Strong B2B Brands
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- ADVISOR:** Ass. Prof. Christer Kedström
- KEYWORDS:** Lovemarks, B2B Branding, Brand Personality, Emotional Branding
- THESIS PURPOSE:** The purpose of the study is to strengthen the relevance of B2B branding, to contribute to research on emotional branding in B2B markets, to provide verification of the general concepts about Lovemarks, to test the applicability of B2C Lovemarks in a B2B environment, and to present it from a new managerial perspective.
- METHODOLOGY:** In order to investigate B2B Lovemarks, our empirical research applies a cross-sectional research design that is based on qualitative telephone interviewing. The overall target group is corporate brand managers, predominantly from technology industries and branding experts/ consultants. Semi-structured interviews were conducted with eight company representatives and one agency consultant.
- THEORETICAL PERSPECTIVE:** Customer-Based Brand Equity (CBBE) Model (Keller, 2002); Branding Triangle (Kotler and Pfoertsch, 2006); Lovemark (Roberts, 2006)
- CONCLUSION:** Our findings indicate that B2C Lovemarks need to be redefined according to the nature of the B2B market whereby trust and customer-partnership are among the key determinants. Communicating emotional values in B2B will need rational justification because excellent performance has the highest priority. However, employing intangible attributes differentiates from competition and can amplify the benefits of branding such as loyalty and preference. This thesis suggests a conceptual framework that highlights the importance of implementing brand values in an integrated manner, which is a prerequisite in order to reach Lovemark status.

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## Executive Summary

Kevin Roberts has extended the comprehension of strong consumer brands to a higher level where loyalty beyond reason is established. He calls this new status Lovemarks. As the concept of Lovemark has only been applied in B2C markets, this thesis is directed to find out the applicability of Lovemarks in B2B context. In order to fulfill the research purpose, three main questions are answered based on a cross-sectional research approach: What role do intangible factors play in B2B branding? Is the idea of B2C Lovemarks transferable to B2B context? How should a B2B Lovemark be characterized?

The results of the qualitative interviews indicate insights of high investment and involvement, integrated brand communication, balance between function versus emotion, brand's trustworthy personality, customer partnership, and finally, the potential establishment of B2B Lovemarks. Conclusively, first, functional performance is stressed as the key foundation of strong B2B brands. Second, emotional values are regarded as the driver of sustainable differentiation. Third, integration of internal and external branding building is crucial for overall brand loyalty. Fourth, trust plays a dominant role in emotional communication. Fifth, companies need to highlight customer partnership in industrial markets due to the high demand of commitment and cooperation. Integration and consistency are crucial for B2B brand building; at the same time, a balance between functional and emotional benefits is strongly required for Lovemarks in B2B industry. Therefore, it can be concluded that in a B2B environment, a redefinition of Lovemarks is realizable.

The findings of this thesis are twofold; first, the authors present a conceptual framework which entails the developing process, prerequisites, key attributes and benefits of B2B Lovemarks. Second, managerial insights are provided both from the perspective of successful companies and less experienced companies in emotional branding, integrated brand communication and partnership building. This study offers a reflection on the possible efforts of incorporating intangible values into the brand strategy and thus improving and advancing brand management.

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Juliane Beyer

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## Table of Contents

<i>Abstract</i> .....	<i>ii</i>
<i>Executive Summary</i> .....	<i>iii</i>
<i>Acknowledgements</i> .....	<i>iv</i>
<i>Table of Contents</i> .....	<i>v</i>
<i>List of Figures, Tables and Appendices</i> .....	<i>viii</i>
<i>List of Abbreviations</i> .....	<i>viii</i>
1. Introduction: Defining the Scope of the Thesis.....	1
1.1. <i>Introducing the Revolution of Lovemarks</i> .....	1
1.2. <i>Problem Formulation: The Need for Emotional Branding</i> .....	2
1.3. <i>Aim and Purpose: Why B2B Lovemarks?</i> .....	3
1.4. <i>Why are B2B Lovemarks Relevant?</i> .....	3
1.5. <i>Specifications and Demarcations</i> .....	4
1.5.1. Kevin Roberts.....	5
1.5.2. Motivation for Managerial Research Approach .....	5
1.6. <i>Outline of the Thesis</i> .....	7
2. Discovering B2B Branding and Lovemarks .....	8
2.1. <i>Defining the Branding Concept</i> .....	8
2.1.1. Branding and Corporate Branding.....	8
2.1.2. Personalizing a Brand .....	9
2.2. <i>What is Special about the B2B Environment</i> .....	10
2.2.1. Nature of B2B Market.....	10
2.2.2. B2B Purchase-Decision Making Process .....	11
2.2.3. Buying Situation.....	11
2.2.4. Buying Centre .....	12
2.3. <i>Importance of B2B Branding</i> .....	13
2.3.1. Brand Functions.....	13
2.3.2. Benefits of B2B Branding.....	14
2.4. <i>Strong Brands: What Do You Need to Be the Best?</i> .....	15
2.4.1. Attributes of Strong Brands.....	15
2.4.2. Building Strong Brands .....	16
2.5. <i>Lovemarks: What Is Behind the Concept</i> .....	17
2.5.1. Development of Lovemarks.....	17
2.5.2. Definition of Lovemarks.....	18
2.5.3. Brand versus Lovemarks.....	19
2.6. <i>Critical Reflections on Lovemarks</i> .....	19
2.6.1. What is Love?.....	20
2.6.2. Criticism on Lovemarks.....	21

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3.	Theoretical Frame for Understanding B2B Branding and Lovemarks .....	23
3.1.	<i>Brand Personality and Corporate Brand Identity</i> .....	23
3.1.1.	Customer-Based Brand Equity Model (CBBE).....	24
3.2.	<i>Brand Communication</i> .....	25
3.2.1.	External Marketing .....	26
3.2.2.	Internal Marketing.....	27
3.2.3.	Personal Selling.....	28
3.2.4.	Relationship Marketing .....	28
3.3.	<i>Brand Values: Functional vs. Emotional</i> .....	30
3.3.1.	Benefits of Intangible Values.....	30
3.3.2.	The Role of Emotions in B2B Context .....	32
3.4.	<i>Lovemark Theory</i> .....	32
3.4.1.	Lovemark Model .....	33
3.4.2.	Love/ Respect Axis.....	34
3.4.3.	Pathways Model .....	35
3.5.	<i>Conclusion of Theoretical Framework</i> .....	37
4.	Methodology: How to Research B2B Lovemarks .....	38
4.1.	<i>Choice of Research Strategy: Qualitative</i> .....	38
4.2.	<i>Choice for Research Design: Cross-Sectional</i> .....	38
4.3.	<i>Choice for Research Method: Telephone Interviewing</i> .....	39
4.4.	<i>Qualitative Data Analysis</i> .....	40
4.5.	<i>Reflections and Criticism of Chosen Research Approach</i> .....	41
4.6.	<i>Interview Experiences</i> .....	42
5.	Analysis: Lovemarks under B2B Construction .....	45
5.1.	<i>Sample Description: Introduction of the Respondent Companies</i> .....	45
5.2.	<i>Categories</i> .....	48
5.2.1.	Category One: Investment and Involvement .....	48
5.2.2.	Category Two: Integrated Brand Communication.....	50
5.2.3.	Category Three: Function versus Emotion .....	53
5.2.4.	Category Four: Trustworthy Personality .....	56
5.2.5.	Category Five: Customer Partnership and Loyalty .....	59
5.2.6.	Category Six: B2B Lovemarks.....	62
5.3.	<i>Conclusion</i> .....	67

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---

6. Implications: Making Sense of B2B Lovemarks .....	71
6.1. <i>Conceptual Framework</i> .....	71
6.2. <i>Future Research and Concluding Remarks</i> .....	73
6.2.1. Limitations and Suggestions for Future Research .....	73
6.2.2. Thesis in Retrospect.....	75
6.3. <i>Managerial Recommendations</i> .....	75
7. Bibliography .....	<b>Fehler! Textmarke nicht definiert.</b>
8. Appendices .....	I

## List of Figures, Tables and Appendices

Figure 1. Outline of the thesis .....	7
Figure 2. B2B Purchase Decision-Making Process.....	11
Figure 3. Brand relevance in the buying situation and purchase-decision making process .....	12
Figure 4. Brand influence on buying decision .....	13
Figure 5. The role of B2B brands .....	14
Figure 6. The Development of Lovemarks.....	17
Figure 7. Brand identity planning model.....	23
Figure 8. Customer-based brand equity pyramid (CBBE model) .....	24
Figure 9. Branding triangle .....	25
Figure 10. The development of buyer-seller relationships in business markets .....	29
Figure 11. Building B2B brands with balanced functional and emotional values .....	31
Figure 12. Lovemark Model .....	33
Figure 13. left: The Love/Respect Axis .....	34
Figure 14. right: Love/Respect Axis Applied.....	34
Figure 15. The Pathways Model .....	35
Figure 16. Customer-Based Brand Equity (CBBE) Model adjusted to Lovemarks.....	59
Figure 17. Adjusted Lovemark Model .....	64
Figure 18. Positioning of Companies on the Love/ Respect Axis .....	66
Figure 19. Conceptual Framework .....	71
Table 1. Taxonomy of Kinds of Love.....	21
Table 3. Overview of theoretical framework .....	37
Table 4. Overview of Companies, Respondents and their Positions.....	44
Table 5. Overview of the companies' industries .....	48
Table 6. Lovemark Rating for Companies.....	65
Appendix A. Interview Guide: Companies.....	I
Appendix B. Interview Guide: Agency .....	III
Appendix C. Lovemark Ratings for Respondent Companies .....	V

## List of Abbreviations

B2B	Business-to-Business
B2C	Business-to-Customer
CBBE	Customer-Based Brand Equity
CRM	Customer relationship management
PEST	Political, Economical, Social and Technological
RFP	Request for Proposal
USP	Unique Selling Proposition

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## 1. Introduction: Defining the Scope of the Thesis

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*This chapter begins with presenting the motivation for this thesis, meaning why we are interested in B2B Lovemarks. It follows the problem formulation that is viewed from a practical and theoretical perspective. Based on this discussion, the aim of the study is stated, (what we want to achieve), the purpose, (why we want to achieve it), and the contributions, (what is the value). Then we specify and demarcate the scope of the thesis, including two discourses. The chapter ends with the outline of the thesis that depicts the structure of this study.*

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### 1.1. Introducing the Revolution of Lovemarks

*“A brand is emotional, has a personality and captures the hearts and minds of its customers” (Kotler and Pfoertsch, 2006, p.4).*

Brands are an essential part in the business world. They aid people in making decisions and enable trust. The importance of branding for companies such as Coca Cola, IKEA, and Nike has been widely approved decades ago but little research has been done in the area of business-to-business (B2B) branding (Persson, 2007). Some B2B players still think that the decision making process of industrial customers solely depends upon hard facts like functionality, price and quality. Soft facts like empathy seem to be irrelevant. Then how come some of the world’s strongest brands are B2B brands? According to BusinessWeek.com (2008), Microsoft ranks second among the 100 top brands of 2007 with a brand value of \$58,709 million, IBM third, General Electric fourth, American Express fifteenth, UPS twenty-eighth and Siemens forty-three.

Several scholars (Mudambi, 2003; Lynch and de Chernatony, 2004, Kotler and Pfoertsch, 2006) have started to research whether branding is relevant for B2B. They all agree that brands serve just the same purposes in B2B markets as they do in consumer markets; *“they facilitate the identification of products, services and businesses as well as differentiate them from the competition”* (Anderson and Narus, 2003, p.136) and simplify the decision making process. Strong brands can establish competitive advantage, price premiums and long-term profitability and thus need to be seen as strategic assets, which is true in both business-to-customer (B2C) and B2B context (Kotler and Pfoertsch, 2006). Branding is about creating a corporate soul that moves you closer to your customers as well as internal associates. What is the foundation for a successful and involving corporate character? What role does emotion play?

During the last decades, businesses have experienced a shift from an Information Economy via an Attention Economy to an Attraction Economy (Roberts, 2006). Customers are better informed than ever before especially through the Internet, so solidly listing functional benefits in an advertisement is not winning customers anymore. The best example is probably the car industry where an emotional connection has replaced the listing of benefits. Also, the Attention Economy and its mass marketing are out of fashion. Dan Rosensweig, COO of Yahoo! says: *“The world is moving from mass media to my media”* (ibid, p.38). Consumers seek individuality, interactive entertainment and involvement, according to Roberts. They are reaching out to the Attraction Economy. The development of these three economies is viewed from a B2C angle, but how are information and attraction weighted in B2B communication?

Roberts (2006) refers to neurologist Donald Calne who says that people are 80% emotional and 20% rational and that: *"The essential difference between emotion and reason is that emotion leads to action, while reason leads to conclusion"* (ibid, p.16). So the more emotion there is involved, the more action can be expected. Why emotion? The business environment of the 21<sup>st</sup> century is ultracompetitive, customers are flooded with brand messages, are gradually more time-pressured, stressed and overstrained with the vast array of choice. These are all factors that foster the power of emotion. Yet another power is expressed by novelist Maya Angelou: *"People will forget what you said, people will forget what you did, but people will never forget how you made them feel"* (ibid, p.195).

Is there a stronger emotional expression than love? Kevin Roberts, CEO Worldwide of Saatchi & Saatchi, has introduced new marketing terminology: Lovemarks, which are the next level after products and brands. He describes this term as brands that have managed to reach far beyond simple brand recognition and loyalty such as Coca Cola and Starbucks. Nobody could imagine a world without these brands as they are so internalized. Lovemarks touch your heart and mind and you feel an emotional connection; *"Lovemarks inspire loyalty beyond reasons"* (Roberts, 2005, p.66). Roberts has considered Lovemarks only from a B2C perspective so the question is, can B2B brands be loved as well?

## 1.2. Problem Formulation: The Need for Emotional Branding

### *Practical Perspective*

New communication technologies make the world interconnected and more transparent. Consumers have greater access and control over information which makes them understand the business world better. This is the new age of consumerism where brand relationship and responsibility are even more central. In a complex environment with an overload of information, brands provide orientation. Marketplaces are fast-moving with products and services emerging, evolving and disappearing constantly. Globalization and the resulting hyper-competition and explosion of choices call for the need to have a distinct and sustainable competitive advantage (Kotler and Pfoertsch, 2006). From a marketing angle, strong brands answer this need. While B2C companies have identified and applied their brand management to the new market environment, B2B companies have not yet fully realized the relevance and opportunities of branding. B2B managers still often regard their business as purely commodity-related, decisions are made objectively and are based on hard facts, functionality, features, benefits, price and quality (ibid). Soft facts still seem to be of lesser interest.

Although B2B firms start attaching importance to brand management, it is still not seen as self-evident practice. Particularly, B2B companies are missing the application and experience of integrating intangible factors in their market presence.

### *Theoretical Perspective*

Even though B2B branding receives more and more attention by scholars, there is still a vast need of deeper research and especially verification of conceptions and models. Emotional branding in B2B context, so far has been neglected in great concern. Only recently, a few academics have started to investigate this topic (Lynch and de Chernatony, 2004, 2007; Manna and Smith, 2004; Moorthi, 2004,)

Since its official introduction in 2004, Lovemarks have been studied exclusively in a B2C context. Lovemarks are such new marketing terminology that it is predominantly discussed by its inventor Kevin Roberts himself. Very little verification has been achieved so far (Cooper and Pawle, 2006) and Lovemarks have only been methodologically approached from a customer perspective excluding a managerial viewpoint.

### **1.3. Aim and Purpose: Why B2B Lovemarks?**

*The aim of this thesis is to identify attributes that best describe B2B Lovemarks and provide a better understanding of emotional branding in B2B thus helping to fill the knowledge gap in B2B theory and practice.*

To arrive at the stated aim, this study seeks to answer three research questions:

1. What role do intangible factors play in B2B branding?
2. Is the idea of B2C Lovemarks transferable to B2B context?
3. How should a B2B Lovemark be characterized?

*The purpose of the study is to strengthen the relevance of B2B branding, to contribute to research on emotional branding in B2B markets, to provide verification of the general concepts about Lovemarks, to test the applicability of B2C Lovemarks in a B2B environment, and to present it from a new managerial perspective.*

### **1.4. Why are B2B Lovemarks Relevant?**

The practical contributions of this study address the benefits that companies gain from establishing a strong and powerful B2B brand or respectively a B2B Lovemark. Brands provide effectiveness and efficiency across operations (Clifton and Simmons, 2003, p.5), and are the basis for competitive advantage and long-term profitability. Especially in B2B, the existence of brands fulfils three functions: increase information efficiency, risk reduction and value added / image benefit creating (Casper, Hecker and Sabel, 2002, p.5). Managers will profit from this B2B study as it will show that Lovemarks strengthen these brand functions, lead to a strong differentiation and amplify the advantages of brand loyalty, price premiums, increased sales and secured future business (Kotler and Pfoertsch, 2006, p.52).

This study will further contribute to advancing the theoretical base of B2B brand management, particularly focusing on the role of emotion. The investigating of intangible assets in B2B branding will be conducted on the finding that brand personality is a fundamental concept. Theory will further profit from this study by gaining an insight, which brand values are communicated by large B2B companies across different industries, which brand building tools are applied most, and how they are implemented. Therefore, the study will verify important theoretical frameworks such as: Keller's Customer-Based Brand Equity (CBBE) Model (Keller, 2002 cited in Kotler and Pfoertsch, 2006) and the Branding Triangle (Kotler and Pfoertsch, 2006). The main contribution of the thesis is to fill the knowledge gap regarding B2B Lovemarks by creating a framework for how B2B brands can be established as Lovemarks. We will show which brand attributes sustain Lovemark status and according to our findings adjust Robert's B2C Lovemark model and Love/Respect Axis (Roberts, 2006). In addition, this thesis will contribute by studying Lovemarks from a managerial perspective which has not been done in the past, and by helping to verify the general idea of Lovemarks.

## 1.5. Specifications and Demarcations

It needs to be emphasized again that B2B branding is still an underdeveloped research area which is the reason why the applied theoretical frameworks are partly drawn from a B2C context. Particularly for Lovemarks this means that this study will present theories from a B2C standpoint which will be specified and adjusted to the B2B requirements according to the data we collect from our empirical research. The examples we chose for illustration will be based primarily on technology products in order to facilitate a better B2B application. The car industry is especially suitable as it transformed from communicating purely functional benefits only a few years ago to pulling the emotional trigger nowadays.

This study is directed at corporate branding, because including emotion into a company's values is a strategic decision that is made at upper organizational level. Also, the concept of brand personality has considerable importance for this study as the notion of love is commonly built on human character traits. The target group of this paper is global-operating companies who have already realized high brand equity. This is important to first, increase the transferability of the findings and second, brands are the preceding and thus founding step before Lovemarks can be established. Regarding the purchase decision making process, this thesis focuses on two stages: problem recognition and formulating shortlist of potential buyers. For the former, branding relevance is highest because in order to get called for a Request for Proposal (RFP), the supplier needs to be in the consideration set. For the latter, this is where intangible values influence most (Kotler and Pfoertsch, 2006, Grönholm, 2008). Regarding the buying situation we emphasize making a complete new purchase (new task) over re-buy, because here, involvement is highest which requires branding activity most. In general, this study incorporates predominantly technology companies where the size of investment and degree of involvement are high, thus to even more emphasize the differences between B2C and B2B Lovemarks.

When investigating the notion of Lovemarks we integrate literature relevant to the subject field of marketing. More specifically, theories are analyzed from the different sub-areas of corporate branding, brand communication, relationship marketing, emotional branding, industrial markets, and Lovemarks. We only provide a short discourse into the theory of love. Apart from that, due to the time restriction, we have chosen not to consider psychological theories on love, emotion and motivation. Moreover it is important to mention that Lovemarks are understood on the basis of human love relationships. Roberts has applied this perspective on B2C Lovemarks which we will overtake for B2B due to the more personal interactions in industrial markets and in order to maintain the comparability to his concept. However, considering Lovemarks from a consumer-object relationship will be necessary in the future.

This thesis is particularly emphasizing brand communication which ultimately is the mean for displaying the essence of the brand personality. Without communication, how should customers and employees know what the brand values are and how the company wants to be perceived? However, due to the scope of this paper, only brand strategy and the theoretical implementation will be addressed. Measurement, controlling and monitoring will not be considered in depth which provides the opportunity for future research. Also, no cultural dimensions whatsoever are included, for instance if Brazilian companies perceive the Lovemark concept differently than Swedish companies which indicates an international perspective for future research from another angle.

Another important specification to notice is that the authors refer to three literatures/ key scholars. The first one is 'B2B Brand Management' from Kotler and Pfoertsch (2006) which is one of the few books that discuss the relevance of branding in B2B. The second are two articles from Lynch and de Chernatony (2004, 2007) which particularly investigate the power of emotion in B2B, which again has been hardly done by other researchers. The third author is Kevin Roberts and his two books 'Lovemarks - the future beyond brands' (2005) and 'The Lovemarks Effect - winning in the consumer revolution' (2006). It needs to be highlighted that both books are rather an experience report than scholarly

literature. It has to be remembered that Lovemarks is a very subjective concept which principally has only been discussed and most notably promoted by Kevin Roberts himself. However, we still think that just his experiences make this study even more relevant for practitioners. To further justify our certain leaning towards Roberts we would like to provide a short biography of him.

### 1.5.1. Kevin Roberts

An inspiring concept needs an inspired head. Kevin Roberts is a successful idea generator when looking at his biography. Since 1997 he has been the CEO Worldwide of Ideas Company Saatchi and Saatchi, coaching a team of 7000 people across 83 countries (saatchikevin.com, 2007).

Roberts, 58, has some career to review. He was born in Lancaster, England and at 16 he started working at the influential London fashion house Mary Quant where he soon obtained the brand manager position. Three years later, 1972, Roberts worked as International New Products Manager for Gillette in Europe. Shortly after, from 1975 until 1982 he joined Procter and Gamble, the inventors of brand management, as a group marketing manager in the Middle East and Africa markets. At 32 he entered the Pepsi Cola organization, first as CEO of the Middle East market and then Canada where he accomplished the target of superseding Coke. In 1989 and for seven years on he was with the Australian brewer Lion Nathan in New Zealand when he decided for Saatchi and Saatchi during a period of turmoil.

His professional commitment has been rewarded for example at the Cannes International Advertising Festival with global 'Agency of the Year'. In addition, he is the author of several books, researcher and professor at universities, ambassador for the New Zealand United States Council and trustee of the 'Turn Your Life Around Trust', an Auckland charity (saatchikevin.com, 2007).

Kevin Roberts introduced the term Lovemarks and its concept in 2004 and the magazine Arab-ad states that: "*He's not only determined it, he lives it*" (Roberts, 2006, p.2). He advocates Gillette razor blades, will not buy another shampoo than HeadandShoulders, drinks three or four Diet Pepsi's every day and is passionate about a cold Steinlager (Roberts, 2005). The key word is identification: consumers create Lovemarks by identifying themselves with a particular brand.

Last but not least it is important to include an argumentation why this study encounters a managerial perspective when Lovemarks are determined by customers.

### 1.5.2. Motivation for Managerial Research Approach

Why does this study take a managerial perspective, when by definition of a Lovemark the customers/ buyers determine who and what is a Lovemark? This question needs to be answered from three angles: Why managerial perspective? Why not customer perspective? Why not both perspectives? Starting with the first, it has not been done before. To our knowledge, so far Lovemark studies have only been conducted from a customer point of view. So, one objective of our study is to fill this gap. Then it is important to notice that we aim at analyzing the brand strategy that can *create* a Lovemark relationship. Furthermore, a professional marketing is directed at a customer orientation anyway. Even though a Lovemark is appointed by the customer, eventually the active communication is carried out by the supplier who has the power to establish specific brand values and form a brand identity. It is a managerial duty to implement a consistent image internally and externally by aligning all marketing activities. Although each individual buyer perceives a brand differently, the overall picture of a brand should be identical. During one of the seminars in this master program we had an interesting discussion about to what extent a company can influence the brand image in their customers' mind. As an example we consider Burberry and their two-folded image of being perceived as for one, a premium brand for high-quality fashion and for the other, as a brand associated with hooligans. We argue that a certain degree of power and control is left with the companies who could enforce a complete change-over of a

brand and thus a new positioning. However, we are aware of the immense cost and that it is a long-period process.

The second perspective is about why we did not approach the Lovemark topic from a customer point of view right from the beginning. This side takes the form of a contra fact 'What If'-scenario: what would have been the scope of this thesis if we would have based our study on the criteria organizational buyers have for Lovemarks. First of all, our approach would have needed to be of quantitative nature. Second, our target respondents would have been more difficult and blurry to identify. Our first contact point would have been the purchasing department, but then, as will be explained later, organizational buying is a complex process that involves several parties from different departments. So the actual need for a new product or service is recognized by different people and teams throughout the company. Such an unspecific target group would have complicated our objective to establish relevant contributions to theory and practice. In addition, this approach would not have been clearly directed to the requirement of selecting a topic within the scope of international marketing and brand management. This is because with a customer perspective we would have targeted more rational engineering people who might not have an established understanding of and interest in marketing and brand values, so our empirical data might have been of lower quality for our research purpose. Also, the contribution of our study is more relevant for marketing representatives than, for instance, for a purchasing department which in turn increased the response rate from the companies. In addition to the whole target group argument it is important to notice that when interviewing individual buyers about which suppliers are Lovemarks for them, the answer is based on a very personal opinion and experience and it would have required a large sample in order to gather representative data. We doubt that the limited time available for this master thesis would have allowed fulfilling this requirement. In the end, the difference between managerial and customer perspective can be traced back and reasoned with the difference between B2B and B2C context. For B2B it is more applicable to qualitatively target corporate brand managers because of the above mentioned argumentation, and for B2C, a quantitative customer approach is more feasible because consumer's purchase activity is much less complex and diversified. However, this statement doesn't exclude the fact, that a B2B Lovemark customer study will be indispensable in the future.

This leaves the last question, why we did not integrate both perspectives in this study. On top of our discussion, with this objective we would have been dependent on the goodwill of our respondents to provide us with their customer data. We think that combining both perspectives would only generate valuable contribution when the data are interrelated and comparable. We believe that this approach would have given the thesis a complete different direction such as comparing the brand identity and the perceived brand image. It would lead the concentration of this research to being on a comparative study, rather than on the actual marketing efforts from the branding perspective. In addition, the scope of such a study would have exceeded the time-constraint of ten weeks by far. Moreover, in B2B context, many companies are co-producing the output and therefore it is difficult to differentiate the buyer and the seller which leads us back to the argument, that it is difficult to identify the right respondents. On all accounts, these reasons show that applying a managerial perspective for studying B2B Lovemarks is a justified approach.

## 1.6. Outline of the Thesis

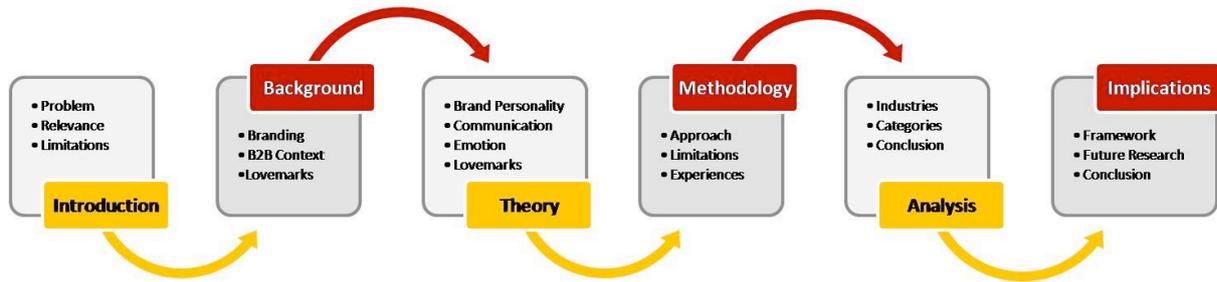


Figure 1. Outline of the thesis

The study consists of six chapters. Chapter one defines the scope of the thesis. Chapter two provides the background information about B2B Lovemarks. It describes the nature of the B2B market, introduces brand personality and strong brands, and argues for the importance of B2B branding. It also discusses Lovemarks and a critical reflection on them.

Chapter three builds the theoretical framework of the paper focusing on the concepts of brand identity, brand communication, emotional brand values and Lovemarks. Chapter four presents the logic behind the empirical research this study is based on. It explains the choices for our research design, strategy, method, and analysis and includes our interview experiences.

Chapter five constitutes the analysis part of the paper. Based on the conducted qualitative research, it discusses the practice of integrated brand communication, which values are emphasized and which instruments are implemented, the role of brand personality and emotion in B2B branding, the importance of customer relationships and the attributes that define B2B Lovemarks. The chapter ends with a conclusion of the key results of the analysis.

Chapter seven finishes the thesis with implications and concluding remarks by stating the theoretical and practical contributions. A conceptual model of B2B Lovemarks as a brand strategy is presented, some implications are elaborated and suggestions for future research are provided. The final section presents the concluding notes of the paper and recommendations.

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## 2. Discovering B2B Branding and Lovemarks

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*In this chapter we provide relevant background information in order to better understand the scope of the thesis and to build a foundation for the subsequent theoretical framework chapter. First we introduce and define basic terminology about branding, next we discuss the nature of the B2B market and their purchase decision-making process, and then we reason for the relevance of B2B branding and the implications of strong brand. Finally we establish the concept of Lovemarks and also include a critical stand.*

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### 2.1. Defining the Branding Concept

Powerful brands and a long-term branding strategy are the foundation for being successful in business. Before going deeper into the discussion of B2B branding, conceptions of branding and corporate branding in terms of both general and specific contexts need to be presented first.

#### 2.1.1. Branding and Corporate Branding

##### *Branding*

The term *brand* has been given fruitful definitions and associations in previous research, of which the majority have moved forward to focusing on an intangible perspective by means of differentiation: branding is more than “*tangible marketing communications elements*” (Kotler and Pfoertsch, 2006, p.5). A brand is regarded as a promise, a set of perceptions of the product, service and company, an impression in customer’s minds derived from experiences, associations and expectations. Most significantly, it is a ‘short-cut of values’ which fulfil the needs of differentiation, risk reduction and simplification of the purchase decision-making process (Dunn et al. 2004 cited in Kotler and Pfoertsch, 2006). Especially from a B2B point of view, brands play the role of a guarantee for performance by which the perceived values in a customers’ mind-set are increased and the complexity of buying situation can be reduced (Blackett, 1998). Any intangible benefits of a brand need to be built on certain rational foundations. However, emotional triggers always override rational ones (Grönholm<sup>1</sup>, 2008).

To realize the meaning of a brand it is important to understand the brand elements in the first place, with the key ones defined as name, logo, slogan and brand story. The first three elements together composing the visual identity code, should be meaningful, memorable, protectable, future-oriented and positive (Kotler and Pfoertsch, 2006). Brand story further orientates to strengthening the emotional link with the customers. Grounded on those basic components, a brand can achieve the so-called ‘brand composition’. It is defined in the mind of the audience and produces a frame of reference, evolving from product expectations to brand preference (Grönholm, 2008).

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<sup>1</sup>Grönholm M., brand development director at a Swedish B2B agency and one of our interviewees, has provided more information in addition to the telephone interview such as relating presentations, hand outs and internal working papers. This is of high relevance for this study as his experience display a practical point of view which will be used for underpinning literature research.

### *Corporate Branding*

Corporate brands are said to be able to create impressions that are more constant and lasting (Kotler and Pfoertsch, 2006). Further they consist of cultural, intricate, tangible and ethereal elements (Balmer, 2000), and commitment has been added as a fifth element (Balmer, 2001). The term corporate brand was brought forward in comparison with product brand, so it is differentiated by involving all internal and external stakeholders and being *“experienced and communicated through total corporate communication rather than simply via the marketing communications mix”* (ibid, p.253). Moreover, corporate branding has been proved as a more common and important strategy in B2B compared to B2C. The term corporate branding is broadly described as a *“process of creating, nurturing and sustaining a mutually rewarding relationship between a company, its employees, and external stakeholders”* (Schultz et al., 2005, p.48). Our study is conducted on the basis of corporate branding which is a broader definition that raises the classical branding concept onto an upper organizational level.

Corporate branding is differentiated from classical branding through regarding brands as a strategic force and by seeing the corporate brand identity as the link between strategic vision, stakeholder images and organization culture (Schultz et al., 2005). Additionally, corporate branding expands the range of image-building activities and is *“relationship-based”* (ibid, p.75). Therefore, interactive branding on intangible factors is attached increasingly more importance.

### *Brand Values*

Brand value and brand promise both work together as the main drivers of customer relationship and can be considered as similar concepts to brand equity. Generally the concept of brand equity is meant to capture the value of a brand (Kotler and Pfoertsch, 2006, p.69), which in turn is the main component of brand equity evaluation (Srivastava and Shocker, 1991 cited in Keller, 1993). So brand equity/value is defined as an integrated set of key attributes of the products and services that fulfil the needs of the customers. It is driven mainly by perceived quality, name awareness, brand associations and brand loyalty (Kotler and Pfoertsch, 2006). It is given the following connotation:

*“Brands with high levels of awareness and strong, favorable and unique associations are high equity brands.”* (Keller, 1993, p.15)

Definitions of brand association have been provided by several researchers, with one common description being *“everything that connects the customer to the brand, including user imagery, product attributes, use situations, brand personality, and symbols”* (Kotler and Pfoertsch, 2006, p.70). A company's real value resides more in its intangible marketing assets (ibid, p.158). Deeper presentation of functional and emotional brand values as well as their benefits for building customer relationship will be stated in the following theory chapter.

#### **2.1.2. Personalizing a Brand**

The conceptual foundation and starting point for understanding corporate branding is brand identity (Schultz et al., 2005). It was initially brought forward by Aaker (1996), who stated that one key to successful brand-building is to understand how to develop a brand identity, meaning to know what the brand stands for and how to effectively express it. He defined brand identity as a unique set of associations that the brand strategist aspires to create or maintain. These associations imply a promise to customers from organization members (ibid, p.69). We attempt to investigate brand identity and personality on a deeper level beyond visual symbols that is consistent with core values and emotional relationship building. It is the *“human nature that personifies things with which we have relationships, and companies rely upon scores of human relationships to stay in business”* (Schultz et al., 2005, p.48).

To be in accordance with brand values, brand identity requires to be correctly communicated to build a resonatory image perceived by customers. Kotler and Pfoertsch (2006) argue that identity is a long-lasting strategic asset representing a stable value. Differences between the desired identity by the company and the actual image perceived by the customers bring forward the necessity of efficient and effective brand communication that expresses a noticeable additional value, which is called the unique selling proposition (USP) (ibid).

*“A brand is emotional, has a personality and captures the hearts and minds of its customers”* (Kotler and Pfoertsch, 2006, p.4). In general, brand identity and image is always discussed together with brand personality (Aaker, 1996). When defining it, Gobé et al. (2001) start firstly from personalizing commerce and state that the term ‘people’ are about ‘desire and aspirations’ (ibid, p.143). So emotion starts to play a dominant role in the study on personality.

## **2.2. What is Special about the B2B Environment**

### **2.2.1. Nature of B2B Market**

As already indicated, the B2B context is highly differentiated from the one of B2C. Kotler and Keller (2006) summarized the main differences into five categories which at the same time characterize the B2B environment: complexity of products and services, diversity of demand, fewer customers, larger volumes per customer, and longer-lasting customer relationships. In other words, the industrial buying decisions involve more people, more money, more technical and economic considerations and more risk (Kotler and Pfoertsch, 2006). Several implications of the characteristics of the B2B market can be drawn as follows.

- First, no matter in which sort of B2B industries, participants involved in industrial activities are subject to risk and difficulty due to the complex structure of products and services which in turn increases the requirement of having professional knowledge.
- Second, customer needs and wants in B2B have less elasticity than in the B2C context because of the large amount of expenditure.
- Third, functional benefits become increasingly un-differentiable with fewer barriers in international markets where culture and values do make a difference. So to establish and maintain competitive advantages requires internationalization and more concentration on intangibles.
- Fourth, although it is widely agreed that industrial buyers would consider the options more rationally based on price and functionality, decision makers are regarded as more intuitive. (Grönholm, 2008). The reason is that the choice among different alternatives in investment decisions is often irrational and unpredictable when the economic risks are high (Kotler and Pfoertsch, 2006).

Brand relevance in B2B context differs from B2C in several aspects. Kotler and Pfoertsch (2006) define the factors that boost brand relevance in industrial markets as proliferation of similar products, increasing complexity and price pressure. Functional advantages are easier to be copied so that the crucial factor for long-term profitability eventually relies on a strong brand. Because suppliers stress the so-called ‘solution selling’ (Kotler and Pfoertsch, 2006), information volume increases dramatically so that brands gain more opportunity to act as effective tool for simplifying the communication process. Referring to price, industrial suppliers need to think from a different angle. Price premiums cannot be realized only by functional benefits; rather, added value given by powerful brands is able to fill this gap,

because as complexity increases in business activity, influence of emotional variables becomes more effective.

### 2.2.2. B2B Purchase-Decision Making Process

It is important to consider the complicated and diversified industrial purchase decision-making process and the various elements involved in this matter. The process of industrial purchasing is presented by Robinson et al. (1967) and further elaborated by Kotler and Pfoertsch (2006, p.29), shown as the figure below.



**Figure 2.** B2B Purchase Decision-Making Process  
(Constructed by the authors, derived from Robinson et al., 1967, p.14)

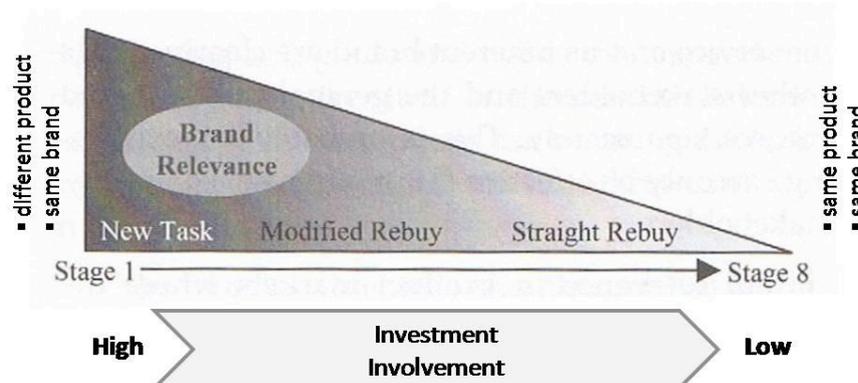
First (problem recognition), the buying centre starts to recognize a certain need. A buying need is predominantly stimulated not only by the purpose of improving the efficiency of operational process and thus increasing output and sales, but also by environmental factors. Second, general need description requires the outline of the procurement principles. Third, in product specifications, buyers attach importance to payment, post-purchase services and further requirements. Fourth, in search for and evaluation of potential suppliers, buyers collect all possible information that explains the extent to which they will fulfil their needs and then make a short-list of the options. Fifth, for the proposal solicitation and analysis, the buyers analyze qualified suppliers and define the important criteria for a prospective selection. Sixth, for evaluating and selecting the supplier, the buyers weight the different criteria established in the previous stage and make the final decision. The last two steps (order-routine specification and performance review) support the completion of the deal to maintain a long-standing relationship, specify the order-routine and review the received products/ services.

This process is condensed into four steps according to Anderson et al. (2004) and advanced through assigning where functional and emotional factors influence the B2B purchase decision-making process: defining a need (rational), short-listing the potential suppliers (emotional), evaluating suppliers (rational), and choosing suppliers (emotional). An emotional link with the customers can distinguish a brand from others by placing it in the prior position in the customer consideration set. This study is concentrating on the two stages where emotion has a strong power: short-listing (searching for and evaluation of potential suppliers), and choosing supplier (selection). In order to achieve being top of mind, it requires the supplier to communicate brand values that go beyond functional benefits (Grönholm, 2008). Both stages are specifically discussed from an industrial purchasing perspective and consistent with the aforementioned corporate branding standpoint which considers the brand on the overall organizational level.

### 2.2.3. Buying Situation

Another important conception is the different buying situations in B2B. In general, the amount and complexity of each purchase decision making process in B2B depends on the respective buying situation. Malaval (2001 cited in Kotler and Pfoertsch, 2006) divides it into three types: straight re-buy, modified re-buy, and new task. Straight re-buy is the least risky buying situation where customers basically just go for the same products they used to purchase and order more of something such as office supplies. Modified re-buy is about adjusting a purchase according to new requirements such as to cut costs or to improve performance. New task is about buying a completely new product or service. This situation

involves more uncertainty and risk which increase with the cost of the investment. Also more people are involved and hence the buying decision takes longer. Here the relevance of branding comes into play: the more original the buying situation, the more important are the branding activities. For the purchase decision making process, it works this way: the earlier in the buying process, the higher brand relevance (ibid). In general it can be said, that the higher the investment for a product or service, the higher the involvement of the organizational buying centre and the higher brand relevance. (For illustration please see the figure below.)



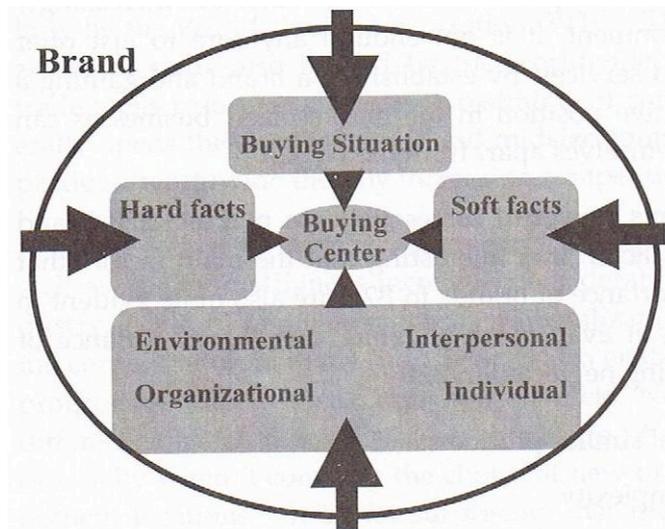
**Figure 3.** Brand relevance in the buying situation and purchase-decision making process  
(Adjusted by authors, derived from Kotler and Pfoertsch, 2006, p.50)

For our study this explanation means that the emotional communication efforts will need to concentrate on the new task. The buying situation is always complex and it is difficult to define its boundary exactly. For the other two buying situations, the authors have the concern that establishing a Lovemark might depend much on the characteristics of the individual sales person the buyers are ordering from. Once this certain contact person leaves the organization, the emotional benefits might get lost as well. So this study focuses on branding efforts that are directed at new task and early stages of the buying process. We only consider modified re-buy and straight re-buy as relating to tools for loyalty and relationship building.

#### 2.2.4. Buying Centre

Industrial customers in most cases have a buying centre which is composed by various participants from different departments or other interest groups (Rozin, 2004). Decision-making thus becomes a 'multi-person process' (Ghingold and Wilson, 1998) which is carried out over time involving different individuals. So inside each organization different perceptions are held of derived demand, buying situation and buying motives. Since the buyer centre is dynamic, business suppliers need to be aware of when to communicate and whom to interact with, which is as crucial as the content of the communication itself. Furthermore, to formulate the brand choice, the buying centre works under the influence of several variables such as buyer role, buyer characteristics, involvement, motivation and purchase type (Lynch and de Chernatony, 2004). The effect a brand has on buyers depends on these variables which impact the overall purchase process and post-purchase behaviour. Additionally, the dynamic characteristics of the buying centre in most industrial markets caused the purchase decision-making process to constantly change, often be 'mysterious', and contain informal interpersonal communications (ibid).

For an overview of how branding influences the buying decision in B2B, Kotler and Pfoertsch (2006) have summarized it as the figure below. It displays four broad categories that influence the buying centre: buying situation, soft facts, hard facts and situational factors. These groups serve as 'docking station' or target for branding activities.



**Figure 4.** Brand influence on buying decision  
(Kotler and Pfoertsch, 2006, p.33)

### 2.3. Importance of B2B Branding

Many researchers have argued that there is no realization yet as to how important branding is for companies in the B2B market (Mudambi, 2003, Lynch and de Chernatony, 2004, Kotler and Pfoertsch, 2006). Also, there is the argument that B2B companies have failed to see brands as value and benefit carriers, as it has been realized in the B2C market previously (Morrisson, 2001). But even though the area is not so extensively researched there is a growing interest among B2B companies to get involved more in branding activities. For example, the functional advantages of many B2B products are nowadays more short-lived as improvements are easily made by competitors due to technological developments (Pandey, 2003). Also, B2B companies now are facing growing global competition and the popularity of e-commerce, which have caused them to search for alternative ways to increase their competitive advantage (Mudambi, 2002). To communicate the brand values properly, the companies must realize that branding is something that spans over the company as a whole and must permeate every corner of the organization to truly become efficient (Morrisson, 2001).

#### 2.3.1. Brand Functions

The value of a brand can be determined by three important B2B brand functions (Kotler and Pfoertsch, 2006):

*Increase information efficiency*

A brand name communicates information about the manufacturer, the origin and quality of the products – all under one name. The brand also helps customers to find what they are looking for quickly by being easily recognizable which is especially important in situations when products are costly and complex.

*Risk reduction*

This is one of the most important features for B2B companies especially, as they are known for being risk avert. Choosing a branded product reassures the customer that it is the best choice based on previous experiences. They

know and trust the brand already. Risk reduction is the number one priority for companies when they are buying 'complex high-profile products'.

*Value added/ Image benefit creation*

This is typically a B2C conception of self-expression and what a product/ service can do for customers' image. In B2B however, it is not as widely used but still important as the brand can be seen as the uniform values of the whole corporation, down to every single employee, which is especially important when the products are highly visible.

**2.3.2. Benefits of B2B Branding**

In a business environment characterized by little product differentiation, small price variations and increased competition, the companies in today's B2B market have to differentiate themselves in order to not become commodities (Mudambi, 2002). The criteria that before ruled the B2B market, such as quality and reliability, are nowadays only regarded as the bare minimum of what buyers expect from sellers (Lynch and de Chernatony, 2007).

B2B companies also have to take intangible aspects into consideration alongside rational criteria such as quality and price when branding (Mudambi, 2002). Several researchers agree that when a brand has emotional brand values as well as functional, the company will have a competitive advantage (Bergstrom et al., 2002). For many buyers, the trust that can be incorporated in the brand name can act as security and ultimately be the factor that 'seals the deal', because buyers run the risk of losing their jobs when making poor purchase-decisions (Lynch and de Chernatony, 2004).

Kotler and Pfoertsch (2006) have created a model that illustrates the role of B2B brands, which serve as a good example of the ways in which brands are beneficial to B2B companies. The factors are explained below.



**Figure 5.** The role of B2B brands (Kotler and Pfoertsch, 2006, p.52)

*Differentiation*

It is a great benefit of a brand to protect the product from becoming 'commoditized' and possibly disappearing into the large mass of undifferentiated products on the market.

*Secure future business*

A brand can attract investors as well as secure the company from crises.

*Create brand loyalty*

Brands help create relationships between companies since the values of the company are embedded in the brand. Loyalty comes when the company can deliver the brand promise consistently. Loyalty also

	reduces marketing costs.
<i>Differentiate marketing efforts</i>	Marketing communications is easier with a brand name because of all the information that a brand contains.
<i>Create preferences</i>	A known brand can prevent customers from switching to competitors products. It acts like a shield.
<i>Command price premium</i>	Companies with well-known brands can charge higher prices without losing customers. The high acquisition prices of today are also a sign of the value of a brand.
<i>Create brand image</i>	Strong brand awareness and associations place the brand in the evoked set, establish favourable attitude and perception and function as a shortcut in the purchase decision making process. It also assists the development and use of integrated marketing communications.
<i>Increase sales</i>	All of the above come down to the fact that these benefits ultimately allow the company higher margins and sales volumes. (Kotler and Pfoertsch, 2006; Pelsmacker et al., 2007; Fill, 2002)

In this research we hope to see how the companies make use of the brand functions to develop their brand values, to which degree they employ functional as well as emotional benefits. Hopefully we will derive evidence from the companies interviewed on the impact and benefits of branding that will strengthen the theory on B2B brand management. We expect that the benefit of creating brand loyalty will be most influential for establishing a Lovemark.

## 2.4. Strong Brands: What Do You Need to Be the Best?

*“The impact of strong brands extends far beyond most corporate strategies”*  
(Kapferer, 2004, p.41)

### 2.4.1. Attributes of Strong Brands

Clarifying the characteristics of strong brands is important for this study because they are the foundation for building a Lovemark and thus are the elementary assumption of this research. Building strong brands is the aim of marketers, as it is one of the most effective ways to distinguish a brand from others (Brown, 2007). According to Aaker (1996), B2B companies are more capable to gain an advantage because they most often consist of many different businesses within one brand name that can support the brand as a whole. The attributes that strong brands possess can be divided into four different categories (ibid):

<i>Brand awareness</i>	is the relative strength that a brand has in the minds of customers, how well and fast they recognize or recall the brand. It serves as the connecting point to all other associations of the brand. Solid brand awareness develops familiarity with the brand and leads to commitment and liking.
<i>Perceived quality</i>	is most often one of the company’s primary values. It is what the customer expects of the brand. Behind a strong brand, that has high-perceived quality lays an understanding of how the customer interprets quality and how the organization can deliver this quality consistently. The competitive advantages of this are manifold; for example, commanding price premiums or easily being able to create extensions that can benefit from the high quality image. Also, the mere fact that a brand stands for high quality can

serve as a reason to buy the product or service, hence more easily attract new customers.

*Brand loyalty*

is an important competitive advantage since loyal customers are expected to generate consistent profit and sales. It also acts as a barrier from competition stealing market shares from them because it will cost a lot of advertising money. The most noticeable competitive advantage of this is reduced marketing costs, as customers will come back because of the trust in the quality and performance. There are also advantages of trade leverage and attracting new customers.

*Brand associations*

are what the company wants the customers to see about the brand - the brand identity. Brand associations can help the customer to shorten the purchase decision-making process because information is easily retrieved. Another competitive advantage of this is that it can create a positive attitude towards the brand. The brand will trigger a feeling within the customer that gives a reason to buy the products of the brand. With positive brand associations it is also easier for the company to create extensions of the brand.

In the following section the authors will go further into how companies can use these attributes in order to build a strong brand and ultimately achieve competitive advantage.

#### **2.4.2. Building Strong Brands**

A successful and strong brand must address certain branding principles. These are normally the three *C's*: *consistency*, *clarity* and *continuity* (Kotler and Pfoertsch, 2006). There can also be a fourth C added to the principles, *coverage* (Brown, 2007).

*Consistency* is about making a commitment to the brand identity. In order to build a strong brand, the communication of brand values has to permeate the whole organization to ensure that every customer gets what he/ she expects from the brand. Everyone must see the brand in the same way in order to act in accordance with the specified brand values. It involves all parts of the company from the finance department to the receptionist answering the phone.

*“It does not do any good having a 'friendly' brand if people don't answer the phone in a friendly way” (Brown, 2007, p.3)*

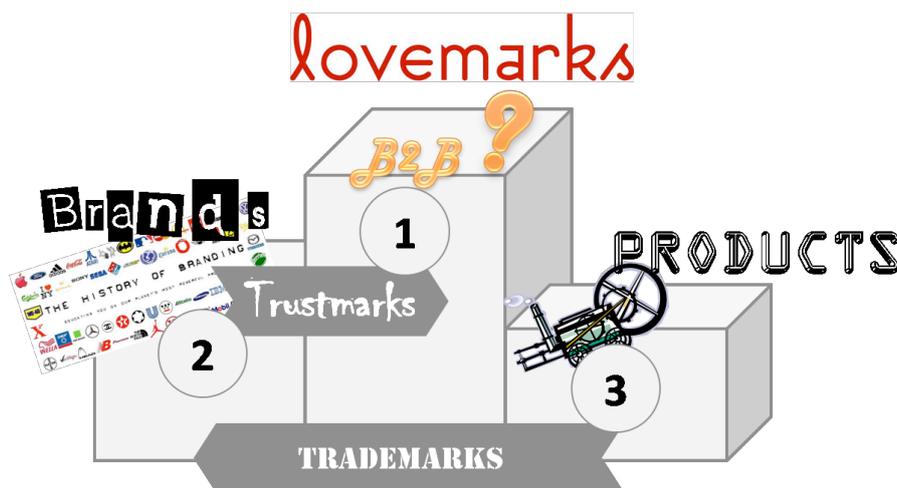
*Clarity* is about making sure that the audience knows what is conveyed by the brand. If a company does not have a clear-cut message there is a chance that customers and stakeholders might be confused. Seeing the brand from the different stakeholders' views will aid in trying to achieve clarity. *Continuity* involves the fact that strong brands stand for something that people recognize and trust. It is about ensuring the customers that the brand and the company will deliver what is expected, time and time again. *Coverage*, or visibility is important even if the brand does not have the funds to actively advertise in the priciest mediums. To become a strong brand is possible even without a lot of marketing dollars. It is about exposing the brand in situations where the company wants to be seen. Leveraging on partnerships with other organizations and using the value of public relations are ways for the brand to be seen by the people that matter most to the business (Kotler and Pfoertsch, 2006; Brown, 2007).

Since a strong brand is the foundation of a Lovemark, this research will investigate whether the competitive advantages linked to a strong brand follow the brand to the next level – the Lovemark level. Furthermore, studying companies' brand strength will further aid in understanding the true value of a brand.

## 2.5. Lovemarks: What Is Behind the Concept

### 2.5.1. Development of Lovemarks

When intending to display the history of Lovemarks, one could imagine three increasing steps: the lower step is taken by products and is the evolution of trading, the middle step is taken by brands and determines differentiation and the upper step is taken by Lovemarks which outpaces everything that has been achieved before with emotional weapons. There are two change-overs between the steps: *trademarks* between products and brands, and *Trustmarks* between brands and Lovemarks. In Fast Company, Webber is stating: "*Trademarks play defense. Trustmarks play offense.*" meaning that protecting rights is reactive and only interactivity wins emotion (Webber, 2000 p.210). In other words, the development of marketing starts with products, continues with trademarks, brands and Trustmarks and ends with Lovemarks. With each step of the transformation, the voice of the customer has increased as well as the importance of intangible values and emotion (Roberts, 2005).



**Figure 6.** The Development of Lovemarks  
(Constructed by authors, derived from Roberts, 2005, 2006)

Competing on a product-level is short-term oriented. Nowadays, the pace of technology is fast and imitation common to solely rely on functional benefits of products to compete in the market. "*Too much information can kill the romance*" (Webber, 2000 p.210). Trademarks are the first step in the direction of showing a sign of continuity in a constantly shifting environment. Even though they are long-term oriented and offer reassurance they do not guarantee successful differentiation considering all the trademarked products each person encounters every day. Plus there is a risk of trademarks being commoditized and becoming generic as it happened for instance to Polaroid, Linoleum, Sellotape or Zippo. While trademarks are more based on representation and recognition value, brands embrace a much broader picture which is more customer-oriented such as consistency, quality, performance and value. However, Roberts argues that "*brands are out of juice*" (Roberts, 2005 p.35) and do not capture the sparkle any more. He says that trademarks and brands are tablestakes: "*both are useful for differentiation and vital to survival, but they're not winning game-breakers*" (ibid, p.36). So Roberts is suggesting that companies need to go beyond the brand and establish an emotional relationship with their customers. He was first talking about Trustmarks but had to admit that this term lacks emotion and

drive. Eventually he stated: *“The best brands were Trustmarks, [...], but the great ones were Lovemarks”* (ibid, p.70). *“Only an emotion like love could power the next evolution of branding”* (ibid, p.56).

### 2.5.2. Definition of Lovemarks

Is there a stronger emotional expression than love? Love means more than liking a lot and love is not a one-night-stand but a long-term relationship. Love is a profound human need which was proved in the year 2000 when the computer virus known as ‘the love bug’ crashed millions of computers around the world. The subject line read ILOVEYOU which was too tempting to resist the curiosity about a loving admirer. The virus spread around the world within two hours and caused damage as high as \$10 billion (Grossman, 2000). This shows the influence of love.

Not surprisingly, there is not an agreed-upon definition of the term Lovemark. The importance of this concept clearly lies on emotion. This is how Roberts captures the term Lovemark:

*“Lovemarks are the brands, events, and experiences that people love. Not just like or admire, but love – passionately. Only Lovemarks explain why some brands enjoy enduring emotional connections”* (Roberts, 2006, p.15).

*“All great Lovemarks rest on a solid foundation of performance, innovation, reputation, and honesty”* (ibid, p. 15).

*“Lovemarks are the charismatic brand that people love and fiercely protect”* (Roberts, 2005, p.79).

*“One way to think about what a Lovemark might be is to consider how a consumer would feel if you took the brand away”* (ibid, p 79).

*“The fact is that Lovemarks are created and owned by the people who love them. Where you have a customer in love, you have a Lovemark”* (ibid, p.71).

*“The powerful emotional attraction of Lovemarks is what produces Loyalty Beyond Reason. [...] It is the sort of Love that can forgive lapses and understand failures”* (Roberts, 2006, p.16).

*Lovemarks are “the future beyond brands”* (Roberts, 2005, cover page).

*“The language of Lovemarks is the shared language of human emotion”* (Roberts, 2006, p.51).

*“To create a Lovemark is to make the transformation from being irreplaceable to irresistible”* (ibid, p.12).

On the basis of this collection, we tentatively define Lovemarks as follows:

Lovemarks are strong emotional relationships or bonds between brands and customers which are based on great performance and which are identified, owned, loved, defended, advocated and forgiven by customers. Lovemarks create loyalty beyond reason.

The founding principle of Lovemarks is respect; only if customers have respect, they are able to love. Another principle of Lovemarks is relationship and loyalty which especially conforms to the nature of the B2B industry. Lovemarks maximize the connection with consumers by building strong emotional bonds which encourage loyalty and create advocacy. And love brings money - Lovemarks have been proven to be guaranteed profit generators. Research proposes that brands that connect people emotionally can charge prices as much as 20% to 200% higher than competitors' (Tischler, 2004).

Since its introduction, the Lovemark principle has been involving. The community on Lovemarks.com is rating and discussing hundreds of Lovemarks from around the globe, however they do so exclusively from a B2C perspective. The authors identified three examples with a strong B2B leaning, Xerox and Zeiss.

*"It started with Xerox – I often consider how important this piece of machinery is to our everyday working lives. Yes you may be working with HP or IBM products but it started with Xerox. Apparently the brand is so exclusive it's one of the only words one can't lay down during a game of Scrabble"* (James, Canada, 17 October 2003, cited on lovemarks.com, 2008).

*"Windows to what can be – Zeiss camera lenses provide consistent clarity and accuracy that allow me to explore my creativity as a director. Whether shooting in low light, bright sun, black and white or any level of color saturation, no other lenses have inspired my fierce dedication. Beyond reliable, Zeiss lenses are windows to what can be, letting the imagination flourish"* (Todd, United States, 05 June 2004, cited on lovemarks.com, 2008).

### 2.5.3. Brand versus Lovemarks

Why did Roberts see a need to invent a new term? What truly distinguishes brands from Lovemarks when the ultimate objective of both is to differentiate and generate profit? What makes some brands loved? Roberts identified a combination of three qualities that draw the line: mystery, sensuality and intimacy. These three attributes build up the theoretical concept of Lovemarks and thus will be further elaborated in the subsequent theory part. Roberts further argues for his new terminology that brands are worn out from overuse. They are *"stuck on '-er' words: Bigger, brighter, better, stronger, faster, easier, newer and, [...] cheaper"* (Roberts, 2005, p.32). Brands have been *'captured by formula'* and are too stiff to adjust to the fast-transforming consumers of today. These consumers look for more individuality, personal relationships, experience and outstanding performance which is true for both orientations, B2C as well as B2B. Roberts concludes that *"A Lovemark will always be a great brand, but not all great brands are Lovemarks"* (Roberts, 2006, p.73).

## 2.6. Critical Reflections on Lovemarks

As indicated earlier, in the past the concept of Lovemarks has been discussed from a relatively subjective perspective, namely from Kevin Roberts. His two books about Lovemarks (2005, 2006) are mostly based on his experience and are not substantiated by scholarly insights. Particularly, the authors criticize Roberts for *'stealing'* the word love and incorporating or transforming it into a marketing term. Hereby, not in any way, is he giving account of the original meaning of love and justification of its appropriate application. In order to compensate Roberts' deficit and to better understand the whole idea of Lovemarks, in the following section the authors introduce the conception of love from a research perspective. On this discussion we will base the critical reflections on Lovemarks.

### 2.6.1. What is Love?

According to Oxford Dictionary (askoxford.com, 2008) it is: *"1. an intense feeling of deep affection; 2. a deep romantic or sexual attachment to someone; 3. a great interest and pleasure in something; 4. a person or thing that one loves"*. However, it is not that easy. To find or suggest a universal definition of love is impossible because it has such varying meanings across the world. For example in English, one easily says 'I love you, mom' which in other languages would be a weird thing to say out loudly even though it is felt; this sentence is commonly used in love-partnerships. So cultural influences make it difficult to clearly display what love is. Nevertheless, it is important to review some history of love research.

Early stages of love theory development can be traced back to authorities such as Charles Darwin from a biological perspective or Sigmund Freud from a psychological perspective. Yet research has focused on the latter and over the years, several scholars have made attempts to discuss love. Berscheid and Walster (1978) first offered a basic distinction between passionate love, *"a state of intense longing for union with another"* (p.9), and companionate love, *"the affection we feel for those with whom our lives are deeply entwined"* (p.9). More generally, the latter may be described by a strong version of communal relationship which is *"built on mutual expectations that oneself and a partner will be responsive to each other's needs"* (Clark and Mills, 1993 cited in Reis and Aron, 2008). Many scholars believe that passionate and companionate love each address different parts of the brain with one being responsible for attraction and the other for attachment (Reis and Aron, 2008). Rubin (1973) specifies love by contrasting a Love Scale and a Liking Scale based on three components: affiliation or dependent need, predisposition to help, and exclusiveness and absorption. Shaver and Hazan (1987) study romantic love from an attachment-theoretical approach which offers a lifespan perspective on affectional bonding and is rather placed in a biological context. Quite a few scholars have been continuing looking into the psychological love perspective (among others Lee, 1988; Fehr, 1988). Yet, Sternberg has provided a relatively comprehensive view by his triangular theory of love which will be discussed in detail below. Although he refers to love between humans, his fundamental explanations are particularly applicable to this study because Roberts discusses Lovemarks from the perspective of human love relationships.

#### *Sternberg's Triangular Theory of Love*

According to Sternberg (1986), love has three components: 1. Intimacy, which *"refers to feelings of closeness, connectedness, and bondedness in loving relationships"*; 2. Passion, *"which encompasses the drives that lead to romance, physical attraction and sexual consummation"*; and 3. Decision/Commitment, which *"refers to, in the short term, the decision that one loves someone else, and in the long run, the commitment to maintain that love"* (ibid, p.119). In general, intimacy is seen as 'warm' (emotional investment, empathy), passion as 'hot' (motivational involvement, arousal), and decision/commitment as 'cold' (cognitive interest). In a love relationship, these components have different weights, for instance, in a short-term romance, passion is highest while in a long-term close relationship, commitment and intimacy play the important role. Particularly the decision/commitment component is *"essential for getting through hard times and for returning to better ones"* (ibid, p.123).

Different combinations of these components allow defining eight types of love which have been summarized by Sternberg in the table below.

Kind of Love	Intimacy	Passion	Decision/ Commitment
Nonlove	-	-	-
Liking	+	-	-
Infatuated Love	-	+	-
Empty Love	-	-	+
Romantic Love	+	+	-
Companionate Love	+	-	+
Fatuous Love	-	+	+
Consummate Love	+	+	+

**Table 1.** Taxonomy of Kinds of Love  
(Sternberg, 1986, p.123)

1. Nonlove is simply casual interactions. 2. Liking refers to true friendships. 3. Infatuated love is ‘love at first sight’, which is all about passionate arousal. 4. Empty love is associated with relationships that have lost physical attraction and mutual emotional involvement. 5. Romantic love is the typical example of ‘Romeo and Juliet’. 6. Companionate love occurs in long-term, committed friendships, like in most marriages. This term is actually the same as that described above from Bescheid and Walster (1978). 7. Fatuous love can be found in most of the marriages in Las Vegas. 8. Consummate love combines all three components and is oftentimes seen as the perfect relationship.

In application to Lovemarks, the authors believe that in B2C context, Roberts refers to consummate love. For the B2B context we expect to find out that love will be rather of a companionate kind where bonds and long-term commitment are valued most. Minor failures are forgiven and physical attraction is of lesser interest. Reis and Aron (2008) summarize:

*“Much evidence indicates that love in long-term relationships is associated with intimacy, trust, caring, and attachment, all factors that contribute to the maintenance of relationships over time” (p.83).*

Finally, Sternberg (1986) points out that love is necessary to be expressed by individuals. *“Without expression, even the greatest loves can die” (p.132).* Related to Lovemarks this means that companies need to communicate what they ‘feel’ for their customers through external and internal communication as well as CRM tools.

### 2.6.2. Criticism on Lovemarks

Based on the discussion above, it seems that Roberts ‘borrowed’ some general love concepts, for his idea without indicating it. In the following theory chapter, at the Lovemark model, it will become obvious, that especially the intimacy component is similar to the triangular theory of Sternberg. Also, in order to determine the Lovemark status of a company, Roberts suggests to evaluate all Lovemark attributes (to be explained in detail in the theory part) according to hot, warm and cold, which again seems somehow familiar from Sternberg. What we criticise Roberts for is that he is not referencing and explaining the original conceptions of love. Instead it leaves the impression that his only intension is to make money out of a new marketing term – it seems that he is capitalizing on love. Sayers and Monin

(2007), the only strong critical reading that we have found on Lovemarks, express it a bit more drastically:

*“Roberts is concerned only with selling and as any adman knows, “sex sells”. Sex has been selling products for quite some time, but demoting love into the role of a profit-generating pimp extends this marketing abuse” (p.679).*

Another review on Lovemarks (anonymous a., 2006) agrees that it seems inappropriate to use the word love so freely for something that in fact is a commercial exchange. When considering Roberts' books, the reader feels pulled into a conflict; on the one hand he is promoting his idea by telling companies that they can charge even higher premium prices than with brands; on the other hand he states that Lovemarks are *the* strategy to lift brands out of the commoditisation trap. So the question is that, does Roberts commoditise love as the deepest human emotion for profit purposes? If so, can this be the foundation for branding in the future?

Moreover, Roberts does not consider that Love is not generally positive but also includes some negative affects as well. Problems in love relationships are, for instance, *“emotional disorders, such as anxiety and depression”* (e.g. Fisher, 1992 cited in Reis and Aron, 2008). Roberts fails to answer questions such as: what happens to the love relationship when a brand, product or service is taken from the market?, when a business goes bankrupt? Can one abandon a Lovemark? Is the commitment like a marriage: till death do us part? Also, is there a higher level than Lovemarks or does it stop there?

Another central critique about Lovemarks concerns the confusion or lack of explanation about the difference between relationships between humans and the relationships to objects. With the three attributes mystery, sensuality and intimacy, Roberts presents Lovemarks from a perspective of human love relationships even though in fact they are about the bonding with a very strong brand, which is an object (Sayers and Monin, 2007). The notion that people have social relations with things (e.g. Baudrillard, 1996) or respectively love particular possessions or consumption activities is not new and input comes largely from research on delight (e.g. Durgee, 1999), love (e.g. Shimp and Madden, 1988; Carroll and Ahuvia, 2006) and consumer-brand relationships (Fournier, 1998). The scholars that discuss love particularly for a brand emphasize that it is not entirely the same as the stronger forms of interpersonal love. This is where the shortcomings of Roberts come in; first, he does not differentiate between human and object love and second, it appears that his Lovemark idea is wrongfully built on human instead of object love, or respective explanation and justification is missing. This study is also based on the idea of human love relationships in order to ensure a better comparability between the original B2C Lovemarks and the potential new B2B Lovemarks. However, future research needs to investigate Lovemarks from a new angle: 'consumer-object-love' (see Shimp and Madden, 1988).

Another unclear or contradicting picture about Lovemarks is the notion of Roberts that they *“are created and owned by the people who love them”* (Roberts, 2005, p.71) when in fact, first, the terminology originated at Saatchi and Saatchi (Sayers and Monin, 2007) and second, the company itself takes the action to redirect their marketing and integrate emotion into their communication. As stated in the introduction, this is also the justification why this study was conducted from a managerial perspective. As the authors perceive it, love is a give-and-take relationship and should be mutually beneficial; company and buyer should be equally involved in determining Lovemarks.

In the end, although Lovemarks are a subjective concept that with its high press presence appears more directed towards profit making and thus demotes the true meaning of love, we believe that further research and validation (also through this study) will help advance the idea of loving a brand. The concept of Lovemarks is fairly new (2004) and elaboration and acceptance need time.

### 3. Theoretical Frame for Understanding B2B Branding and Lovemarks

In this chapter the authors present the key concepts and models of the thesis which will provide a framework for the empirical analysis. The applicable theories will be drawn from B2B literature but also from B2C sources as research about B2B branding is still underdeveloped. It starts broadly by clarifying brand identity and brand personality and further deepens the theoretical framework to brand communication and brand values to finally arrive at Lovemark theory. The presented theories will also serve as a basis to construct our own conceptual framework according to the empirical data.

#### 3.1. Brand Personality and Corporate Brand Identity

“A strong brand is about building and maintaining strong perceptions in the minds of customers” (Kotler and Pfeortsch 2006, p.67).

Aaker’s model of brand identity planning (1996) functions as positioning and determining the scope of this study by circling the segments that the authors emphasise.

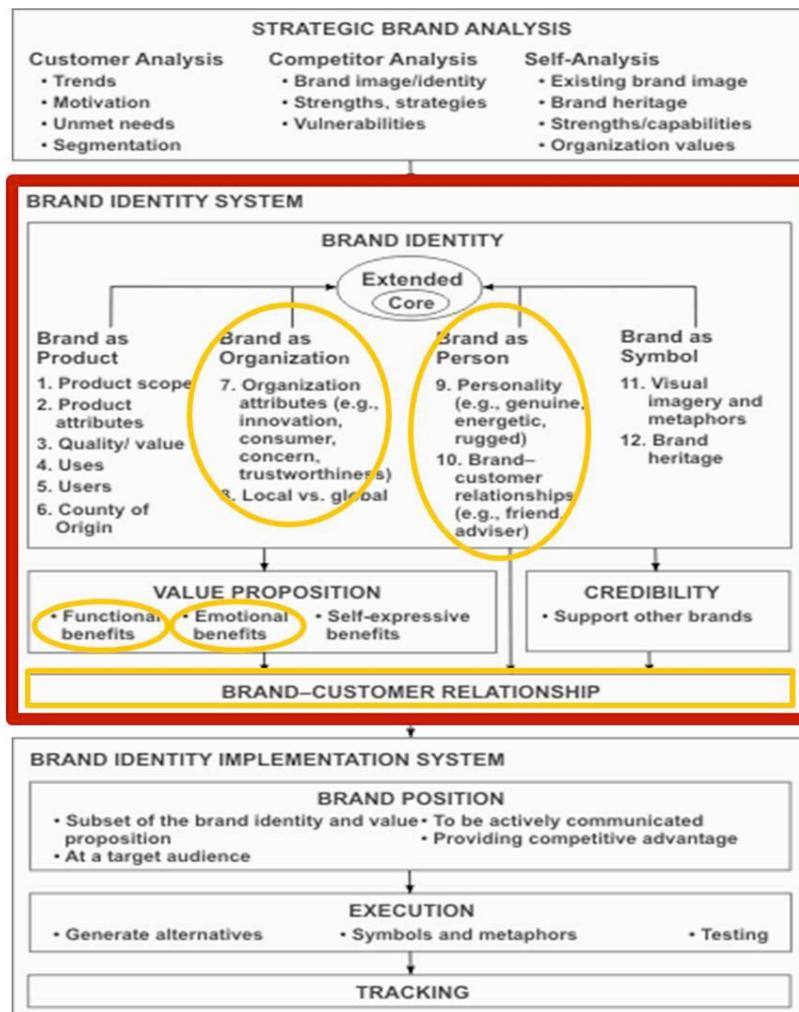


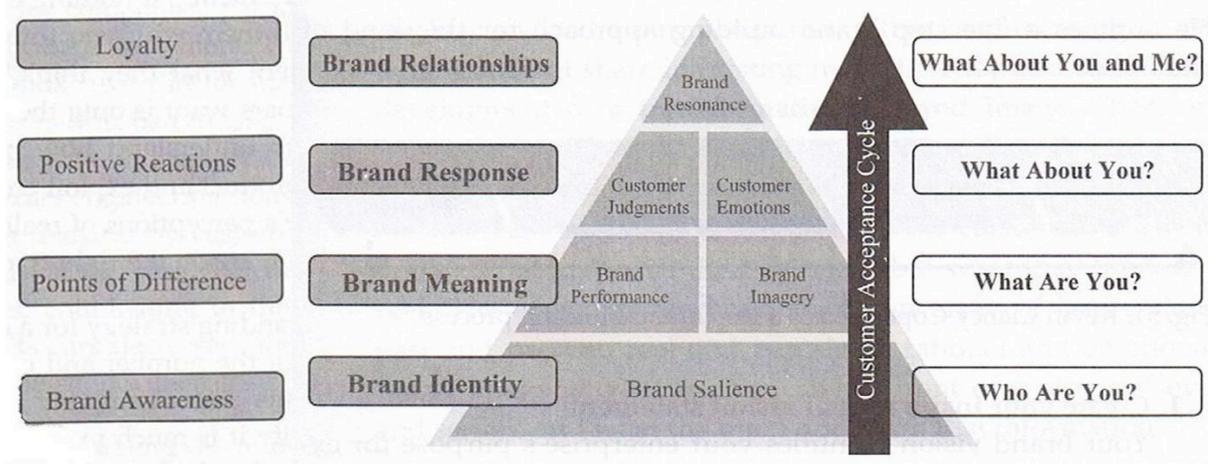
Figure 7. Brand identity planning model (Aaker, 1996, inside cover)

Brands are endowed with human characteristics and personality such as being reliable, energetic, frank, friendly, ambitious, and progressive. It answers the questions of who you are, what is important to you, what your company stands for, what distinguishes you from your competitors, and what you want to be in five years (Kotler and Pfoertsch, 2006). After clarifying the identity of the brand, the model deepens the 'brand identity system' to 'value proposition' which contains both 'functional benefits' and 'emotional benefits'. It ends up with the fulfilling of the goal of building 'brand-customer relationship'. To achieve the eventual purpose of establishing a clear brand identity, the whole model develops from brand analysis to final brand identity implementation and tracking.

For fulfilling the purpose of planning brand identity, the concept of brand value (as will be discussed in the following section) plays a central role when developing and implementing the overall branding strategy.

### 3.1.1. Customer-Based Brand Equity Model (CBBE)

One applicable model of brand equity/value is the customer-based brand equity model, (CBBE) originally put forward by Keller in his research (1993, 2001) and adjusted to B2B context by Kotler and Pfoertsch (2006) and Kuhn et al. (2008). It argues that brand equity consists of brand awareness and a set of brand associations, and further only occurs when the brand has certain strong, favourable and unique associations in the customers' mind (Keller, 2002). Previous research has arrived at the conclusion that when it comes to B2B context, the CBBE model needs to be modified according to four stages: brand identity, brand meaning, brand responses and brand relationships. The last stage is where a brand gains a harmonious resonance with customers. Kotler and Pfoertsch (2006) have concluded the brand building process based on the CBBE model as illustrated below.



**Figure 8.** Customer-based brand equity pyramid (CBBE model)  
(Adjusted by the authors, derived from Kotler and Pfoertsch, 2006, p.167 and 185)

In the bottom stage of the pyramid, the brand strives for building certain awareness by creating identification of the brand and association in the customers' minds with a specific need (Kuhn et al., 2008). On the second stage, perceptions and image are built to obtain satisfaction and reputation. In other words, the block of brand imagery in the original model is further modified into reputation which is considered as the important image of an industrial brand. Furthermore, on the brand response stage, customer judgements and customer emotions answer the question of how customers perceive the brand. Kuhn et al. (2008) replaced '*customer emotions*' with '*sales force relationship*' because customers in B2B are mostly influenced by the actions of corporate employees and personal relationships. Eventually, at the peak of the pyramid, the brand arrives at the ideal situation, establishing long-term brand relationships via partnerships (Kuhn et al., 2008). Keller's model of the brand building pyramid has

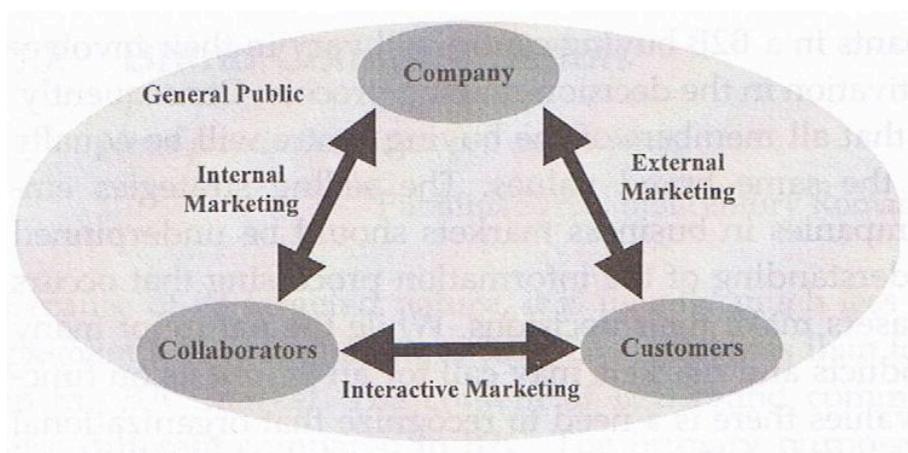
applied the abstract conceptions of brand equity portfolio, brand values, positioning and personality into a clearer and more logic order. From bottom up customer acceptance increases as emotion grows through the states upwards, consequently customers' approval of the brand is highest at 'brand relationships'. Brand core values, as explained by Kotler and Pfoertsch's (2006), are communicated throughout the whole process in the pyramid. How customers perceive a brand and tune it in their mind-set is shaped by key communication messages.

### 3.2. Brand Communication

*"The role of marketing communications is to communicate the essence of brand personality and provide the continuity for a partnership between the brand and the consumer" (De Peslmacker et al., p.59).*

In today's increasingly competitive business environment companies have realized the potential of effective brand communication in creating and maintaining a strong brand, hence gaining valuable competitive advantage (Lynch and de Chernatony, 2007). Communicating brand values, which drive attitudes and behavior to various stakeholders is essential for both B2B and B2C companies, although the focus is different (Mudambi, 2002). In B2C brand communication, the focus lies on awareness creation and emotional stimulation that can lead to brand preference. In B2B context, where products and services are often more complex, the communication dominantly stresses values that are practical and rational. Also, realizing that different target groups have different focuses on what is valuable and beneficial is something that is important when designing the brand communication for a B2B company; one strategy does not fit all (Kotler and Pfoertsch, 2006).

In order to successfully communicate the brand values in a B2B environment, the companies need to take a holistic perspective on seeing the different relationships the brand has with various market participants. This perspective includes external, internal and interactive marketing, which is illustrated by Kotler and Pfoertsch's (2006) 'Branding Triangle' below.



**Figure 9.** Branding triangle  
(Kotler and Pfoertsch, 2006, p.108)

Since most B2B companies today have a very diverse product and service portfolio spanning over several different industries, the focus is both on the brand communication of different products and the alignment of the corporate communication as a whole. The model shows the interdependence of different communication objectives through the company and out to the customers. External marketing such as promoting and distributing the products needs to be consistent with what the employees (collaborators) think and feel about the company. Here, internal marketing comes in with the objective of motivating and training employees to represent the brand/ company in the most effective and

aligned way – to become brand ambassadors. The interactive marketing is then the relation and communication between the customers and the company employees. It is dependent on the fact that the internal marketing is working, so that all collaborators know what the brand values are and what the company really stands for (Kotler and Pfoertsch, 2006).

Studying the branding triangle, one can understand the importance of aligned communication efforts. This model will function as a foundation for the analysis part and we expect to see in the results that it is of importance that the company has a consistent internal communication that explains the brand values and brand promise to the employees and gives them the knowledge they need to carry out the interactive marketing in the successful way. Hence, a strong internal marketing is the basis for effective external communication, otherwise the branding will be inconsistent and might fail. The triangle also works the other way around – without a successful external communication, there is no need for internal- and interactive marketing, because the company is not represented in the market and thus will not be in business for long.

Taking the branding triangle as a foundation for this brand communication part, first the authors discuss external marketing and introduce different B2B brand building tools. Second, we focus on one of the specific promotional instruments: personal selling. Third, we outline the importance of the resultant relationship marketing in B2B, and finally we emphasize the central role of internal communication.

### 3.2.1. External Marketing

Many of the tools for external marketing are the same for B2B as for B2C, except that the priorities differ to some extent. Derived from the general marketing mix (4P's) – product, place, price, promotion – the B2B promotional mix commonly contains the following instruments (Kotler and Pfoertsch, 2006, pp.110-122):

<i>Public relations</i>	is superior to other tools in the way that it creates a very “ <i>big bang for the buck</i> ” (p.114). You get what you pay for. Companies use PR to get media coverage that reaches all the stakeholders. In B2B companies specifically, PR is used for the credibility it implies when a company is mentioned in news features and stories. <i>Specialized press</i> is a less expensive way for B2B companies to reach its target groups. All industries have their own journals where companies can reach their desired customers by means of PR, advertisements or specific product features.
<i>Trade shows and exhibitions</i>	are major arenas for B2B brand communication since they are an opportunity to reach many customers at the same time and build more brand awareness and interest. It is also a great chance for companies to show how they diversify themselves when the situation allows the customers to compare the offers of the different companies.
<i>Advertising</i>	can aid B2B companies in getting the message of the brand promise through to more people than the sales people can achieve. Although very costly, advertising is an efficient tool for “ <i>reinforcing the brand foundation of an already existing brand</i> ” (p. 119) using emotional appeal together with the factual information.
<i>Sales promotion</i>	is less used in B2B than in B2C because B2B companies tend to buy only what is necessary for the company and are not tempted by special offers for impulse purchasing. B2B sales promotion often only implies using financial incentives such as discounts to attract members of the buying centre to do business.

*Direct marketing* includes telemarketing, e-marketing, e-mails, catalogues and faxes to directly communicate with target customers. The benefits of this tool are the adaptability of the message to the specific target group and the possibility for the company to measure the success by means of customer responses. One of the tools that are included within the direct marketing cluster is *personal selling*.

From before in this section it is important to see brand communication as a holistic experience where all parts influence and depend on each other. In the empirical research, we hope to see which promotional brand-building tools are applied by the respondent B2B companies and how they are strategically mixed.

### 3.2.2. Internal Marketing

Communicating the benefits and values of a brand to its customers might sound like an activity that is dominantly carried out externally. But since a brand is not just a name or a logotype, but also the customer's perceptions, associations and experiences, there is also a need for internal communication of brand values to the employees of the company, ultimately fostering a commitment to the brand and its values (Morrison, 2001).

Internal marketing includes all verbal and non-verbal statements about the company and its brands and is needed in order to support the brands' promise effectively (Lynch and de Chernatony, 2004). Non-verbal messages include for example trusting in the employees, showing commitment and living the brand values and are regarded as 'crucial leadership qualities' that will encourage employee behaviour align with the brand values and promises (Vallaster and de Chernatony, 2006).

Research shows that in many cases the behaviour of company employees is regarded as a translation of the organizations understanding and feelings of the relationship between company and customer, hence internal communication is of great importance (Lynch and de Chernatony, 2007). If the employees have sufficient information and motivation and truly understand what the brand stands for, they can enjoy their work more. In turn this can lead to the creation of an atmosphere and relationship with customers that will be the differentiating mean of the company as a whole, creating great competitive advantage. In order to reach this stage, the employees need to have the same vision of the brand and this is achieved through internal marketing by managers (Webster, 2002).

Ballantyne states "*internal marketing is a strategy for relationship development for the purpose of knowledge renewal*" (2000, p.274). When employees share the same vision and collaborate there is higher possibility of knowledge creation and knowledge sharing which can greatly contribute to the competitive advantage of good customer service (Ballantyne, 2000). In order to reach commercial goals such as high profits, B2B companies have to realize that although profits ultimately come from satisfied and returning customers, the power to make this happen lies with a motivated and committed work force (Robertson, 2000).

Internal communication is the prerequisite for the sales staff of the company to know the brand values in order to able to communicate them effectively and consistently to customers.

### 3.2.3. Personal Selling

Although there is today many methods for external brand communication as mentioned earlier, personal selling is the most commonly applied instrument in B2B companies (Kotler and Pfoertsch, 2006; Lynch and de Chernatony, 2007). The general definition of personal selling is *“a two-way communication used to inform, give demonstration to, maintain or establish a long-term relationship with, or persuade specific members of a particular audience”* (De Pelsmacker et al., 2007, p.464).

There are unique advantages of using this method of communication that hold true for both B2B and B2C markets, such as impact (getting through to the customer), targeting the customer effectively (providing useful and detailed information for their specific needs) and the interactivity which hopefully creates a lasting relationship between customer and company (ibid).

The main reason and benefits for B2B companies to use personal selling is the possibility to adapt and adjust the marketing message to the specific needs of different customers. A sales person can collect vital information through the physical interaction with the customer (Lynch and de Chernatony, 2007). How successful the sales person is and if there is a possibility for a relationship is largely determined by the sales person's behaviour (Beverland, 2001) and communication skills (Kotler and Pfoertsch, 2006). Because situations and relationships evolve over time there is also a need for the sales staff to be able to change the approach depending on the situation and buyer behaviour, whether it is a short-term, performance-related behaviour or a long-term relationship-building measure (Beverland, 2001). Also, sales staff should be aware that even though a personal relationship can be the base for certain behaviours and strategies, B2B buyers still look for an amount of rational justification and competent consultancy when making purchase decisions. Hence sales personnel need to pay attention to the buyer's signals in order to appropriately design the brand value offer (Lynch and de Chernatony, 2007).

In this investigation we hope to see to which extent a successful performance is the result of effective internal marketing and if the outcome can be a successful buyer-seller relationship.

### 3.2.4. Relationship Marketing

The meaning of relationship marketing can be stated as *“company behavior with the purpose of establishing, maintaining and developing competitive and profitable customer relationships to the benefit of both parties”* (Hougaard and Bjerre, 2002, p.40).

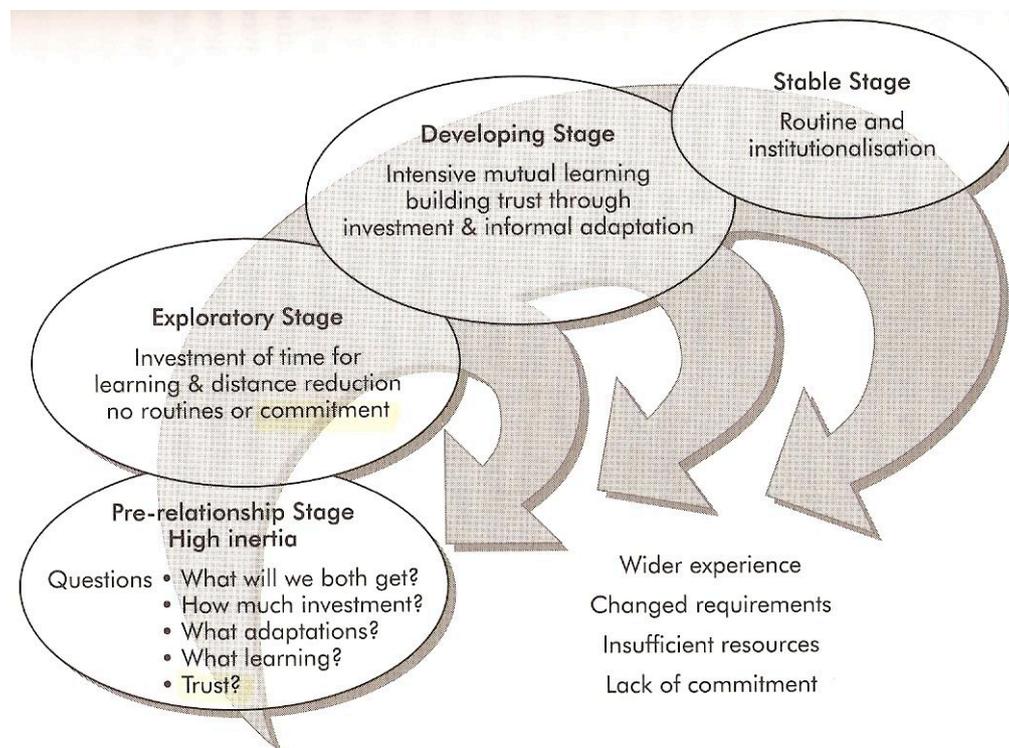
Relationship marketing (most often through personal selling) does have the disadvantage that it is very expensive because of the need for much personal negotiating, interacting and feedback consideration (De Pelsmacker et al., 2007). This is the reason why for some time *‘caring for existing customers’* (caring for a relationship) has been second to *‘attracting new customers’* (Gummesson, 2006, p.35). *“Research indicates that the cost of attracting new customers can be as much as six times greater than the cost of retaining existing customers”* (Dekimpe et al., 1997 cited in Fill, 2003).

Research shows that there is a significant importance in managing and maintaining successful business relationships in B2B markets, without these the company could not even exist (Ford et al., 1998; Hougaard and Bjerre, 2002). The power of the relationship entails that it is not an exchange where something changes hands, but rather a mutual intangible asset that must be well taken care of over time. A relationship can even be beyond the control of management since it has the power to create bonds between sales staff and customers that transcend the usual business boundaries (ibid, 2002).

According to Hourgaard and Bjerre (2002), a relationship should not be seen as a way to get more money out of the customer but rather as a learning experience and to enhance the customers' preference to do business with a specific company. Relationships in B2B markets involve more than just

the sales personnel doing business with a buyer. It involves staff in other parts of the company as well, such as production, distribution and finance. This means that it is important and even critical to have a clear and consistent communication throughout the company in order for the sales staff to get the buyers attention (Ford et al., 1998).

Establishing customer relationships is important in B2B because of several reasons. For example the fact that customers are becoming an increasingly more scarce resource and that it is more costly to gain new customers (Gummesson, 2006). There have also been changes in the business environment and practices that make the line between buyer and seller harder to distinguish. In many B2B cases the buyer is the co-producer making the relationship a joint value creation (Gummesson, 2006). The fact that B2B transactions are generally risky, dealing with complex information and large costs, can also influence B2B companies to start building relationships with their customers. (Lynch and de Chernatony, 2007) Relationships do not just happen in a vacuum though - they evolve over time. This cycle is illustrated by the figure below.



**Figure 10.** The development of buyer-seller relationships in business markets (Ford et al., 1998, p.29)

'High inertia' or resistance characterizes the first stage, the *pre-relationship stage*. This is when companies are looking for potential business partners and evaluating the options. This stage often takes a long time since both sides have different demands to be met by the counterpart. The evaluation takes place without commitment and this leads to the question of how the companies can develop the necessary amount of trust between each other to take the relationship to the next level. At this stage, many companies part ways because of differences but if they find common ground, this is the beginning of the next stage. The *exploratory stage*, is where the companies learn about each other in detail. Discussions and negotiations about products, services and other requirements take place and it is now that the issue of trust and commitment begins to arise. A company has to show commitment in order to gain the trust that is required to reach the next stage. Each part has to convince the other of the interest they have in doing business and that the commitment is consistent over time. The *developing stage* is where uncertainties are reduced to a minimum by the interactions that have occurred on regular basis for a long time now. Instead, adaptations of already established business functions take place, such as

training sales staff to better cater to the counterparts needs and wants. *“The willingness to adapt demonstrates the company’s commitment to the development of the relationship”* (Ford, 1998, p.36). Mutual adaptations will increase the commitment between the companies and when they have reached stability in their knowledge and trust in each other they have reached the fourth stage: the *stable stage*. This is characterized by routine behaviour and interaction. The companies can develop standard procedures for their transactions with each other, which in turn can reduce handling costs. However, there might be the problem that each company’s evolving process can be hindered because of routines that are not questioned. Also, one part can become dependent on the other and hence risk being exploited. If a company is dissatisfied with the relationship, it will choose to exit the current relationship and go back to the pre-relationship stage to find new partners (Ford, 1998).

If a relationship is successful over time, consisting of both commitment and trust, it is most likely that the customers become loyal. *“Brand loyalty consists of the proximity, intimacy and loyalty felt for the brand”* (Kotler and Pfoertsch, 2006, p.166). It relates to the degree of commitment that the companies have achieved for their brands. Ultimately, buyers will not only buy the products of the brand over and over again, they are also likely to act as spokespersons of the brand and promote it without cost (De Pelsmacker et al., 2007). *“Behind every power brand stands a group of loyal consumers. “In fact, the real company asset is brand loyalty, not the brand itself”* (Perrier, 1997 cited in Fill, 2003). So, clearly a strong brand entails satisfied and committed buyers.

Traditionally in B2B, brand loyalty has been seen as non-rational behaviour that does not apply to the complex products that many B2B companies sell, thus it has not been very prevalent in current research. (Kotler and Pfoertsch, 2006) With this research the authors hope to strengthen the view that loyalty and commitment established through relationship marketing is of great importance for B2B companies. Building on the model of Ford (1998) we wish to see if the next stage after the stable stage can be the stage for Lovemarks, where *“loyalty beyond reason”* applies.

In conclusion, external, internal and interactive marketing all need to be aligned throughout the company in order to convey a consistent presence to all stakeholders. So management needs to ensure that the core brand values of a company are clearly communicated externally and internally.

### **3.3. Brand Values: Functional vs. Emotional**

*“Competitors can match functions and features but they just cannot easily match the promise and delivery of a personal, emotional and special experience”* (Brandt and Johnson, 1997 cited in Lynch and de Chernatony, 2004, p.409).

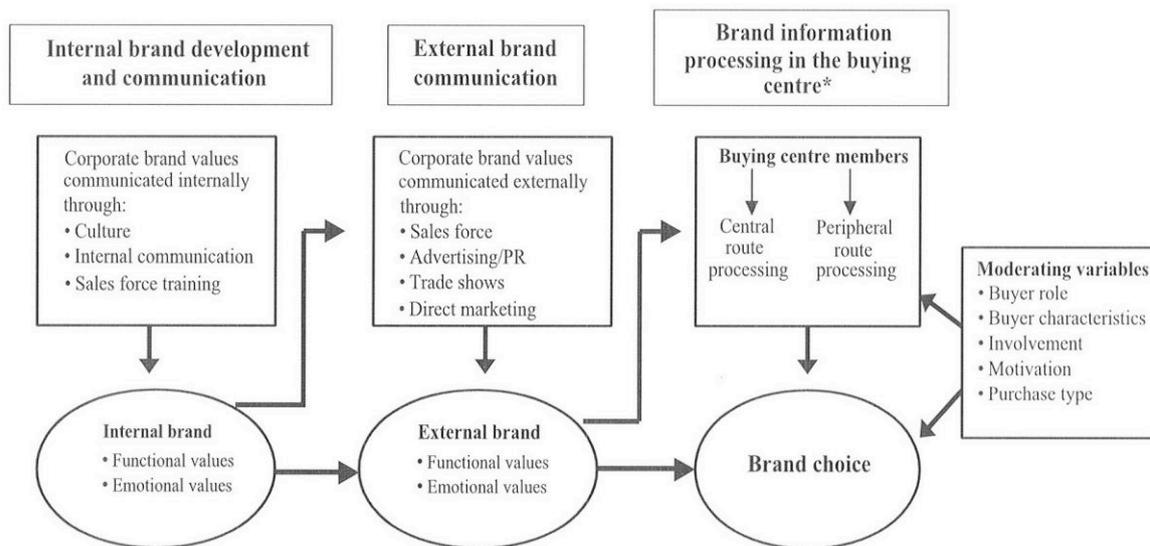
#### **3.3.1. Benefits of Intangible Values**

Participants in buying centres vary in their involvement and attitudes towards brand values in the purchase decision-making process. To some extent, they must pay attention to functional benefits, due to the high risk and complexity of the products and services. However, they are also influenced by emotional stimuli. According to Lynch and de Chernatony (2004), emotional brand values in B2B markets are mainly trust, peace of mind, and security. Trust as the most important value of a brand (Gobé et al., 2001) will be elaborated in the following section. An emotional connection with buyers can create added value to products and services (Lynch and de Chernatony, 2004).

First of all, emotional stimuli can provide more opportunities to utilize functional benefits since it can be the mean adopted to obtain attention for the presentation of functional brand values (Kotler and Pfoertsch, 2006). Emotional branding is successful in extending product offerings (Gobé et al., 2001).

Second, due to the hyper-competition nowadays and the fact that products can be imitated easily, emotion can differentiate the brand from competitors. Hence, there is a need to attach intangible values in the mind of members in each buying centre.

Few researchers have investigated the power of emotional/ intangible benefits in B2B markets. However Lynch and de Chernatony (2004) incorporate emotional variables in both internal and external brand communication. They stress that function and emotion need to be more balanced in B2B brand building. In the following model, internal and external communications are integrated to influence the brand choice of the buying centre. Both emotional and functional values contribute to the whole process.



**Figure 11.** Building B2B brands with balanced functional and emotional values  
(Lynch and de Chernatony, 2004, p.415)

These propositions are applied to analyze the foundations for successful B2B brand building. The first two steps of this model (internal and external communication) have been discussed in an earlier section hence only the third step 'brand information processing in the buying centre' is emphasized here. Furthermore, members of the buying centre make their final brand choice being influenced by functional and emotional values and moderating variables such as buyer characteristics. Every member of the buying centre holds an emotional consideration. Emotional values exist in all three steps. What is perceived in internal and external branding will be communicated to the buying centre to establish emotional stimuli.

The model further highlights that buyers are different in the role they play, their personal characteristics, and their extent of involvement so that basically two groups can be recognized (Lynch and de Chernatony, 2004):

- highly involved and motivated buyers (stated as central route processing) and
- less involved and motivated buyers (stated as peripheral route processing)

Consequently, the emotional effect varies on these two categories. The former ones focus on tangible benefits of the brand such as quality and price, while the latter ones pay more attention to "context information" (ibid, p.408) which bring forward emotional drivers such as sales person's appearance. However, the authors of this study argue that the emotional drivers include more than only visual imagery which is the purpose of the empirical study. We also attempt to prove that, with a combination of external and internal brand communication efforts that both stress the emotional values, buyers'

brand choice will be strongly influenced, and their emotional response to and long-term relationships with the brands will be strengthened.

### 3.3.2. The Role of Emotions in B2B Context

*“While reason does lead us to conclusions, emotions are the ones that lead to action”* (Kotler and Pfoertsch, 2006, p.58).

The influence of emotion is present no matter what kind of business companies are involved in. As mentioned above, tangible facts are used to meet the basic functional demands of the decision-making process while intangible factors are the key differentiators for branding in today’s complex markets. Companies need to understand that emphasizing on emotional benefits does not imply the ignorance of functional values. It is that *“for those vendors that met the rational criteria, the emotional connections were pivotal”* (Kotler and Pfoertsch, 2006, p.58).

The role of emotions in B2B context needs to be discussed with consideration to the purchase decision-making process. Lynch and de Chernatony (2004) divide the consideration set of organizational buyers into three subsets:

<i>Structure:</i>	the composition of the buying centre
<i>Process:</i>	the stages of decision-making process and
<i>Content:</i>	the criteria for purchase choice

‘Structure’ and ‘process’ have been discussed in detail in the background chapter, hence only ‘content’ is emphasized here. It refers to why a certain purchase choice is made, based on both functional and emotional criteria. The latter include trust, prestige, career security, friendship and social needs (ibid). Specifically, the term trust is highlighted in the emotional branding area. Trust is regarded as engaging and intimate, and it is ‘what one would expect from a friend’ (Gobé et al., 2001) hence trust can be understood as the value that contributes to building long-term relationships.

### 3.4. Lovemark Theory

As stated earlier, the two main components of Lovemarks are *love* and *respect*, whereby the latter is the foundation of the former. Peter Cooper and John Pawle of QiQ International (2006) investigated the measuring of emotion and the validation of Lovemarks. They state that the factors driving respect are more functional and performance-related whereas love is purely emotional. Confirmed by other Lovemark studies, Roberts divides love and respect in subcategories. Respect is most influenced by *trust*, *reputation* and *performance*. The key factors that influence love are *mystery*, *sensuality* and *intimacy* which at the same time are also the attributes that differentiate Lovemarks from brands. That is the reason why Roberts explains these three dimensions in depth (Roberts, 2005). *Mystery* about a brand is what fascinates consumers like great catching stories, inspiring dreams and memorable icons. *Sensuality* is built on customer’s experiences through the language of the five senses. *Intimacy* expresses the closeness, passion and commitment the customer has to the brand. Again it has to be noted, that these terms Roberts uses to describe and differentiate Lovemarks are very B2C oriented. From the authors’ point of view we doubt that passion is the right expression to describe a B2B relationship.

### 3.4.1. Lovemark Model

In his second book on Lovemarks, Roberts (2006) suggests a guide on how to build Lovemarks. He is providing a tool called 'The Lovemark' where he specifies the aforementioned categories of love and respect. Please see the figure below for a detailed description.

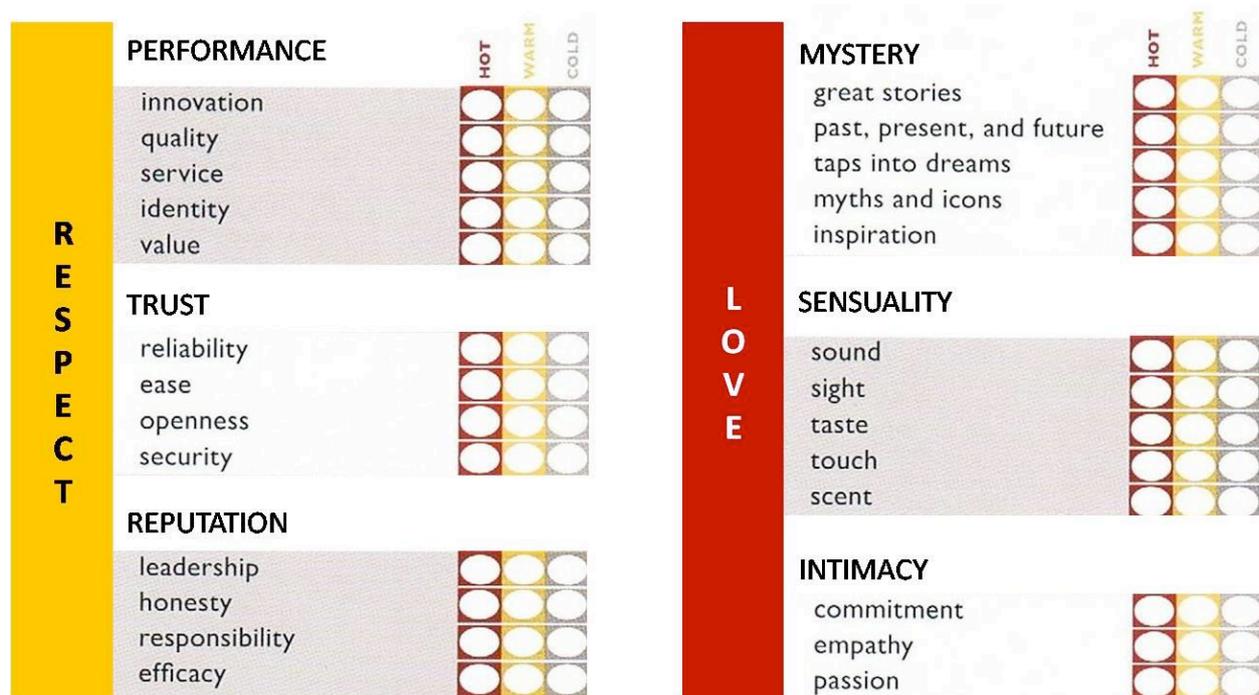


Figure 12. Lovemark Model

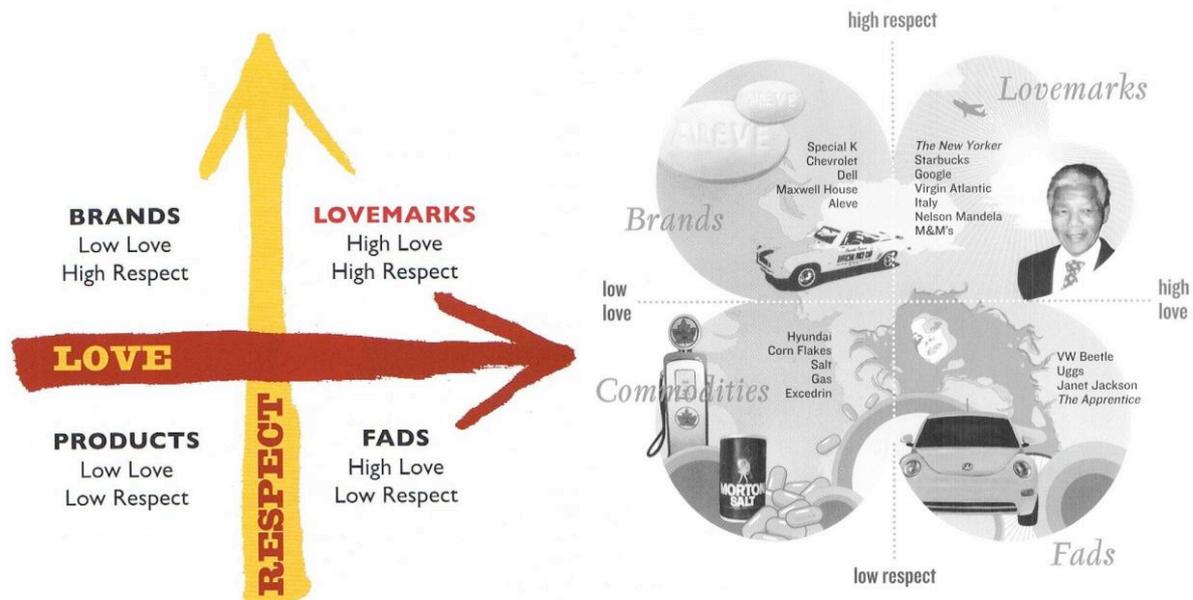
(Adjusted by the authors, derived from Roberts, 2006, p.85)

This instrument allows evaluating each component according to 'hot', 'warm' and 'cold' whereby a brand receives two points for hot, one point for warm and zero points for cold. A company that scores 0-36 points is considered to be *commodity-based*. A company that scores 37-40 points is *brand-based* and a rating above 41 (out of 52) has the potential for being a Lovemark (Roberts, 2006). So the higher the love-rating is, the stronger the Lovemark position. However, there is the condition that at least 25 respect points (out of 26) need to be scored which affirms the statement that respect is the foundation for love.

Stepping aside from this B2C perspective, for B2B we hope to find out that respect will need to play an even more important role and that only some elements from the love dimension might be transferable. For mystery the authors would think great stories, past, present and future, icons and inspiration and for intimacy commitment and empathy. Sensuality, if applicable at all, we would presume it has only a limited relevance for the B2B sector. From all factors we assume, that commitment might be the most significant component for a B2B Lovemark as it expresses and motivates long-term relationships and loyalty.

### 3.4.2. Love/ Respect Axis

Working through the elements of 'The Lovemark' tool is a recommended starting position in order to locate a brand on the so called 'Love/Respect Axis' invented by Roberts (2005). Please see below for the general concept of the Love/Respect Axis (left) and also B2C example companies (right) that have been positioned in each of the quadrants by Tischler<sup>2</sup> (2004).



**Figure 13. left:** The Love/Respect Axis

**Figure 14. right:** Love/Respect Axis Applied

(left: Roberts, 2005,2006, p.18; right: Tischler, 2004, p.65)

On the love-respect axis the lower-left quadrant – low love, low respect – holds commodities like salt, sand etc. which people indeed need but do not really desire. One feature of the grid is that it offers the opportunity to move to another neighbourhood. For instance, Basmati rice 'made it out of the shade' from product to Lovemark. In the lower-right quadrant – high love, low respect – are fads, fashions, and infatuations like hula hoops, VW Beetle etc. which are loved today but replaced and forgotten tomorrow. Sony Play Station is one of the rare examples who managed to transform from a fad into a Lovemark. In the upper-left quadrant – high respect, low love – are the typical brands like Dell, Colgate etc. who indeed have a high performance and a good image but are missing the emotional connection to the customer. Those brands that realize their handicap and embrace the concept of mystery, sensuality and intimacy have a good chance to move to the winner quadrant of Lovemarks (Roberts, 2005). Those brands that fail to adjust to the rapid shift of consumers' needs and desires, and thus fail to differentiate, risk falling below into the product quadrant. As a matter of course, once a brand has gained Lovemark status, it needs to strengthen and sustain it. Apart from this B2C application the authors intend to position the interviewed B2B companies on the grid.

<sup>2</sup> Tischler L. (2004), journalist at Fast Company, wrote a book review of the first Lovemark book, of which the first edition was published in 2004.

### 3.4.3. Pathways Model

The above introduced models are a simplified form to measure whether or not a product, service or entity has Lovemark status, but they also serve as a basis for a more professional measurement of emotion, the 'Pathways Model', introduced by Cooper and Pawle (2006). The authors say that in order to increase love and respect and hence creating a Lovemark, companies should maximize consumers' emotional connections. Their research focuses on identifying how to realize these emotional connections by gaining a thorough understanding of the brand-person relationship which embraces the idea that brands are like people. Overall, their research is based on measuring emotion. In contrast to earlier studies which either applied a qualitative strategy for emotion or a quantitative strategy for performance behaviour, this one actually combines "implicit, emotional, and unconscious effects, and explicit, more conscious, and rational effects" (ibid, p.41). Then, one imperative was to quantify emotion. Therefore a sample size of 300 US respondents was selected for a computer self-completion interview in the categories of food and car.

The Pathways Model measures the role of emotion in brand-person relationships. It demonstrates the two-sided pathway of brand messages through emotion and rationality and how they both integrate at the 'ego'. The objective of this model is to provide feedback to the brand in form of market research data, indicating which emotional and rational factors need to be introduced, increased or reduced in order to enhance the brand relationship and build a Lovemark (ibid). This model applies several methods to gather data. The emotional feedback loop is primarily based on brand association techniques such as archetypal story analysis or association metaphor technique. The rational feedback loop is based on rating scales of trust, respect, performance and category specific attributes and on behavioural analysis of buying habits and spending. The rating scales are similar to the Lovemark model quantifying the answers into 'hot', 'warm' and 'cold'. For a graphical illustration of the pathways and the methods please see below.

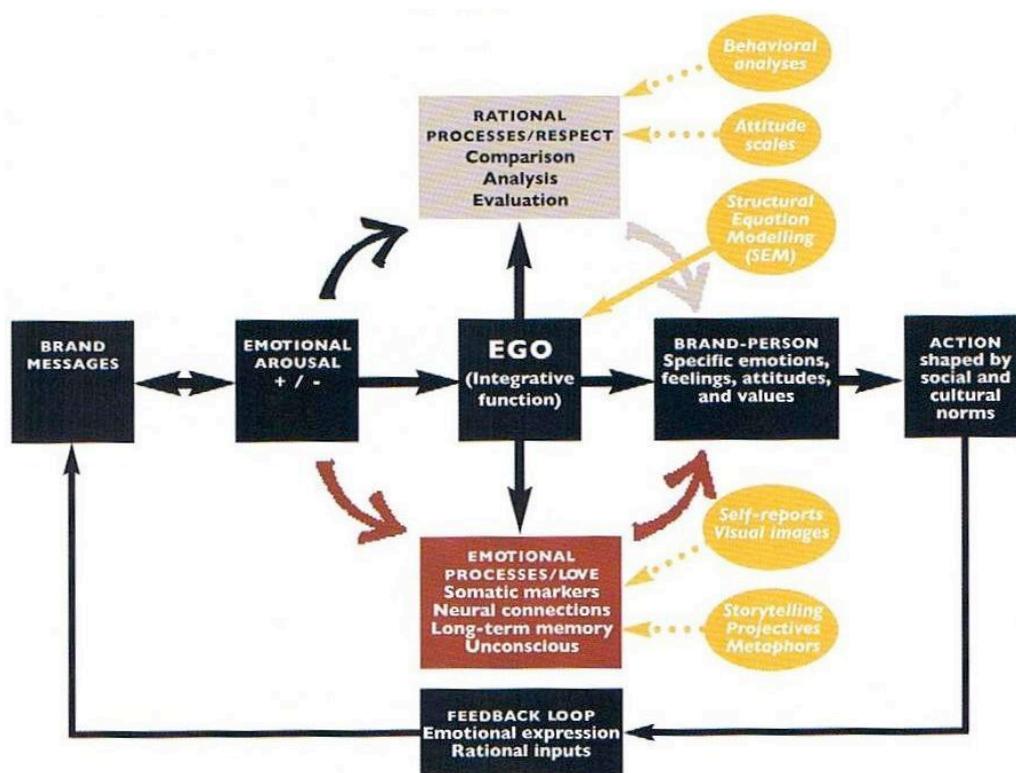


Figure 15. The Pathways Model  
(Roberts, 2006, p.202)

The next stage is the 'ego' where the gathered data are evaluated through factor analysis and structural equation modelling (SEM) to identify how each emotional factor and respectively rational factor interrelate and influence the overall brand-person relationship. The final result of SEM is a description of the web of bonds that represent the brand-person relationship whereby in the network of influences the strength of the correlation between the factors is indicated by the thickness of the line.

A main contribution of Cooper and Pawle (2006) is their finding that emotional rather than rational factors influence buying intention most. Decisions are emotion-driven in the food industry by 75% and even in the car industry by 63%. Based on their analysis the authors believe that rational factors mostly help to justify decisions driven by emotions. Another major contribution is that Lovemark attributes have an order of importance whereby intimacy has the strongest influence on love, followed closely by mystery, and underpinned by sensuality. Although this study is based on the food and car industry, Cooper and Pawle state that several other research studies confirm their results and only specific love and respect factors vary according to the product category.

Yet another important outcome of validating Lovemark theory is its effect on boosting consumption substantially. For instance in the car industry, referring back to the Love/ Respect Axis, transforming a product into a Lovemark increases sales by as much as seven times and moving a brand into a Lovemark position can double the volume (ibid). Thus the evidence of this research is that building and sustaining Lovemarks has significant benefits.

The Pathways model provides detailed background information on how to measure emotion and validate Lovemark theory and because it is based on the interplay of complex methods, its application as theoretical framework for this study is not feasible. However, the most important contribution of this research for B2B application is that there is no standardized sequence of love and respect as originally suggested by Roberts. They correlate in varying degrees with one another, depending on the product category. Therefore, not only increasing respect is likely to increase love but also the other way around. This insight is central to strategy and timing as either they can be jointly developed, or love is built on the basis of respect, or respect on love (ibid, 2006). This study will make an attempt to clarify the order of love and respect from the B2B perspective.

### 3.5. Conclusion of Theoretical Framework

Overall, from the presented theoretical framework, the applicable theories for the following analysis can be divided into three categories as shown in the table below:

Positioning the thesis	Validating theories	Adjusting models
<ul style="list-style-type: none"> <li>▪ Brand identity planning model (Aaker, 1996)</li> </ul>	<ul style="list-style-type: none"> <li>▪ CBBE model (Kotler and Pfoertsch, 2006)</li> <li>▪ Branding triangle (Kotler and Pfoertsch, 2006)</li> <li>▪ The development of buyer-seller relationships in business markets (Ford, 1998)</li> <li>▪ Building B2B brands with balanced functional and emotional values (Lynch and de Chernatony, 2004)</li> <li>▪ The Pathways Model (Roberts, 2006)</li> </ul>	<ul style="list-style-type: none"> <li>▪ The Lovemark (Roberts, 2006)</li> <li>▪ The Love/Respect Axis (Roberts, 2005, 2006)</li> </ul>

**Table 2.** Overview of theoretical framework

The 'CBBE model' serves as a foundation for justifying that branding is important for B2B companies, which so far has been an underdeveloped research area. It is central to first have a clear self-perception in order to implement successful branding activities and communicate consistent brand values. In turn, branding then is the groundwork for creating a Lovemark. The 'branding triangle' picks up on this model and highlights the fact that communication efforts have to reach the interdependent stakeholders (company, employee and customer) in order to sustain a consistent brand value. So the empirical data of this study will validate the branding triangle in the way that communication efforts have to permeate the whole organization in order to deliver on the brand promise. As a complementary model to the branding triangle, the 'development of buyer-seller relationships in business markets' will be applied. The model about 'building B2B brands with balanced functional and emotional values' will serve yet as another basis to show how internal and external communication and the buying centre all work together and influence the brand choice. The Pathway model on the one hand also verifies the effect of functional and emotional on brand selection, and on the other hand it serves as background knowledge in order to better interpret the components of potential B2B Lovemarks.

The Lovemark model as well as the Love/ Respect Axis which was presented from a B2C perspective will be adjusted according to the B2B empirical data. The Lovemark will first identify the factors that create a Lovemark status for B2B companies and the Love-Respect Axis will then be used to plot the position of the sample companies in the quadrants of the grid. So the presented theoretical framework is twofold: it justifies and applies existing theories and models, and it adjusts existing concepts. Both serve as a starting point to ultimately develop a new conceptual framework applicable to the B2B environment in the implications chapter.

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## 4. Methodology: How to Research B2B Lovemarks

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*In this chapter we give account of the methodology we have adopted to fulfil the purpose of this study. We intend to introduce and clarify the different steps and argue for the decisions we made throughout the thesis. First, we present the employed research strategy, design and method, then discuss the approach for data analysis and finally show the limitations of the methodology chosen. In addition we like to share our interview experiences.*

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### 4.1. Choice of Research Strategy: Qualitative

In order to fulfil the aim of our study, to evaluate the role of emotion in B2B industry, this study applies a cross-sectional research design which is based on qualitative telephone interviewing. Our study is composed of both secondary (literature) research and primary (empirical) research whereupon this methodology chapter will focus on the latter.

We argue for a qualitative strategy as we are interested in the point of view of the participants, their self-perception, and their understanding and interpretation of emotion. Not being limited by quantitative, inflexible, preset categories, a qualitative approach allows them to provide rich and deep data which in turn allows us to grasp the impartiality of the respondents. This study is based on constructionism and interpretivism. That means that it is more important to understand outcomes, processes and meanings than to demonstrate causality in explanations and describe social science with natural science methods. This study focuses on interpreting the meaning that respondents attach to their experiences (Easterby-Smith et al., 2003). In other words, contextual understanding is valued most.

In addition to the above mentioned characteristics of a qualitative research strategy, it is most often referred to as an inductive approach to theory, meaning that theory is generated as an outcome of research (Bryman and Bell, 2003). In comparison, quantitative methods apply a deductive approach where theory is tested and guides research. A combination of both is known as an abductive method (Alvesson and Sköldböck, 1994) which is adopted in our study. It proceeds from empirical data but recognises the pre-understanding of formal theories, so theory and data are shaping each other. The reason why we have chosen an abductive approach is because we need to depart from existing literature about B2C Lovemarks to be able to establish a theoretical framework for the B2B context. So B2C Lovemark literature functions as a foundation and pre-understanding and our empirical data will be the basis for contributing to the adaptation of the B2C to a B2B framework. This approach results in a higher level of relevance between theory and practice and helps us to avoid being caught in misleading interpretations.

### 4.2. Choice for Research Design: Cross-Sectional

Bryman and Bell (2003, p.48) define a cross-sectional research design as a collection of data from more than one case and at a single point in time. It means to gather a body of data relating to two or more variables which are then examined to identify patterns of associations. With our empirical research we seek variation, so we are interested in different organizations or respectively, cases. We collect the data only once due to the limited 10-week period of writing this master thesis. However, future research could pick up on this study and investigate from a longitudinal design if the perception of emotion in B2B markets changes over time as a result of changing customer needs, desires and trends. Because

data from the different cases are collected more or less simultaneously, it is difficult to establish causal direction which leads to a weak internal validity (ibid). The structure of the cross-sectional design for our study will be almost matrix-like where horizontally, on the basis of our empirical data, we will establish a series of categories or variables that vertically classifies the responses of the different companies.

Our overall target group are corporate brand managers of B2B companies from different industries. We have decided to emphasise predominantly technology-oriented companies or respectively, companies with complex products as this condition would even more accentuate the differences between B2C and B2B Lovemarks. The reason why we contacted corporate brand and communication managers is that they are able to provide an overall picture about brand personality, positioning, customer-relationship management and most importantly about their communicated brand values and its trends. In addition, two other criteria were relevant for choosing our respondents. First, the company should have an established brand because creating Lovemark status from a starting position of a pure product is a utopian thought. Second, the company's head office should be located in Europe in order to better define the scope of the thesis and limit cultural influences. In the analysis part we will provide a short introduction about the different companies.

Sampling techniques in qualitative research show little conformity on definitions across literature. In comparison to quantitative approaches which generally involve probability sampling, qualitative research typically entail purposeful sampling. Referring to Marshall (1996), sampling strategies are distinguished between convenience, theoretical and purposeful sample whereby the latter is applied for this study. The author (ibid, p.523) defines it as *"the research actively selects the most productive sample to answer the research question."* Marshall suggests several subcategories of purposeful sampling whereby this study would profit most from 'critical case sampling', meaning managers with professional experience in marketing and branding, and in their respective organization and industry. This condition ensures a strong familiarity, understanding and identification with corporate brand values and the market environment. A major drawback of qualitative sampling is its subjectivity, meaning that the selection of the respondents is based on our understanding of the research area and therefore certain biases are inevitable.

The adequate sample size for our qualitative research is about quality and a deep, case-oriented analysis (Sandelowski 1995). It addresses the credibility of data rather than representativeness and generalizability. In theory, the number of required respondents evolves with the progress of the study, so the optimal sample size is reached at data saturation. This requires a flexible research design that continuously reflects on if more data are needed (Bryman and Bell, 2003). In practice, due to the limited time frame for the master thesis, we decided not to include more than six to eight companies in our study. We believe that a bigger sample size would have indeed increased the width of the study but only at the expense of the depth of the research. Altogether we have contacted 26 B2B companies from whom eight agreed on an interview. This represents a response rate of 30% which, considering our busy target group of brand managers and a data collection period of only two weeks is a very satisfying result in our opinion.

### **4.3. Choice for Research Method: Telephone Interviewing**

Among the core methods in qualitative research, ethnography, interviewing and focus groups, we have decided on interviewing via telephone (Bryman and Bell, 2003). The main difference to quantitative interviewing is to be found in its much less structured approach. Among the two major types of qualitative interviewing, unstructured and semi-structured interview, we apply the latter for our study. This method combines a series of questions in the form of an interview guide in which the sequence may vary in response to the course of the conversation but with similar wording. This approach allows

the researcher to adapt to the situation as it evolves and gives respondents the space needed for creative and innovative thinking.

An interview guide will give us a fairly clear focus and will allow addressing specific issues with predetermined open-ended questions which increase the comparability of the interviews. In addition, it facilitates a higher degree of transparency of the study and thus external reliability (ibid). We have divided the interview guide into six headlines which start broad with introducing questions about the B2B environment and brand personality and become increasingly more specific and direct asking finally about emotion and Lovemark. The interview was constructed on the basis of the theories we introduced earlier and directed towards contributing to the creation of the conceptual framework we are to develop. As we included a B2B brand agency we needed to adapt the questions slightly asking more about their experience and insight knowledge of current practices in B2B brand management. The two interview guides are presented in the **Appendix A.** and **Appendix B.**

We schedule the interviews to take around 25 minutes as our respondents from the business world are very time-restricted. Because gaining access to managers is difficult, we tried to gather their interest already in our interview request which we send out either by mail or via the contact form from the company's webpage. Surprisingly, the latter approach was more successful. We enclosed an abstract of the nature and purpose of the project and highlighted how the findings might be beneficial to the respondents.

For conducting the interviews we use online telephony software (Skype and Voipstunt) which allows low-fare online calls to landline and mobile across the world. For recording the interviews we use a MP3 player and the add-on programme Pamela which automatically converts the recording into a convenient MP3 audio encoding format. This reduces the risk of losing valuable information and increases the accuracy in the interpretation of the data. Further, we summarize the interviews and transcribe those sections that we think are most relevant for our study. A full transcription would be hardly realizable in the narrow time frame.

Interviews have the advantage of keeping people interested, assuring the understanding of questions and answers and probing for more detailed information. The key benefit of using telephone as a medium for our study is its cost and time-saving nature. Personal interviews or focus groups for most of our respondents would have been impossible for us because of time-consuming travelling and expenses. Telephone is the most convenient interviewing method as business people are a pressured group who do not have much time, are difficult to reach and are used to communicating via phone.

#### **4.4. Qualitative Data Analysis**

In order to increase the credibility of the findings and to help the reader to follow the reasoning, we will explain our choices for analysis. According to Bryman and Bell (2003), qualitative data analysis can be based either on analytic induction or grounded theory whereas the latter is the most widely used framework. Marketing Research Review (Quirks.com, 2008) defines grounded theory as "*A method of categorizing empirically collected data to build a general theory to fit the data.*" The most common tool of grounded theory is coding in combination with a category approach. So the data of the interviews are broken down into several different groups which are given names (Bryman and Bell, 2003).

Taylor-Powell and Renner (2003) outline the process of qualitative data analysis which we have decided to adopt for our study. The first step is to get to know the data by means of writing down impressions of the interviews. The second step is to focus on the analysis through reviewing the purpose of the study and indentifying key questions. The third move is to categorize the information; so we identify themes and patterns and organize them into coherent categories and possibly into subcategories. To group

narrative data we employ the approach of emergent categories where we define the categories after or respectively as a result of working with the data. Not only does this method allow us to consider ideas that we have not thought about before but it also allows us to be flexible in the numbers of (sub-) categories needed to interpret data clearly. Thereby throughout the interviews, the contents can be cross-indexed, finally creating mutually exclusive categories. In step four we are identifying patterns and connections within and between categories, basically build upon and intensifying the process in step three. We make use of writing a summary for each category that expresses its key ideas. Also, it is at this point where we rank the categories according to their relative importance. Finally, step five is about interpretation and bringing it all together. We attach meaning and significance to the data and support them with important quotes of the respondents. The reader should keep in mind that the goal of the analysis is not generalization but rather to provide contextual understanding.

#### 4.5. Reflections and Criticism of Chosen Research Approach

Our study benefits from qualitative research as it allows asking complex questions, facilitates in-depth examination of value-laden questions and does not limit to fixed quantitative variables. Therefore its key advantage is flexibility. However, qualitative research also entails some limitations, especially concerning reliability and validity for assessing the quality of research results. These terms are typically applied for quantitative research to ensure the representativeness of data. LeCompte and Goetz (1982 cited in Bryman and Bell, 2003) argue that the application of external and internal reliability and validity also holds true for qualitative research which will be shown below.

In our study we will enhance *external reliability* (replication of a study) (Bryman and Bell, 2003) through presenting an explicit explanation of our methodology in this section and thus make our research project more transparent. We further improve the comprehension of our study by providing a clear problem formulation and by ensuring complete records of our audible material on publicly available compact discs. Nevertheless, it remains impossible for qualitative research to freeze the interview situation and truly reproduce all circumstances at another point in time. Therefore, external reliability will only be proven to a certain extent. In general, *internal reliability* (inter-observer consistency) meaning how many people conducted the interviews, is increased by applying a single interviewer. In the view of the limited time frame for this master thesis, all three group members functioned as interviewers, and this fact admittedly lowers the internal reliability. *Internal validity* (causal relationship between variables), as stated earlier, is also rather weak for our study due to the fact that we apply a cross-sectional research design where data is collected from different cases almost simultaneously. Yet we try to improve the credibility of our study by cross-checking the research findings with our respondents in order to avoid misunderstandings and misinterpretations. A high degree of *external validity* (generalization of findings across settings) in quantitative research is determined by a representative sample. In qualitative research the generalization of data is influenced by the quality of the data's theoretical impact. To increase the transferability of our empirical findings to other B2B environments we present a thick description of our data, include a variety of brand managers from different industries and suggest a generally applicable conceptual framework for both theory and practice.

Guba and Lincoln (1994 cited in Bryman and Bell, 2003) evaluate qualitative research on an additional criterion, confirmability (objectivity of findings). Objectivity or respectively *subjectivity* is probably the most critical drawback of qualitative research. The findings rely too much on the research's perception about importance. The selection of the interview partners may be biased, so are the direction of the interview itself and the development of the categories. Our tacit knowledge, business administration background, personal experience, and way of thinking and reasoning as researchers all influence the process and results of our study. The process of research starts with the selection of the research area continues with the choices for methodology and ends with analysis and interpretation of the data.

Although, as unprofessional interviewers, who might have given too leading rapport during the talk, we always tried to create a fairly relaxed and personal atmosphere while at the same time remain neutral, sensitive and non-judgemental with regard to our respondents.

Further methodological considerations concern among others the politics of management research. We experienced that gathering relevant contact details of potential B2B companies was difficult. We could only profit from two personal relations, beyond it, direct contact to brand managers was never possible and we were left to the approach of filling out online contact forms which caused the feeling of sending unsystematic requests. We still cannot define our first corporate contact but surprisingly our requests got forwarded to the responsible person. We believe that this circumstance is evidence of a good internal communication which in fact makes our final companies even more eligible to this study.

Additionally, power relations between company managers and researchers might have influenced the interviews as well as gender aspects. Seven out of nine respondents are male, who might have reasoned their answers differently than a female representative would have. The researchers are all female which is actually beneficial for this study as a feminist position facilitates qualitative research. The reason is that women can establish a higher level of rapport and reciprocity due to their different socialization and communication styles compared to men (Tannen, 1995).

Moreover, we had no control over the situation when people were answering our questions, they might have been distracted. Other issues that might have influenced the respondent's answers are the different cultural backgrounds, language barriers with English not being their mother tongue and the mere fact that they were participating in research. The latter might have led to modified responses in line with what we expected them to say, plus that they might have displayed an excessively favourable picture of the company.

#### **4.6. Interview Experiences**

Overall, the interviewing was successful. The respondents were friendly, helpful and interested, particularly in the practical contribution of this research. The interview situation itself was relaxed and marked by professionalism and experience. It appeared that the telephone contacts were prepared and familiar with the research topic from the proposal that we had sent in advance because no clarification or further introduction was needed at the beginning of the interview and we could start with the questions immediately. The length of the interviews exceeded our expectations and varied between 25 and 50 minutes. As in the pre-sent request we stated a time-estimate of 25 minutes (admittedly a misjudgement on our behalf), one respondent particularly was very time-pressured which affected the data in the way that we received short answers and could not cover all questions from the interview guide. However, all managers showed great interest in our study and offered further support and availability after the interview. Especially Mr. Grönholm of the B2B agency Pyramid constantly provided additionally valuable information about the role of emotion in the B2B context. His commitment called to our attention that in addition to the empirical data, we could have included secondary information about the companies in our analysis as well. On the other hand, the restricted time for this master thesis forced us to limit our approach so that for future research, the data of this study could function as a basis for continuative analysis.

Most importantly to notice is that during the interviewing period, we had to adjust the research approach. Due to the fact, that corporate brand managers are high-in-demand authorities, two people asked for a copy of the interview guide and answered the questions in writing. For the telephone conversations, because of lack of experience, we mixed the approach of sending and not sending the interview guide beforehand. The initial strategy was to only send it out on request as some respondents felt more comfortable when they knew what to expect which in turn contributed to a more relaxed

interview atmosphere and thus better data. We noticed that the mixed procedure affected the quality of our data, both positively and negatively.

- Sending and positive: The answers have been very precise, exact and prepared. The respondents were aware that the focus lied on the second half of the interview: emotion and Lovemarks.
- Sending and negative: However, they also have been rather short in their responses and could control the length of their statements according to their interest and where they saw the focus of the study. Therefore further implication and improvisation maybe missed.
- Not sending and positive: The answers have been very detailed and underpinned with a lot of examples. The flow of the conversation inspired them to elaborate their responses and provide information that otherwise might have not been mentioned.
- Not sending and negative: However, the interview suffered at times from the phenomena that a person starts talking about one issue, switches to another and comes back later to the original question. This was sometimes difficult to follow, caused confusion during the transcription and thus was relatively time-consuming. Also, some questions seemed to be misinterpreted by only being heard once.

For future research projects, sending or not sending will depend on the scope and time-constraint. For a smaller project like this, we would prefer sending the interview guide in advance as this proved to be a more efficient approach in all respects.

The interview experiences from a technological perspective were mixed. The online recording software Pamela malfunctioned at one interview without us noticing. When listening to the recording, at some points, the voices started to overlap which kept increasing towards the end of the interview so that parts of the answers couldn't be identified at all. However, note taking during the conversation helped to compensate this accident. As a result, all other interviews were recorded with an mp3 player, which functioned perfectly well. Internet telephony proved to be of good quality.

More observations concern, among others, the flow of the conversation. The interviewers intentionally didn't interrupt the 'awkward silence' which gave the respondents the chance to further elaborate their answers. Also, the fact that the corporate brand managers have international responsibilities, a language barrier of English not being the mother tongue of anybody was not a problem. However, we noticed that the working country and thus the cultural background of the manager might have influenced our data. The Swedish and German nature is being rather strict, pragmatic and rational which might have limited their enthusiasm when talking about emotion. In general, we stated that we incorporate companies from the European market. In the end, five Swedish, two German companies and one US company agreed on interviews. We particularly incorporated the latter as it had already established the Lovemark status from Kevin Roberts in their smaller B2C section which encourages a better comparison. The fact that the majority of companies were Swedish, although all globally operating, might minimally influence the transferability of the data.

Last but not least, the confidentiality of the information provided was an important issue. Business practices in B2B are less transparent than in B2C which provides certain advantages on the market and this is the reason why discreetness is a central point. We will refer to the companies as A, B, C etc. and

to the surname of the respondents. Only the two agencies Pyramid and Saatchi & Saatchi are not coded as they represent the overall industry picture and do not reveal confidential information. So, only the responsible supervisor will receive a separate document with the decoding. Without the permission of the respective companies, it is not allowed to publish their information from the interviews. The table below displays an overview of all respondents, their position and country. The industries and contexts of the companies will be introduced in detail in the beginning of the following analysis chapter.

Company	Respondent	Position	Country
Company A	Ms. Bernstein	Associate Director Corporate Communications	Neu-Isenburg, Germany
Company B	Mr. Brenner	Corporate Communications and Government Affairs Corporate Branding	Munich, Germany
Company C	Mr. Lewén	Vice President Communications	Märsta, Sweden
Company D	Mr. Torstensson	Senior Vice President, Corporate Communications	Lund, Sweden
Company E	Mr. Ismail	Corporate Brand Director	Lund, Sweden; United Arab Emirates
Company F	Mr. Crane Ms. Preston	Director of Brand Development	New York, US
Company G	Ms. Wistedt	Senior Advisor Brand & Marketing Communications, KM	Södertälje, Sweden
Pyramid	Mr. Grönholm	Brand Development Director	Helsingborg, Sweden
Saatchi & Saatchi	Kevin Roberts	Saatchi & Saatchi Worldwide CEO	New York, US

**Table 3.** Overview of Companies, Respondents and their Positions

## 5. Analysis: Lovemarks under B2B Construction

*The analysis section will interpret the empirical data from the qualitative interviews under the instructions from the theoretical models we apply for this research. First, an introduction to each respondent company is provided and then the actual analysis starts which is divided into six categories resulting from the answers from the interviews. Each category is followed by short conclusions which in the end of this chapter are consolidated into a final conclusion directing our findings to an overall picture.*

### 5.1. Sample Description: Introduction of the Respondent Companies

To complement the general information of the respondent companies from previous chapters, this section provides a fairly detailed overview of each company<sup>3</sup>. The aim is to provide a clearer picture of the B2B industries the companies are playing in, which will help the reader to better relate the stated answers and support the authors to draw a broader conclusion. We also include a brief introduction of the agencies referred to in this study: Pyramid and Saatchi and Saatchi. In the end we show a table that summarizes the companies, respondents and respective industries in order to create a source of reference for the following analysis part.

#### Company A: Ms. Bernstein

Key business types:	International; Business travel management;
Positioning:	leading international provider of solutions for business travel management;
Vision and Mission:	providing solutions that are more comfortably, more efficiently and less expensively; It is experienced, neutral, focussed, innovative, and reliable.
Key services:	Supporting the complete process chain involved in the organisation and implementation of business travel, from preparation through to settlement and analysis

#### Company B: Mr. Brenner

Key business types:	International; Three sectors: industry, energy and healthcare;
Positioning:	Europe's largest conglomerate;
Vision and Mission:	To be an industry leader in the areas of corporate governance, compliance, climate protection and corporate citizenship.
Key products:	communication systems, power generation, industrial automation and control, lighting, medical equipment, transportation and automotive, water technologies, building technologies, and home appliances;
Key services:	Business services, financing, and construction.

<sup>3</sup> The source of information is the respective company webpage which cannot be displayed because of reasons of discretion.

## Company C: Mr. Lewén

Key business types:	International; Providing solutions for industrial superior productivity and aftermarket offerings;
Positioning:	World leading provider of industrial productivity solutions
Vision and Mission:	The core values of the group: interaction, commitment, and innovation; The corporate vision: to become and remain First in Mind—First in Choice® for its key stakeholders.
Key products:	Compressors and generators, construction and mining equipment, industrial tools and assembly systems;
Key services:	Related aftermarket services and rental.

## Company D: Mr. Torstensson

Key business types:	International; Food and water supply, energy production and economizing, and environmental protection;
Positioning:	Global leader in its three key technologies
Vision and Mission:	Striking for the correct balance between financial performance and social performance; Their business principles define the way they should act to be trusted by all members of society.
Key products:	heat transfer, separation, and fluid handling;
Key services:	Review and consultation, repairs and maintenance, training, replacements and leasing products, products for upgrading and modernization, maintenance tools, and product monitoring.

## Company E: Mr. Ismail

Key business types:	International; Operations and solutions needed for processing, packaging and distributing food and beverages;
Positioning:	Global innovator and dominant market leader of processing and packaging solutions;
Vision and Mission:	Commitment to innovation, understanding of consumer needs and relationships with suppliers, wherever and whenever food is consumed; Believe in responsible industry leadership, creating profitable growth in harmony with environmental sustainability and good corporate citizenship.
Key products:	Integrated processing, packaging and distribution lines, and stand-alone equipment;
Key services:	Automate entire processing and packaging lines, train staff to operate and assist in getting customers' operations up and running; Service customers' producing line and plan maintenance; Support for distribution planning, marketing support and packaging designs.

## Company F: Mr. Crane and Ms. Preston

Key business types:	Multinational public company; Two major markets: digital photography and digital printing
Positioning:	Innovator and leader in digital imaging
Vision and Mission:	To increase shareholder value, promote development of the individual, the well being of the community, and respect for the environment.
Key products:	Consumer inkjet printers and ink cartridges, film, photo printing, film cameras, digital picture frames, instant cameras, digital cameras, image sensors, and motion picture and TV production
Key services:	Technical support

## Company G: Ms. Wistedt

Key business types:	International; Vehicles and engines' developing, manufacturing and selling;
Positioning:	Leading manufacturer; world's third largest;
Vision and Mission:	Three core values: customer first, respect for the individual, and quality; To be the leading company in its industry by creating lasting value for its customers, employees, shareholders and the societies.
Key products:	Trucks, buses and coaches, and industrial and marine engines;
Key services:	Financial and insurance support

## Pyramid: Mr. Grönholm

Business type:	B2B branding agency
To know about:	Pyramid is a branding agency mainly in B2B industry, that helps building strong brands by creating conspicuously profitable, boundless communication solutions for international companies; It has served many Nordic and multinational companies and organizations as its long-term partners, particularly in their export enterprise.

## Saatchi and Saatchi: Kevin Roberts

Business type:	Advertising agency (network)
To know about:	Saatchi and Saatchi is the original group looking closely at the conception of Lovemarks; Its focus is to fill the world with Lovemarks; It is an idea company that has 150 offices in 86 countries; It works with over 60 of the top 100 worldwide advertisers and over half of the 50 most valuable global brands in 2007; It was the most awarded network within Publicis Group in 2007;

Companies	Respondents	Industries
Company A	Ms. Bernstein	Business travel management
Company B	Mr. Brenner	Industry, energy and healthcare
Company C	Mr. Lewén	Industrial productivity solutions
Company D	Mr. Torstensson	Heat transfer, separation, and fluid handling
Company E	Mr. Ismail	Processing and packaging
Company F	Mr. Crane, Ms. Preston	Digital photography and printing
Company G	Ms. Wistedt	Heavy vehicles and industrial engines
Pyramid	Mr. Grönholm	B2B Branding Agency
Saatchi and Saatchi	Kevin Roberts	Advertising agency

**Table 4.** Overview of the companies' industries

## 5.2. Categories

### 5.2.1. Category One: Investment and Involvement

The first questions of the interview ask about characteristics and the general structure of the respective B2B industries and buying situations, which help us to better understand and relate the size of investment and the degree of involvement. The answers from respondents can be analyzed according to two categories: nature of B2B purchasing and highly involved buying centre.

#### *Nature of B2B purchasing*

The descriptions of our respondents show companies operate in various markets rather than in a single sector, thus having diversified principles and influential factors in their B2B activities. Within each market, different volumes of purchases determine the factors such as time devoted in decision-making and buyers' motivations. Referring to Mr. Torstensson of Company D, for large international B2B companies it is about multi-products, multi-markets and cultural influences. These diversities lead to different requirements in the customers' consideration set.

*"There is a huge difference for a decision for a computer tomography, a lightening system, a power plant, or just some replacing products."*

Mr. Brenner, Company B, industry, energy and healthcare

*"The more complexity the products/services have, the longer the buying decision-making process will take."*

Mr. Grönholm, Pyramid, B2B branding agency

The respondents confirm literature by stating that industrial buyers spend considerable time assessing multiple criteria during their decision-making process, mainly by reason of the large amount of investment and high market complexity. As Mr. Lewén from Company C describes, customers take longer time to check every kind of possibilities, in pursue of security and reliability. Additionally, Ms. Bernstein of Company A states, on account of the different size of businesses and companies, smaller companies will make faster decisions.

Most of the interviewees mention derived demand when answering the perception of the purchase decision-making process. Mr. Grönholm summarizes the needs of buyers as improving process, lowering cost, getting higher rates and increasing product activity. As Mr. Crane of Company F explains, customers are inclined towards the supplier who is equipped with sufficient knowledge and capability to perform as a consultant providing guidance. This idea is shared by Mr. Ismail of Company E, whose customers stress solutions for maintaining business and technical support. As a result, functional performance like technology, innovation, and guidance, as the foundation for long-term relationships, is of high importance.

*“The need is the trigger behind the facts.”*

Mr. Torstensson, Company D, heat transfer, separation and fluid handling

As stated in a previous chapter, industrial buyers arrive at their final purchase decision through multiple stages that involve high complexity, which has been proved by the respondents. Mr. Torstensson of Company D regards their customers going through four main phases until the final brand choice: *need recognition, shortlist filtration, evaluation of options, and eventual selection*. Consistent with what the authors presented in the background regarding the purchase decision-making process, it is possible to justify the effect of the concerned variables in each stage by the empirical data. Related to the answers from the respondents, influential factors in these four phases (instead of the general eight steps in that circle) are explained below.

1. Need recognition is mostly driven by actual requirements.
2. For selecting the potential suppliers, Mr. Ismail of Company E agrees that customers check all the possible candidates based on various factors such as price, capabilities for fulfilling the solutions and, as stressed by Mr. Grönholm, the emotional attachments. These attachments are for example: previous experience, reputation, credibility and history according to Mr. Ismail. Further, both he and Mr. Brenner of Company B highlight the suppliers' support for the customers during the whole lifecycle. This strengthens their reliability and emotional influence because the customers' competitive advantages are sustained as a result of the support. The companies that enter the consideration set of the buyers are those who have established an emotional link by branding efforts.

*“It is impossible to make a shortlist [...] rationally because it is impossible for customers to know every single supplier of that specific product or service.”*

Mr. Grönholm, Pyramid, B2B branding agency

3. With two or three candidates shortlisted, evaluation of the potential suppliers will be finalized. Mr. Torstensson of Company D summarizes the considered criteria as comparing the offer, price, delivery time, and service. Mr. Lewén of Company C regards those parameters as technical fit, price-performance and availability such as efficient delivery. Technology is of much importance according to most of the respondents. If everything is equal regarding the technological aspect, then the remaining companies go to the final stage where emotion becomes crucial again.
4. The final selection of the supplier, according to Mr. Torstensson of Company D and Mr. Grönholm, is based on emotion. Customers go for the company they believe in and which has the reliability and credibility in their mindset. Mr. Brenner of Company B states that customers are all the time looking for reliability and they need trust in solution, in quality and in supporting their competitive advantages as emphasized above.

*“Most decisions are made on emotions not on facts.”*

Mr. Torstensson, Company D, heat transfer, separation and fluid handling

### *Highly involved buying centre*

In addition to the company introduction in the previous section, several points in relation to the target groups of the respondent companies can be summarized. First, as Company B, D, E and G state, due to the diversity of the businesses large companies are involved in, customers can be segmented into various categories. Therefore, companies need to deal with more complex characteristics of their customers within each market, based on their size and key business. Second, in comparison to consumer markets, industrial markets involve many more departments and individuals in decision-making process. Mr. Ismail of Company E states that for one purchase decision of equipment, different levels from CEOs, to managing directors, technical team and financial department will all be covered. He regards every purchase as a decision participated in by the overall organization.

*“We don’t skip anyone in the organization.”*

Mr. Ismail, Company E, processing and packaging

Third, as Ms. Bernstein of Company A emphasizes, companies need to make a difference between the target group they want to influence and the buyer who makes the final purchase decision. The target group consists of the staff who are involved in the decision but do not make the eventual choice. In contrast, buyers are the persons from the purchasing division or the managing director for the case of smaller companies.

### *Conclusion*

The purchase decision-making process has been justified above, through the four buying stages. Furthermore, the statements of the respondents have supported the conclusion of Kotler and Pfeortsch’s research in relation to the brand relevance. As explained in the second chapter, brand relevance increases from straight re-buy to new task, and from performance review to the need recognition. According to the respondents, first, when customers select a completely new product or service, B2B companies are necessarily required to put in more brand communication efforts. Second, to attract customers’ attention and recall their preference when formulating the shortlist and finalizing the decision, brand is highlighted with noticeable relevance because of the significant role of emotion. Last, high investment and involvement of B2B markets not only represent the large amount of time and money spent and responsibility of the buyer, but also the high demand of the overall organization’s participation and interactivity of B2B branding.

### **5.2.2. Category Two: Integrated Brand Communication**

The ‘branding triangle’ in the theory part illustrates the holistic perspective on brand communication and displays the need for integrating external, internal and interactive communication efforts. In our empirical research we want to see if the companies have a holistic perspective on the relationships between company, employees and customers, because according to previous research this is necessary in order to deliver a successful and consistent brand image. We ask respectively about the external and internal marketing efforts and also about the customer relationships, to try to convey the interactive marketing efforts.

Mr. Grönholm states that what companies generally want to convey is reliability and credibility, that one can trust the business partner. The way to do this is through communication and behaviour, where the latter consists of employee behaviour and product behaviour. It is vital to make sure that the company can deliver on their promise in their communication. He explains:

*“The balance is to use the marketing tools to create the right expectation of the products’ and employees’ behaviour that actually will be delivered on that expectation”.*

Mr. Grönholm, Pyramid, B2B branding agency

### *Branding Triangle*

This leads us into discovering how the companies use the components of the ‘branding triangle’ in order to create a consistent brand communication. Targeting external marketing, we ask which brand values the companies communicate to their customers. The answers have a general emphasis on innovation, commitment, trust and reliability.

*“We communicate basically three brand values: commitment, interaction and innovation. These are then combined to a fourth: productivity”.*

Mr. Lewén, Company C, industrial productivity solutions

*“We are focused on three brand values and this complies also with the personality, and they are: Innovative, responsible and excellence”.*

Mr. Brenner, Company B, industry, energy and healthcare

Innovation is something that almost all companies answer as one of their brand values. It is stressed that in B2B, forward thinking is key to gaining competitive advantage. Mr. Brenner of Company B stresses that it is important to communicate that the company is looking into the future, being creative and creating products and services that are the benchmark of the industry. Mr. Ismail of Company E also says that innovation is the key to being inspirational, which makes the buyers want to be associated and do business.

All companies answer in some way that trust and reliability are important brand values to communicate to external customers. To assure that the company is trustworthy, will deliver on the promise and is reliable and committed as a business partner in the long run, are comments that are stressed particularly.

As for the tools the companies use to carry out the external marketing efforts, they are many because it is big companies that we are focusing on and they have big budgets to spend on marketing. Most of the companies confess to use most of the tools available in B2B marketing, such as advertising, exhibitions and trade fairs, sales literature, company magazine and website.

*“The industry is highly dominated by trade fairs so we take part in all of them”.*

Mr. Lewén, Company C, industrial productivity solutions

One of the most prominent answers and one that many companies said was ‘people’. According to many of the respondents, personal selling is key in building strong relationships in B2B markets. This, we will come back to when dealing with the interactive marketing part of the ‘branding triangle’ because it deals more specifically with the communication between company employees and customers. A prerequisite for this to work is that the internal marketing is functioning properly, which will be discussed next.

As mentioned in the theory part, the ‘branding triangle’ presupposes that the external marketing efforts have to be aligned with what the employees convey in their interaction with the customers. This means that there has to be an integration of the external marketing of the brand values on an internal level in order for the brand image to be consistent. All companies prove to have internal marketing efforts of

different sorts and there is also a variation in how much emphasis is put on especially internal marketing. Mr. Brenner of Company B puts it this way:

*“The past one and a half year there has been the same system, whatever we have been communicating externally was in a period of time before that communicated internally”.*

Mr. Brenner, Company B, industry, energy and healthcare

Mr. Brenner goes on to say that the company has a strong emphasis on employees understanding the brand message and values. The company puts a lot of emphasis and resources into communicating that thoroughly. Ms. Wistedt of Company G shares this reasoning. She explains that her company uses a wide variety of tools to make sure that the employees know and understand the external marketing communication concepts, such as internal magazines and special campaign books. Company E makes a generalization for the overall strategy of companies on more of a product level:

*“For the sales force, we are educating them in understanding what the products deliver and what the competitive advantages of the products are versus the competition’s. That is an effort that is really given in any company and it is what you do to sell the benefits of your products through the sales force in the market place”.*

Mr. Ismail, Company E, processing and packaging

There are also subtle ways to make sure that your employees are tuned into the company’s statements:

*“For example to reinforce our vision and mission statements for our business unit we created PC wallpapers and screensavers and pocket cards.”*

Ms. Preston, Company F, digital photography and printing

Not all companies agree on having a strong internal marketing function. Two companies explicitly say that the emphasis is not on internal marketing in their company and they find that very unfortunate. This implies that they are still aware of the importance of it though. Both companies say that they do use internal marketing but that it needs more work and development to be efficient in the future.

Many of the companies express the fact that it is the personal relationships and personal selling function that is the most important tool when communicating brand values.

*“Let’s call it personal performance and the contact with the customer is the most important tool and the others are supportive tools”.*

Mr. Brenner, Company B, industry, productivity and healthcare

*“A lot of the decision-making and relationship building is made on the field by local sales staff, so personal selling is key. People have worked for [Company C] for so long they have built strong relationships and networks”.*

Mr. Lewén, Company C, industrial productivity solutions

This reinforces the notion of the ‘branding triangle’ which says that the brand values have to be integrated throughout the whole organization in order to be efficient. This concerns the last part of the ‘branding triangle’ that we apply here: the interactive marketing efforts. This means relationship marketing with the purpose of creating and maintaining customer relationships that will benefit both sides. Partnering up with customers, co-creating value is very common for B2B companies according to most of the respondents which is why we will cover the importance of relationships more broadly in category five: customer partnership and loyalty.

The respondents all agreed that a relationship with customers is a great competitive advantage but that it does not happen just like that. In order to establish a relationship with customers the company has to have mutual trust and commitment, which is something that most companies stressed clearly and that we could also see from the external marketing of the companies' brand values.

### *Conclusion*

This gives us the insight that it is a requirement in B2B to communicate brand values that stress the safety in doing business with each other, reassuring that there is mutual trust and commitment between the companies. This means that the 'branding triangle' is validated when it says that companies need to integrate brand communication to be consistent and reach all participants: company, employee and customer. Because without a consistent communication to customers, trust and reliability cannot be established and the foundation for becoming a Lovemark is deleted.

### **5.2.3. Category Three: Function versus Emotion**

It is confirmed by Mr. Grönholm that emotional factors have become more and more influential in today's branding activities and very few companies have competitive advantages *only* based on rational or functional benefits. As a result, a combination of function and emotion, where the proportion of the latter is increasing, is highlighted by most of our respondents. Based on the relevant theories elaborated in the theory chapter and the empirical data gathered, the following subcategories can be suggested: benefits of intangible values, role of emotion in brand communication and message strategy.

#### *Benefits of Intangible Values*

Lynch and de Chernatony (2004) have underlined three factors in terms of the intangible brand values: trust, peace of mind, and security. Based on the statements of our respondents, we further modify and explain these factors in the way of trust and respect, risk reduction, and reliability.

Trust, together with sympathy, describes the emotional relationship Company B has with their customers according to Mr. Brenner. He explains that customers are looking for long term cooperation especially through trust and respect. Mr. Crane of Company F is on the same track. He regards their brand to have '*warmer emotion*' and classifies it into friendly, approachable, and trustful. Buyers need to make sure for each purchase that the person they buy from is a partner or a friend they can be with and trust in the long run. He stresses the main benefits of intangible values as below:

*"Intangible values help form the trust relationship."*

Mr. Crane, Company F, digital photography and printing

Trust and respect is of great importance according to Mr. Ismail of Company E as well. The role of 'respect' and 'technology' gives the brand extra value. He believes that trust towards the product, which is genuine and highly respected, is able to bring extended trust on to the individuals of the company. Moreover, trust implies strong correlation between internal and external emotional branding. The consistence of this correlation is confirmed by Ms. Wistedt of Company G who says that trustworthiness supports the salesperson's work. A detailed analysis of trust based on the interviews will be elaborated in the fourth category: trustworthy personality.

Industrial buyers are generally making big investments for the future which endows the purchase with high uncertainties. As Mr. Brenner of Company B and Ms. Wistedt of Company G describe, buying a product involves a big risk for the person making the purchasing decision. Nevertheless, they are influenced by emotion in the decision process. According to Ms. Wistedt of Company G '*peace of mind*' is highlighted as the main emotional message for their communication. Mr. Brenner of Company B

stresses the term reputation when discussing the risk reduction effect. Although dealing with large investments, companies are not pursuing immediate sell, but long-standing customer relationship. Therefore, emotional image such as reputation contributes in overcoming uncertain feelings.

The term sympathy brought forward by Mr. Brenner of Company B is a good indication of reliability. He explains that when doing projects on a large complex level, more coordination is required which means more mutual understanding is necessary. According to the research of Lynch and de Chernatony (2004), it is possible to regard reliability as a definition of 'peace of mind'. In addition to trust and safety, customers tend to rely on the suppliers who are capable to capture what the customers think and need, and this capability helps build the brand resonance as the basis for higher loyalty.

Derived from these three key intangible values (trust, peace of mind and security), as most of the respondents conclude, a combination of both functional and emotional dimensions is required for B2B branding activities. They serve as the foundation for each other, and together contribute to establish "better bonding", Ms. Bernstein of Company A says. The interaction and balance between these two dimensions are described by the respondents as:

*"The things you are promised on the emotional level have to be fulfilled by hard facts of the things you offer."*

Ms. Bernstein, Company A, business travel management

*"It opens up a door when we offer a new product/service. They [customers] will look into the offerings with an open mind rather than being sceptical."*

Mr. Crane, Company F, digital photography and printing

*"You have to have a rational argument, but then you have to tell them in a manner so that they can see you acting and see your attitude."*

Mr. Brenner, Company B, industry, energy and healthcare

These implications show a clear link to the theoretical chapter where we use the model 'Building B2B brands with balanced functional and emotional values' and the 'Pathways model' as the key framework for explaining emotional values. For the former, the empirical data on the intangible value aspect has validated the structure of the branding process. The variables in customers' consideration set are determined by functional and emotional benefits, influenced by integrated brand communication. Even highly involved buyers can still be dependent on emotional claims. As for the latter model, similarly, emotional and functional benefits converge together to further formulate emotions between a brand and a person. As the model indicates, rational factors mostly help to justify decisions driven by emotions, which have been widely agreed by our B2B respondents.

### *Role of Emotion in Brand Communication*

To analyze the role of emotion in B2B brand communication, the data drawn from the interviews will be categorized into several concepts: structure (of the buying centre), process (of the purchase decision-making) and criteria (in buyers' consideration set). Since relevant data for the concept of 'process' has been analyzed in the first category, 'structure' and 'criteria' are stressed in the section below. Further implications of the differences between service and product industry are presented as well as the message strategy.

Based on the intangible values suggested by Lynch and de Chernatony (2004), more descriptions can be drawn from the respondents' answers. Mr. Crane puts the types of emotion stressed by the customers of Company F in the way of friendliness, approachableness, and trustfulness. Comfortableness and 'fun side' are emphasized by Ms. Bernstein of Company A, and trust and pride by Company G. Mr. Brenner

of Company B is focusing on the emotional claim *'we have an answer'* to strengthen the partnership and reliability of the company.

*"We need to bring something else than technology..."*

Mr. Lewén, Company C, industrial productivity solution

Based on the implications we drew for the section above, emotion plays an important role when it comes to the phases of forming the consideration set, recommendations and loyalty, stated by Mr. Brenner of Company B. He further says that when a high level of investment is involved, more harmony is needed and communication of emotion becomes more crucial.

Emotional effect in purchase decision-making process is in accordance with the notion of 'criteria', which are summarized as trust, prestige, career security, friendship and social needs (Lynch and de Chernatony, 2004). Among these factors, trust, security, personal relationships are confirmed by the respondents, plus, complemented by reputation, reliability and sympathy. Therefore, the model explaining the balance between functional and emotional values can be basically validated by the empirical data, based on the specific terms the companies stress.

Different types of industries give emotion different roles. Since most of the respondent companies operate in both product and service fields, they are capable to provide overall views toward the characteristics of the different sides. In general, most respondents agree that service industries provide more space for the effect of emotion. Mr. Grönholm states that service demands higher cooperation from customers which leads to higher demand of emotional relationships. Ms. Bernstein of Company A has the same viewpoint, saying that it is easier for service companies to play on the emotion of buyers. Conversely, Mr. Brenner of Company B says that products are most determined by trust, quality and excellence which means that emotion confronts more barriers as more rational facts take the dominant role.

*"Consequence of service is felt immediately."*

Mr. Ismail, Company E, processing and packaging

*"Emotion's role is more important when it comes to services as they are created by people you need to trust."*

Ms. Wistedt, Company G, vehicles and industrial engines

### *Message Strategy*

The proportion of emotional claims has been continuously increasing, as Mr. Crane of Company F confirms. In terms of messages in B2B advertisement, more companies stress storytelling and visual sense's application. Storytelling can provide sustainable differentiation and reason for purchase, even in B2B context, as Mr. Grönholm states. He also defines that the heart of a great brand is a compelling story built around an 'emotive personality'. More practically, according to Mr. Crane, testimonials highlighting how they help their customers, general features with striking image, and small texts explaining how the customers can benefit, can be adopted. Mr. Ismail of Company E admits that storytelling had not been used before as their communication mean, but they are putting more and more efforts into this new type of message strategy because they believe that:

*"It is going to be a key to be able to bring those stories quote by quote into life."*

Mr. Ismail, Company E, processing and packaging

Company C also pays more attention to storytelling in their recent product launch, in order to get a *'feeling around the product'* rather than the technical solutions. A good example is Company B's emotional claim *'we have an answer'*, exemplifying an open dialogue. Mr. Grönholm has put story telling in a more systematic way where it is related to the overall brand value:

*"Storytelling is a technique used to create personality of the brand or an archetype [...] and generally, all the stories fall down to selling confidence and reliability."*

Mr. Grönholm, Pyramid, B2B branding agency

According to Ms. Preston of Company F, visual senses adopted in the messages are mainly online banners, videos, keynote presentations and print ads. Also, the image ads with a fun approach of Company A builds a scenario for customers in order to efficiently deliver brand values. All these successful emotional messages contained in brand communication help form competitive advantages and reach the *'sharing of love'*, according to Mr. Grönholm.

### Conclusion

Respondents' statements support the important role of emotion for both service and product industry, especially for the former type. Its effect on buying centre, purchase decision-making process and variables in buying centre discussed by Lynch and de Chernatony's (2004), is proven to a certain extent. As Mr. Grönholm describes, the role of emotion in B2B branding is to make a transition from *'sharing of mind'* to *'sharing of love'*, which strongly confirms our research purpose in reaching B2B Lovemarks.

It is no doubt that both functional and emotional need to follow the principles of and be consistent with the overall corporate culture and key brand values. To support this point of view, further analysis in brand personality and brand values will be elaborated in the following section.

#### 5.2.4. Category Four: Trustworthy Personality

For this category, we analyze the respondents' answers that describe their brand personality, brand image and brand values. As brand personality is considered as the core of the organization, the analysis starts from looking into its consistency with the corporate culture and brand values. Then the fit between brand image and personality of the respondent companies is discussed. So the following subcategories are included: brand personality as corporate culture and brand image.

##### *Brand Personality as Corporate Culture*

*"How we want to be seen circles around three brand values [...] which complies with the personality."*

Mr. Brenner, Company B, industry, energy and healthcare

*"We are more open and friendly overall; it is the corporate culture."*

Mr. Torstensson, Company D, heat transfer, separation and fluid handling

Mr. Brenner of Company B explains that brand personality must be consistent with the brand values the company wants to deliver together with other functional attributes. Mr. Torstensson of Company D says that corporate culture, as the core that guides every step of the brand communication, determines the brand personality in an overall view. He further stresses brand personality as the brand driver and the essence of a brand. According to the highlighted contents by the respondents, the following subcategories can be summarized: forward-looking, friendship, and trust and reliability.

### 1. Forward-looking

An innovative and inspirational view can be regarded as a key stimulus of competitive advantage in industrial markets, as described by Mr. Ismail of Company E. Similarly, Ms. Preston of Company F and Ms. Bernstein of Company A highlight the conception of innovation in their brand value communication. Mr. Brenner of Company B translates innovation into forward-thinking which implies a creative view looking into the future. Furthermore, as stated by most of the respondents, technological support is considered as the most important driver of forward-looking perspective. Mr. Lewén of Company C states that entrepreneurial spirit which implies a progressive culture is one way of understanding the role of innovation. Last but not least, Mr. Ismail of Company F underlines two dimensions of brand personality: historical identity and the orientation they are moving towards. He describes their efforts as changing previous 'older' personality to being more agile and having a modern status. This definitely is consistent with the forward-looking point of view.

### 2. Friendship

As stated above, many strong B2B brands have advantages in technical fields. However, Mr. Crane of Company F differentiates their brand from the competitors not only by the broad product line but also from a human, caring side. He pictures the company as an approachable, friendly expert. The same view is shared by Mr. Torstensson of Company D who depicts their role as a straightforward and open friend for the customers. Both Mr. Brenner of Company B and Ms. Wistedt of Company G stress that the foundation of friendship is derived from providing professional knowledge and guidance and constantly taking care and being honest to the customers. Their role is being an expert, specialist, or experienced consultant is stated by Company A, B, C, E and F who share the benefits of friendly personality in their different industries.

### 3. Trust & reliability

*"In general, what B2B companies always want to convey is their reliability, everything comes down to confidence."*

Mr. Grönholm, Pyramid, B2B branding agency

According to the aforementioned statement of Mr. Grönholm, trust and reliability are attached with much importance especially in industrial markets due to customers' high demand of confidence and security. Ms. Wistedt of Company G regards the company as an experienced, safe, reliable, powerful and trustworthy brand. Analogously, Mr. Crane of Company F describes the brand as a trustful and respectable guide.

Both the 'forward-looking' and 'friendship' categories contribute to trust building. Especially according to Company D and Company G, the perception of safety plays a significant role in their brand personality construction. Mr. Torstensson of Company D describes the essence of their brand as 'security of change' and the security is to 'be there' and to 'be around'. This helps the brands maintain a long-lasting and reliable image. It is similar to what Mr. Lewén of Company C expresses, the dedication of a brand guarantees the constant support for customers and produces trust and reliability.

*"We are more of a fireman than a cowboy."*

Mr. Wistedt, Company G, vehicles and industrial engines

On all accounts, brand personality as the core of brand identity in industrial markets has high relevance with the points as forward-driven with up-to-date innovation, warm relationship with constant care, and trust with high dedication. All these, according to Mr. Brenner of Company B and Mr. Torstensson of Company D, have been incorporated in their respective corporate mission and vision.

### *Brand Image*

*“When we communicate we want to tell it like it is.”*

Mr. Torstensson, Company D, heat transfer, separation and fluid handling

Mr. Brenner of Company B points out that it is the corporate image that structures all communication and is consistent with the brand value. Customers are sensitive to attributes such as professional knowledge for solutions, constant care, reputation and reliability. To support the improvement for keeping the resonance between brand personality and image, feedback based on customer research or other CRM tools indicates the customers’ perceptions and serves as a basis for companies’ evaluation of their customers.

Company E stands out due to its orientation to new personality and image that it has been putting much effort into recently. As already stated, they used to have the brand image of *“an old Scandinavian gentleman”*, which brought the brand considerable reputation based on a historical perspective. To be consistent with their brand strategy and the new personality they try to convey, a transition into a younger and more modern person. As Mr. Ismail explains, ‘image pushes the innovation of personality’ and they need to change from the perception as being a slow, big tanker.

Last but not least, since it is personality that gives brands human characteristics, cultural concern cannot be overlooked for these international companies. Specifically, Mr. Brenner of Company B highlights that customers from different markets hold different perceptions toward the company’s core values.

### *Conclusion*

As we elaborated in the theory chapter, the CBBE (customer-based brand equity) model constructs a meaningful brand identification, which is associated with brand personality in customers’ minds. It is the basis of the brand building process. As Mr. Torstensson of Company D states, the brand is driven by brand personality. This just explains the role of a brand’s personality in the overall brand communication, where brand values are the thread throughout the process. The main values of the respondents’ brands consist of brand performance attributes such as quality and innovation as well as reputation attributes such as trust and reliability.

Furthermore, after delivering the brand message, companies collect the customers’ feedback via different communication tools. Meanwhile, they have the opportunity to influence the customers with emotional stimulus. Gaining balance between brand personality and brand image (brand identity and brand meaning in CBBE model) is fulfilled by a properly integrated brand communication. The communication process needs to basically consider every step from a customer perspective to create the right expectation according to Mr. Grönholm. Emotional stimuli like trust, reliability, friendly support and care, are the main terms customers concentrate on. The peak of the pyramid in the CBBE model, answers the question about *“what about you and me?”* (brand relationships). As Ms. Bernstein of Company A says:

*“The longer they stay with us the stronger the bounding to the brand is.”*

Ms. Bernstein, Company A, business travel management

On a higher level, the ultimate ideal status for a brand is *“loyalty beyond reason”*, dealing with the future relationship. It can be proven by the respondents’ statements that while brand personality as an emotional stimulus is the basis of relationship building, a successful delivered brand image contributes to customers’ identifying Lovemarks. According to this finding, we suggest an advancement of the CBBE model, as can be seen below.

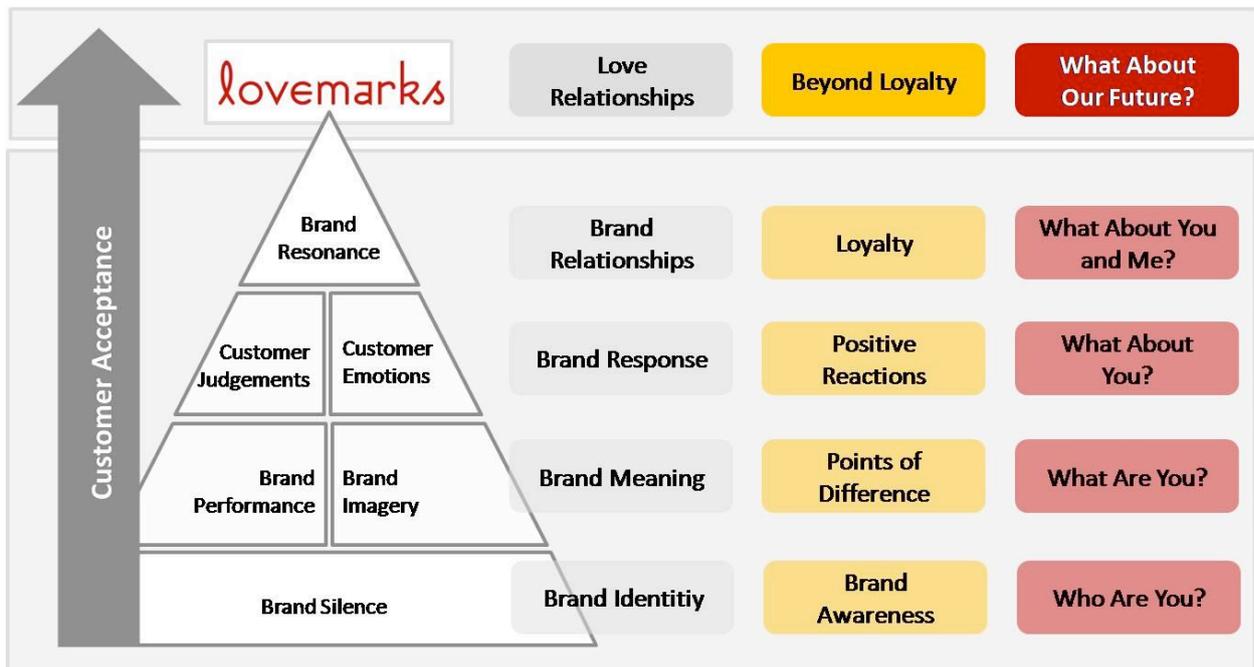


Figure 16. Customer-Based Brand Equity (CBBE) Model adjusted to Lovemarks

### 5.2.5. Category Five: Customer Partnership and Loyalty

According to Mr. Grönholm of Pyramid, relationships are managed in different ways depending on the type and range of product or service the company offers. For example:

*“One of Pyramid’s clients, producing airplane engines, has five customers worldwide. So, it has a very well developed CRM system”.*

Mr. Grönholm, Pyramid, B2B branding agency

Mr. Grönholm goes on to mention that some companies have so many customers that they therefore lack in competence and can’t provide a consistent quality of relationship management. He also speaks about the relative size of the business operations. If the company is operating all over the world, the more locally-driven the business becomes and the company can lose control over the customer relationship management. Ms. Wistedt confirms the previously mentioned information that size matters:

*“We have an advantage in size compared to our competitors; we are a smaller company and therefore more flexible, which allows us to treat our customers in a more personal way.”*

Ms. Wistedt, Company, G, heavy vehicles and industrial engines

Most of the respondents also say that the size of the operations matter and that cultural differences play a role in how the companies create relationships with their customers. In B2B markets it seems less common to have a uniform program globally. This leaves a gap for B2B companies to further develop their relationship building because as we have seen from the company responses below, it is of great importance and can lead to competitive advantages. One of the issues that make relationships with customers important especially in B2B is pointed out by Mr. Brenner:

*“In business to business it is quite common that you have to partner up with your customers. You don’t just sell like you would go through a super market or so, and sell to an anonymous crowd, but you are a consultant along with a supplier. And that converts to a customer-relationship. So a customer relationship circles around trust and understanding and sharing common interests”.*

Mr. Brenner, Company B, industry, energy and healthcare

### *Customer-Partnership*

All respondents mention to some extent that it is important to be close to customers in the way that companies actually have to produce something that customers really need. This is a collaboration that makes the relationship more of a partnership between companies. Mr. Lewén and Ms. Bernstein have similar experiences:

*“We are committed to the customers’ superior productivity through interaction and innovation”.*

Mr. Lewén, Company C, industrial productivity solutions

*“We have special customer events where we integrate customers into our product development. For example there is a customer advisory board. This is held once a year with international customers, a selection of the closest customers and they get involved into the process: how do you like our solution, what would you want to change and so on. These events are very important for us to get a close relationship to our customers.”*

Ms. Bernstein, Company A, business travel management

This ultimately comes down to considering the success of the customers as a success for the suppliers. This notion is mentioned by many respondents and more specifically, Ms. Preston says:

*“Company F is in lockstep with its customers in pushing for growth. Our mission is for growth of our customers and for [Company F]”.*

Ms. Preston, Company F, digital photography and printing

Co-creation of value such as mentioned above needs high levels of trust and commitment between companies. All respondents mention trust as one of the most significant factors in building the partnership between company and customers. Mr. Ismail of Company E for example, expresses trust to be the most important element in any relationship, be it in B2B or between two human beings in a social relationship. Long-term and strong relationships are crucial in B2B as the products and services often are very costly and need to last for a long time. Mr. Crane says:

*“The buyers want to feel that the equipment can last for more than 10 years. They need to make sure that the person they buy from is a partner they can be with in the long run and that they can trust”.*

Mr. Crane, Company F, digital photography and printing

## Loyalty

When companies have reached a level of trust and commitment that is satisfactory, the competitive advantage of loyalty can be obtained. All respondents express the opinion that customers want to continue doing business with companies that have products and services that they are comfortable with and can rely on. So in addition to quality products, it is essential to create that reliability that will further lead to high loyalty. The statement of 'loyalty beyond reason' proves to be something that all respondents have strong opinions about, good and bad. Mr. Grönholm says:

*"I believe that loyalty is more important in B2B than in B2C. Loyalty beyond reason is very important especially for the high-complex products and services because it is so complex that you cannot explain every single detail about what you are offering. So you need to convey the reliability that makes your customers trust everything you say".*

Mr. Grönholm, Pyramid, B2B branding agency

Mr. Lewén of Company C says that the company wants to have customers that are 'loyal beyond loyalty', which can be seen as a form of 'loyalty beyond reason'. The vision is to be "*first in mind and first in choice*", he says. Ms. Wistedt of Company G is also a believer of 'loyalty beyond reason' and has many examples of how loyal customers have incorporated the brand into their personal lives as well, in the forms of for example tattooing the brand on their bodies. She also mentions that the very high loyalty for the brand shows in how long the average employee stays with the company. Another opinion on 'loyalty beyond reason' is expressed by Ms. Bernstein, who says:

*"We don't want to get into the position that we don't need to give our customers a reason anymore to stay with us, this is really dangerous for service companies I would say".*

Ms. Bernstein, Company A, business travel management

Mr. Ismail of Company E expresses a more critical view on the topic and says that loyalty beyond reason in B2B is not possible because of the nature of the purchase decision process. In B2C it might be easier, he states, because then it is on personal level you connect to the brand, and B2B is more rationality-driven than that. Mr. Brenner of Company B has a mixed opinion and says that, in B2B it is never '*beyond reason*' but that loyalty indeed is proven in terms of how strong intangible assets the company has. For example, if a company has a strong track record of being reliable and fair to customers, which is shown in the company's achievements, it is easier for buyers to forgive any mistakes the company might make and still give them a chance for further collaboration. This complies with how Kevin Roberts of Saatchi and Saatchi defines 'loyalty beyond reason', that companies can make mistakes and still be forgiven.

## Conclusion

'The development of buyer-seller relationships in business markets'-model, by Ford (1998), which was introduced in the theory section, serves as a framework in exploring the respondent answers. The data shows that B2B companies do go through the stages described by the model: the *pre-relationship stage*, the *exploratory stage*, the *developing stage* and the *stable stage*. The companies we have interviewed, however, all fit into the last stage of the model – the stable stage. They are all in the situation where relationships with customers have matured and are more stable. All the companies interviewed describe that in some way they are committed to the success of their customers. It is of utmost importance to innovate and adapt operations to better suit the needs and wants of the customers. This is what happens in the last stage of the model – interaction. However, the data also confirms the applicability of the earlier stages. For example, the need for trust and reliability that is stressed by the model in

especially the third stage – the development stage, was also confirmed by all respondents in various ways.

Loyalty is created through relationships built on mutual trust and commitment. In B2B markets relationships tend to be characterized as partnerships, where both companies participate in creating value for each other. Hence, it can be seen as B2B companies have an extra benefit in the way that they are most often in stable relationships with each other and can more easily create 'loyalty beyond reason', which is a requirement for becoming a Lovemark. This leads in our opinion to a modification of the Ford-model and CBBE model, where a higher stage after stability and brand resonance can be reached, a stage for B2B Lovemarks.

### 5.2.6. Category Six: B2B Lovemarks

Kevin Roberts argues that brands have become too standardized and '*captured by formula*' (Roberts, 2005). His perspective is, as mentioned before, from a B2C point of view but the fact that the business environment today is fast paced, ever changing and the habitat of very well informed, individual and critical customers is true for both B2C and B2B operations. Under such circumstances, there should be a need for B2B companies to also focus on how to differentiate their brands in a more personal way in order to strengthen customer relationships. This leads us into the review of the data the respondents provide regarding relationships and love. As established from previous sections in the analysis, it is important for B2B companies to develop strong relationships with their customers based upon trust, commitment and loyalty, which are the requirements for a partnership in substance. The point of investigation now is, whether or not the B2B respondents feel that these relationships are love-relationships, based on emotions more than rational facts. Mr. Grönholm states that from his experience with B2B clients it is 'absolutely' possible for them to be loved by their customers:

*"If you share values, visions, purposes, view of quality and commitment it is possible for B2B customers to love their suppliers"*

Mr. Grönholm, Pyramid, B2B branding agency

He goes on to discuss that it is about whether or not the company feels that the partner is committed to the success of the other one. This is something that many respondents also have mentioned when asked about customer relationships in a previous section. B2B companies are committed to their customers' success and also in some ways dependent on it. If this is the case then there should be a reasonable possibility for these companies to share love with each other. However, this is a difficult question to get a straight answer for. The real definition of love is something that most respondents struggle with. Many use other terms or elaborate the meaning.

*"It is not easy to describe our situation with the word love. We are liked, respected"*.

Mr. Ismail, Company E, processing and packaging

*"I think it's the reliability that gives us the emotional bond."*

Ms. Bernstein, Company A, business travel management

Mr. Brenner of Company B states that the company is admired because of the consistency, reliability and commitment of the brand. But can it be called love? He reasons that because the company is so big and operates in many different industries, it is hard to determine whether or not the company and brand can be loved as a whole. He believes that the company is loved in some industries but not all. Mr. Crane of Company F states that love is a strong word to use and that '*credible partnership*' might be a better choice of words. However, some respondents believe that love is the right word to describe their brand status to some extent. Mr. Lewén puts it this way:

*"I think we are loved by some customers but not by all".*

Mr. Lewén, Company C, industrial productivity solutions

He argues that it all comes down to beneficial relationships where people respect and trust each other. Mutually beneficial relationships can create love in his opinion. Ms. Wistedt describes several situations where customers have proven their love for the brand.

*"We are sure that we are loved by our customers".*

Ms. Wistedt, Company G, heavy vehicles and industrial engines

Examples such as tattoos, people being married in front of trucks, and festivals in honour of the brand prove that the relationship and feelings customers have transcend the usual boundaries for the preference towards a brand. Ms. Wistedt however further points out that this love is something that the company has to work hard to keep alive. She admits that the company has a higher customer tolerance for mistakes but emphasizes that it is essential to be observant and do not make too many mistakes because not only will the company lose money but also the customers will lose faith in the company.

Another way to inquire about information regarding love-relationships is to ask the respondent what they think customers would feel if the company's brand was removed from the market. This will uncover more descriptions of the feelings from the respondents without using the word love. The companies that are inclined to use the word love also give the most vivid answers on customers' feelings, such as, chocked, angry, sad and surprised.

*"There would be a definite hole in the market".*

Mr. Lewén, Company C, industrial productivity solutions

Some of the more 'love-conservative' respondents state that brands will always come and go. There will always be other companies there to fill the void, even if it is not instantly done, it will not take long.

*"Turbulence for a time but with other actors trying to fill the gap"*

Mr. Torstensson, Company D, heat transfer, separation and fluid handling

However, some of these respondents give answers that convey quite strong feelings. For example, several say that customers will miss the company a great deal and that there would be a big gap in the market if they were to go away.

Mr. Grönholm of Pyramid provides an explanation of why companies have a hard time accepting emotional factors, such as love. According to him, companies in B2B markets don't sell products – they buy them. Products are mostly developed because the buyer has a need for a solution to a rationally defined problem. Since this identification is strictly rational and often analyzed very thoroughly, B2B companies tend to neglect the next steps in the decision making process. In fact, these next steps are almost entirely emotional, Grönholm explains.

*"My experience is that once I got people to understand that the final selection in B2B is a result of alternately rational and emotional selection processes, they also understand that the ultimate goal for a brand is to be loved".*

Mr. Grönholm, Pyramid, B2B branding agency

Attributes describing B2B Lovemarks

The next section of the analysis will focus on the most important brand values that the respondents mention and lead to the plotting of the companies into a grid to see which would qualify as B2B Lovemarks.

In order to do this, the ‘Lovemark Model’ by Roberts (2006), as mentioned in the previous theory chapter, will be used to evaluate the brand value components that were concluded from analyzing the data. Since this model is a B2C concept it needs adaptation in order for the authors to use it in a B2B context. By adjusting the categories and components to better match the B2B specific data collected, the authors present the adaptation of Roberts’s ‘Lovemark Model’ below.

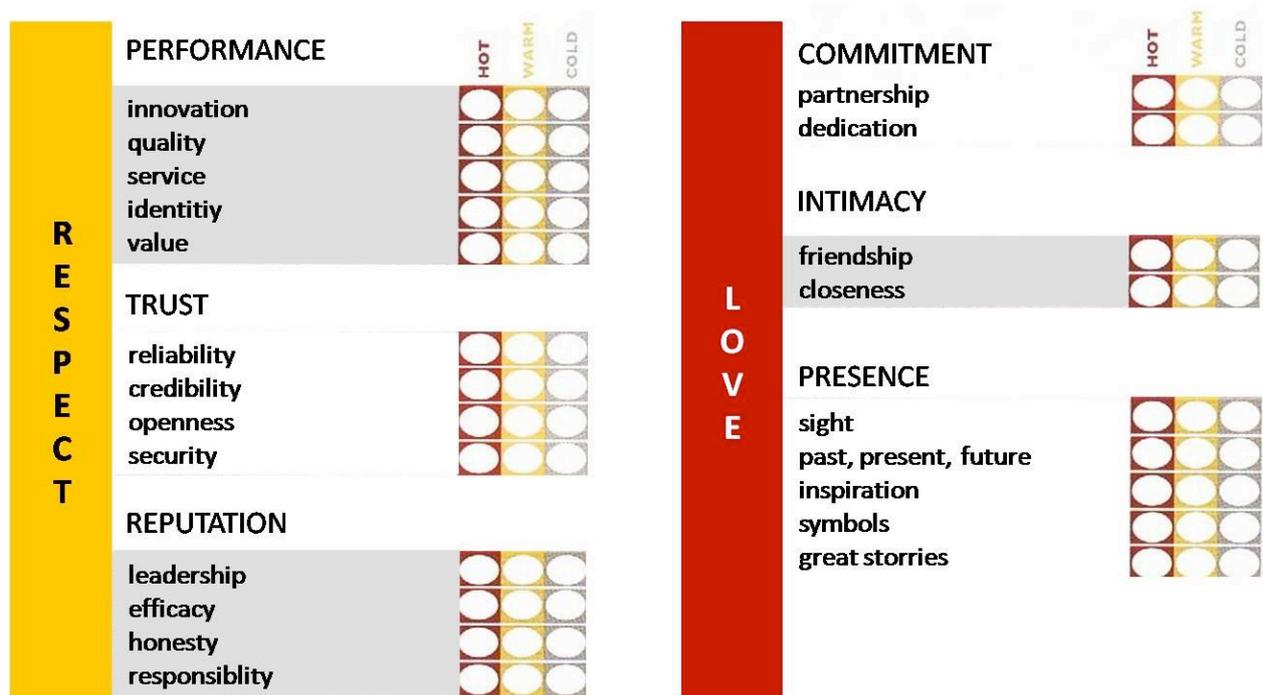


Figure 17. Adjusted Lovemark Model

The model has been adjusted both category-wise and component-wise. The adapted model should be understood on the basis that the component that comes first in every category is the one that, according to our data, is emphasized the most by the respondents. Also, the categories range in importance from top down, meaning that the category that is on the far top is the most emphasized one by the respondents. Under the respect-headline, it is *performance* that is most important and under the love-headline, it is *commitment*.

Starting on the respect-side of the model, according to our data, *performance* is mentioned as most important because it contains innovation and quality which are the two components that all respondents say ‘have to be there’ as a rational justification for doing business at all. This category is followed by *trust* and *reputation*. The components under the first two categories are basically the same, which fits with the data. Under *reputation* however, *efficacy* is on second place in this adapted model, because many respondents mention that it is of extreme importance to produce what is necessary and needed by customers. Mr. Grönholm of Pyramid confirms this importance stating that very few things are produced on any other basis than need. When it comes to reputation, all respondents mention that being the industry leader is the greatest competitive advantage, which is the reason for leadership still being the highest on the scale.

For justifying the love-side of the model, we use ‘Sternberg’s triangular theory of love’ (1986) as a foundation. According to Sternberg, love consists of *intimacy*, *passion* and *commitment*. Because all respondents mention commitment as the foundation for establishing relationships and loyalty, it is given a separate category. It is also placed first as it is the most important brand value according to the respondents. *Intimacy*, as stated by the adapted version of the model, contains friendship and closeness, as these components are mentioned more in our B2B data, than passion. According to Sternberg, passion is related to romance and physical attraction, which is more common in B2C advertisements.

The adjusted ‘Lovemark Model’ evaluates each component according to ‘hot’, ‘warm’ and ‘cold’ whereby a brand receives two points for hot, one point for warm and zero points for cold. In **Appendix C**, we provide a table where we assign points according to our data on every B2B attribute (as identified in the table above) to each of our respondent companies. The average score is calculated which identifies the status of the firms: a company that scores 0-30 points is considered to be *commodity-based*; a company that scores 31-34 points is *brand-based* and a rating above 35 (out of 44) has the potential for being a Lovemark. The adjustments in scoring are made according to the new categories and also because this model does not contain as many components as the B2B model. The components are also unevenly distributed under the respective headlines. The respect-side of the model contains more components due to the nature of the B2B data gathered. The authors however use the same way as Roberts when weighting the components against each other to decide where the boundaries between the different total scores are. Please see below for a summary of the company’s respective scores.

	0-30 Commodity	31-34 Brand	35-44 Lovemark
Company A			35
Company B			35
Company C	28		
Company D		31	
Company E	28		
Company F		33	
Company G			42

**Table 5.** Lovemark Rating for Companies

The adjusted ‘Lovemark Model’ and the resulting scores from above serve as a basis for plotting the respondent companies on Roberts’s ‘Love/ Respect Axis’ (2006). We choose to use the model as it is, even though it is invented from a B2C perspective, because the categories still apply. All quadrants apply (commodity, brand, Lovemark) except ‘fads’ which is not really applicable in a B2B environment, because as mentioned by both the respondents and the industry consultant, B2B companies are high in efficacy, providing only the products/ services that are really needed by the customers. Therefore, in our opinion, no respondent can be located in the ‘fads’ category. Our data did not provide insight what the lower-right quadrant (high love/ low respect) could be; this leaves space for future research.

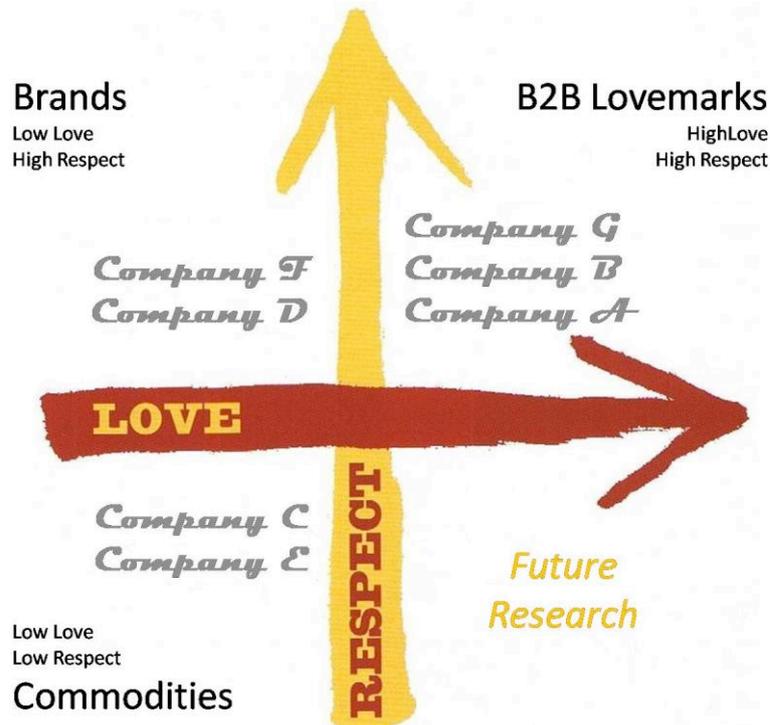


Figure 18. Positioning of Companies on the Love/ Respect Axis

As the axis shows, Companies C and E are on a *commodity-based* level after the Lovemark evaluation. This is consistent with what the respondents answer when asked if they have the status of a Lovemark in their own opinion. Company E has a very restrictive opinion on emotions and love in a B2B environment, which can be the reason that they are plotted in this category. Mr. Lewén, however, believes that there is a possibility of becoming a Lovemark in the future, but that this will take a long time because of the technical orientation of the managers of the company.

*“This is maybe our greatest internal concern – to change the engineering attitude”.*

Mr. Lewén, Company C, industrial productivity solutions

Companies D and F are placed in the *brand-based* category. Mr. Torstensson of Company D believes that the company has the possibility of being loved by the customers but would rather want to call it being a *‘power brand’*, which fits with the category that the company is placed in after the Lovemark evaluation. Company F is also reluctant to call the brand a Lovemark and Mr. Crane states that it is more of a *“credible partnership for mutual benefits”*.

As the axis shows, Company A and B are just over the threshold of possibly being a Lovemark. This is consistent with the opinion of the respective respondents for the companies, when asked if the company is a Lovemark or has the potential of becoming one. Mr. Brenner of Company B states that the company *‘indeed’* is a Lovemark in some of the industries they are present in, but not in all. Ms. Bernstein says:

*“In the core market we have already established a Lovemark because of the experience customers have with us. In the international markets it needs further development”.*

Ms. Bernstein, Company A, business travel management

Ms. Wistedt states with confidence:

*“Yes, I think we have the status of a Lovemark”.*

Ms. Wistedt, Company G, heavy vehicles and industrial engines

According to the Lovemark evaluation of components, Company G is clearly a Lovemark to its customers and this is consistent with Ms. Wistedt's statement.

### *Conclusion*

Finding out the most important brand values that express love is something that proved to be quite demanding. Since love often is thought of as a warm and unconditional feeling, most companies had a hard time fitting this concept into the practical and rational environment of B2B. Some of the respondents gave examples of other words to use instead of love, such as trust, mutual respect and commitment. This can be seen as an idea for further research to investigate and re-formulate. Mr. Grönholm also offers a perspective, which can be seen as an incentive for future research into this area of B2B branding:

*“If accepting that a B2B Lovemark doesn't necessarily mean unconditional or warm love, but simply brands that have created loyalty beyond rational and intellectual reason, then there are quite a few possible examples of B2B Lovemarks or Trustmarks”.*

Mr. Grönholm, Pyramid, B2B branding agency

The typical examples he mentions include: Blackberry (electronics), Caterpillar (heavy machines), IBM (consultancy), Mc Kinsey (consultancy), Adobe (software) and Reuters (information provider).

## **5.3. Conclusion**

The following section will direct our analyzed findings into an overall conclusion. It is an attempt to generalize the findings of the previous categories to arrive at a general industrial perspective.

The complex nature of B2B purchasing activities has been verified by the respondents regarding investment and involvement. There is no doubt that despite which exact type of business the respondent company participates in, the size of investment and degree of involvement is, generally in industrial markets, relatively high. It is reflected by the large amount of time, money and resource spent and the longer interaction time.

Highly involved buyers have a basic requirements regarding functional performance to obtain superior quality and security. However, according to the answers of the respondents, besides the functional requirements, emotion is of great importance in buyers' selecting potential suppliers and finalizing the purchase decision. Therefore, branding efforts especially in these two stages where the buying centre has strong involvement are important. The respondents from different industries have confirmed the notion of coherent correlation between the degree of the complexity of the purchasing activities and the extent of the emotional influence. So on all accounts, conclusion can be drawn as that, while ascertain that B2B industry is much more complex and more expenditure is involved, both functional and emotional factors play important roles in the buying centre's consideration set.

As we stated throughout the analysis, the overall branding strategy strongly requires an integrated implementation. It is all about integration: external and internal, as well as functional and emotional. Owing to the emphasis on performance such as innovation and quality as most of the respondents

stress, functional values take up the dominant position. It serves as the foundation for emotional claims. On the other hand, as widely agreed among these different industries, only functional performance cannot differentiate the brand in the long run. Rather, to keep the brand's competitive advantages sustainable, both functional and emotional values need to be combined in the communication strategy.

However, certain differences of emotional effect exist according to the industrial field the companies are operating in, especially when categorizing them into service and product types. It is necessary to highlight the main characteristics of the service industry, which creates more customer inclination towards being influenced by emotional values. Service is regarded as being in a higher demand of cooperation with customers and therefore high demand of emotional relationship is generated. Since our respondents are operating in various industries internationally, it is impossible to classify them into specific product or service categories. However, based on their strategic focus and positioning in different markets, it is reasonable to draw the conclusion from a product/ service perspective. Companies A and G are most confident with their status of being Lovemarks, with the former completely falling into service industry while the latter is in both. As Company G is not stressing their financial and insurance service but rather their vehicles and industrial engine products, it can be stated that building emotion is also applicable to product industry. So being in product or service industry is not the deciding determinant for establishing a Lovemark.

To show the emotional values in communication strategy, most of the respondents attach importance to the tool of storytelling via testimonials and texts. Visual approach is commonly applied in B2B context which is especially emphasized by Company A, in the business travel management industry, and Company F in digital photography and printing. It fits the attributes for building Lovemarks, which include the mystery, intimacy and sensuality aspects. Indeed, the respondents have agreed that the overall message strategy needs to be in accordance with the corporate culture and brand values. Since trust in our research is concluded as the key personality trait producing strong emotion in B2B markets, drawing the overall picture of the corporate branding strategy needs to start from a trustworthy personality.

As we presented previously, brand personality is the driver of a brand, the expression of corporate culture, and the core of brand values. Our respondents who are regarded as strong B2B brands have a confirmed consistency between brand personality and image, based on their customer-orientated communication strategy. What needs to be highlighted again is the role of personality in Lovemark construction. It has been acknowledged above that brand personality serves as the foundation of reaching Lovemark status, but furthermore, different brand personalities are stressed in different industries so personality traits cannot be generalized across diverse industries. For instance, comfortableness is most important for the business travel management of Company A, while protection is stressed in the packaging industry of Company E. Respect and quality are regarded as the core values of Company G which is in vehicles and industrial engines business. We can mainly categorize the mostly emphasized trustworthy personality traits into forward-looking, friendship and trust as aforementioned in the analysis. However, for a higher level of loyalty establishment, additional personality traits need to be considered for different industries such as safety, openness and straight-forwardness.

Trust and reliability are the foundation for building relationships and because of the nature of B2B markets, it seems quite common to partner up with customers to co-create value. Partnerships in B2B seem to have the benefit of being stable because of the high efficacy. All respondents, regardless of industry, state that the company is committed to the customers businesses. By developing and producing products and services that the customers really need, the companies have the customers' success as a goal for their own operations. This is mentioned by all respondents and seems to be because customer success is translated into growth for the supplier simultaneously. This mutual commitment provides a foundation for loyalty, which is stressed by all respondents as being a key competitive advantage. All respondents prove to be in a stable stage with their customers, characterized

by high loyalty and trust. What is then the reason that some of the respondents are ranked higher on the 'Lovemark Model' and plotted better on the 'Love/ Respect Axis'? The answer is not industry specific, for example meaning that complex industries with high investments involve more risk and hence need higher loyalty. It seems more likely that the reason is connected to the concept of 'loyalty beyond reason'. However, this concept is harder for some respondents to embrace. This view is not industry specific either, but rather it seems that companies that have strong emphasis on creating and maintaining strong partnerships have a more positive view on the concept of 'loyalty beyond reason'. There are certainly good reasons supporting this viewpoint. Companies A, B, D and G all display a more significant emphasis on also following up with service to their customers, which can be the reason for all of them to establish strong partnerships more efficiently and hence be one of the reasons why they are all scored high on the Lovemark rating and finally are ranked as Lovemarks (A, B and G) and strong Brands (D). It therefore seems that it does not matter if the business is heavy machinery and industry or service-based travel management; if the company has an emphasis and communication that highlight commitment and involvement in what the customers actually do and what they really need, there is a good chance for establishing long lasting, strong partnerships.

From Mr. Grönholm and all the respondents we can conclude that the above mentioned seems true and they all also say that the general corporate brand strategy of a B2B company should be to deliver what they promise, regardless of what industry the operations are in. The optimal way of doing so is by assuring that the brand values that characterize the whole organization are communicated throughout the company.

As for the external communication, all companies interviewed have a clear and concise external marketing that communicates the brand values out to stakeholders and customers. There are no differences between the industries the companies come from. Regarding the internal communication, there are more variations between the respondents. All companies state that they incorporate internal communication efforts. This seems to be because the companies are all big, global players and therefore need internal communication to a certain degree in order to keep the organization together and going forward. However, the difference between the respondents lies within emphasis. Some respondents have a very high concentration on consistent communication inside the organization, while others admit in lacking in this concern. This cannot be generalized as the trait of a particular industry, since the respondents that are from similar industries have different policies for internal communication according to our data. The internal communication is needed in order to show a consistent brand image, which can lead to customers' trusting and relying on the company. If the external communication is one thing, then the employees have to act accordingly in their interaction with the customers. Interactive communication, the relationship between employees and customers, is what most respondents attach much importance to. However, it seems that there is a gap in implementation here. Companies C and D prove the point; both companies have a very clear external communication and also emphasize the importance of the interactive communication. However, neither of the companies stress internal communication particularly, but rather say that since the organizations are so big it is up to the different departments to decide how to implement communication strategies. This can be a foundation for inconsistencies and misunderstandings. Also, this can be one of the reasons why neither of these two companies reaches Lovemark status according to our research. Company A, B and G all have consistent communication throughout the organizations and especially company B and G stress the vital role of good internal communication in order to have a consistent brand image. The final results show that all three companies can be regarded as Lovemarks. Company B is, just like Companies C and D operating in an industry marked by high complexity and risk, still it manages to communicate brand values consistently and end up a Lovemark to its customers.

So, regardless of industry type, it is essential to align communication strategies to influence the whole organization, in order to have a consistent brand communication. This is the prerequisite for establishing relationships that can possibly lead to Lovemark status.

However, the meaning of the term love and respectively being a Lovemark is something that the respondents struggle with. Many respondents mention other words such as respect, trust and partnership instead and this can indicate that the term love can be inappropriate to use in this context. Assigning other meanings to the word love makes the respondents more comfortable in answering the question of whether or not they consider themselves to be Lovemarks or have the potential of becoming Lovemarks in the future. From the results of the Lovemark evaluation we can draw some final conclusions. It is important to note that the evaluation is made on the authors' subjective interpretations of the data gathered and might not be generalizable in a bigger picture. This is for future research to verify. The grid shows Companies C and E to be in the commodity based section. The reason for this cannot be generalized across industries, as the companies are not in the same field. However, a reason could be because of both companies' corporate strategies, which are similar. Both companies are characterized by high emphasis on rational and functional benefits and justifications. With so little focus on the emotional side of the operations, it seems right that both are positioned as commodity-based. Companies F and D are both at the brand-based level of the grid and even though the companies operate in different industries they share the vision that the brand can somehow be loved by its customers. This is just an issue of definition. Both companies would rather call it something different than being a Lovemark, but the reasoning behind is the same. Both companies stated that they believe that their customers love them but that there is also a rational justification behind that. It seems that the organizational core values might be alike for these two companies even though they are in different industries and that this is the reason for the result of the evaluation. All three Companies A, B and G are present in the Lovemarks quadrant of the grid. This seems to be consistent with the view that the respondents themselves have of their brand status. These companies are yet again from three different industries and therefore it cannot be generalized that it is for example easier to become a Lovemark if a company produces less complex products or operates in a low involvement and investment market.

Concluding, it seems to be more generalizable to consider the organizational structure or the overall corporate brand strategy when evaluating brands for Lovemark status. We have found no proof that it is depending on the industry whether or not a company can become a Lovemark. It is important to mention our awareness that our subjective conclusions for these relatively few respondents need to be further researched in order for these conclusions to be validated. However, it seems like companies that have a consistent brand communication of their core brand values can more easily establish relationships and partnerships with customers because of their consistent image and focus on delivering on the brand promise. In the long run this leads to loyalty, which is the pre-requisite for becoming a Lovemark. As for the emphasis on emotional and functional benefits in the brand values there is also a need to highlight the difference between B2C and B2B. Roberts (2005, 2006) stresses that emotion should replace listing functional benefits in B2C. This is not possible in a B2B environment. Function and rational justification is always needed in B2B. Emotion can be a support, to differentiate companies from competitors but emotions can never overtake the functional values in B2B. However, according to our respondent data it seems that the more emotion is involved in B2B, the stronger is the differentiation from competitors and the higher are the resulting benefits.

## 6. Implications: Making Sense of B2B Lovemarks

The key findings of this paper are summarized in this chapter. First, a conceptual framework is presented which is constructed based on previously discussed theories and the analysis of the empirical data. Then the limitation and concluding remarks are included, by providing suggestions for future research and reviewing the experiences of the thesis writing. Finally, managerial recommendations for companies in B2B markets are concluded as the ending.

### 6.1. Conceptual Framework

In this section we would like to present our conceptual framework for B2B Lovemarks that is relevant for academics and practitioners alike. It shows all the influential factors, based on this study's empirical data, which need to be considered when striving for Lovemark status. It is an attempt to summarize our findings along with the conclusions drawn and place them into a logical sequence. The framework starts with the consideration of the specific business environment that is the actual starting point for us to further investigate the research questions. The B2B market implies certain special considerations that will be described. Also, the characteristics of the market are the starting point for B2B companies when developing brand strategies, which is the next part of the framework. The brand strategy then involves several attributes that will be described further, leading the framework forward to the implementation of the brand strategy that deals with the prerequisites for possibly becoming a B2B Lovemark. The framework ends with the benefits that this can imply.

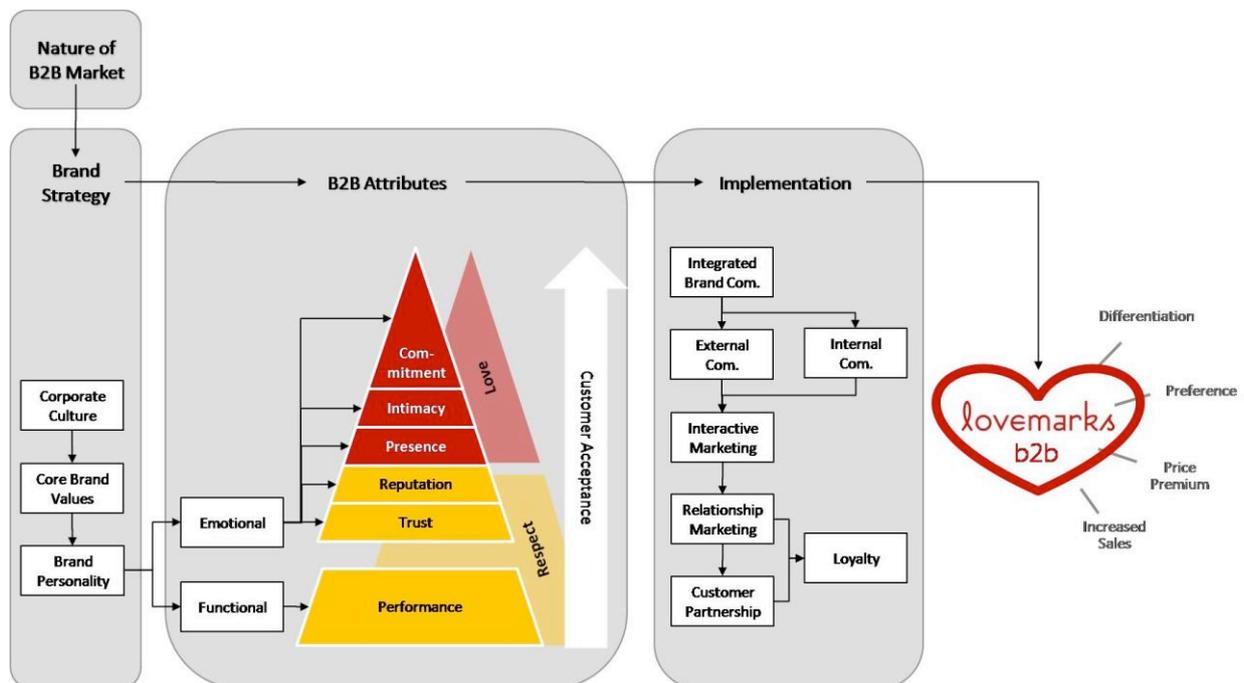


Figure 19. Conceptual Framework

Starting at the top of the model, a situational analysis of the B2B market is commonly done using 'PEST'. It is a tool for better understanding the *Political, Economic, Social* and *Technological* factors that determine the nature of a specific market. From our B2B respondents we clearly understand that there are many market forces and stakeholders that influence the brand strategy of a company. All respondent companies are global players and this of course implies much political, economic and social

consideration. Organizing a company across borders is very complex and costly. Different markets also have different technological prerequisites. Hence, not all markets will or can use the same products and services. Many of our respondents are also involved in very compound projects that involve many stakeholders in society and therefore take a lot of time to finish, such as building bridges and roads. These are just some factors that seriously affect the way B2B companies do business.

Because of the special considerations of the B2B market, companies have to address a long-term perspective and consistency in their brand strategies. The overall market environment hence influences the corporate culture and from this culture the company derives the core brand values, which should be understood as the soul of the company. The brand personality is the characteristics which are actually communicated and indicate how the company wants to be perceived by its customers as well as by its internal associates. This message is so to say what the company promises its stakeholders.

This study refers to brand personality as a composition of attributes that can be divided into functional and emotional values. Compared to B2C, in B2B there is a difference in the attributes that are communicated to the customers. In B2C emotional attributes can, and according to Roberts, should be used alone to communicate brand values to customers. This is not possible in B2B markets. Functional attributes and rational justifications are always needed in B2B. The attributes are arranged in a pyramid-shaped order to show that the importance of each category for an emotional approach grows from bottom up. The preceding step is a prerequisite for the following step to even exist. Starting at the base of the pyramid, performance is the foundation for building brand values. The relative bigger size of the bar indicates that performance has top priority in B2B operations. Since B2B companies work in diverse markets and with complex products, performance related attributes such as quality and innovation always need justification. Also, because B2B markets are characterized by purchases at few times, that need to last for longer periods of time and involve large investments, it is of essence for the companies to also communicate trust and reliability in order to build a lasting reputation for the future. However, only emphasizing functional features does not last long. Technology nowadays is rapidly changing and developing, which means that products can more easily and quickly be imitated by competitors. Therefore, it seems logical to build competitive advantage by mixing both functional and emotional attributes. The emotional attributes in the framework are created from the answers the respondents gave and hence are an adaptation to the B2B environment. Particular stress is on the last bar of the pyramid, which is commitment. From the answers of the respondents, we could conclude that in B2B it is very common to join in partnerships with customers and together create value. The road to a partnership however, is going through the previous steps of trust, reputation, presence and intimacy. From bottom up, customer acceptance grows which means that customers identify more with a company on an increasingly emotional level.

When the composition of the attributes is clear, they need to be communicated out to customers but also inside the organization, so that all employees are aware and can adopt the brand promise and become advocates for the brand. The importance of an aligned external and internal communication is basically the same for companies in B2B as in B2C. If there are inconsistencies, this will lead to employees' feeling not motivated and left out. However, if there is not enough external communication there might not be any business to do at all. There needs to be a matching emphasis on both parts. When it comes to interactive marketing, which is what the employees actually say and do when interacting with the customers, there is a difference in implementation between B2B and B2C. In B2C, the interaction that customers have with sales staff and employees is basically getting assistance in order to continue shopping. In B2B, there is much more emphasis on the relationship that can be formed between sales staff and customers. It is a give-and-take partnership where both parties strive for mutual benefits. Long-term relationships are beneficial because after establishing loyal customers, there is a much more tacit way of measuring the success of the company. It is out of loyal partnerships that Lovemarks grow. The final establishment of a brand as a Lovemark, which is the last part of the framework, means contributions for academics as well as for practitioners.

The practical implications can be divided into both long-term and short-term effects. In the long run, loyalty is in this stage an even more amplified benefit. In B2C it was translated as 'loyalty beyond reason', but in B2B context, according to our respondents there is nothing that can be established without certain reason. However, there is an indication in the data that customers would miss the company very much if they were to go off the market. Also, differentiation as a competitive advantage is a long-term benefit for practice. To build a competitive advantage purely on functional benefits is in today's hyper-competitive market almost never sustainable. However, differentiating from competition with emotional values has huge potential as it is still greatly underused. Imitating an emotional connection to stakeholders is a lot more difficult, which is the reason why Lovemarks offer the chance to create a sustainable competitive advantage. Another long-term managerial contribution is that a Lovemark can more easily create preference compared to brands because of the partnerships and relations that support the Lovemark. Increased sales and price premium are considered as short-term benefits although they can together contribute to securing future business, which is a long-term benefit.

For theory and academia, the relative contributions are focused on how much the benefits of price premium, sales increase and preference can be extended when it comes to the Lovemark status. From previous research it already shows that B2B brands have these benefits but the status of a Lovemark amplifies them into being even stronger benefits. It is however, up to future research to verify just how much and how far these benefits can be amplified by being a Lovemark.

## **6.2. Future Research and Concluding Remarks**

### **6.2.1. Limitations and Suggestions for Future Research**

Based upon the results of the empirical study and conceptual framework the authors have constructed, there are still several areas existing where there is a need for future research. First of all, as presented in the analysis section, the chosen attributes of a B2B Lovemark and the results of the Lovemark evaluation of the respondent companies are mainly based on the authors' subjective interpretations of the empirical data. Hence, there is a possibility of this research quantifying the qualitative data, leading to the limitations of this qualitative study which have been discussed earlier. Basically the authors assigned numbers to the qualitative data in order to support the reasoning why certain companies have been determined as Lovemarks and others as brands. However, to prove the suggested B2B attributes, quantitative studies in the future are indispensable to verify the Lovemark evaluation and arrive at more generalized conclusions.

Limitations can be identified in the Love/Respect Axis, where love and respect are equally weighted. Since respect plays an even more important role in B2B than in B2C according to our empirical data, simply averaging the attributes on respect and love scales can lead to a deviation from the correct conclusion. Specifically, the category 'performance', according to the respondent companies' feedback, takes up the first place in industrial markets; however its contribution to the overall ratings of the Lovemark is not highlighted in the calculation. For instance, Company C who has the same score on performance as Companies A, B, F and G, is plotted in the 'commodity quadrant' whereas the aforementioned companies have higher overall scores and thus are plotted in the 'brand quadrant' and 'Lovemarks quadrant'. As a result, a weighted calculation of the attributes with different proportions is necessary for future research to develop.

Moreover, the Love/Respect Axis also causes other questions that need further concentrations. Although brand is the foundation of being a Lovemark and there are no definite sequences or directions between these quadrants, there is a possible risk of falling back from the 'Lovemarks quadrant' to brand and commodity. No research yet has confirmed the stable position of a Lovemark. Also, for the 'fads quadrant', our data did not provide insight if something like 'fads' exist in B2B market. The authors have

not looked into this quadrant, as it is generally not applicable in a B2B environment due to the high focus on efficacy of the supplier who provides the product/ service in accordance to a real demand. Therefore, the data of this research do not provide the insight of what the lower-right quadrant could be which leaves extensive space for future research.

As mentioned by some of the respondents, considering cultural influences is indispensable when it comes to international brand communication and thus the perception of Lovemarks. Both suppliers and customers with different cultural backgrounds would have different views towards the Lovemark concept. Since this study has not included the various cultural dimensions, it provides another angle for future research to investigate the possible strategies for international companies' establishing an adapted Lovemark status.

In addition, a pitfall of the academic foundation of this research needs to be noticed. As the authors critically explained, the conception of Lovemarks is fairly new and elaboration needs time, hence it has not been proved from either B2C or B2B perspectives in academic field. Therefore, drawbacks exist for the theoretical basis of this research, which simultaneously provides a broad space for future research from both a theoretical and practical point of view to verify the applicability of this new term. Besides this study, further research can help validate the idea of loving a brand.

Lastly, several suggestions are listed below that have not been considered in depth in this thesis but indicate the potential for further studies.

- The authors have stated the reason for not applying a customer perspective in the motivation of the managerial approach in this paper. As suggested above for the Lovemark evaluation, a quantitative approach can be adopted in future work, which can look into a larger size of samples.
- As stated in the section about the theory of love, the authors are aware of the standpoint of this study which researches on Lovemark conception from a human relationship point of view. However, future research needs to investigate Lovemarks from a new angle: 'consumer-object-love' (see Shimp and Madden, 1988).
- The additional guidance from Mr. Grönholm has directed the authors' thoughts of using secondary data from companies, such as annual reports, press releases, webpage or booklets that support establishing Lovemark status. Secondary information, which offers a solid basis for continuative analysis, have not been collected and analyzed in depth due to the time constraint which also indicates further research for the future.
- Measurement, controlling and monitoring of emotion has not been considered in depth which provides the opportunity for future research.
- Similar to the international perspective for Lovemark perception, details of the different brand personalities that are stressed in different industries (beyond what we generalized as forward-looking, friendship and trust) need further consideration.
- Future studies can research on more samples in order to arrive at the conclusion for generalizing the characteristics for each industrial market when establishing a Lovemark.
- This research only generally analyzes the shorter form of the purchase decision process, with the basic four stages (which are highlighted by the respondents), so future research can look into the detailed eight stages of the purchase decision-making process as presented in the background chapter. Furthermore, the quantitative weight of emotional and rational variables within each stage needs further consideration.
- Future research could pick up on this study and investigate from a longitudinal design if the perception of emotion in B2B markets changes over time as a result of the change in customer derived demand and trends.

### 6.2.2. Thesis in Retrospect

Overall, the interviews went according to plan; the respondents provided valuable data, were helpful, conversable and easy-going. For contacting the companies we believe that our straightforward introduction letter helped increase the response rate by stating what the respondents gain from taking part in the research. However, we feel that more companies would have been interesting candidates for this research area, such as Caterpillar, DHL and IBM. It seems very much up to the individual companies' policy for supporting projects if students get a call back. Also, due to the pressured schedule of many managers, we had to extend the interviewing period to three weeks instead of two. What helped us to stay focused was a timetable that we developed at the beginning of writing this thesis.

We also tried to incorporate a practical point of view because during the interviews we gained the insight that there is a vast need for practitioners to apply more emotion in their branding efforts. So, the thesis ends by providing managerial recommendations.

A close collaboration with our supervisor helped us to focus this thesis and identify the appropriate concepts and theories. The involvement of our supervisor beyond his responsibilities kept us motivated and updated. Thesis seminars were an immense aid for reflecting the paper from another angle which we feel advanced the quality of the paper a great deal.

If we would have the chance to write the thesis once again, we could not say what we would do differently because we feel that we learned most from the experience of the process. We do not doubt that the topic could have been approached in other ways, however, we believe that the results of this thesis are very satisfying and contributing.

### 6.3. Managerial Recommendations

Conclusively, according to the analysis on the empirical data, managerial recommendations can be provided in addition to the academic suggestions. Companies in B2B environment need to deal with more complex situations in terms of customers' purchase activities. Also, integrating brand communication strategies in B2B context is different from that in B2C, externally due to the multiple departments involved in the buying process and internally for the employees who make more relationship-based interaction with the customers. For a strong B2B brand to step into the higher stage of being loved by loyal customers, several Do's and Don'ts can be established as managerial recommendations for companies.

Do's for ambitious players:

- Again, it is all about integration. You<sup>4</sup> need to keep in mind that all communication activities need to be aligned if you want to have a consistent effect of the various branding efforts. Neither internal nor external communication can be neglected. To build a trustworthy and respectful image of your brand, your employees should first trust and respect your company. So building a knowledgeable environment for confirming your employees' social recognition in order to keep their loyalty, takes the primary place. To communicate your brand personality, the consistency of the internal comprehension of the brand promise is the foundation for the external success. In turn, customers' perceptions serve as the eventual target for every kind of branding effort. Hence, your mission is to keep all the stakeholders involved in a harmonious environment.
- It is all about consistency. It is the consistency between your self-perception and the customers' perception of the brand, and it is the consistency across various marketplaces you participate in. The crucial step is to make your brand appreciated by your customers and build a favourable brand

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<sup>4</sup> The authors use 'you' to address the companies.

image that is consistent with your brand identity. No matter if you have international or local focus, and no matter if you are playing in one specific industry or multiple portfolios, conveying a certain vision of the overall organization will never be a mistake.

- It all needs to be implemented. You have to have the awareness of the changing environment and the customers' increasing inclination towards emotional claims. But to make these highly involved industrial buyers inspired and motivated, efficient communication tools for building commitment and intimacy for B2B brands are undoubtedly required. Maybe keep in mind that storytelling, testimonials, and visual stimulus through image ads can be your lovely assistants.
- It all comes down to partnership building in B2B. Strategic partnerships are crucial in B2B branding. Trust and cooperation as the most important elements for B2B relationship building need to be realized by investigating in partnerships. When carrying through any innovation of product or service, your collaboration and mutual benefits are the foundation.
- It is all about adjusting to the dynamic environment. Changes take place all the time: in the world, in customer's needs as well as in the organizational structure. Use brand tracking to see how your brand develops. It will give you the chance to realign when it is misperceived. Timely adjustments are never redundant.

Don'ts for circumspective players:

- Don't take for granted that your customers will stick with you if you only provide them with high quality and creative technology. They are buyers who consist of individuals who definitely have emotional inclination. Communicate your functional performance in a friendly and warmer way, and express your identity as a person who is always supporting its customers. Don't believe that emotion can be built naturally grounded on your functional products/ services without your consistent communication.
- Don't use passion. In comparison to B2C, industrial buyers pay much attention to trust and reliability derived from functional performance. Building a B2B Lovemark architecture does not possibly include the too irrational brakes, such as passion. Do not make your brand image in customers' impression as just a passionate person who might have unreasonable focus that is not on fulfilling customers' real demand.
- Don't overlook the general environment for your external and internal branding. Customers and employees can be influenced by the overall public. Recognition of your industry and company is also one crucial duty which will need to be undertaken by you.

All in all, even successful B2B brands have the budding potential to be improved in their branding efforts, if they attempt to step into the higher level to maintain their loyalty. Our research can only contribute as an early basis for the fresh conception of Lovemarks in the new area that needs time and more researchers and practitioners to test and evaluate. We look forward to the further endeavours in the academic field, regarding the prospective status beyond B2B brands, as well as a possible application for B2B companies.

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## 8. Appendices

### Appendix A. Interview Guide: Companies

Dear respondent,

We like to thank you in advance for your interest and support of our master thesis project. As a matter of course you will receive a copy of the thesis presumably in the beginning of June. The purpose of this research is to find out if B2B companies have the potential to establish a relationship with their customers that reaches beyond functional benefits and is build on emotion. In the past Kevin Roberts, CEO Worldwide of Saatchi & Saatchi has introduced the term Lovemarks and has successfully applied it to B2C companies. Our aim is it to test if the Lovemark-concept also works for B2B companies. If you have any further questions about the project, please don't hesitate to contact us (email address).

#### Introduction

1. In general, how do you perceive the *purchase-decision-making process* of your customers?
2. How would you describe your *target group* or buyers (in your B2B section)?

#### Brand Identity and Communication

3. If your brand would be a person, how would you describe it? (*brand personality*)
4. How do you think your *customers* perceive your brand?
5. Regarding your *EXTERNAL marketing*, which *brand values* are you communicating to your customers?
  - 5.1. Which *brand-building tools or instruments* are you applying and which one do you stress most?
6. How would you describe your *INTERNAL marketing efforts*?
7. How do you *measure brand equity* or the return on brand investment?

#### Positioning

8. What is *unique* about your brand?
  - 8.1. How do you *differentiate* yourself from competitors?
  - 8.2. In your industry, how would you *position* your brand?

#### Customer-Relationship

9. How would you describe the *relationship* with your customers?
10. Which *relationship-building tools* or instruments do you apply?

### The Role of Emotion

11. In general, what role does *emotion* play in your industry?
  - 11.1. Do you see a difference for *product- and service companies*?
12. In general, what would you say are the *benefits of intangible values* for a brand?
13. What is the *current message* of your B2B advertisements? Which *STORRY* do you tell? Which *SENSES* do you use? How do you express *CLOSENESS* to your customers?
14. How much *do you use* functional *benefits vs. emotional aspects* in your marketing activity? What kind of *emotions* are YOU communicating?

### Love-Relationship

15. How do you think your customers would feel if you would *take away* your brand from the market?
16. What do you do for your customers to *deliver beyond a great performance*?
17. How do you understand the vision to develop *'loyalty beyond reason'*? Is it applicable to *YOUR* company?
18. Do you think you are *loved* by your customers? Why and for which reasons?
  - 18.1. Do you think you have the status of a *Lovemark* or respectively the potential of becoming a Lovemark?

## Appendix B. Interview Guide: Agency

Dear respondent,

We like to thank you in advance for your interest and support of our master thesis project. As a matter of course you will receive a copy of the thesis presumably in the beginning of June. The purpose of this research is to find out if B2B companies have the potential to establish a relationship with their customers that reaches beyond functional benefits and is build on emotion. In the past Kevin Roberts, CEO Worldwide of Saatchi & Saatchi, has introduced the term Lovemarks and has successfully applied it to B2C companies. Our aim is it to test if the Lovemark-concept also works for B2B companies. If you have any further questions about the project, please don't hesitate to contact us (email address).

Your experience as a B2B consulting agency provides insight knowledge about the current practices of B2B brand management.

### Introduction

19. In general, how do you perceive the *purchase-decision-making process* in the B2B industry (respectively in service and product area)?
20. How would you describe your *B2B clients*? (Market position: big players?)
  - 20.1. With which industries are you collaborating most?

### Brand Identity and Communication

21. Out of your experience, which *brand values* are most communicated by your B2B clients?
  - 21.1. Which *brand-building tools or instruments* are most applied?
  - 21.2. And which tools do you perceive as the most effective ones in B2B industry?
22. How do you perceive the role of internal marketing in B2B industry?
23. From your experience, which instruments are typical in the B2B industry to *measure brand equity* or the return on brand investment?

### Positioning

24. In your opinion, which brand attributes differentiate B2B companies most / are most unique?

### Customer-Relationship

25. From your experience, how would you describe the *customer-relationship* management of your B2B clients?
  - 25.1. Which *relationship-building tools* or instruments are applied most?
  - 25.2. Which tools are the most efficient ones in B2B industry?

### The Role of Emotion

26. And what role do you think does emotion play, in general, in B2B industry?
  - 26.1. Do you see a difference for *product- and service companies*?
27. In general, what would you say are the *benefits of intangible values* for a brand?
28. In general, when looking at messages of B2B advertisements, how much functional benefits vs. emotional aspects are used?
29. What kinds of emotions are communicated? Are stories told, senses used, closeness expressed?

### Love-Relationship

30. From your experience, what do your clients *deliver beyond a great performance*?
31. How do you understand the vision to develop '*loyalty beyond reason*'?
  - 31.1. Is it applicable to B2B industry in general?
32. Do you think your B2B clients can be *loved* by their customers? Why and for which reasons?
  - 32.1. Do you think that B2B companies have the potential to establish a 'Lovemark'?
  - 32.2. Can you think of companies (examples) that have already reached the status of a Lovemark?

Appendix C. Lovemark Ratings for Respondent Companies

scale		category	attributes	Business Travel Management			Industry, energy and healthcare			Industrial productivity solutions			Heat transfer, separation, and fluid handling			Processing and packaging			Digital photography and printing			Heavy vehicles and industrial engines		
				Company A			Company B			Company C			Company D			Company E			Company F			Company G		
				hot	warm	cold	hot	warm	cold	hot	warm	cold	hot	warm	cold	hot	warm	cold	hot	warm	cold	hot	warm	cold
R E S P E C T	Performance	Innovation		2			2			2			1			2			2			2		
		Quality		1			2						1									1		
		Service		2				1			1		2				1			1			1	
		Identity		1				1			1		2						2					
		Value		2			2			2			1						2			2		
	Trust	Reliability		1			2			1			2						2			2		
		Credibility		1			2			1			1			2			2			2		
		Openness		1			2			2			2					0	1			2		
		Security		1				1			1						1				0			
		Leadership		2			2			2			2			2				1		2		
L O V E	Reputation	Efficacy		2			2						2			2			2					
		Honesty		1			2				1		2			2			2					
		Responsibility		1			2				1		2			2								
		Partnership		2			2			2			2			2						2		
		Dedication		2			2			2			2			2			1			2		
	Intimacy	Friendship		2				1			1					1						2		
		Closeness		2				1		2					0				1			2		
		Sight		2			2					0	2				1					2		
		Past,present,future		2			2				1		2			2						2		
		Inspiration		2				1			1				0			1				2		
Presence	Symbols		1				1			1				0						0	2			
	Great stories		2					0			0			0						0	2			
	<b>Score:</b>		26	9	0	28	7	0	18	10	0	24	7	0	20	8	0	24	9	0	40	2	0	
	<b>Total Score (out of 44):</b>		<b>35</b>			<b>35</b>			<b>28</b>			<b>31</b>			<b>28</b>			<b>33</b>			<b>42</b>			
	<b>Commodity: 0-30</b>							<b>Commodity</b>			<b>Brand</b>			<b>Commodity</b>			<b>Brand</b>			<b>Brand</b>				
<b>Brand: 31-34</b>							<b>Commodity</b>			<b>Brand</b>			<b>Commodity</b>			<b>Brand</b>			<b>Brand</b>					
<b>Lovemarks: 34-44</b>				<b>Lovemark</b>			<b>Lovemark</b>			<b>Commodity</b>			<b>Brand</b>			<b>Commodity</b>			<b>Brand</b>					