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The Six Biggest Pitfalls in B-to-B Branding

by Dan Morrison

Is branding applicable in a business-to-business environment? After all, businesses use a rational decisionmaking process in buying based on quality, features/functionality and price. Yet, a common view holds that branding is a touchy, feely consumer thing based on emotional associations fueling buying decisions.

In fact, it's absolutely applicable, for good branding is not about stirring people into irrational buying decisions. It's about communicating the benefits and value a business, service or product provides to customers.

Unfortunately, b-to-b branding is stilt in its nascent stages, and too many continue to regard it as a consumer marketing toot or deal with it only superficially.

In considering branding, the b-to-b organization should be analyzing the following questions:

- How does brand strategy support our business strategy?
- What is our aspirational brand identity and what do we need to get there?
- What value proposition is most valuable to our customers?
- How do we align our organization to make the brand and value proposition a reality?

Asking, answering and acting on such questions will help ensure brand initiatives will reap results. And it will help the organization avoid the six biggest pitfalls in b-to-b branding:

Pitfall No. 1: Branding is Only a Consumer Products Thing.

Not true. IBM successfully tapped into the power of branding by focusing on the value it provided customers and simplifying the buying experience for customers.

IBM created "eServers" when it realized that its alpha numeric product-naming convention confused customers and it was wasting millions of marketing dollars on very similar products.

By streamlining its powerful corporate computer offerings and rebrandingthem under the new "eServers" brand, customers were more easily able to understand IBM's server offerings. Additionalty, the new brand was clearly linked to its eSolutions brand of IT consulting, creating stronger cross-selting opportunities.

The rebranding effort had a price tag of $75 million, but played a rote in the stunning success of the underlying strategy. In 2000, IBM became No. 1 in worldwide server revenue, outpacing Sun Microsystems by a 32% margin. It also bypassed Hewlett-Packard for the first time in UNIX server market share in the fourth quarter of 2000.

Pitfall No.2: Branding is Simply a Name and Logo.

A name and logo are recognizable elements of a brand and come to mind when most people think of brand. But they are not "the brand."

Changing the name and redesigning a logo have no value if they are done without an underlying purpose. A brand encompasses all the associations, perceptions and experiences an interested person has with a company at every touch point - from its sales organization to its bitting department.

Ingersoll-Rand recently renamed and rebranded itself as "IR" as part of a larger brand strategy designed to leverage the IR master brand across all of its divisions - Climate Control, Industrial

Productivity, Infrastructure and Security and Safety.

The idea: to signal that IR is no longer just a heavy-duty toot manufacturer, but a diversified company comprised of industrial brands. Each group under the corporate umbrella retains a powerful brand(s) to focus on specific industry needs; the IR brand leverages the parent's long heritage of financial stability and renowned product quality.

The change came after years of brand acquisitions resulting in a whole that was less than the sum of its parts. The company didn't change its logo because it was unattractive or wordy, but to signal a strategic business change to being a company of powerful brands in strategically focused industries.

Pitfall No. 3: Only Products are Branded.

Many b-to-b companies face the problem that IR grappled with: Trying to be all things to all people, and therefore nothing to anyone. Brands are powerful assets, but can be under-utilized and even damaging if not supported by an underlying strategy and resources.

Tyco International has become one of the most powerful b-to-b brands, but the Tyco name is rarely used as a customer-facing brand. Its strategists realized that branding medical products, fire alarms and security systems, pipesand valves and chips and fiber optics under one name would not only send conflicting messages, but present no value proposition.

Tyco knows that its corporate brand is not the same as the company and product brands that it owns and manages. It is in the management of those brands upon which Tyco has built its corporate brand. By separating its corporate and product brands, Tyco has been able to market itself as a growing company of powerful brands in profitable businesses, versus struggling fruitlessly to find a common association across its businesses.

The lesson? Brand strategy must be consistent, yet the corporate brand need not be everything to everybody. Often, the only audience for the corporate brand is the employees and investors.

Pitfall No. 4: Brands Take Care of Themselves.

If a brand is an asset, then it must be treated like one - receiving investment, management and maintenance. A brand is affected by internal and external forces requiring reactions and changes. But this only occurs if the organization clearly understands the brand and how to manage it.

Pitfall No. 5: Branding Decisions are Based on Purely Internal Perspectives.

Many organizations mistakenly base their branding strategies around their internal image of their brands. The problem is that the internal view can often be quite different than the customer's. By gaining customer input, they will better determine their current brand image, and also discover what they need to do to make it more relevant.

ITT, manufacturer of engineered products from spaceborne navigation systems to shock absorbers, has spent millions on a branding campaign. Its name is plastered across business journals to Sunday morning television news. Should it have been sending its branding message to the general public? In fact, ITT had an identity problem that might not have been effectively uncovered if it had only taken an internet perspective. Many - particularly those in the investment community - still associated the ITT brand not only with its engineered products, but with financial services and resort hotels - all of which were interests divested in the mid-1990s. They were unclear on what ITT is, and what it wanted to be. The corporation realized that it was internally clear on its brand identity, but it needed to clarify it by communicating a clear message to the Street.

Pitfall No. 6: Branding is Only an Externally Focused Marketing Endeavor.

Branding efforts are often doomed to failure because no one took the time to explain the effect of brand on the entire business organization. Failure to realize the internal implications and develop internal brand building programs causes confusion, and, ultimately, failure for lack of support.

An effective brand strategy requires internal communications and training on what the brand represents, where the company is going with its brand and what needs to be done to get there.

As part of its eServer rebranding, for example, IBM realigned its sales and support forces as part of a more integrated approach that focused on selling and supporting a full line of products, not just one server brand.

Too often, branding is seen as solely a marketing effort - which creates problems when messages and promises are communicated to customers but the rest of the organization is not prepared to deliver on them. Branding affects all areas of the company and should be regarded as an overarching management strategy.

Forward-thinking organizations must keep in mind that it doesn't matter if they're targeting a business customer or a consumer: The customer owns the brand, and the company can only work to shape the perceptions of what it represents.

This is why developing a brand strategy requires managing the brand as an asset, with the requisite investment, care and nurturing over time. Doing so will require they tread carefully around the most common branding pitfalls.

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