



# **Three Essays on Brand Management in the Business-to-Business**

## **Context: Brand Identity, Brand Culture, and Brand Essence**

Inauguraldissertation zur Erlangung des Doktorgrades des Fachbereichs  
Wirtschaftswissenschaften an der Wirtschaftswissenschaftlichen Fakultät  
der Universität Passau

eingereicht von

**René Matthias Resch, M. Sc.**

**Passau, Juli 2022**

**Dissertation an der  
Wirtschaftswissenschaftlichen Fakultät  
der Universität Passau**

Erstgutachter: Prof. Dr. Dirk Totzek  
Lehrstuhl für Betriebswirtschaftslehre  
mit Schwerpunkt Marketing und Services  
Universität Passau

Zweitgutachter: Prof. Dr. Jan H. Schumann  
Lehrstuhl für Betriebswirtschaftslehre  
mit Schwerpunkt Marketing und Innovation  
Universität Passau

Vorsitz: Prof. Dr. Thomas Widjaja  
Lehrstuhl für Wirtschaftsinformatik  
mit Schwerpunkt Betriebliche Informationssysteme  
Universität Passau

Datum der Disputation: 21.11.2022

---

## Acknowledgements

This dissertation was written during my work as an academic assistant and later as head of quality management at the Baden-Wuerttemberg Cooperative State University (DHBW) Ravensburg and as an external doctoral student at the Chair of Business Administration with a focus on marketing and services at the University of Passau.

This work would never have come about if I had not had the backing and support of numerous companions. First of all, I would like to thank my doctoral supervisor Prof. Dr. Dirk Totzek for the trust he placed in me. Prof. Totzek has been an excellent teacher and role model for me over the past years with his professional expertise as well as his motivating and inspiring manner. His suggestions in our joint discussions have contributed significantly to the success of this dissertation. Secondly, I would like to thank Prof. Dr. Jan H. Schumann for his willingness to provide the second opinion.

Furthermore, I would like to thank all doctoral students and companions at the chair. From the first moment on, I was warmly welcomed and supported on my way, so that I never felt like an external doctoral student, but part of the team. The professional and personal exchange gave me a lot. I would also like to thank the B2B team. I look back fondly on the good conversations in Passau, the conferences in Graz, Glasgow, and Boston, and the days spent together in New York.

Another thank you goes to my mentor at DHBW Ravensburg, Prof. Dr. Simon Ottler. His belief in my abilities, his support, and the freedom he granted me have always pushed me forward. I look back with pleasure on my time at the Center for Empirical Communication Research. I would also like to express my sincere thanks to the rectorate, all colleagues, and companions at the DHBW Ravensburg.

Moreover, I would like to thank my beloved Katharina, who especially in the final phase of the dissertation spurred me on with her humor and loving nature and always offered

---

me an open ear and a lot of understanding. Thank you for joining me on this journey. Being with you is so good for me.

Finally, I would like to thank my entire family and all relatives for their enormous support. I was able to learn how irreplaceable it is to have a loving family that has your back. I would like to thank my parents for giving me the values, discipline, motivation, and finally the belief that anything is possible. A special thanks to my father Klemens, with whom I would love to share this moment and whose smile I would love to see again. Dad, I keep you in my heart and I know you are always with me. I also thank from the bottom of my heart my mother Ute and my brother Alexander, who gave me so much strength and had to do without me far too often in the last years. Dad, Mom, and Alexander, I dedicate this work to you.

---

## Summary

Suppliers in the business-to-business sectors no longer have their competitive advantages solely in the uniqueness of their products and services. Many products or services have become interchangeable, among other things, due to globalization or technical progress. In many industries - with some exceptions - delivery quantities can often be increased easily and delivery times can be reduced to a minimum. Thus, the competitive advantages of suppliers can individually consist of many different criteria. For each customer, a different specific characteristic of the supplier can mean decisive added value. Accordingly, customers are more willing to choose a supplier based on *soft* factors such as the brand, especially in important, close, and long-term relationships.

The relevance of brands in the B2B context is well known. Likewise, the idea of the professional buyer as *homo oeconomicus* has long been disproved. Nevertheless, there is a multitude of little to no researched brand-relevant topics - which is, among other things, due to the diversity of the B2B sectors and their specific determinants. Both practice - a look at the most successful B2B brands worldwide shows this - and research show that the inner part of a brand - compared to external aspects such as awareness and image - is becoming more relevant. Accordingly, constructs such as brand identity and its relevant components brand culture and brand essence are of central importance. Therefore, research is required to more thoroughly investigate their construction, management, and impact, and thus derive recommendations for practitioners. In this context, this dissertation examines the overarching research question of how the suppliers' brand management in the form of brand identity, brand culture, and brand essence influences buyer-seller relationships in three independent essays.

In Essay 1, I address the structure, capabilities, and outcomes of brand identity from a supplier perspective. Through qualitative interviews with suppliers, I examine how

---

widespread the concept of brand identity is in practice and what exactly practitioners understand by it. Going further, I look at what capabilities and conditions are necessary for brand identity to be successful and what outcomes suppliers hope to achieve. Using an Information-Display-Matrix (IDM) test and a sample of Master of Business Administration (MBA) students, I examine the relevance of brand functions in more detail.

In Essay 2, I use a dyadic dataset with matched buyer-seller dyads to examine the causes and effects of perceptual congruence and incongruence of brand culture strength on the buyer-seller relationship, while considering relationship-specific investments and interaction mechanisms as moderating effects. I show that congruence and incongruence have different effects on customer loyalty and price sensitivity and that these are strongly context-dependent.

In Essay 3, I deal with brand essence strength interactions and their effects on the buyer-seller relationship. I use a dyadic dataset with matched buyer-seller dyads to show how brand essence strength influences customer loyalty and customer profitability, and how it interacts with key customer attitudes and other important buyer-seller relationship closeness indicators.

In summary, the three essays offer the following insights into when and under what conditions suppliers benefit from managing a brand identity, brand culture, and brand essence. First, brand management is very complex as it requires specific capabilities to establish a brand identity. In addition, there are different ways to create the brand identity with its components. Second, brand culture and brand essence can have a positive impact on the business relationship when a number of conditions are taken under consideration. In terms of brand culture, special attention should be paid to relationship-specific investments and interaction mechanisms, and in terms of brand essence, to psychological and financial attachment in the customer relationship. Third, the impact of a brand should be studied from

---

multiple perspectives. A self-evaluation of the sales people, but also exclusive customer data can lead to erroneous conclusions.

This dissertation makes a significant contribution to the literature on brand identity, brand culture, and brand essence in buyer-seller relationships. Furthermore, my dissertation offers practical implications for managers at B2B suppliers who (re)shape their brand management with a focus on the inner parts of the brand.

---

**Short Table of Contents**

**Acknowledgements..... III**

**Summary ..... V**

**Short Table of Contents ..... VIII**

**Table of Contents ..... IX**

**List of Figures..... XII**

**List of Tables ..... XIII**

**List of Appendices ..... XIV**

**List of Abbreviations..... XV**

**1. Introduction..... 1**

**2. Essay 1: The B2B Brand Identity Concept: Relevance, Determinants, and Outcomes ..... 19**

**3. Essay 2: How Perceptual Congruence and Incongruence of Brand Culture Strength Shape Customer Loyalty and Price Sensitivity ..... 60**

**4. Essay 3: When Does Brand Essence Strength Play an Important Role in Business Relationships?..... 123**

**5. General Discussion ..... 172**

**6. Conclusion..... 187**



---

## Table of Contents

<b>Acknowledgements</b> .....	<b>III</b>
<b>Summary</b> .....	<b>V</b>
<b>Short Table of Contents</b> .....	<b>VIII</b>
<b>Table of Contents</b> .....	<b>IX</b>
<b>List of Figures</b> .....	<b>XII</b>
<b>List of Tables</b> .....	<b>XIII</b>
<b>List of Appendices</b> .....	<b>XIV</b>
<b>List of Abbreviations</b> .....	<b>XV</b>
<b>1. Introduction</b> .....	<b>1</b>
1.1 B2B Brand Management: Are Suppliers Still Half-Baked?.....	1
1.2 Research Objectives and Scope .....	6
1.2.1 Essay 1: The B2B Brand Identity Concept: Relevance, Determinants, and Outcomes .....	6
1.2.2 Essay 2: How Perceptual Congruence and Incongruence of Brand Culture Strength Shape Customer Loyalty and Price Sensitivity .....	8
1.2.3 Essay 3: When Does Brand Essence Strength Play an Important Role in Business Relationships? .....	9
1.3 Dissertation Structure.....	10
1.4 References .....	12
<b>2. Essay 1: The B2B Brand Identity Concept: Relevance, Determinants, and Outcomes</b> .....	<b>19</b>
2.1 Introduction .....	20
2.2 Literature Review.....	22
2.2.1 Brand Identity .....	22
2.2.2 Brand Identity Capabilities.....	26
2.2.3 Brand Benefits .....	28
2.3 Research Methodology.....	29
2.3.1 Semi-Structured Interviews .....	29
2.3.2 IDM Test .....	31
2.4 Conceptual and Theoretical Foundations of Brand Identity.....	33
2.4.1 B2B Brand Identity Components.....	33
2.4.1.1 Cluster 1: The Brand’s Uniqueness and Differentiation from Others.....	34
2.4.1.2 Cluster 2: Making the History Tangible.....	37
2.4.1.3 Cluster 3: Communicating the Brand’s Heart to the Outside.....	38
2.4.1.4 Cluster 4: Future Orientation .....	38
2.4.2 B2B Brand Identity Capabilities.....	39

---

2.4.3	B2B Brand Identity Benefits .....	42
2.4.3.1	Supplier Perspective .....	42
2.4.3.2	Customer Perspective .....	43
2.5	Discussion.....	46
2.5.1	Theoretical Contributions.....	46
2.5.2	Managerial Implications.....	48
2.5.3	Limitations and Future Research .....	49
2.6	References .....	51
2.7	Appendices .....	57
<b>3.</b>	<b>Essay 2: How Perceptual Congruence and Incongruence of Brand Culture Strength Shape Customer Loyalty and Price Sensitivity .....</b>	<b>60</b>
3.1	Introduction .....	61
3.2	Conceptual Background and Framework.....	65
3.2.1	Literature Review.....	65
3.2.2	Overview of the Framework.....	67
3.3	Hypothesis Development .....	71
3.3.1	Main Effects of BCS Congruence and BCS Incongruence.....	71
3.3.2	Interaction Effects.....	76
3.3.3	Key Antecedents of BCS Incongruence.....	78
3.4	Methodology.....	81
3.4.1	Data Collection and Sample .....	81
3.4.2	Measures.....	85
3.4.3	Common Method Bias and Endogeneity.....	88
3.5	Analysis and Results .....	90
3.5.1	Outcomes of BCS Congruence and BCS Incongruence .....	91
3.5.2	Antecedents of Buyer-Seller BCS Incongruence.....	98
3.6	Discussion.....	100
3.6.1	Theoretical Implications.....	100
3.6.2	Managerial Implications.....	103
3.6.3	Limitations and Further Research.....	105
3.7	References .....	107
3.8	Appendices .....	119
<b>4.</b>	<b>Essay 3: When Does Brand Essence Strength Play an Important Role in Business Relationships?.....</b>	<b>123</b>
4.1	Introduction .....	124
4.2	Conceptual Background and Research Framework.....	128
4.2.1	BES and Key Customer Attitudes in Business Relationships .....	128
4.2.2	Relationship Closeness Indicators CCI and SOW as Moderating Variables .....	131

---

4.3	Hypotheses Development.....	133
4.3.1	Effects of BES and its Interactions with ATP and ATS.....	133
4.3.2	Moderating Effects of CCI as Customer’s Psychological Attachment.....	135
4.3.3	Moderating Effects of SOW as Customer’s Financial Attachment.....	138
4.4	Methodology.....	139
4.4.1	Data Collection and Sample.....	139
4.4.2	Measures.....	143
4.4.3	Common Method Bias and Endogeneity.....	146
4.5	Analysis and Results.....	148
4.5.1	Outcomes of BES and its Interactions with ATP and ATS.....	148
4.5.2	Outcomes of the Moderating Roles of CCI and SOW.....	150
4.6	Discussion.....	153
4.6.1	Theoretical Implications.....	153
4.6.2	Managerial Implications.....	156
4.6.3	Limitations and Further Research.....	158
4.7	References.....	160
4.8	Appendix.....	170
<b>5.</b>	<b>General Discussion.....</b>	<b>172</b>
5.1	Theoretical Contributions.....	172
5.1.1	The Functions, Benefits, and Added Value of Supplier Brands in the B2B Context.....	173
5.1.2	Relationship Characteristics as Determinants for Brand Management Effectiveness.....	174
5.1.3	Investigating the Brand from Multiple Perspectives.....	175
5.2	Managerial Implications.....	177
5.2.1	Understanding the Complexity of B2B Brand Management.....	177
5.2.2	Putting the Brand in the Context of the Customer Relationship.....	178
5.2.3	Considering the Capabilities, Resources, and Efforts Required to Manage the Supplier Brand.....	180
5.3	Outlook.....	181
5.4	References.....	184
<b>6.</b>	<b>Conclusion.....</b>	<b>187</b>

---

**List of Figures**

Figure 1.1. Dissertation Structure .....	11
Figure 2.1. B2B Brand Identity Concept.....	34
Figure 2.2. Grounded Theory Framework of B2B Brand Identity .....	46
Figure 3.1. Research Framework for the Outcomes of BCS Congruence and Incongruence ..	69
Figure 3.2. Research Framework for the Antecedents of BCS Incongruence.....	79
Figure 3.3. Influence of BCS Congruence and BCS Incongruence on Customer Loyalty (Main Effects; Response Surface).....	92
Figure 3.4. Influence of BCS Congruence and BCS Incongruence on Customer Loyalty (Switching Costs Interaction Effects) .....	94
Figure 3.5. Influence of BCS Congruence and BCS Incongruence on Customer Loyalty (Information Exchange Interaction Effects).....	95
Figure 3.6. Influence of BCS Incongruence on Price Sensitivity (Interaction Effects).....	98
Figure 4.1. Research Framework .....	129
Figure 4.2. Influence of BES on Customer Loyalty (Interaction Effects; Model 2).....	151
Figure 4.3. Influence of BES on Customer Profitability (Interaction Effects; Model 2).....	152
Figure 4.4. Influence of BES on Customer Profitability (Share of Wallet Interaction Effects; Model 3) .....	153

---

**List of Tables**

Table 2.1. Literature Review (Brand Identity) .....	24
Table 2.2. Literature Review (Brand-Related Capabilities).....	27
Table 2.3. Checks for Realism and Involvement.....	32
Table 2.4. B2B Brand Functions from the Supplier Perspective.....	43
Table 2.5. Depth Measure Indicators Based on the IDM Test .....	44
Table 2.6. Content Measure Indicators Based on the IDM Test.....	45
Table 3.1. Sample Composition.....	83
Table 3.2. Correlations and Constructs .....	86
Table 3.3. Polynomial Regression with Customer Loyalty as Dependent Variable.....	93
Table 3.4. Polynomial Regression with Price Sensitivity as Dependent Variable .....	96
Table 3.5. SUR Results for Antecedents to BCS Incongruence.....	100
Table 4.1. Sample Composition.....	141
Table 4.2. Correlations and Constructs .....	144
Table 4.3. Results of Moderated Regression Analysis for Customer Loyalty .....	149
Table 4.4. Results of Moderated Regression Analysis for Customer Profitability.....	150

---

**List of Appendices**

Appendix 2.A. Interview Guideline (Brand Identity Section).....	57
Appendix 2.B. IDM Test Scenarios for Systems and Product Business.....	58
Appendix 2.C. Screenshot from the IDM Test of the Systems Business Scenario .....	59
Appendix 3.A. Literature Review (Brand Culture).....	119
Appendix 3.B. Measurement Items.....	121
Appendix 4.A. Measurement Items .....	170

---

**List of Abbreviations**

ATP	Attitude towards the salesperson
ATS	Attitude towards the products
AV	Anti-virus
AVE	Average variance extracted
b	Unstandardized regression coefficient
B2B	Business-to-business
B2C	Business-to-consumer
BCG	Boston Consulting Group
BCS	Brand culture strength
BES	Brand essence strength
CA	Cronbach's alpha
CCI	Customer-company identification
CEO	Chief Executive Officer
CFI	Comparative fit index
CIO	Chief Information Officer
CR	Composite reliability
CWE	Customer working experience
df	Degrees of freedom
DHBW	Baden-Wuerttemberg Cooperative State University
ERP	Enterprise resource planning
IBR	Internal brand knowledge
ID	Identifier
IDM	Information-Display-Matrix
IE	Information exchange

---

IMC	Integrated Marketing Communication
M	Mean
MBA	Master of Business Administration
min.	Minute
n	Size of the sample
N/A	Not available/applicable
NFI	Normed fit index
No.	Number
$R^2$	R-squared/Coefficient of determination
RBV	Resource-based view
rM2	Second smallest positive correlation
RMSEA	Root mean square error of approximation
RQ	Research question
SC	Switching costs
SD	Standard deviation
SE	Standard error
SOW	Share of wallet
SRMR	Standardized root mean-square of residuals
SUR	Seemingly unrelated regression
TLI	Tucker-Lewis index



---

## 1. Introduction

### 1.1 B2B Brand Management: Are Suppliers Still Half-Baked?

“In a world where everything increasingly looks the same, brands are one of the few opportunities for making a difference” (Kotler & Pfoertsch, 2006, p. 69).

Established brand rankings have shown the high relevance of business-to-business (B2B) brands for years. For example, B2B brands occupy top positions in Interbrand’s Best Global Brands ranking. Microsoft (ranked 3rd), Intel (ranked 12th), IBM (ranked 14th), Cisco (ranked 16th), and SAP (ranked 18th) are among the 20 most valuable brands overall (Interbrand, 2021). A separate ranking for B2B brands, for example, is provided by the BrandZ report 2019, which lists Microsoft, IBM, SAP, UPS, Wells Fargo, Accenture, Intel, Cisco, Adobe, and Salesforce as the top 10 B2B brands in descending order (Kantar, 2019). Strikingly, the top 20 B2B brands in this ranking include eleven technology brands followed by banks, logistics, energy, and conglomerate (Kantar, 2019). Accordingly, B2B brands are also among the most innovative companies in 2020 (BCG, 2021), with Microsoft (ranked 4th), IBM (ranked 8th), Huawei (ranked 6th), Cisco (ranked 12th), Intel (ranked 19th), and Dell (ranked 20th).

In B2B markets, brands are important for suppliers for many reasons. For example, interchangeable products and services of competing suppliers, distribution of complex solution-based offerings, and an exposition to high price pressure increase the pressure on suppliers to build and manage a brand (Kotler & Pfoertsch, 2006). For customers, the most important B2B brand functions are functional benefits, risk reduction, information efficiency, and image benefit (e.g., McKinsey Marketing and Sales Practice, 2013; Backhaus, Steiner, & Lügger, 2011; Kotler & Pfoertsch, 2007; Mudambi, 2002). Consequently, a brand creates

---

differentiation, helps to reduce complexity, and provides additional value for the customer (Kotler & Pfoertsch, 2006).

However, research on B2B brands is still rather disparate and contains many different topics and facets. For example, research addresses topics such as brand management and strategy (Pyper et al., 2020; Cassia & Magno, 2019), brand orientation (Anees-ur-Rehman et al., 2018; Chang, Wang, & Arnett, 2018; Anees-ur-Rehman et al., 2017; Reijonen et al., 2015); corporate brand image co-creation (Törmälä & Saraniemi, 2018), brand sensitivity (Casidy et al., 2018; Brown et al., 2012), brand image (Cassia, Cobelli, & Ugolini, 2017), consumer goods brands in B2B markets (Viardot, 2017), business advertising (Baack et al., 2016), and brand identity (Törmälä & Gyrd-Jones, 2017; Buil, Catalán, & Martínez, 2016).

Brand management “is the organizational framework that systematically manages the planning, development, implementation, and evaluation of the brand strategy” (Kotler & Pfoertsch, 2006, p. 66). In order to successfully position a brand (Kapferer, 2008) and build a credible and recognizable image in the long term (McKinsey Marketing and Sales Practice, 2013), the firm’s brand identity is a key prerequisite. Therefore, in this dissertation I concentrate on the management of the suppliers’ brand identity and two of its key components, namely the brand culture (Schroeder, 2009) and the brand essence (Aaker & Joachimsthaler, 2009).

Brand identity is a framework for the brand’s general coherence and longevity (Kapferer, 2008) and is defined as idealized propositions and unique brand associations that are created by the supplier and communicated to customers (Ballantyne & Aitken, 2007; Ghodeswar, 2008). However, in practice, there is little evidence on how prevalent the concept of brand identity is. Prior research contains few studies about brand identity in the B2B context (e.g., Törmälä & Gyrd-Jones, 2017; Coleman, de Chernatony, & Christodoulides, 2015; Urde, 2013). However, both in practice and in research, there is no clear understanding

---

of first, the overall relevance and prevalence, and second, the key components of a B2B brand identity. Therefore, it is important to examine brand identity for two reasons. First, even if managers are conscious of the relevance of the brand identity and are thereby familiar with how to shape it, they do not necessarily know how to implement it. This means that managers do not have an understanding about the capabilities and resources needed to execute the brand identity. Second, the specific components of brand identity should depend on the specific functions of brands, as these in turn influence customers' buying decisions. This is particularly important because a B2B company's positioning should be focused on the key benefits its buyers seek (Bennion, 1987). Consequently, companies should first identify the brand functions that are relevant to their customers and then design the appropriate brand identity components and their content accordingly.

The culture of an organization is an important component of the organization's brand (de Chernatony, 2010) and thus deserves particular attention. Culture is how employees feel about their organization (e.g., norms and beliefs) and provides the framework within which employees interact internally and externally (Deshpande & Webster, 1989; Balmer & Greyser, 2006; Schultz & Hatch, 2006). Although brand identity frameworks consider culture (Schroeder, 2009), prior research rather focuses on culture as an organizational issue (e.g., Homburg & Pflesser, 2000; Sin & Tse, 2000). Thus, research that contains culture as a component of the suppliers' brand is sparse. Accordingly, brand culture helps employees to behave appropriately and to create a unified sense of the brand. A strong culture motivates employees and makes them feel proud of being a part of the brand (de Chernatony, 2010). This is important for the following reasons. First, for a brand to be strong and successful externally, it is important that the brand is also successful internally. This means that employees live the brand and represent to the outside world what the brand stands for (Kotler & Pfoertsch, 2006). Second, brands are an important part of customer perception and affect

---

purchasing decisions (Zablah, Brown, & Donthu, 2010). Consequently, culture also has an impact on customer behavior through brand identity.

A second important component of brand identity is brand essence, which is the inner and central part of brand identity (Aaker & Joachimsthaler, 2009) and a summary of the most important aspects and key values of a brand (Chandler & Owen, 2002). On the one hand, brand essence conceptualizes the brand core and, on the other, it communicates it to the outside world (de Chernatony, 2010). This is in line with the idea that a brand's external strength cannot be stronger than its internal strength (Urde, 2009). Practice shows that many of the successful brands are nurturing their inner selves in terms of a brand essence. Examples include "Invented for Life" from Bosch (2021) and "Help the world run better and improve people's lives" from SAP (2021). Interestingly, prior research largely neglected the notion of brand essence and its impact on buyer-seller relationships. In particular, it is unclear if, when, and how suppliers benefit from strong brand essence in B2B relationships. This is important for managers that establish a brand, as it is crucial that the essence should consider attributes, functional and emotional benefits, values even up to personality traits (de Chernatony, 2010). Accordingly, it can be assumed that a brand essence can only be beneficial for the business relationship if it is aligned with both the attributes of the supplier and the expected benefits of the customers.

From an empirical perspective, there are gaps in the B2B brand literature as well. Brand-related research that considers both the supplier and customer perspectives is generally rare (e.g., Saraniemi et al., 2010; Williams & Attaway, 1996). From a practical perspective, B2B suppliers often rely on the reports of their sales people to understand what is in their customers' minds, but neglect the need for research explicitly covering customers' perceptions (Kotler & Pfoertsch, 2006). In addition to this, brands in B2B markets are relationship brands (Kapferer, 2008). This means that the customers often do not search for

---

the most suitable product, but for a supplier for long-term joint development (Kapferer, 2008). Therefore, examining dyadic buyer-seller relationships is important. Consequently, this dissertation draws on multiple sources of data. The data in the empirical studies is drawn from suppliers as experts, from dyadic buyer-seller relationships, and from Master of Business Administration (MBA) students.

When studying decision-making or business relationships in B2B markets, contextual factors are particularly relevant. The term B2B does not reflect a homogeneous reality, as conditions in industries can be completely different (Kapferer, 2008). Therefore, organizational factors such as policies, structures, and procedures as well as environmental factors such as competition and technological development should be considered (Kotler & Pfoertsch, 2006). Consequently, prior research on B2B branding already examines influencing variables that, for example, consider market characteristics, buyer characteristics, or product and service characteristics (e.g., Homburg, Klarmann, & Schmitt, 2010). Further, personal factors such as relationships and trust, individual factors such as personality and risk tolerance, and interpersonal factors such as authority, status, and empathy are important (Kotler & Pfoertsch, 2006). This dissertation picks up on this reality and examines the interactions through relationship-specific investments, interaction mechanisms, key customer attitudes, and relationship closeness indicators.

Based on this state of the art in marketing academia and practice, this dissertation deals with different facets of B2B brand management, focusing on brand identity, brand culture, and brand essence. With the help of three independent essays, this dissertation attempts to answer the following overarching research question:

*How does the suppliers' brand management in the form of brand identity, brand culture, and brand essence influence buyer-seller relationships?*

---

## 1.2 Research Objectives and Scope

I address this overarching research question in three essays. I examine the suppliers' understanding of brand identity, the capabilities needed for the management of a brand identity, and the most relevant benefits for suppliers. I further identify the key components of a brand identity, which include brand culture and brand essence, and examine their role in business relationships.

Essay 1 focuses on the brand identity of sellers. It examines what B2B sellers mean by brand identity, how prevalent the concept of brand identity is in B2B industries, which components of brand identity are particularly important in B2B markets from the sellers' perspective, what capabilities are necessary for a brand identity to be successfully implemented, and lastly, what outcomes sellers hope to achieve by cultivating brand identity.

Essay 2 focuses on the strength of brand culture as a key component of a B2B brand identity. It examines the extent to which brand culture strength congruence and incongruence between supplier and customer perceptions affect the buyer-supplier relationship. It is supplemented by an investigation of how such perceptual incongruence of brand culture strength can arise.

Essay 3 considers the strength of brand essence, which is another key component of a B2B brand identity. The essay considers the interactions of brand essence strength with other important determinants, such as the customer's attitude towards the product and the salesperson, with regard to the buyer-seller relationship.

### 1.2.1 Essay 1: The B2B Brand Identity Concept: Relevance, Determinants, and Outcomes

In Essay 1, we concentrate on the framework, capabilities, and outcomes of a B2B brand identity. Best-practice B2B firms use their brand to position themselves towards competitors. To create a recognizable, credible, and long-term brand image, the brand is

---

supposed to have an identity (McKinsey Marketing and Sales Practice, 2013). Brand identity is the origin of a firm's brand positioning (Kapferer, 2008). However, prior literature on brand identity concepts, determinants, and frameworks shows no common understanding of a B2B brand identity. Thus, the relevant brand identity components for B2B industries are unclear. Further, prior literature on brand-related capabilities does not focus on the specific facets of capabilities needed to build a B2B brand identity (e.g., Cui, Hu, & Griffith, 2014; Altshuler & Tarnovskaya, 2010; Beverland, Napoli, & Lindgreen, 2007). Literature on brand functions and benefits states a range of different B2B brand functions for customers (e.g., McKinsey Marketing and Sales Practice, 2013). Beyond that, B2B selling firms should be aware of their customers' specific brand benefits to adapt their brand identity accordingly. Therefore, it is important to gain more detailed insights to the specific components of a brand identity in the B2B context, the specific capabilities that firms need to implement a brand identity, and on which typical functions of brands the brand identity pays off in B2B markets. Thus, the research questions of Essay 1 are:

- *Is brand identity a relevant concept in the B2B context?*
- *What internal organizational requirements are necessary to successfully build and implement a brand identity?*
- *How B2B suppliers particularly benefit from building a strong brand identity?*

This essay addresses the aforementioned issues with the help of a literature review, a qualitative study, and an Information-Display-Matrix (IDM) test. We specify the relevance of brand identity for selling firms, develop a B2B brand identity framework, and specify the capabilities and customer-related outcomes.

---

## 1.2.2 Essay 2: How Perceptual Congruence and Incongruence of Brand Culture Strength Shape Customer Loyalty and Price Sensitivity

With Essay 2, we focus on the perceptual congruence and incongruence of brand culture strength (BCS). Culture is an important component of brand identity (e.g., Kapferer, 2008) and essential for the success of a brand (de Chernatony & Cottam, 2008) as well as sustainable competitive advantage (de Chernatony, 2010). Literature shows that culture and brand are strongly linked (e.g., Xie & Zheng, 2020; Vallaster & de Chernatony, 2006), that it is important for the buyer-seller relationship to what extent the sales people have internalized the brand culture (e.g., Törmälä & Gyrd-Jones, 2017; Baumgarth, 2010; Kowalczyk & Pawlish, 2002), and that culture can have a positive effect on the selling firm's success (e.g., Homburg & Pflesser, 2000; Williams & Attaway, 1996). Although, culture is an important factor for leading B2B firms (e.g., Oracle, 2020), incongruence is very likely with a somewhat *soft* and subjective variable like brand culture (Homburg et al., 2012). Nevertheless, buyer-seller perceptual congruence and incongruence of BCS in particular has been little studied to date. BCS congruence is defined as the agreement between buyers and sellers on BCS (i.e., an equal evaluation), and BCS incongruence is defined as buyers and sellers evaluating BCS differently (e.g., Benlian, 2014). This is of interest to sellers, since culture is relevant at the customer-firm interface (e.g., Baumgarth & Schmidt, 2010; Balmer & Greyser, 2006). Buyers perceive BCS through contact with the sales people (de Chernatony & Cottam, 2008). An inappropriate or inconsistent behavior of sales people can damage customers' perceptions and behavior (Harris & de Chernatony, 2001). The research questions of the Essay 2 are:

- *How do perceptual differences between sales people and customers with respect to the supplier's BCS affect customer loyalty and price sensitivity?*
- *To what extent are these effects context-dependent?*



- 
- *What determines the suppliers' and customers' perceptions of the supplier's BCS?*

In Essay 2, we test these subjects using a dyadic dataset with matched buyer-seller dyads of firms from different B2B industries. We contribute by investigating consequences of BCS congruence and incongruence, its contextual effects, and the drivers of BCS incongruence.

### **1.2.3 Essay 3: When Does Brand Essence Strength Play an Important Role in Business Relationships?**

In Essay 3, I deal with brand essence strength (BES). B2B branding often concentrates on external or outlying parts of a brand like brand awareness (e.g., Homburg, Klarmann, & Schmitt, 2010). However, brands must be strong on the inside in order to be strong on the outside (Urde, 2009). Therefore, leading practitioners like Bosch, SAP, and Cisco highlight the inner parts of their brand (Bosch, 2021; SAP, 2021; Cisco, 2021). Brand essence is the inner and central part of a brand identity (Aaker & Joachimsthaler, 2009). Literature on the role of brands, especially brand essence, in existing buyer-seller relationships is sparse. There is no consensus on the relative contribution of brands to customer preferences, in different buying or relationship situations, and compared to the functional attributes of an offering (Gomes, Fernandes, & Brandão, 2016; Cassia & Magno, 2012). For B2B firms it is important to know, how their BES influences the business relationship with their customers and how BES interacts with key customer attitudes and important buyer-seller relationship closeness indicators (e.g., customer-company identification and share of wallet). The customers' attitudes towards the products and towards the salesperson are two essential attitudes for customers in business relationships (e.g., Homburg, Müller, & Klarmann, 2011) that are discussed in this essay. Therefore, this essay addresses the following two research questions:

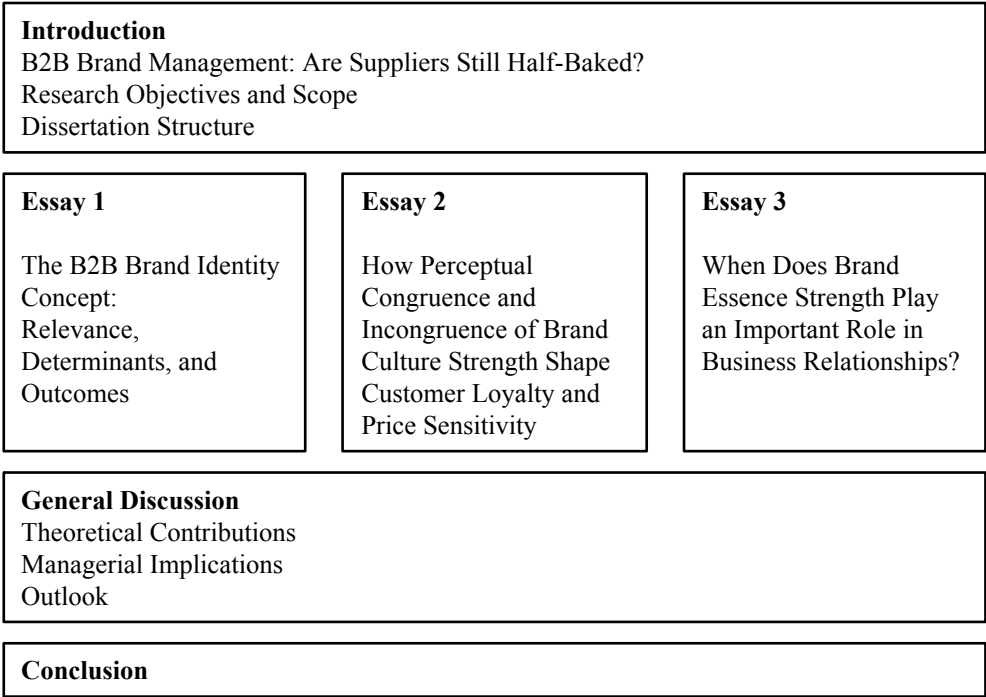
- 
- *How does the supplier's BES affect customer loyalty and customer profitability, and what is the role of the customer's attitude towards the products and towards the salesperson in this relationship?*
  - *How do customer-company identification and share of wallet affect the relationship between the supplier's BES and customer loyalty as well as customer profitability?*

To address the issues of Essay 3, I use a dyadic dataset with matched buyer-seller dyads of firms from different B2B industries. I give details of the impact and contextual effects of essence as an internal component of brands in business relationships.

### **1.3 Dissertation Structure**

The following is the structure of my dissertation. Chapter 2 includes Essay 1. In this chapter, I address the structure, capabilities, and outcomes of brand identity from a supplier perspective. Chapter 3 consists of Essay 2 that addresses the causes and effects of brand culture strength congruence and incongruence on the buyer-seller relationship. Chapter 4 depicts Essay 3, which deals with brand essence strength interactions and their effects on the buyer-seller relationship. Chapter 5 presents the insights and discussion from all three essays and provides theoretical contributions, managerial implications, and also limitations and recommendations for further research. Chapter 6 contains concluding remarks. Figure 1.1 shows the structure of my dissertation.

Figure 1.1. Dissertation Structure



---

## 1.4 References

- Aaker, D. A., & Joachimsthaler, E. (2009). *Brand Leadership. Building Assets in an Information Economy*. Simon & Schuster: London.
- Altshuler, L., & Tarnovskaya, V. V. (2010). Branding capability of technology born globals. *Journal of Brand Management*, 18(3), 212-227.
- Anees-ur-Rehman, M., Saraniemi, S., Ulkuniemi, P., & Hurmelinna-laukkanen, P. (2017). The strategic hybrid orientation and brand performance of B2B SMEs. *Journal of Small Business and Enterprise Development*, 24(3), 585-606.
- Anees-ur-Rehman, M., Wong, H. Y., Sultan, P., & Merrilees, B. (2018). How brand-oriented strategy affects the financial performance of B2B SMEs. *Journal of Business & Industrial Marketing*, 33(3), 303-315.
- Baack, D. W., Wilson, R. T., van Dessel, M. M., & Patti, C. H. (2016). Advertising to businesses: Does creativity matter? *Industrial Marketing Management*, 55(May), 169-177.
- Backhaus, K., Steiner, M., & Lügger, K. (2011). To invest, or not to invest, in brands? Drivers of brand relevance in B2B markets. *Industrial Marketing Management*, 40(7), 1082-1092.
- Ballantyne, D., & Aitken, R. (2007). Branding in B2B markets: insights from the service-dominant logic of marketing. *Journal of Business & Industrial Marketing*, 22(6), 363-371.
- Balmer, J. M. T., & Greyser, S. A. (2006). Corporate marketing. Integrating corporate identity, corporate branding, corporate communications, corporate image and corporate reputation. *European Journal of Marketing*, 40(7/8), 730-741.
- Baumgarth, C. (2010). "Living the brand": brand orientation in the business-to-business sector. *European Journal of Marketing*, 44(5), 653-671.

- 
- Baumgarth, C., & Schmidt, M. (2010). How strong is the business-to-business brand in the workforce? An empirically-tested model of ‘internal brand equity’ in a business-to-business setting. *Industrial Marketing Management*, 39(8), 1250-1260.
- BCG (2021). The Most Innovative Companies: An Interactive Guide. 2020 Top 50. <https://www.bcg.com/de-de/publications/collections/most-innovative-companies-2019-artificial-intelligence-platforms-ecosystems> [August, 5<sup>th</sup> 2021].
- Benlian, A. (2014). Are We Aligned...Enough? The Effects of Perceptual Congruence Between Service Teams and Their Leaders on Team Performance. *Journal of Service Research*, 17(2), 212-228.
- Bennion, M. L. (1987). Segmentation and Positioning in a Basic Industry. *Industrial Marketing Management*, 16(1), 9-18.
- Beverland, M., Napoli, J., & Lindgreen, A. (2007). Industrial global brand leadership: A capabilities view. *Industrial Marketing Management*, 36(8), 1082-1093.
- Bosch (2021). Company | Bosch Global. <https://www.bosch.com/company/> [April, 16<sup>th</sup> 2021].
- Brown, B. P., Zablah, A. R., Bellenger, D. N., & Donthu, N. (2012). What factors influence buying center brand sensitivity? *Industrial Marketing Management*, 41(3), 508-520.
- Buil, I., Catalán, S., & Martínez, E. (2016). The importance of corporate brand identity in business management: An application to the UK banking sector. *BRQ Business Research Quarterly*, 19(1), 3-12.
- Casidy, R., Nyadzayo, M. W., Mohan, M., & Brown, B. (2018). The relative influence of functional versus imagery beliefs on brand sensitivity in B2B professional services. *Industrial Marketing Management*, 72(July), 26-36.
- Cassia, F., Cobelli, N., & Ugolini, M. (2017). The effects of goods-related and service-related B2B brand images on customer loyalty. *Journal of Business & Industrial Marketing*, 32(5), 722-732.

- 
- Cassia, F., & Magno, F. (2012). Business-to-Business Branding: A Review and Assessment of the Impact of Non-Attribute-Based Brand Beliefs on Buyer's Attitudinal Loyalty. *Canadian Journal of Administrative Sciences*, 29(3), 242-254.
- Cassia, F., & Magno, F. (2019). A framework to manage business-to-business branding strategies. *EuroMed Journal of Business*, 14(2), 110-122.
- Chandler, J., & Owen, M. (2002). *Developing Brands with Qualitative Market Research*. SAGE Publications Ltd.: London, Thousand Oaks, & New Delhi.
- Chang, Y., Wang, X., & Arnett, D. B. (2018). Enhancing firm performance: The role of brand orientation in business-to-business marketing. *Industrial Marketing Management*, 72(July), 17-25.
- Cisco (2021). Bridge to Possible. [https://www.cisco.com/c/en\\_be/about/bridge-to-possible.html](https://www.cisco.com/c/en_be/about/bridge-to-possible.html) [April, 16<sup>th</sup> 2021].
- Coleman, D., de Chernatony, L., & Christodoulides, G. (2015). B2B service brand identity and brand performance. An empirical investigation in the UK's B2B IT services sector. *European Journal of Marketing*, 49(7/8), 1139-1162.
- Cui, A. P., Hu, M. Y., & Griffith, D. A. (2014). What makes a brand manager effective? *Journal of Business Research*, 67(2), 144-150.
- de Chernatony, L. (2010). *From Brand Vision to Brand Evaluation. The Strategic Process of Growing and Strengthening Brands*. 3rd Edition. Butterworth-Heinemann: Amsterdam et al.
- de Chernatony, L., & Cottam, S. (2008). Interactions between organizational cultures and corporate brands. *Journal of Product & Brand Management*, 17(1), 13-24.
- Deshpande, R., & Webster, F. E. Jr. (1989). Organizational Culture and Marketing: Defining the Research Agenda. *Journal of Marketing*, 53(1), 3-15.

- 
- Ghodeswar, B. M. (2008). Building brand identity in competitive markets: a conceptual model. *Journal of Product & Brand Management*, 17(1), 4-12.
- Gomes, M., Fernandes, T., & Brandão, A. (2016). Determinants of brand relevance in a B2B service purchasing context. *Journal of Business & Industrial Marketing*, 31(2), 193-204.
- Harris, F., & de Chernatony, L. (2001). Corporate branding and corporate brand performance. *European Journal of Marketing*, 35(3/4), 441-456.
- Homburg, C., Klarmann, M., Reimann, M., & Schilke, O. (2012). What drives key informant accuracy? *Journal of Marketing Research*, 49(4), 594-608.
- Homburg, C., Klarmann, M., & Schmitt, J. (2010). Brand awareness in business markets: When is it related to firm performance? *International Journal of Research in Marketing*, 27(3), 201-212.
- Homburg, C., Müller, M., & Klarmann, M. (2011). When Should the Customer Really be King? On the Optimum Level of Salesperson Customer Orientation in Sales Encounters. *Journal of Marketing*, 75(2), 55-74.
- Homburg, C., & Pflesser, C. (2000). A Multiple-Layer Model of Market-Oriented Organizational Culture: Measurement Issues and Performance Outcomes. *Journal of Marketing Research*, 37(4), 449-462.
- Interbrand (2021). Best Global Brands. <https://www.interbrand.com/best-global-brands/> [August, 5<sup>th</sup> 2021].
- Kantar (2019). Kantar BrandZ Most Valuable Global Brands 2019. [https://www.kantar.com/-/media/project/kantar/global/campaigns/brandz/brandz-reports/brandz\\_global\\_top\\_100\\_2019\\_report.pdf](https://www.kantar.com/-/media/project/kantar/global/campaigns/brandz/brandz-reports/brandz_global_top_100_2019_report.pdf) [August, 5<sup>th</sup> 2021].
- Kapferer, J. N. (2008). The new strategic brand management. Creating and sustaining brand equity long term. 4<sup>th</sup> Edition. Kogan Page: London and Philadelphia.

---

Kotler, P., & Pfoertsch, W. (2006). B2B Brand Management. Springer: Berlin & Heidelberg.

Kotler, P., & Pfoertsch, W. (2007). Being known or being one of many: the need for brand management for business-to-business (B2B) companies. *Journal of Business & Industrial Marketing*, 22(6), 357-362.

Kowalczyk, S. J., & Pawlish, M. J. (2002). Corporate Branding through External Perception of Organizational Culture. *Corporate Reputation Review*, 5(2/3), 159-174.

McKinsey Marketing and Sales Practice (2013). Business branding. Bringing strategy to life. [https://www.mckinsey.de/files/b2b\\_branding.pdf](https://www.mckinsey.de/files/b2b_branding.pdf) [March, 07<sup>th</sup> 2018].

Mudambi, S. (2002). Branding importance in business-to-business markets: Three buyer clusters. *Industrial Marketing Management*, 31(6), 525-533.

Oracle (2020). Who We are - Life at Oracle.

<https://www.oracle.com/de/corporate/careers/culture/who-we-are.html> [August, 17<sup>th</sup> 2020].

Pyper, K., Doherty, A. M., Gounaris, S., & Wilson, A. (2020). Investigating international strategic brand management and export performance outcomes in the B2B context. *International Marketing Review*, 37(1), 98-129.

Reijonen, H., Hirvonen, S., Nagy, G., Laukkanen, T., & Gabrielsson, M. (2015). The impact of entrepreneurial orientation on B2B branding and business growth in emerging markets. *Industrial Marketing Management*, 51(November), 35-46.

SAP (2021). Company Information | About SAP SE.

<https://www.sap.com/about/company.html> [April, 16<sup>th</sup> 2021].

Saraniemi, S., Juntunen, M., Niemelä, T., & Tähtinen, J. (2010). Internal Elements Influencing the Corporate Brand Equity of Small Firms. *6th Thought Leaders of Brand Management Conference*, April, 18<sup>th</sup>-20<sup>th</sup> 2010, Lugano, Switzerland.

Schroeder, J. E. (2009). The cultural codes of branding. *Marketing theory*, 9(1), 123-126.



- 
- Schultz, M., & Hatch, M. J. (2006). A cultural perspective on corporate branding: the case of LEGO Group. In: J. E. Schroeder & M. Salzer-Mörling (Eds.), *Brand Culture* (pp. 15-33). Routledge: London, New York.
- Sin, L. Y. M., & Tse, A. C. B. (2000). How does marketing effectiveness mediate the effect of organizational culture on business performance? The case of service firms. *Journal of Services Marketing*, 14(4), 295-309.
- Törmälä, M., & Gyrd-Jones, R. I. (2017). Development of new B2B venture corporate brand identity: A narrative performance approach. *Industrial Marketing Management*, 65(August), 76-85.
- Törmälä, M., & Saraniemi, S. (2018). The roles of business partners in corporate brand image co-creation. *Journal of Product & Brand Management*, 27(1), 29-40.
- Urde, M. (2009). Uncovering the corporate brand's core values. *Management Decision*, 47(4), 616-638.
- Urde, M. (2013). The corporate brand identity matrix. *Journal of Brand Management*, 20(9), 742-761.
- Vallaster, C., & de Chernatony, L. (2006). Internal brand building and structuration: the role of leadership. *European Journal of Marketing*, 40(7/8), 761-784.
- Viardot, E. (2017). Branding in B2B: the value of consumer goods brands in industrial markets. *Journal of Business & Industrial Marketing*, 32(3), 337-346.
- Williams, M., & Attaway, J. (1996). Exploring Salespersons' Customer Orientation as a Mediator of Organizational Culture's Influence on Buyer-Seller Relationships. *The Journal of Personal Selling and Sales Management*, 16(4), 33-52.
- Xie, Y., & Zheng, X. (2020). How does corporate learning orientation enhance industrial brand equity? The roles of firm capabilities and size. *Journal of Business & Industrial Marketing*, 35(2), 231-243.

---

Zablah, A. R., Brown, B. P., & Donthu, N. (2010). The relative importance of brands in modified rebuy purchase situations. *International Journal of Research in Marketing*, 27(3), 248-260.

---

## 2. Essay 1: The B2B Brand Identity Concept: Relevance, Determinants, and Outcomes

René Matthias Resch and Dirk Totzek

### Abstract

At present, the relevance of the brand identity concept in the business-to-business (B2B) context is relatively unclear. However, the brand's identity is the foundation for a brand's positioning and related activities. More specifically, relatively little is known about (1) the specific constituents of a brand identity in the B2B context, (2) the specific capabilities that firms need to implement a brand identity, and (3) how brand identity's different dimensions affect brand functions. Addressing these issues, this essay develops a B2B brand identity framework drawing on an extensive literature review, a qualitative study with 25 B2B branding practitioners, and an Information-Display-Matrix (IDM) test with 77 Master of Business Administration (MBA) students. This essay shows that the firm's management capabilities, internal communication capabilities, and employee identification with the brand are needed to build a B2B brand identity. A B2B brand identity should particularly include the brand values and culture, the visual appearance of the brand, the brand core / brand essence, and the brand vision. In terms of the customer-related outcomes, risk reduction and functional benefits are most important.

*Keywords: business-to-business marketing, branding, brand identity, marketing capabilities*

---

## 2.1 Introduction

It is widely accepted that brands and branding are highly relevant marketing topics in the B2B context (e.g., Mudambi, 2002). However, some practitioners believe that “brands are simply products with brand names or logos” (Mudambi, Doyle, & Wong, 1997, p. 434). In this respect, prior work on the relevance of brands in the B2B context has often focused on the customers’ brand awareness (Homburg, Klarmann, & Schmitt, 2010) and the relevance of brands in B2B buying decisions (Mudambi, 2002). However, best-practice firms in the B2B context as well use their brand to position themselves towards competitors. To create a recognizable and credible brand image as well as to maintain it in the long term, the brand is supposed to have an identity (McKinsey Marketing and Sales Practice, 2013). As Kapferer (2008, p. 171) notes: “identity is the source of brand positioning.”

The concept of brand identity captures the “unique set of brand associations implying a promise to customers” (Ghodeswar, 2008, p. 5). The concept, determinants, and outcomes of brand identity have been extensively studied in the B2C context and it has been identified as a cornerstone of branding and brand positioning (e.g., Roy & Banerjee, 2014; Burmann, Jost-Benz, & Riley, 2009). However, there is no clear understanding about the general relevance and, in case, the most relevant components of a B2B brand identity. As our literature review will show in detail, existing B2B research is mostly qualitative and case-based (e.g., Törmälä & Gyrd-Jones, 2017; Urde, 2013; Beverland, Napoli, & Yakimova, 2007), conceptual (e.g., Madhavaram, Badrinarayanan, & McDonald, 2005), or highly industry-specific (e.g., Coleman, de Chernatony, & Christodoulides, 2015; Coleman, de Chernatony, & Christodoulides, 2011) and does not reflect a common understanding of a B2B brand identity (Table 2.1). Given this mixed and sparse evidence, the first goal of this essay is thus to address the research question: Is brand identity a relevant concept in the B2B context?

---

Even if firms are familiar with the relevance and design of brand identity, they do not inevitably know how to implement it. To successfully build a brand identity, a firm generally must develop superior skills and resources (Alsem & Kosteljik, 2008). This is in line with the resource-based view (RBV) that a firm can earn economic rents via resources and capabilities that are scarce, durable, not easily traded, and difficult to imitate (Amit & Shoemaker, 1993). However, existing research on B2B branding capabilities rather addresses *if* there is a link between capabilities and performance instead of *what* these capabilities are (Table 2.2). Therefore, our second goal is to address the research question: What internal organizational requirements are necessary to successfully build and implement a brand identity?

For B2B firms, it is also fundamental to understand why their customers particularly choose their brand (e.g., Zablah, Brown, & Donthu, 2010). Therefore, the specific brand identity components that firms should emphasize depend on the specific functions of brands that ultimately affect their customers' buying decisions. This is particularly important, as a B2B firm's positioning should be aligned to the major benefits its buyers are seeking (Bennion 1987). However, the relevant functions of B2B brands might be different from those identified in the B2C branding literature (e.g., Backhaus, Steiner, & Lügger, 2011; Herbst & Merz 2011). Prior research has shown that when B2B customers do not engage in extensive information search, brands function as a sign for product quality and reduce uncertainty (Homburg, Klarmann, & Schmitt, 2010). This uncertainty reduction leads to lower information costs and perceived risk as well as a higher expected utility for customers (Erdem & Swait, 1998; Erdem, Swait, & Valenzuela, 2006). Accordingly, the different components of a brand identity should reduce the perceived risk and information costs for buyers. In this respect, the third goal of this study is to understand the research question in more detail: How B2B suppliers particularly benefit from building a strong brand identity?

---

In summary, this essay develops a conceptual model that identifies the relevant components of a B2B brand identity, the firm's capabilities need to build and maintain a B2B brand identity, as well as the interplay between a B2B brand identity and the key customer-related brand functions. In this respect, this essay contributes to the literature on the role of branding and positioning of B2B brands in two major ways.

First, we provide an empirical and theoretical conceptualization of B2B brand identity as a multidimensional construct. It is thus possible to compare the effect of different brand identity facets (e.g., the firm's brand vision) on customers' perceived brand benefits, which is a point of departure for specific brand positioning activities and future research. "[...] brand positioning helps foster customers' perceptions and expectations about what a brand should be doing, which in effect creates a boundary for how far a brand can and should stretch" (Beverland, Napoli, & Farrelly, 2010, p. 45). In this respect, we also provide novel insights on the gap between a firm's brand management and specific positioning activities in the B2B context. Second, we provide a common understanding of the term brand identity for practitioners as well as a guideline for its implementation. Besides these theoretical and managerial implications and limitations, we formulate directions for future research on B2B branding.

## **2.2 Literature Review**

### **2.2.1 Brand Identity**

A "firm's *brand identity* is an [idealized] set of firm-generated propositions communicated to customers and other parties" (Ballantyne & Aitken, 2007, p. 365). Brand identity can serve as a framework for the brand's general coherence and longevity and goes beyond brand positioning (Kapferer, 2008). In contrast to positioning, which is primarily competition-oriented (e.g., Leischnig & Enke, 2011), brand identity adds the long-lasting

---

singularity of a brand (Kapferer, 2008). According to Bravo et al. (2017) brand identity is an abstract term with different ways to define it.

A review of the extant literature shows that there is no common understanding about the different components of a brand identity (Table 2.1). Furthermore, the existing B2B brand identity frameworks often capture general marketing and management activities (e.g., human resource initiatives) that are not exclusive to branding (e.g., Coleman, de Chernatony, & Christodoulides, 2015; Coleman, de Chernatony, & Christodoulides, 2011). Thus, it is rather unclear what the *relevant* brand identity components are.

Table 2.1. Literature Review (Brand Identity)

Author(s), year	Data	Context	Research topic	Theoretical background	Key results
Bravo et al., 2017	297 employees (survey)	/	Brand identity management	Social identity, organizational citizenship behavior, and social exchange theory	<ul style="list-style-type: none"> <li>Brand identity and especially employee-client focus increase the employees' organizational identification, which in turn explains employees' job satisfaction, word-of-mouth, and brand citizenship behavior.</li> </ul>
Törmälä & Gyrd-Jones, 2017	17 managers and employees (interviews)	B2B	Brand identity	Narrative and performativity theory	<ul style="list-style-type: none"> <li>A process perspective on corporate brand identity in new B2B ventures: latent, emergent, clarified, and adjusted identity.</li> </ul>
Coleman, de Chernatony, & Christodoulides, 2015	421 managers (survey): data from 2011	B2B	Brand identity	/	<ul style="list-style-type: none"> <li>Brand personality and human resource initiatives have a positive and significant influence on brand performance.</li> <li>Corporate visual identity, in addition to an employee and client focus, has an insignificant impact on performance.</li> <li>Consistent communications have a negative and significant influence on brand performance.</li> </ul>
Urde, 2013	3 firms (case studies); 50 firms (secondary data)	B2B, B2C	Corporate brand identity	/	<ul style="list-style-type: none"> <li>Development of a corporate brand identity matrix with 9 components: value proposition, relationships, position, expression, core, personality, mission &amp; vision, culture, and competences.</li> </ul>



Table 2.1. Continued

Author(s), year	Data	Context	Research topic	Theoretical background	Key results
Coleman, de Chernatony, & Christodoulides, 2011	421 managers (survey)	B2B	Brand identity	/	<ul style="list-style-type: none"> <li>▪ Development of a B2B service brand identity scale: employee and client focus, corporate visual identity, brand personality, consistent communications, and human resource initiatives.</li> </ul>
Beverland, Napoli, & Yakimova, 2007	Theoretical, case examples	B2B	Brand identity	/	<ul style="list-style-type: none"> <li>▪ Brand identity has to be matched with customer characteristics and buying situation.</li> <li>▪ There is a relationship between positioning, the buying process and brand identity.</li> </ul>
Madhavaram, Badrinarayanan, & McDonald, 2005	Theoretical	/	Brand identity, brand value, marketing communication	Integrated Marketing Communication (IMC) Theory	<ul style="list-style-type: none"> <li>▪ Brand identity consists of brand identity-oriented culture, top management support, and internal market orientation.</li> <li>▪ Brand identity contributes to brand equity (via IMC process).</li> </ul>

---

### 2.2.2 Brand Identity Capabilities

To build a brand identity, firms need to deploy resources and organizational processes, which relates to the capability concept. Capabilities typically refer to functional areas, like branding, but also can be developed at corporate level (Amit & Shoemaker, 1993). Prior B2B work has extensively studied different firm- and marketing-related capabilities and how they relate to firm performance (e.g., Luxton, Reid, & Mavondo, 2015; Zhang et al., 2015; Chen, Li, & Arnold, 2013; O’Cass & Ngo, 2012; O’Cass & Weerawardena, 2010; Nath, Nachiappan, & Ramanathan, 2010; Ngo & O’Cass, 2009). Nevertheless, some studies focus on *brand-related capabilities* in the B2B context (Table 2.2). However, prior research does not clearly distinguish between branding capabilities, brand management capabilities, and brand identity capabilities. Brand-related capabilities, like marketing capabilities, relate to firm performance (Cui, Hu, & Griffith, 2014; Merrilees, Rundle-Thiele, & Lye, 2011; Morgan, Slotegraaf, & Vorhies, 2009). Consequently, most research focuses on the relationship between capabilities and performance and less on the *specific* facets of branding capabilities (e.g., Cui, Hu, & Griffith, 2014; Altshuler & Tarnovskaya, 2010; Beverland, Napoli, & Lindgreen, 2007).

Table 2.2. Literature Review (Brand-Related Capabilities)

Author(s), year	Data	Con-text	Research topic	Theoretical background	Key results
Agić et al., 2016	220 firms (survey)	/	Marketing capability, business performance	Configurational-based view	<ul style="list-style-type: none"> <li>▪ Market-oriented culture and marketing capabilities leverage firm performance.</li> <li>▪ Promotion and branding capabilities can substitute poor market knowledge.</li> </ul>
Buttenberg, 2015	/	/	Marketing capability	RBV	<ul style="list-style-type: none"> <li>▪ Marketing capabilities differ in customer orientation and brand orientation.</li> <li>▪ Brand-oriented marketing capabilities differ in strategic and functional capabilities.</li> </ul>
Cui, Hu, & Griffith, 2014	108 brand managers (survey)	/	Brand management capabilities	/	<ul style="list-style-type: none"> <li>▪ Human, relational, and informational capital are determining managers' brand management capabilities.</li> <li>▪ Organizational capital does not influence brand management capabilities.</li> <li>▪ Brand management capabilities affect brand performance.</li> </ul>
Orr, Bush, & Vorhies, 2011	168 marketing executives (survey; financial data)	B2B, B2C	Marketing capabilities	RBV	<ul style="list-style-type: none"> <li>▪ The relationship between brand management capabilities (as a marketing capability) and customer satisfaction, market effectiveness, and objective financial performance can be leveraged by marketing employee development capabilities.</li> </ul>
Merrilees, Rundle-Thiele, & Lyc, 2011	367 firms (survey)	B2B	Marketing capability	RBV	<ul style="list-style-type: none"> <li>▪ Innovation and branding capabilities contribute to marketing performance.</li> <li>▪ Market orientation and management capability enable branding capabilities.</li> </ul>
Altshuler & Tarnovskaya, 2010	1 firm (case study)	B2B	Brand value to customers, branding capability	Organizational capabilities	<ul style="list-style-type: none"> <li>▪ Technological superiority and brand vision of the founder are crucial for building an international brand.</li> <li>▪ Branding capability (as a high-level capability) consists of technological capability, collaborative capability, and marketing communications capability.</li> </ul>
Morgan, Slotegraaf, & Vorhies, 2009	114 firms (survey; financial data)	B2B, B2C	Brand management capabilities	RBV, Dynamic Capabilities	<ul style="list-style-type: none"> <li>▪ Marketing capabilities have a direct and complementary effect on revenue and margin growth rates.</li> <li>▪ Brand management capabilities and CRM capabilities have opposite effects on revenue growth rates and margin growth rates.</li> </ul>
Beverland, Napoli, & Lindgreen, 2007	5 firms (interviews; secondary data)	B2B	Global brand leadership	/	<ul style="list-style-type: none"> <li>▪ Brand identity consists of five capabilities: relational support, coordinating network players, leveraging brand architecture, adding value to the customer's brand, and quantifying the intangible.</li> <li>▪ There are five supportive capabilities: entrepreneurial, reflexive, innovative, brand supportive dominant logic, and executional capabilities.</li> </ul>

---

In sum, prior literature does not provide a consistent picture on firm's branding capabilities in the B2B context (Table 2.2). Furthermore, the scope of existing research is limited regarding the number and variety of firms or industries. Firms were also often selected because of their global market coverage or global brand success (Altshuler & Tarnovskaya, 2010; Beverland, Napoli, & Lindgreen, 2007). To provide more generalizable results, a broad range of B2B industries as well as firms of different sizes with national and international operations need to be addressed. Finally, there is only one essay that explicitly focuses on the capabilities for a brand identity (Beverland, Napoli, & Lindgreen, 2007). Addressing this specific research void, we concentrate on the deployment of managerial resources and human resources at the corporate level to build a B2B brand identity. We thus exclude rather technical aspects (e.g., Altshuler & Tarnovskaya, 2010) and customer-related aspects (e.g., Beverland, Napoli, & Lindgreen, 2007).

### **2.2.3 Brand Benefits**

Although there is a common understanding that the key functions and benefits of B2B brands might differ from those of consumer brands (e.g., Backhaus, Steiner, & Lügger, 2011; Herbst & Merz, 2011), it is relatively unclear how B2B brands affect customers' buying decisions (Zablah, Brown, & Donthu, 2010). Prior work states that the most important B2B brand functions for customers are functional benefits, risk reduction, information efficiency, and image (e.g., Mudambi, 2002; Kotler & Pfoertsch, 2007; McKinsey Marketing and Sales Practice, 2013; Backhaus, Steiner, & Lügger, 2011).

In line with information economics, brands signal a product's positioning credibly and increase customers' confidence. A reduction of customers' uncertainty also lowers their search costs and perceived risk (Erdem & Swait, 1998). Backhaus, Steiner, and Lügger (2011) show that risk reduction and information efficiency increase the brand's relevance in the buying process across different B2B businesses.

---

Besides uncertainty reduction, brands function as a sign for product quality when customers do not extensively search for product information (Homburg, Klarmann, & Schmitt, 2010). Bennion (1987) links a benefit-based segmentation to the supplier firms' positioning. For buyers, the following five benefits are identified: management quality, price, product quality, order policy (acceptance of rush orders or changes), and production flexibility (Bennion, 1987). According to Glynn, Motion, and Brodie (2007), a B2B brand provides financial, customer, and managerial benefits for its resellers, which affects their satisfaction, dependence, cooperation, commitment, and trust.

In sum, prior research on the customer-related benefits of B2B brands has identified a large set of potential brand functions. However, B2B firms should be aware about the specific aspects that customers perceive as functional benefits or risk reducing benefits so that firms can align their brand identity accordingly. In addition, rather high-level brand benefits (e.g., managerial benefits; Bennion, 1987; Glynn, Motion, & Brodie, 2007) should be either specified or excluded so that suppliers can identify, aim for, and realize the benefits of their B2B brand identity that are exactly fitting to their positioning.

### **2.3 Research Methodology**

To address the identified research voids and to provide a more fine-grained understanding of the concept, determinants, and outcomes of a B2B brand identity, we conducted two empirical studies. First, to cover the supplier perspective, we conducted semi-structured interviews with experts in B2B branding. Second, to gain new insides regarding the specific benefits of brands from the customer perspective, we conducted an IDM test.

#### **2.3.1 Semi-Structured Interviews**

The goal of our semi-structured interviews was to explore the current state of practice regarding the brand identity concept in different B2B firms and industries. In the interviews, we addressed key branding concepts such as brand awareness and brand identity, as well as

---

the firms' current branding activities and customer-related outcomes. We contacted B2B firms in Germany, Austria, and Switzerland and asked for the managing director, manager in branding or marketing, or a comparable contact person with experience in branding.

In total 25 experts (about one third being managing directors, one third being heads of marketing and/or communication, and one third holding other positions related to branding) with an average branding experience about eleven years participated in our study. We covered multiple B2B industries as well as both manufacturing and services (e.g., automotive, consulting, IT, and software) and firm sizes from small and medium-sized enterprises to major corporations.

The interviews lasted approximately between 30 minutes and two hours. The interviews started with general questions about the experts and the firm. We then asked questions concerning the firms' brand awareness and brand communication activities, and finally questions about the relevance, structure, and state of implementation of brand identity. More precisely, we asked the experts whether their firm used a well-defined brand identity framework. In the next step, experts should describe and prioritize the components of their brand identity. Additionally, the experts had to describe the ideal or desired identity framework for their firm's brand in the future. Appendix 2.A shows the brand identity section of the interview guideline.

We conducted the data analysis using *MAXQDA version 12*. We transcribed the interviews and identified a list of codes both inductively and deductively. In total, we extracted about 2,500 codings. Thereof, about 550 codings are related to the brand identity components, about 200 codings address the firms' branding capabilities, and about 350 codings describe brand benefits.

---

### 2.3.2 IDM Test

To refine the interview data concerning B2B brand identity benefits, we conducted a second study to track the specific information acquisition and evaluation process from a customer perspective. We used the IDM process tracing method (e.g., Aschemann-Witzel & Hamm 2011) and *Inquisit 5* from *Millisecond Software* to set up and run the test.

To identify the relative importance of specific brand functions in professional buying decisions, we developed different scenarios (Appendix 2.B). We asked study participants to imagine themselves being a purchasing manager of a major firm with a production site in Germany and new subsidiaries in France and Spain. Participants had to evaluate alternative offers for a new software product the firm needed to deal with the new subsidiaries.

The relevance of specific brand functions might be context- and industry-specific. As a result, we offered participants two purchase scenarios representing different types of B2B businesses (systems and product business; Backhaus, 1998). Participants had to go through both purchase scenarios in random order. In product businesses neither the selling firm nor the buying firm has substantial specific investments into the relationship, whereas in the systems business the buying firm is often locked in (Backhaus, Steiner, & Lügger, 2011). In the first case, participants had to buy 1,500 new licenses of an anti-virus (AV) program for the computer network in the new subsidiaries, representing a relatively standardized product. Alternatively, participants had to buy a new enterprise resource planning (ERP) system that could aggregate all data across the firm's subsidiaries which represents a typical systems-based product (Appendix 2.B).

After these general instructions, participants received three alternative fictional supplier brands (in columns; in fixed order) and twelve brand functions (in rows; in random order) based on an inductive and deductive analysis of our interview data. For each brand and brand function, we develop alternative specifications. At the beginning of the task, the brands

and the brand functions were visible, but all information about their specifications was hidden. The subjects' task was to uncover necessary information until they were able to make a purchase decision and to choose one of the three brands. The specifications of the brand functions offset all brands. We excluded other buying criteria such as price (Appendix 2.C).

This study was not about choosing the best brand or making the best decision (i.e., it was not important which brand was chosen by the participants). Therefore, the particular specifications of each brand function were not relevant. Rather, the information that was used to make the decision (i.e., opened fields of the brand functions) was of interest.

87 full-time and part-time MBA students from a major university in Germany participated in this study. The final sample size was 77 students because participants with extremely short answer times (< 30 seconds) and participants who did not open at least one field for each of the three brands were screened out. Participants' average age was 29.9 years, 70.1% of them were male, 29.9% were female, and 15.6% had working experience in purchasing. Checks for realism and involvement showed that participants perceived the scenarios as realistic and were concentrated while performing the task (Table 2.3).

Table 2.3. Checks for Realism and Involvement

Checks for realism and involvement						
	Part-time MBA students		Full-time MBA students		<i>F</i>	<i>t</i>
	<i>M</i>	<i>SD</i>	<i>M</i>	<i>SD</i>		
I carefully read all the information.	2.73	1.20	2.31	.98	6.05**	1.71*
I put a lot of effort in my decisions.	2.66	.82	2.39	.99	.62	1.30
I was very concentrated when performing the tasks.	2.27	.87	2.14	.80	1.40	.68
The situation described in this study is realistic.	2.34	1.09	2.14	1.02	1.07	.84
It was easy to put myself into the situation of the purchasing manager.	2.54	1.03	2.31	1.12	.22	.95

Notes: *n* = 77 (36 full-time and 41 part-time MBA students); five-point Likert-type rating scales with anchors 1 = totally agree and 5 = totally disagree; \*\**p* < .05; \**p* < .10.



---

## 2.4 Conceptual and Theoretical Foundations of Brand Identity

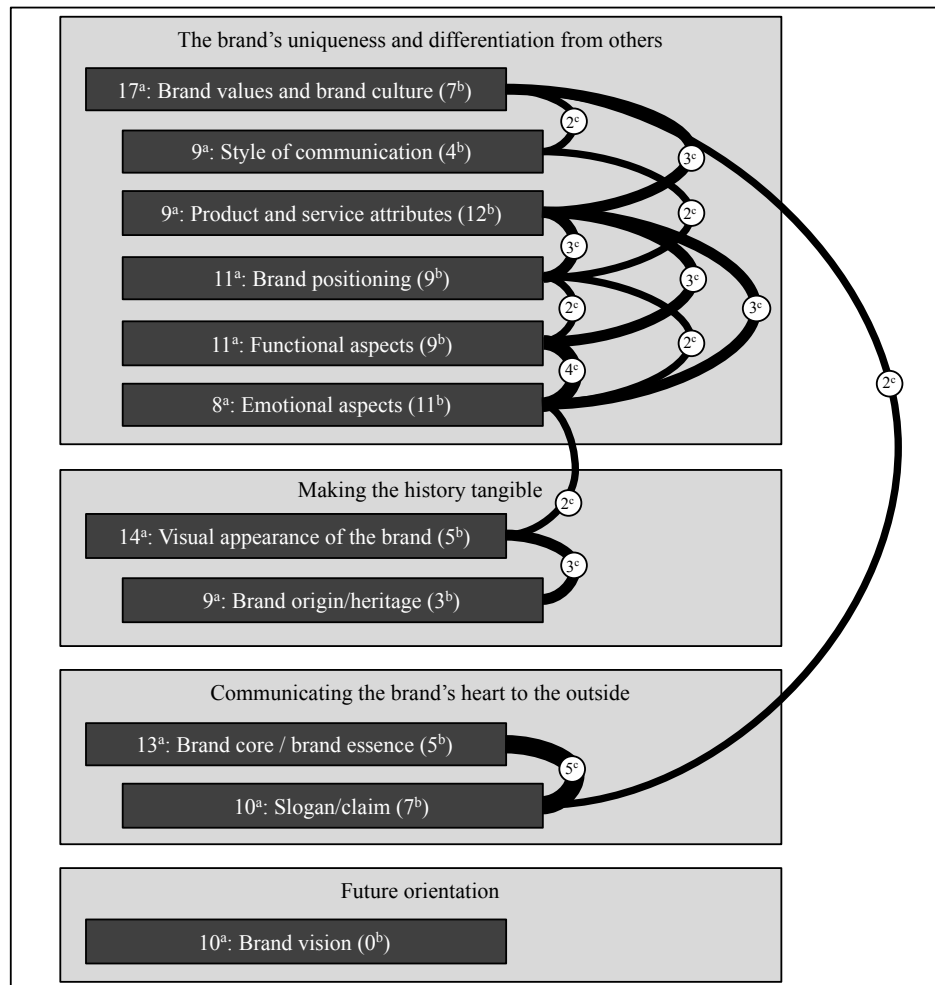
The analysis of our expert interviews clearly shows that the brand identity concept is a relatively new branding topic for most B2B firms. The existence of brand identity is more likely in relatively large firms or firms that are global. It is less likely in firms that went through major organizational changes recently (e.g., mergers). However, some of the experts did not distinguish the concepts brand awareness, brand identity, and brand image.

### 2.4.1 B2B Brand Identity Components

In the following, we discuss the specific dimensions of a B2B brand identity that emerged from our interview data. We analyzed the data as follows: After defining and evaluating the main dimensions according their relevance for a B2B brand identity, we investigated their interconnections using axial coding (Corbin & Strauss, 1990). In contrast to prior research, we excluded general marketing and management activities (e.g., human resource initiatives; Coleman, de Chernatony, & Christodoulides, 2011).

Figure 2.1 shows the resulting B2B brand identity concept that consists of eleven dimensions arranged in four clusters: (1) *the brand's uniqueness and differentiation from others*: brand values and brand culture, style of communication, product- and service attributes, brand positioning, functional aspects, and emotional aspects; (2) *making the history tangible*: visual appearance of the brand and the brand origin/heritage; (3) *communicating the brand's heart to the outside*: brand core / brand essence and the slogan/claim; (4) *future orientation*: the brand vision.

Figure 2.1. B2B Brand Identity Concept



Notes: n = 25 firms. <sup>a</sup>No. of firms with a high relevance for this component. <sup>b</sup>Total no. of connections to other brand identity components. <sup>c</sup>No. of connections to the linked brand identity component. Includes only brand identity components that are mentioned by more than five firms. Single connections are eliminated.

#### 2.4.1.1 Cluster 1: The Brand's Uniqueness and Differentiation from Others

*Brand values and brand culture (17<sup>1</sup>)*. Interview data suggests that corporate values are the foundation for all other brand identity components. Values lead to a feeling of togetherness and values are linked to the firm's history. Values should be present in the firm's daily work. Furthermore, there should be a differentiation between internal values for

<sup>1</sup> No. of firms that evaluated the relevance of this brand identity dimension as high (n = 25).

---

employees and external values for customers. A manager (ID 7) summarized: “There might be a difference to large corporations, where employees have to memorize the values and culture and get the firm’s code of conduct. In our company we just *live* our values. We have a harmonious culture and cooperation among each other.” In addition to our interviews, de Chernatony (2010) confirms that the firm’s culture together with employees who believe in the brand’s values are important to achieve the brand’s future vision. This leads to a self-confident organization that presents and differentiates its brand to the stakeholders.

*Style of communication (9).* The firm’s communication style is about a consistent and recognizable style of language in verbal and in written form. Internally, the style of communication can be an unspoken rule, e.g., an open and harmonious style of communication. Nevertheless, a firm’s style of communication can also be codified in corporate language or as question-and-answer catalogues for employees. A manager of an automotive supplier (ID 13) said: “Our style of communication definitively has something to do with our brand. The way of our demeanor is also the way we are communicating.”

In addition, Kapferer (2008) highlights that the language of a brand expresses not only values but also the personality of the brand. Communication style, in general, is not only a question of creativity. A firm must also find its own style of communication by preventing the public to stipulate the brand language (Kapferer, 2008).

*Product and service attributes (9).* Product and service attributes should be used to position and differentiate the firm from its competitors. At least, it is important to communicate product- and service attributes as they relate to functionality, trust, and reliability. However, good products alone do not necessarily build a strong brand. Services are also important for the firms’ direct customers as well as for the customers’ customers. In this respect, a marketing manager of an agricultural machine manufacturer (ID 11) illustrated: “If I do not have the right products and services, all other effort will be ineffective.” However,

---

many value-added services such as support, ordering, and delivery services are common and no unique selling points (Mudambi, 2002). Thus, new products might be better be legitimized through well-defined and observed core values of the brand (Michell, King, & Reast, 2001).

*Brand positioning (11).* Our interviews show that it is essential to position a brand according to its strengths. Brand positioning deals with the selection of and strategy for products in their relevant market and for certain target segments. Brand positioning also deals with the way a brand is presented in terms of marketing and communication activities (e.g., trade fairs, public relations). For employees, it is easier to position themselves towards competitors than other brand-related tasks. A brand manager (ID 8) mentioned: “There is a strong relationship between our products and the positioning of the brand. We clearly have to combine the attributes of our products with the positioning of our brand.” Firms that develop new products without taking brand positioning into consideration may suffer in terms of negative performance outcomes (Beverland, Napoli, & Farrelly, 2010).

*Functional aspects (11).* Interview data also reveals that firms have to emphasize functional aspects as well, especially firms with technical products or firms in a technical environment. Accordingly, a brand manager (ID 8) summarized: “I think there is a strong correlation between product and service attributes and the functional aspects of our products. For our customers, these are the main aspects of interest.” Products of industrial brands provide superior technical specifications and outputs to be prioritized over competitors (Wang et al., 2018). Nevertheless, both functional and emotional aspects belong to a brand identity.

*Emotional aspects (8).* Interviews reveal that emotional aspects of branding should not be underestimated, as they also seem to be important for technical products or services. As a manager of a software and consulting firm (ID 9) illustrated: “In my opinion, every decision is based on emotional aspects. [...]. In this respect, our firm must foster emotional aspects, especially concerning the presentation of products or communicating in an emotional way.”

---

This is important as industrial purchasers do not only decide based on functional superiority: Their decisions are also affected by emotional and self-expressive aspects, for example, their personal and professional satisfaction (Lindgreen, Beverland, & Farrelly, 2010).

#### ***2.4.1.2 Cluster 2: Making the History Tangible***

*Visual appearance of the brand (14).* Our interviews highlight that visual appearance is an important factor to get customer awareness and thus includes the design of the firms' products. For some firms, their visual appearance is rather a necessity than a strategic fact, for others it is highly important. Our experts highlight that the visual appearance of the brand has to be refined after a certain period of time, but should only be adjusted carefully. In this respect a manager from a manufacturing company (ID 16) stated: "For us as a medium sized company, the visual appearance is the most tangible aspect of a brand. [...]. After defining our brand primary, we invested a lot of time and effort to evolve its visual appearance currently." The corporate visual identity is a set of visual cues that contains the name, logo, and slogan of a brand. These aspects make the firm recognizable (Buil, Catalán, & Martínez, 2016). This is important as symbols represent the brand's culture, personality, and values as well as brand essence and self-image (Kapferer, 2008). Our results show that brand symbols of B2B firms particularly relate to its brand origin and to emotional aspects (Figure 2.1).

*Brand origin/heritage (9).* Brand origin is the "place, region or country to which the brand is perceived to belong" (Thakor & Kohli, 1996, p. 27). A firm's origin or heritage can support the credibility, competence, and trust towards the brand. The origin of the brand symbolizes the firm's roots and its history. As a product manager (ID 9) indicated: "Our company came up from research and academic environment. Our founder was the person who successfully established our company in business markets. He is the one who demonstrates our roots [...]." Identity arises through the early founding act of a brand. Other sources for the identity are the geographical roots of a brand and the values of their origin (Kapferer, 2008).

---

### **2.4.1.3 Cluster 3: Communicating the Brand's Heart to the Outside**

*Brand core / brand essence (13).* The core of the brand captures the most important brand attributes and summarizes what the firm stands for. It is the central idea of the brand, which is surrounded by the other brand identity components. Hence, all other components must meet certain criteria or are determined by the brand core respectively. In the words of a managing director (ID 20): "A lot of other things stem from the brand core [...]. In general, the brand core is the most stabile aspect in a branding model - independently from the chosen model." The brand essence is about summarizing the identity in no more than three words. Therefore, it asks for the global key value that the brand sells or stands for. For some brands, but not for all, their essence is related to product experiences (Kapferer, 2008).

*Slogan/claim (10).* Claims often represent the brand's core/essence or values. Surprisingly, our interviews explicitly show that the firm's slogan often is a separate aspect of a firm's brand identity. This is illustrated by the following statement (ID 3): "I am convinced that it is very important to communicate the brand core as well as what distinguishes us via the firm's claim. [...]. Otherwise, it will be hard to anchor the brand core internally and externally." Slogans are a typical element of a brand (Keller & Lehmann, 2006), but to our knowledge no particular component in other existing brand identity concepts.

### **2.4.1.4 Cluster 4: Future Orientation**

*Brand vision (10).* The data from the interviews show that brand vision has no relevant connections to the other brand identity components, which is why it is represented in a separate cluster (Figure 2.1). In brand-oriented firms, the brand vision represents the main part of the strategy and additionally is the way in which they describe their strategic goals (Urde, 1994). The brand vision "provides a clear sense of direction about how it is going to bring about a better future" (de Chernatony, 2010, p. 54). As a result, the brand vision is often communicated to the firm's senior managers only. However, the brand vision also often

---

serves as a development measure for the employees. As one expert (ID 3) highlighted: “It is just about showing employees the light at the end of the tunnel [...], but it has to be so concrete that everybody understands what it is about.”

#### 2.4.2 B2B Brand Identity Capabilities

With respect to our second goal of this essay, the results of our interviews highlight that firms need specific capabilities to develop a brand identity internally. These capabilities go beyond general branding activities. Based on our interviews, we identify three lower-level capabilities to successfully build a brand identity: *management capabilities*, *internal communication capabilities*, and *employee identification with the brand* (Figure 2.2). In this respect, our understanding of brand identity excludes technical (Altshuler & Tarnovskaya, 2010) and customer-related aspects (Beverland, Napoli, & Lindgreen, 2007). In support of our focus on internal aspects, a managing director from a media agency (ID 4) stated: “Generally, every employee is affected by the firm’s brand identity, but there are differences caused by the hierarchy in the company. Top-level employees are responsible for the definition, mid-level employees are responsible for the communication, and all employees together have to live the brand identity in a consistent way.”

Reflecting this quote, the first set of underlying capabilities, namely *management capabilities*, deals with the awareness and understanding of top-level managers about the brand identity concept. Furthermore, managers should have the ability and authority to make brand-related decisions and to adjust and refine the firm’s brand identity every few years. Concerning the *awareness and understanding of top-level managers* about brand identity, a marketing manager from a manufacturing company (ID 16) said: “It is not easy to be heard and to get the necessary funds in a medium-sized technically oriented company. This firm also uses annual management and sales meetings to introduce (and repeat) branding issues, but some managers are not very interested.” Additionally, a second part of management

---

capabilities is the *regular revision of the firm's brand identity*. Although brand identity and brand positioning evolve, the brand core remains rather stable. A key goal of a brand identity revision process is to reduce complexity and to transform the theoretical and academic concept into an understandable approach for non-marketing specialists. A product manager of a software and consulting company (ID 9) explained: "In the last years so much has happened. Businesses have been acquired or combined, and therefore our brand identity very often had to be set up newly."

*Internal communication capabilities*, which are the second set of brand identity capabilities, deal with the communication of the firm's brand identity concept to its employees in a comprehensive but easy to understand way. In addition, executives not only have to communicate top-down, but also must act as role models. Ideally, the entire workforce takes unspoken brand-related rules into account. A managing director of a leading furniture manufacturer (ID 5) mentioned: "You should communicate top-down to provide orientation. A lot of aspects are only known by senior managers, because remaining staff has to be informed about the outstanding changes little by little." These results of our interviews are in line with the call from Madhavaram, Badrinarayanan, and McDonald (2005) that there should be top management support for all possible brand identity contacts and that firms should ensure a common understanding of their brand identity.

Third, the *employee identification with the brand* is crucial for the internal implementation of brand identity. A first underlying component is the *employees' knowledge about the existence and content of brand identity*. In this respect, employees must be aware that their firm actually has a brand identity including its content. According to some practitioners, employees in direct customer contact are the most important ones for the implementation of brand identity. A senior manager of a chemical company (ID 23) summarized: "Of course, not all of our employees know our brand identity framework. They



---

do not have to. If someone works at assembly line, he or she does not have to have detailed knowledge in strategic brand management.” Furthermore, firms should integrate employees into the implementation of brand identity, which leads to the second underlying component: *consciousness about the relevance and practical implementation of brand identity*. However, our interviews indicate that not every employee has the related capabilities, which also depend on their education and functional backgrounds. A manager from a firm in the plastics industry (ID 6) highlighted: “It is not only an issue for marketing department. Finally, it is everyone’s task to stand for the corporate values.” Finally, *employees as brand ambassadors and multipliers* are the third underlying capability. It deals with every employees’ task to communicate the firm’s brand to the outside as a multiplier and to represent the brand to stakeholders as a brand ambassador. A branding specialist (ID 25) said: “I hope that everyone of our employees feels involved, because we strongly believe that everyone should be a brand ambassador. [...] every person working in this firm is a multiplier for our brand. [...]. We assume that this person identifies him or herself one hundred percent with the core of our brand and communicates it to the outside.” A second statement originates from a logistics provider (ID 14): “For example, [...] an incorrect behavior of our firm’s truck drivers would affect customer’s impression of our whole company.” In sum, the employees’ behavior should be consistent with the brand identity and values. This is about the employees’ personal identification with the brand and their emotional attachment to it. Employees should be motivated to be involved with the firm’s branding strategy in direct interaction with their customers and influencers (Baumgarth & Schmidt, 2010).

Figure 2.2 summarizes the set of B2B brand identity capabilities and arranges them in a framework with the other findings of the research.

---

### 2.4.3 B2B Brand Identity Benefits

#### 2.4.3.1 *Supplier Perspective*

With respect to the third goal of this essay, that is, the customer-related outcomes of a B2B brand identity, our interviews acknowledge four major categories of brand functions, namely risk reduction, functional benefits, information efficiency, and emotional and symbolic benefits. According to our data, risk reduction and functional benefits are the most important brand functions in the B2B context (Figure 2.2). The key finding is that for each of these functions, our interviews indicate further underlying specific aspects (Table 2.4).

To *reduce risk*, managers emphasize the high relevance of a feeling of security, the generation of trust, their personal relationship to customers, and personal recommendations. A managing director (ID 12) summarized: “Construction sites are always risky. [...]. You permanently must face potential problems. Thus, we clearly serve as a powerful partner that reduces these risks.” In sum, for suppliers it is most important to reduce their customers’ perceived risk via strong personal relationships.

*Functional benefits* are not only related to the quality of products or services. A reliable infrastructure and partnership, consulting skills, a holistic service offering, and the fast accomplishment of tasks are also parts of the functional benefits. A managing director (ID 12) explained why customers choose his company: “It is rather because of a coherent overall concept than through a favorable price. This concept consists of our solution, a very good product, [...] as well as an excellent service and support [...].” This idea parallels the opinion from an automotive supplier’s board member (ID 19), who indicated: “If we offer good technologies, processes, and quality for reasonable prices, our powerful brand is also more likely to affect the buying decision in a positive way.” Even though functional benefits are multifaceted, the quality of products and/or services turned out to be the main aspect from the supplier’s perspective. Interestingly, *information efficiency* and *emotional and symbolic*

*benefits* (like image) only matter in certain industries, and interviewees did not indicate any B2B specific underlying aspects.

Table 2.4. B2B Brand Functions from the Supplier Perspective

<b>Most important brand functions and their facets</b>	
<p>Risk reduction</p> <p><i>Empirical elements</i></p> <ul style="list-style-type: none"> <li>▪ Buyer's perceived risk <i>ID 7: "There are a lot of customers that are risk-averse and therefore decide for the big and well-known players [in the market]."</i></li> <li>▪ Feeling of security <i>ID 6: "This was a fundamental question for the definition of our brand essence. Customer surveys revealed that security is the main reason why customers choose our brand."</i></li> <li>▪ Trust <i>ID 20: "If you trust a brand, you might be more willing to do business with the firm, to spend more money, to forgive mistakes, and to recommend this brand to others."</i></li> <li>▪ Personal relationship to contact person <i>ID 14: "There are a lot of firms that offer the same. Consequently, it is all about sympathy and personal contact."</i></li> <li>▪ Personal recommendations and references <i>ID 20: "Why should I believe you? The best way to answer this question is with the voice of other customers within our target group."</i></li> </ul>	<p>Functional benefits</p> <p><i>Empirical elements</i></p> <ul style="list-style-type: none"> <li>▪ Quality of products and/or services <i>ID 15: "In the first place, the product needs to work. That is the basis. Without this it won't work."</i></li> <li>▪ Reliable infrastructure and partnerships <i>ID 13: "We want to be a reliable partner when it is about delivery times. Reliability in a sense to work extra shifts, to enable the delivery of products. And of course, reliability with our products themselves."</i></li> <li>▪ Consulting skills and support <i>ID 4: "We want to position and act rather like a consultant than a service provider."</i></li> <li>▪ Service level <i>ID 14: "For many customers, it is important to offer a holistic processing. All from one provider."</i></li> <li>▪ Responsiveness and engagement to solve problems <i>ID 17: "We are there for our customers. We take care about customers' problems and are motivated to do this as quickly as possible."</i></li> </ul>

#### 2.4.3.2 Customer Perspective

Our interviews imply that the relevance of specific brand functions cannot be generalized across industries and customer buying decisions. For example, information efficiency is essential in some industries (e.g., consulting), whereas it less relevant in others (e.g., automotive). Accordingly, we tested two alternative business contexts in our scenario-based study (2.3.2 IDM Test) to validate the interview results.

To analyze the data of the IDM test, we followed the indicator classification approach of Aschemann-Witzel and Hamm (2011). In line with the third goal of our study, we focused on a content-based analysis of the participants' information acquisition process prior to making their buying decision. More specifically, we focused on the number of views of the

different brand functions and attributes, the viewing time, and the first field opened (see Aschemann-Witzel & Hamm, 2011). On average, participants took more than two minutes for their decision process. During this time, they opened on average about 32 fields (across the three brands; repeated openings included) and about 67% of all information available was used for the decision (Table 2.5).

Table 2.5. Depth Measure Indicators Based on the IDM Test

	<b>Depth measure indicators</b>						
	Average time for the decision	Total viewing time of all fields	Average viewing time per field	Total number of opened fields <sup>1</sup>	Average number of opened fields <sup>1</sup>	Size of submatrix <sup>2</sup>	Average share of information <sup>3</sup>
ERP	2.47 min.	114.15 min.	2.87 seconds	2,448 fields	31.79 fields	28.21 fields	66.88%
AV	2.34 min.	106.24 min.	2.64 seconds	2,450 fields	31.82 fields	28.29 fields	66.56%

Notes: n = 77 full-time and part-time MBA students; totals are based on the sum of all 77 participants; <sup>1</sup>repeated openings of the same field included; <sup>2</sup>submatrix = matrix of one-time opened fields; size of the full matrix = 36 fields (i.e., 12 brand functions in rows multiplied by 3 supplier brands in columns); <sup>3</sup>share of one-time opened fields (average of all three supplier brands in columns).

Results show that the supplier's reliable infrastructure and partnerships with the customers is the most important and dominating brand function in both business types (Table 2.6). Additionally, there are some specific aspects of brand functions that are often ranked among the top six for each of the three content-based indicators: customers' trust towards the supplier, personal recommendations and references, and the supplier's responsiveness and engagement to solve problems. These specific aspects of brand functions belong to higher-level categories of risk reduction and functional benefits (Table 2.4). As the qualitative interviews also revealed, information efficiency and emotional and symbolic benefits are not that essential for decision makers. In contrast to the supplier's statements, the personal relationship to supplier's contact person is not among the most important aspects from a business customer perspective (Table 2.6).

Figure 2.2 shows the combined results of the brand functions from the supplier and customer perspectives and places them in a framework with the other results of the study.

Table 2.6. Content Measure Indicators Based on the IDM Test

Content measure indicators			
No. <sup>a</sup>	Number of views <sup>b</sup>	First field opened <sup>c</sup>	Reason for the decision (post-test question) <sup>e</sup>
<i>Ranking based on the systems business scenario (e.g., ERP system)</i>			
1	The supplier's reliability (283)	The supplier's reliability (11.7%)	The supplier's reliability (37)
2	The supplier's service level (221)	Personal recommendations and references (11.7%)	Your trust towards supplier (16)
3	The supplier's consulting support (218)	The supplier's service level (11.7%)	Personal recommendations and references (14)
4	Your trust towards supplier (217)	Perceived risk for you and your company (10.4%)	The supplier's responsiveness and engagement to solve problems (13)
5	Perceived risk for you and your company (209)	The supplier's image (10.4%)	Your feeling of security (12)
6	Personal recommendations and references (207)	Your trust towards supplier (7.8%)	Functional benefits of the offer and the supplier's overall quality (10)
<i>Ranking based on the product business scenario (e.g., anti-virus software)</i>			
1	The supplier's reliability (253)	The supplier's responsiveness and engagement to solve problems (11.7%)	The supplier's reliability (28)
2	Personal recommendations and references (248)	The supplier's reliability (10.4%)	Personal recommendation and references (23)
3	Your feeling of security (232)	The supplier's service level (10.4%)	The supplier's responsiveness and engagement to solve problems (22)
4	Perceived risk for you and your company (231)	The supplier's consulting support (10.4%)	Your trust towards supplier (18)
5	The supplier's responsiveness and engagement to solve problems (227)	Functional benefits of the offer and the supplier's overall quality (9.1%)	Your feeling of security (16)
6	Your trust towards supplier (204)	Your feeling of security (7.8%)	Functional benefits of the offer and the supplier's overall quality (11)

Notes: n = 77.

<sup>a</sup> For reasons of clarity, only the first six rankings have been listed.

<sup>b</sup> Total number of views of a brand function; includes all three columns in which the brand function is offered for viewing; includes repeated openings; includes the total sample.

<sup>c</sup> First opened field separated by columns; the first six rankings have all been opened in the left column; in general 92.2% of all participants first opened a field in the left column.

<sup>d</sup> Total viewing time of a brand function; includes all three columns in which the brand function is offered for viewing; includes repeated openings; includes the total sample.

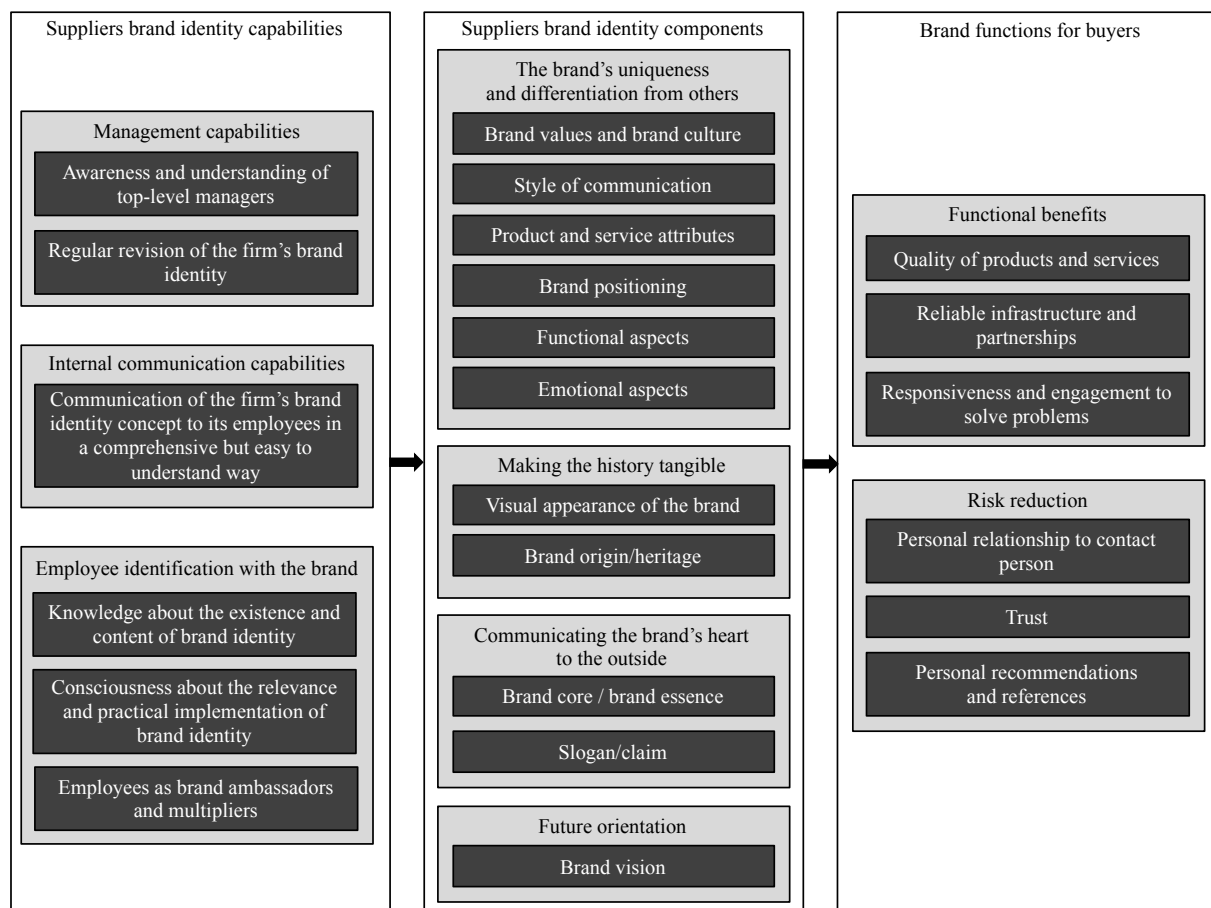
<sup>e</sup> Open entry; multiple responses possible.

## 2.5 Discussion

### 2.5.1 Theoretical Contributions

Based on our discussion of the B2B brand identity concept (2.4.1 B2B Brand Identity Components), its determinants in terms of internal branding capabilities (2.4.2 B2B Brand Identity Capabilities), and outcomes in terms of customer-related brand benefits (2.4.3 B2B Brand Identity Benefits), we propose an overarching conceptual framework. Figure 2.2 also indicates the specific underlying aspects that are most relevant in the B2B context.

Figure 2.2. Grounded Theory Framework of B2B Brand Identity



By developing this conceptual framework, this essay contributes to the literature on B2B branding and positioning in three ways. First, it shows that building a brand identity is a decisive instrument to position a B2B brand. The firm's positioning is enabled via a set of eleven brand identity dimensions structured within four clusters, which evolved across

---

different B2B industries. Thus, we offer a more specific understanding of the B2B brand identity concept as prior research often relies on B2C frameworks or is industry-specific (e.g., Coleman, de Chernatony, & Christodoulides, 2015). Additionally, interview data provides new insights about practitioners' understanding of brand identity dimensions. For example, managers see a very high relevance for the firm's claim, which ideally represents the brand core. Interestingly, typical brand identity aspects like brand personality seem not that important in the B2B context, which contrasts prior research (e.g., Urde, 2013; Herbst & Merz, 2011). Accordingly, future research should examine discrepancies concerning the relevance of certain brand identity components in research and practice and especially focus on the reasons why certain brand identity components have low relevance among B2B practitioners.

Second, three major *B2B brand identity capabilities* are needed to internally implement a brand identity. Our framework underlines that the successful implementation of brand identity not only requires expertise of the top-level management. Furthermore, employees are also an essential part of the brand identity building. These two capabilities are connected via a third, namely internal communication capability. These new insights concerning brand identity capabilities are based on an internal perspective on the minds and behavior of managers and their employees. Thus, our results extend Coleman, de Chernatony, and Christodoulides (2011), whose brand identity scale includes employee and client focus, which is the employees' awareness and responsiveness to clients' needs, and human resource initiatives (e.g., trainings to deepen employees' relationships with clients). Our B2B brand identity framework rather allocates these aspects as capabilities instead of brand identity dimensions. This is in line with the evaluation of other B2B branding practitioners: For example, DHL started an internal activation program with various training formats. The goal was to make employees acting like brand ambassadors. Employees have been sensitized that

---

every customer interaction is relevant for the perception of the brand (McKinsey Marketing and Sales Practice, 2013).

Third, our framework identifies the most relevant *B2B brand identity benefits* for customers. In general, for supplier and buying firms it is evident that a brand identity demonstrates a functional benefit and is a symbol for reduced risk. This is in line with Backhaus, Steiner, and Lügger (2011), who mention that there is a reversed rank order concerning the importance of B2B brand functions. In industrial contexts, functional benefits outweigh emotional and symbolic benefits. From a supplier's perspective, our interviews identified the quality of products and/or services as the major functional benefit and the personal relationship to contact persons as the outstanding facet of risk reduction. From a customer perspective, the IDM test revealed that the supplier's reliable infrastructure and partnership as well as responsiveness and engagement to solve problems are the most important functional benefits, whereas the perceived risk will be reduced via customer's trust towards a supplier as well as personal recommendations and references (Figure 2.2).

### **2.5.2 Managerial Implications**

This essay and the conceptual framework should make B2B branding practitioners aware of the specific opportunities of brand identity as an instrument to position their firm against competitors. In contrast, other researchers and practitioners just rely on the awareness of their brands as a decisive factor for financial and market success (e.g., Homburg, Klarmann, & Schmitt, 2010). However, it is questionable whether brand awareness alone is sufficient, in particular when competitors have high brand awareness in the same markets. Typically, managers have some problems to differentiate the brand-related terminologies. In this respect, this essay provides conceptualization and common understanding of the term brand identity. We illustrate its difference to typical B2C-related brand identity aspects, such



---

as brand personality, and show the interrelationships of the most important brand identity components.

Until now, managers who plan to implement a brand identity framework had to choose between some academic frameworks (that are not easy to understand and mostly do not match the firm's needs), consulting-based approaches, or an internal ad hoc approach. This essay offers a practice-oriented guideline for the implementation of a brand identity framework by answering the following questions: What is B2B brand identity? What capabilities are needed for its implementation? What benefits do firm's customers perceive?

### **2.5.3 Limitations and Future Research**

These findings are underlying some limitations. First, we conducted semi-structured interviews in German speaking firms in Germany, Austria, and Switzerland. Further research should also include other countries or more diverse cultural backgrounds and thus refine our framework. Additionally, our research is conceptual and exploratory. For example, the interpretation of qualitative interview data is subjective and depends on the coding procedure of the researcher. In this respect, a large-scale and quantitative validation of this B2B brand identity framework through further scale development procedure is needed.

Second, there is a need to validate our conceptual model through a quantitative study. Our B2B brand identity framework is based on data from companies operating in different industries. It therefore seems impractical for suppliers to implement all the brand identity components identified here equally in their branding strategy. It should be more advisable that suppliers focus on the respective brand identity components that are most suitable for them individually. For example, our study shows that among practitioners there is a high relevance for both brand culture (Essay 2), as the uniqueness and differentiation of the brand, and brand essence (Essay 3), which communicates the inside of the brand to the outside. Therefore,

---

future research should focus on the effectiveness of inner and soft key components of brand identity through a quantitative study.

In this respect, context effects should be explicitly modeled. Figure 2.1 shows many interactions between the brand identity components. Therefore, such contextual effects should be investigated between the components of the brand identity. Future research should examine, for example, the interactions of the brand values and culture or the brand core / brand essence with the product and service attributes or the functional and emotional aspects. In addition, characteristics of the buyer-seller relationship are potential relevant contextual factors.

Third, our results from IDM test are based on MBA students' judgments instead of *real* customers and purchasing managers. Furthermore, we considered hypothetical buying situations and brands. Although some of the MBA students are working in management positions simultaneously, only low percentage had experience in purchasing. To examine discrepancies concerning the benefits of a brand identity as perceived by suppliers and customers, a dyadic study would be very promising.

---

## 2.6 References

- Agic, E., Cinjarevic, M., Kurtovic, E., & Cicic, M. (2016). Strategic marketing patterns and performance implications. *European Journal of Marketing*, 50(12), 2216-2248.
- Alsem, K. J., & Kosteljik, E. (2008). Identity based marketing: a new balanced marketing paradigm. *European Journal of Marketing*, 42(9/10), 907-914.
- Altshuler, L., & Tarnovskaya, V. V. (2010). Branding capability of technology born globals. *Journal of Brand Management*, 18(3), 212-227.
- Amit, R., & Shoemaker, P. J. H. (1993). Strategic Assets and Organizational Rent. *Strategic Management Journal*, 14(1), 33-46.
- Aschemann-Witzel, J., & Hamm, U. (2011). Measuring Consumers' Information Acquisition and Decision Behavior with the Computer-Based Information-Display-Matrix. *Methodology*, 7(1), 1-10.
- Backhaus, K. (1998). Industrial marketing: A German view. *Thesis*, 15(4), 2-6.
- Backhaus, K., Steiner, M., & Lügger, K. (2011). To invest, or not to invest, in brands? Drivers of brand relevance in B2B markets. *Industrial Marketing Management*, 40(7), 1082-1092.
- Ballantyne, D., & Aitken, R. (2007). Branding in B2B markets: insights from the service-dominant logic of marketing. *Journal of Business & Industrial Marketing*, 22(6), 363-371.
- Baumgarth, C., & Schmidt, M. (2010). How strong is the business-to-business brand in the workforce? An empirically-tested model of 'internal brand equity' in a business-to-business setting. *Industrial Marketing Management*, 39(8), 1250-1260.
- Bennion, M. L. (1987). Segmentation and Positioning in a Basic Industry. *Industrial Marketing Management*, 16(1), 9-18.

- 
- Beverland, M. B., Napoli, J., & Farrelly, F. (2010). Can All Brands Innovate in the Same Way? A Typology of Brand Position and Innovation Effort. *Journal of Product Innovation Management*, 27(1), 33-48.
- Beverland, M., Napoli, J., & Lindgreen, A. (2007). Industrial global brand leadership: A capabilities view. *Industrial Marketing Management*, 36(8), 1082-1093.
- Beverland, M., Napoli, J., & Yakimova, R. (2007). Branding the business marketing offer: exploring brand attributes in business markets. *Journal of Business & Industrial Marketing*, 22(6), 394-399.
- Bravo, R., Buil, I., de Chernatony, L., & Martinez, E. (2017). Managing brand identity: effects on the employees. *International Journal of Bank Marketing*, 35(1), 2-23.
- Buil, I., Catalán, S., & Martínez, E. (2016). The importance of corporate brand identity in business management: An application to the UK banking sector. *BRQ Business Research Quarterly*, 19(1), 3-12.
- Burmann, C., Jost-Benz, M., & Riley, N. (2009). Towards an identity-based brand equity model. *Journal of Business Research*, 62(3), 390-397.
- Buttenberg, K. (2015). The classification of customer- and brand-oriented marketing capabilities. *Transnational Marketing Journal*, 3(1), 26-44.
- Chen, Y.-C., Li, P.-C., & Arnold, T. J. (2013). Effects of collaborative communication on the development of market-relating capabilities and relational performance metrics in industrial markets. *Industrial Marketing Management*, 42(8), 1181-1191.
- Coleman, D., de Chernatony, L., & Christodoulides, G. (2011). B2B service brand identity: Scale development and validation. *Industrial Marketing Management*, 40(7), 1063-1071.

- 
- Coleman, D., de Chernatony, L., & Christodoulides, G. (2015). B2B service brand identity and brand performance. An empirical investigation in the UK's B2B IT services sector. *European Journal of Marketing*, 49(7/8), 1139-1162.
- Corbin, J., & Strauss, A. (1990). Grounded theory research: procedures, canons, and evaluative criteria. *Qualitative Sociology*, 13(1), 3-21.
- Cui, A. P., Hu, M. Y., & Griffith, D. A. (2014). What makes a brand manager effective? *Journal of Business Research*, 67(2), 144-150.
- de Chernatony, L. (2010). From Brand Vision to Brand Evaluation. The Strategic Process of Growing and Strengthening Brands. 3<sup>rd</sup> Edition. Butterworth-Heinemann: Amsterdam et al.
- Erdem, T., & Swait, J. (1998). Brand equity as a signaling phenomenon. *Journal of Consumer Psychology*, 7(2), 131-157.
- Erdem, T., Swait, J., & Valenzuela, A. (2006). Brands as signals: A cross-country validation study. *Journal of Marketing*, 70(1), 34-49.
- Ghodeswar, B. M. (2008). Building brand identity in competitive markets: a conceptual model. *Journal of Product & Brand Management*, 17(1), 4-12.
- Glynn, M. S., Motion, J., & Brodie, R. J. (2007). Sources of brand benefits in manufacturer-reseller B2B relationships. *Journal of Business & Industrial Marketing*, 22(6), 400-409.
- Herbst, U., & Merz, M. A. (2011). The industrial brand personality scale: Building strong business-to-business brands. *Industrial Marketing Management*, 40(7), 1072-1081.
- Homburg, C., Klarmann, M., & Schmitt, J. (2010). Brand awareness in business markets: When is it related to firm performance? *International Journal of Research in Marketing*, 27(3), 201-212.

- 
- Kapferer, J. N. (2008). *The new strategic brand management. Creating and sustaining brand equity long term.* 4<sup>th</sup> Edition. Kogan Page: London and Philadelphia.
- Keller, K. L., & Lehmann, D. R. (2006). Brands and Branding: Research Findings and Future Priorities. *Marketing Science*, 25(6), 740-759.
- Kotler, P., & Pfoertsch, W. (2007). Being known or being one of many: the need for brand management for business-to-business (B2B) companies. *Journal of Business & Industrial Marketing*, 22(6), 357-362.
- Leischnig, A., & Enke, M. (2011). Brand stability as a signaling phenomenon - An empirical investigation in industrial markets. *Industrial Marketing Management*, 40(7), 1116-1122.
- Lindgreen, A., Beverland, M. B., & Farrelly, F. (2010). From strategy to tactics: Building, implementing, and managing brand equity in business markets. *Industrial Marketing Management*, 39(8), 1223-1225.
- Luxton, S., Reid, M., & Mavondo, F. (2015). Integrated Marketing Communication Capability and Brand Performance. *Journal of Advertising*, 44(1), 37-46.
- Madhavaram, S., Badrinarayanan, V., & McDonald, R. E. (2005). Integrated Marketing Communication (IMC) and brand identity as critical components of brand equity strategy. *Journal of Advertising*, 34(4), 69-80.
- McKinsey Marketing and Sales Practice (2013). Business branding. Bringing strategy to life. [https://www.mckinsey.de/files/b2b\\_branding.pdf](https://www.mckinsey.de/files/b2b_branding.pdf) [March, 07<sup>th</sup> 2018].
- Merrilees, B., Rundle-Thiele, S., & Lye, A. (2011). Marketing capabilities: Antecedents and implications for B2B SME performance. *Industrial Marketing Management*, 40(3), 368-375.
- Michell, P., King, J., & Reast, J. (2001). Brand Values Related to Industrial Products. *Industrial Marketing Management*, 30(5), 415-425.

- 
- Morgan, N. A., Slotegraaf, R. J., & Vorhies, D. W. (2009). Linking marketing capabilities with profit growth. *International Journal of Research in Marketing*, 26(4), 284-293.
- Mudambi, S. (2002). Branding importance in business-to-business markets: Three buyer clusters. *Industrial Marketing Management*, 31(6), 525-533.
- Mudambi, S. M., Doyle, P., & Wong, V. (1997). An Exploration of Branding in Industrial Markets. *Industrial Marketing Management*, 26(5), 433-446.
- Nath, P., Nachiappan, S., & Ramanathan, R. (2010). The impact of marketing capability, operations capability and diversification strategy on performance: A resource-based view. *Industrial Marketing Management*, 39(2), 317-329.
- Ngo, L.V., & O'Cass, A. (2009). Creating value offerings via operant resource-based capabilities. *Industrial Marketing Management*, 38(1), 45-59.
- O'Cass, A., & Ngo, L.V. (2012). Creating superior customer value for B2B firms through supplier firm capabilities. *Industrial Marketing Management*, 41(1), 125-135.
- O'Cass, A., & Weerawardena, J. (2010). The effects of perceived industry competitive intensity and marketing-related capabilities: Drivers of superior brand performance. *Industrial Marketing Management*, 39(4), 571-581.
- Orr, L. M., Bush, V. D., & Vorhies, D. W. (2011). Leveraging firm-level marketing capabilities with marketing employee development. *Journal of Business Research*, 64(10), 1074-1081.
- Roy, D., & Banerjee, S. (2014). Identification and measurement of brand identity and image gap: a quantitative approach. *Journal of Product & Brand Management*, 23(3), 207-219.
- Thakor, M. V., & Kohli, C. S. (1996). Brand origin: conceptualization and review. *Journal of Consumer Marketing*, 11(3), 27-42.

- 
- Törmälä, M., & Gyrd-Jones, R. I. (2017). Development of new B2B venture corporate brand identity: A narrative performance approach. *Industrial Marketing Management*, 65(August), 76-85.
- Urde, M. (1994). Brand Orientation - A Strategy for Survival. *Journal of Consumer Marketing*, 11(3), 18-32.
- Urde, M. (2013). The corporate brand identity matrix. *Journal of Brand Management*, 20(9), 742-761.
- Wang, Y. J., Capon, N., Wang, V. L., & Guo, C. (2018). Building industrial brand equity on resource advantage. *Industrial Marketing Management*, 72(July), 4-16.
- Zablah, A. R., Brown, B. P., & Donthu, N. (2010). The relative importance of brands in modified rebuy purchase situations. *International Journal of Research in Marketing*, 27(3), 248-260.
- Zhang, J., Jiang, Y., Shabbir, R., & Du, M. (2015). Building industrial brand equity by leveraging firm capabilities and co-creating value with customers. *Industrial Marketing Management*, 51(November), 47-58.



## 2.7 Appendices

### Appendix 2.A. Interview Guideline (Brand Identity Section)

<b>Introduction</b>	
<ul style="list-style-type: none"> <li>• Own introduction and introduction of the interviewed person.</li> <li>• Discuss background and goals.</li> <li>• Obtain permission to record the interview. Assure anonymity.</li> </ul>	
<b>Main questions towards brand identity</b>	<b>Notes and follow-up questions</b>
<ul style="list-style-type: none"> <li>• Is there a defined brand identity as a target state in your company and how long have you already defined this state internally?</li> <li>• Do the employees concerned know about the existence and content of the brand identity and is it lived/implemented in practice?</li> <li>• When defining your brand identity, do you draw on an existing scientific model or on a practical or agency model?</li> <li>• What are the components or dimensions of your brand identity?</li> </ul>	<ul style="list-style-type: none"> <li>• If no, why not?</li> <li>• What are the reasons against it?</li> <li>• N/A</li> <li>• N/A</li> <li>• <i>Note: if not all dimensions can be named openly, a supported query is carried out on the basis of the following four categories.</i></li> <li>• Which dimensions defined by you consist of... <ul style="list-style-type: none"> <li>• soft factors and can only be experienced indirectly by customers?</li> <li>• soft factors and can be experienced directly by customers?</li> <li>• hard factors and can only be experienced indirectly by customers?</li> <li>• hard factors and can be experienced directly by customers?</li> </ul> </li> <li>• <i>Note: aspects = relationships to the other dimensions.</i></li> <li>• Which persons / interest groups are affected?</li> <li>• <i>Note: from 1 = completely unimportant to 10 = very important.</i></li> <li>• N/A</li> <li>• N/A</li> <li>• N/A</li> <li>• <i>Notes: conditions = moderator variables; market success = e.g., brand loyalty, price premium, (repeated) purchase intention.</i></li> </ul>
<ul style="list-style-type: none"> <li>• What exactly do you understand by the dimensions you mentioned? In your opinion, what purpose do they serve and what aspects should be considered when shaping these identity dimensions?</li> <li>• You have described that you have specifically defined the following identity dimensions (name them here) and apply them in your company. How would you prioritize them in terms of importance?</li> <li>• Are there any reasons why you have not defined certain identity dimensions or why they are not considered relevant for your brand management?</li> <li>• Why do customers choose your brand's products and services?</li> <li>• More specifically - what functions (e.g., risk reduction) does your brand deliver to buyers or users, and what benefits (e.g., functional benefits) do you think they derive?</li> <li>• Under what conditions is brand identity relevant for market success?</li> </ul>	
<b>End</b>	
<ul style="list-style-type: none"> <li>• Time for questions from the interviewee. Thanks for participation.</li> </ul>	

---

 Appendix 2.B. IDM Test Scenarios for Systems and Product Business
 

---



---

**Instruction (part I)**


---

- Please read the instructions carefully before proceeding with the following task:  
You are working as a procurement manager in a huge internationally operating German firm. The firm produces suspension systems for the automotive industry. Until 2015 the office and production site of the company was centrally located in Germany. In the last two years, your company was very successful and therefore new subsidiaries in France and Spain have been build up.
- 

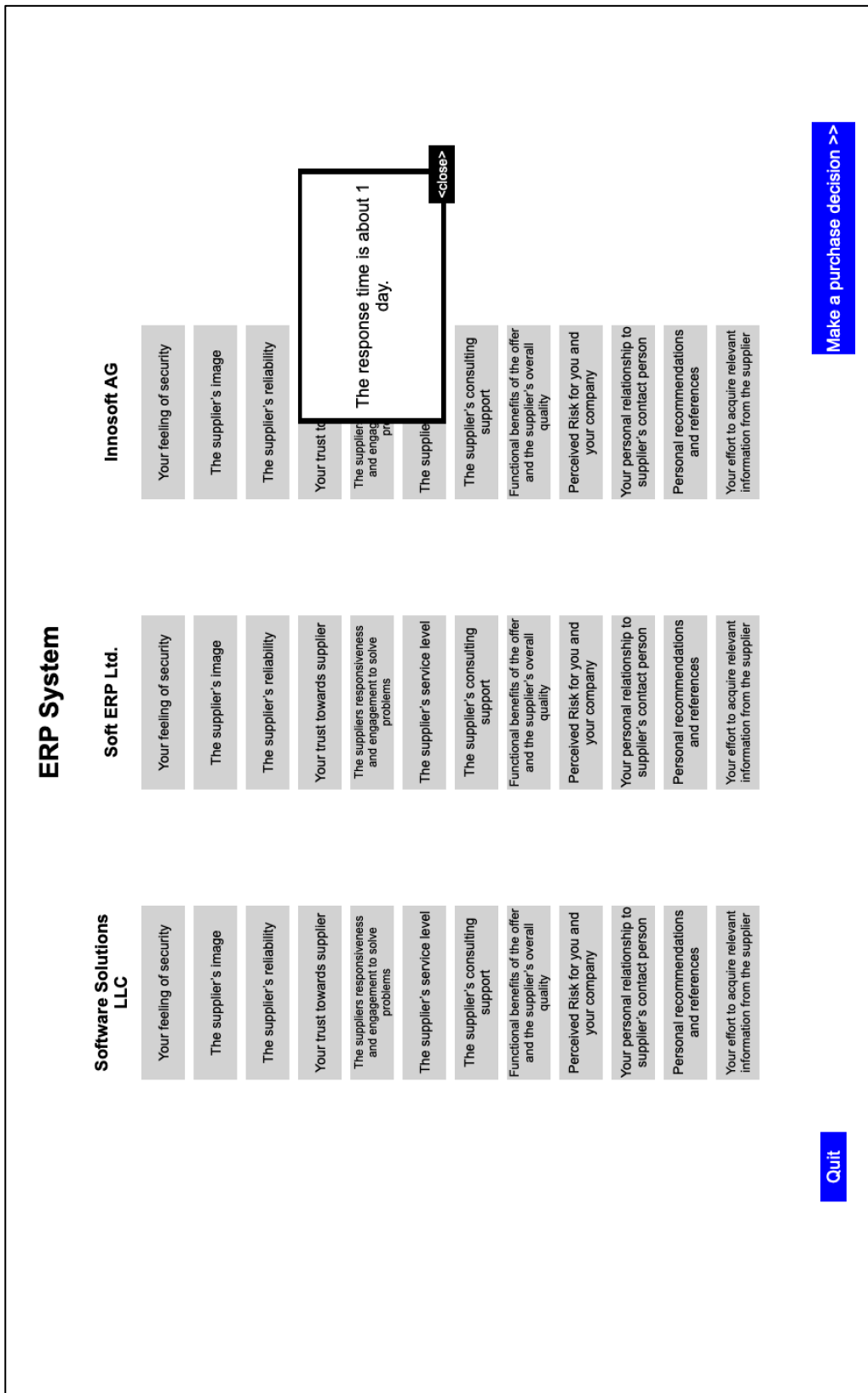
**Systems business scenario****Product business scenario**

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>• Your previous enterprise resource planning (ERP) system is outdated. Additionally, this ERP system cannot aggregate data of all three countries. Therefore, your Chief Executive Officer (CEO) assigned you to buy a new ERP system which should be rolled out in your whole company. By now, you have invited three offers that are virtually equal in terms of technical criteria as well as total costs.</li> </ul> | <ul style="list-style-type: none"> <li>• The Chief Information Officer (CIO) send you an email and asked you to buy 1,500 new licenses of an anti-virus program for the computer networks in France and Spain. The CIO has no preference for a certain supplier and therefore provided three offers that are totally equal in terms of technical criteria as well as total costs.</li> </ul> |
|---|--|
- 

**Instruction (part II)**

- On the following page you will see a matrix with all three possible suppliers (in columns) and additional information about their offer (in rows). At the beginning, all information in the cells is hidden.
  - Your task is to make a purchase decision based on the information provided in the cells of the matrix. You can click on each cell and uncover its information. A second click closes the cell.
  - You can open as many cells you want and open a cell several times. If you are ready to make a purchase decision based on the information you saw and you selected, please click on “Make a purchase decision”. It is your personal judgment, there is no right or wrong in this task.
  - Click “Continue”, if you are ready to start with the task.
-

Appendix 2.C. Screenshot from the IDM Test of the Systems Business Scenario



Notes: One field is opened as an example; a screenshot from the IDM Test of the product business scenario is not shown, as it has an identical layout.

---

### **3. Essay 2: How Perceptual Congruence and Incongruence of Brand Culture Strength Shape Customer Loyalty and Price Sensitivity**

René Matthias Resch and Dirk Totzek

#### **Abstract**

For many business-to-business suppliers it is unclear, how the strength of their brand culture (BCS) affects their relationships with customers. Brand culture is embodied and transferred through the behavior of a salesperson and in turn perceived by its customer contact persons. This essay examines how BCS perceptual congruence and incongruence between buyers and sellers form and influence customer loyalty and price sensitivity. In particular, we consider the level of BCS congruence and the direction of BCS incongruence. This study contributes to the branding literature by examining benefits and pitfalls of BCS congruence and incongruence, its contextual effects, and the antecedents of BCS incongruence. We draw on a cross-industry survey with 200 matched buyer-seller dyads and apply a response surface analysis with polynomial regression. Results show that BCS congruence increases and BCS incongruence decreases customer loyalty, whereas both have no effect on price sensitivity. Switching costs and information exchange shape the effect of BCS congruence and BCS incongruence on customer loyalty. Additionally, switching costs and information exchange shape the effect of BCS incongruence on price sensitivity. Furthermore, BCS incongruence is more likely for big supplier firms, for suppliers in highly competitive markets, and for suppliers with satisfied customers.

*Keywords: business-to-business marketing, brand culture, dyadic modelling, perceptual bias, polynomial regression, response surface analysis*

---

### 3.1 Introduction

Brands have been a relevant part of B2B research for years (Mudambi, 2002; Michell, King & Reast, 2001). Prior work on the relevance of brands in the B2B context has often focused on tangible aspects like brand names (Shipley & Howard, 1993; Saunders & Watt, 1979), the customers' brand awareness (Homburg, Klarmann, Schmitt, 2010), and the relevance of brands in organizational buying decisions (Gordon, Calantone, & di Benedetto, 1993; Cretu & Brodie, 2007; Zablah, Brown, & Donthu, 2010).

However, less tangible aspects like the supplier's brand culture also matter, because an organization's culture generally is a key to brand success (de Chernatony & Cottam, 2008) and sustainable competitive advantage (de Chernatony, 2010). In general, culture is an important factor in leading B2B firms. For example, "Our Culture Starts with You" is the headline of one of Oracle's career websites (Oracle, 2020). However, prior research has focused on organizational aspects of culture (e.g., Kim & Chang, 2019) whereas the firm's *brand culture* has received relatively little attention. This is important as most culture-related studies (e.g., organizational culture) focus on the market-orientation (e.g. Homburg & Pflesser, 2000) or brand-orientation (e.g., Baumgarth & Schmidt, 2010) of a firm. Moreover, the organizational culture often tends to be focused inward, i.e., on the company's own employees (e.g., Chan, Shaffer, & Snape, 2004). Consequently, it is important to examine culture with an outward focus in the context of brands, as brands are an important part of customer perception and their purchasing decisions (Zablah, Brown, & Donthu, 2010).

We examine culture as part of a firm's brand identity, which leads to the term brand culture. In this respect, "brand culture refers to the cultural codes of brands" (Schroeder, 2009, p. 124). More specifically, brand culture should help employees to act in a consistent, unified, and coherent way creating a consistent feeling about the brand. A strong culture motivates employees and makes them feel proud to be a part of the brand (de Chernatony,

---

2010). In this respect, this study focuses on the strength of brand culture, capturing the degree to which employees embody the firm's brand culture, instead of content-related factors of brand culture (i.e., how an ideal brand culture should look like).

The seller's brand culture strength (BCS) should be particularly relevant at the customer-firm interface, especially for sales people (Baumgarth & Schmidt, 2010; Balmer & Greyser, 2006). This is important as inappropriate or inconsistent behavior of employees in interactions with customers can particularly damage customers' perceptions of the brand (Harris & de Chernatony, 2001), and thus negatively affect customers' perceptions and behavior.

However, supplier firm employees' and customers' perceptions of BCS may not be aligned as it is the case for other phenomena such as relationship quality, relational closeness, or relationship performance (e.g., Weitz, 1978; Lambert, Marmorstein, & Sharma, 1990a; Lambert, Marmorstein, & Sharma, 1990b; Vosgerau, Anderson, & Ross, 2008; Mullins et al., 2014; Homburg, Bornemann, & Kretzer, 2014). This is important as dyadic studies show that incongruence can have negative effects for suppliers. For example, salesperson incongruence of relationship quality has a harmful impact on profit in early phases of a relationship (Mullins et al., 2014). We focus on customer loyalty and the customer's price sensitivity as two important customer-based outcomes (Katsikeas et al., 2016). Both, customer loyalty (e.g., Cretu & Brodie, 2007; Michell, King, & Reast, 2001; van Riel, Pahud de Mortanges, & Streukens, 2005) and price sensitivity (e.g., Erdem, Swait, & Louviere, 2002; Salamandic, Alijosiene, & Gudonaviciene, 2014) are well-established outcome variables in branding research.

It is important to further understand whether the potential unfavorable effects of BCS incongruence on customer loyalty and price sensitivity are context-dependent. In this respect, we examine the moderating roles of switching costs and information exchange, because they

---

represent relationship-specific investments and interaction mechanisms according to the interaction/network theory (Claycomb & Frankwick, 2010) and are therefore essential for the investigation of dyadic relationships (Barnes, Naude, & Michell, 2007). Finally, we examine the drivers of BCS incongruence between supplier and customer perceptions, because literature shows that perceptual incongruence can have negative effects for suppliers (e.g., Mullins et al., 2014).

The goal of this study is to examine BCS congruence and incongruence in buyer-seller relationships in B2B industries. This essay addresses the following three research questions (RQ): (1) How do perceptual congruence and incongruence between sales people and customers with respect to the supplier's BCS affect customer loyalty and price sensitivity? (2) To what extent are these effects context-dependent? (3) What determines BCS incongruence?

We address these questions with a unique dyadic dataset involving 30 firms of different B2B industries, 106 supplier informants (i.e., sales people), and 200 customer informants (i.e., managing and technical directors, purchasing people). For our analyses, we particularly apply polynomial regression and response surface analysis (e.g., Edwards & Parry, 1993; Zenker, Gollan, & Van Quaquebeke, 2014; Mullins et al., 2014).

We make three key contributions: First, we contribute to the B2B branding literature and to the brand culture literature examining culture as an important part of the suppliers' brand. Previous research mainly separated the concepts of brand and culture and thus has focused either on more tangible aspects (e.g., brand names or brand awareness) of brands (e.g., Saunders & Watt, 1979; Homburg, Klarmann, Schmitt, 2010) or on culture in an organizational context (e.g., Kim & Chang, 2019). We show that BCS is an important but neglected concept in the B2B context. Furthermore, our results indicate that it is crucial to what extent the sellers' managers and sales people have internalized the brand through an

---

appropriate behavior to the culture (Baumgarth, 2010). This is also important for practitioners, as they should consider culture as a major concept of their branding strategy.

Second, we contribute to a better understanding of brand culture and to the literature towards perceptual congruence and incongruence in business relationships by investigating BCS and integrating social identity theory. Prior work on brand culture is often conceptual, qualitative, case-based, or refers to the consumer context (e.g., Schembri & Latimer, 2016) and has neglected to investigate brand culture in a dyadic B2B context. We investigate the effects of the level of BCS congruence and the direction of BCS incongruence via cross-sectional data and matched dyads, and base our arguments on the mechanisms of social identity theory. We show that BCS congruence increases and BCS incongruence decreases customer loyalty.

Furthermore, we enrich prior research by combining social identity theory with moderating effects based on interaction/network theory. This is important because prior research focuses on the benefits of culture (e.g., Xie & Zheng, 2020) but largely neglects contextual factors. Interestingly, dyadic studies on similar topics reveal nonlinear, U-shaped, and thus partly negative effects of perceptual congruence or incongruence (e.g., Mullins et al., 2014). Accordingly, we demonstrate that the effects of BCS congruence and incongruence are highly context-dependent. This is also important from a managerial standpoint. Managers who are in business relationships with high switching costs or high information exchange should not rely too much on the BCS and instead push other aspects if customers rate the BCS low.

Third, we expand brand culture literature and literature towards perceptual incongruence by examining the antecedents (Mullins et al., 2014) of BCS incongruence. Incongruence is very likely with a somewhat *soft* and subjective variable (Homburg et al., 2012) like brand culture. In this respect, we show that certain factors promote BCS



---

incongruence. Accordingly, managers should consider these factors, and thus the likelihood of BCS incongruence, before increasing their involvement in BCS measures and activities.

The remainder of this essay is organized as follows. First, we review prior literature on the role of brand culture in B2B relationships. Then, we develop our research framework and hypotheses, drawing on social identity theory for the outcomes and the antecedents of BCS perceptions and on the interaction/network theory for the moderating effects. Next, we describe our research approach and test our hypotheses. Finally, we discuss the results of our study, our contributions to theory, as well as managerial implications.

## **3.2 Conceptual Background and Framework**

### **3.2.1 Literature Review**

Our study and our literature review concentrate on the effectiveness and outcomes of brand culture. Related literature includes the terms *firm culture*, *corporate culture*, *organizational culture* (e.g., Hatch, 1993; Homburg & Pflesser, 2000; Baumgarth & Schmidt, 2010; Anees-ur-Rehman et al., 2017), and the term *brand culture* (e.g., Schroeder, 2009).

In general, prior work in this area is often largely conceptual (e.g., Wilkins & Ouchi, 1983; Barney, 1986; Saffold, 1988; Lim, 1995), mostly qualitative (e.g., Vallaster & Chernatony, 2006; de Chernatony & Cottam, 2008; Saraniemi et al., 2010; Vallaster & Lindgreen, 2011; Törmälä & Gyrd-Jones, 2017), or examines the business-to-consumer context (e.g., Burmann & Zeplin, 2005; Gillespie et al., 2008; Abbasi et al., 2014; Schembri & Latimer, 2016).

However, quantitative studies that investigate the effectiveness of brand culture in the B2B context are sparse (e.g., Baumgarth, 2010; Baumgarth & Schmidt, 2010; Xie & Zheng, 2020). Furthermore, there are only few quantitative studies that, besides the suppliers' perspective, take an external perspective into account (e.g., Kowalczyk & Pawlish, 2002).

This is important because brand culture is transferred by the sales people and perceived by the

---

customers (de Chernatony & Cottam, 2008). The literature review summarizes the brand culture-related literature with an empirical focus (Appendix 3.A).

First, the literature review shows that culture and brand are strongly linked. Previous studies show the positive effect of organizational culture on brand performance (O’Cass & Ngo, 2007) and brand equity (Saraniemi et al., 2010; Xie & Zheng, 2020). In less successful organizations, “the cultures were not brand-supportive and a misalignment was noted between culture and brand” (de Chernatony & Cottam, 2008, p. 13). Consistency and coherence among corporate culture and other corporate identity elements are essential for a good brand image (Vallaster & de Chernatony, 2006). Thus, research reinforces the strong connection between culture and brand.

Second, literature shows that it is important for the buyer-seller relationship to what extent the sales people have internalized the brand culture. Incompatible cultures impair identification between buyers and sellers (Törmälä & Gyrd-Jones, 2017). Brand orientation is a type of corporate culture. Brand-oriented corporate culture positively relates to internal brand equity (Baumgarth & Schmidt, 2010). Managers and staff at all levels should behave appropriate to the culture (Baumgarth, 2010), because the outside perception of culture partially effects firm reputation (Kowalczyk & Pawlish, 2002).

Third, previous literature shows that culture can have a positive effect on the selling firm’s success. The sellers’ culture positively affects outcomes like relationship development (Williams & Attaway, 1996), organizational performance (e.g., Chan, Shaffer, & Snape, 2004), and financial performance (Homburg & Pflesser, 2000; Sin & Tse, 2000). Brand orientation has a positive effect on market performance and economic performance (Baumgarth, 2010).

Nevertheless, the literature review reveals the research gap that culture is seldom seen as part of a brand and also that BCS congruence and incongruence in particular have been

---

little studied to date. This is crucial because buyers perceive BCS through contact with the sales people (de Chernatony & Cottam, 2008).

### 3.2.2 Overview of the Framework

Culture is an underestimated part of a brand (Schultz & Hatch, 2006). However, brand culture influences “brand meaning and value in the marketplace” (Schroeder, 2009, p. 124) and enables to understand a brand in its context through its cultural, historical, and political grounding (Schroeder, 2009). Values in the organizational culture and the brand should be consistent and congruent so that the firm’s employees are empowered (de Chernatony & Cottam, 2008). In general, culture is the collective feeling of employees (i.e., norms, values, beliefs, assumptions, meanings) about their organization’s historical roots and heritage and it provides the context in which employees engage internally and externally (Deshpande & Webster, 1989; Balmer & Greyser, 2006; Schultz & Hatch, 2006). According to Kapferer (2008), there cannot be a brand without a culture, and in turn, culture links a brand to its firm and enables the differentiation of one brand from competitors’ brands. It is conventional wisdom that culture is part of a firm’s brand identity (e.g., de Chernatony, 1999; Madhavaram, Badrinarayanan, & McDonald, 2005; Kapferer, 2008; Viot, 2011; Urde, 2013). “A strong brand identity that is lived by the employees is based on values that are congruent with those of the corporate culture” (Burmann & Zeplin, 2005, p. 293). Especially for brands with company names, there is a relationship between corporate identity and brand identity (Törmälä & Gyrd-Jones, 2017), and thus “brands have the same culture as the companies from which they emanate” (Kapferer, 2008, p. 205).

The difference between culture and brand culture is that the organizational culture often is focused inward, i.e., on the company’s own employees (e.g., Chan, Shaffer, & Snape, 2004), whereas brand culture has an outward focus through the context of brands, as brands

---

are an important part of customer perception and their purchasing decisions (Zablah, Brown, & Donthu, 2010).

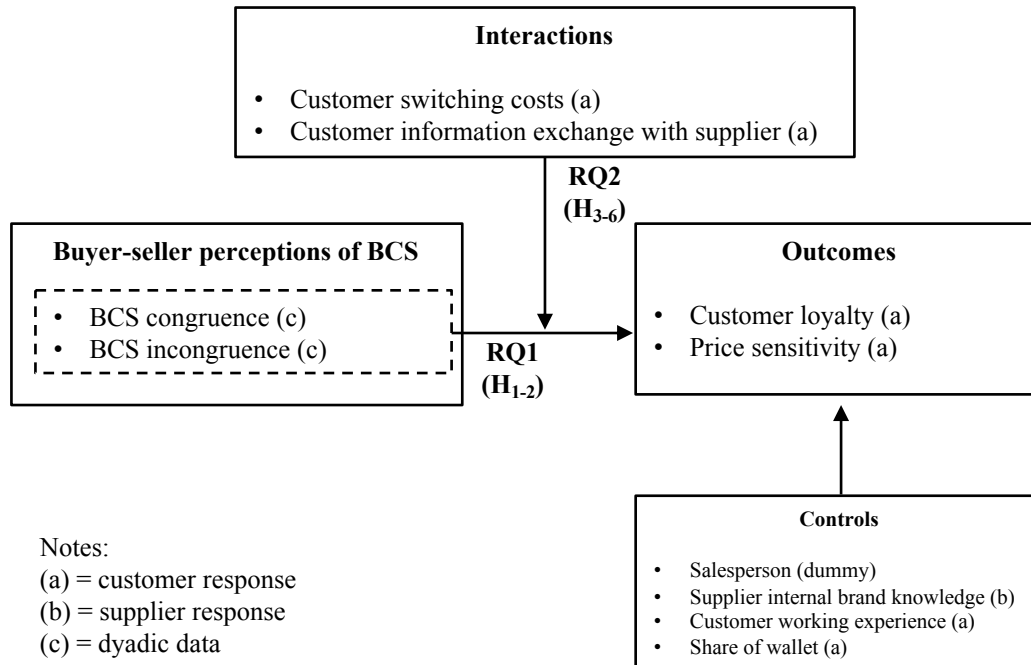
This study focuses on how strong the supplier brand culture is. We exclude content-related cultural aspects and different types and facets of culture, which has already been considered in other studies (e.g., Kim & Chang, 2019; Chan, Shaffer, & Snape, 2004; Sin & Tse, 2000). A strong culture captures the degree to which employees are motivated, proud to work for their brand, and feel and act in a consistent way (de Chernatony, 2010). Thus, BCS is a part of the supplier's brand identity and the degree to which brand culture (i.e., norms and values) determines the feelings of employees towards their company and the behavior of supplier's employees towards external stakeholders.

The principles that underlay culture are expressed through the firm's products, communication, and interaction. As a consequence, a firm's culture bridges between a sender and its recipients (Kapferer, 2008). Each point of contact between buyer and seller is driven by culture (de Chernatony & Cottam, 2008), because culture defines the standards for individual behavior (Vallaster & de Chernatony, 2006). The attitudes and behaviors of supplier contact persons to customers represent the supplier's culture (Wilson, 2001; Balmer & Greyser, 2006).

Furthermore, we consider perceptual congruence and incongruence of BCS. BCS congruence is defined as the agreement between buyers and sellers on BCS (e.g., Benlian, 2014). This means that buyers and sellers evaluate BCS equally. Either both rate BCS high or both rate BCS low. BCS incongruence is defined as buyers and sellers evaluating BCS differently (e.g., Benlian, 2014). Incongruence can have two directions. Buyers' perceptions of BCS can be higher (i.e., better) than their sellers' perceptions and the other way around (Benlian, 2014; Mullins, 2014).

We draw on social identity theory (Tajfel & Turner, 1979), to investigate the effects of perceptual congruence and incongruence of BCS. Social identity theory can be defined as “a classic social psychological theory that attempts to explain intergroup conflict as a function of group-based self-definitions” (Islam, 2014, p. 1781). Group members with a group-based social identity (e.g., sales people with a selling firm-based social identity or customers with a buying firm-based social identity) are consistent in their perceptions and actions (Stets & Burke, 2000). Accordingly, intergroup relationships like those between buyers and sellers are typically characterized by in-group biases (Tajfel & Turner, 1979). However, it is unclear how BCS perceptions might affect the buyer-seller relationship, for example, in terms of relationship-specific interactions and important customer-related outcomes. Our research framework is shown in Figure 3.1.

Figure 3.1. Research Framework for the Outcomes of BCS Congruence and Incongruence



Buyer-seller relationships are generally characterized by interaction mechanisms and relationship characteristics (Johanson & Mattsson, 1987; Claycomb & Frankwick, 2010).

Firms exchange resources in their relationships to other actors. Consequently, firms use

---

relationships to access, control, and create new resources (Möller & Halinen, 2000).

Relationships in industrial networks, inter alia, reduce exchange costs and promote knowledge development (Johanson & Mattsson, 1987).

The underlying theory is the interaction/network theory. The goal of the theory is to “understand and explain the functioning of business markets from the perspective of interactive buyer-seller relationships and related networks” (Möller & Halinen, 2000, p. 36). Concerning the interaction/network theory, we derive the two moderating variables switching costs and information exchange (Figure 3.1).

Switching costs are the kind of costs that customers incur when switching to another supplier (Campbell, 1985; Heide & Weiss, 1995). These costs can be related to compatibility problems (i.e., technology, systems, software) or the disadvantages of leaving established relationships (i.e., routines, procedures) with suppliers (Heide & Weiss, 1995). Thus, switching costs “represent those investments in people, assets or procedures placed into a relationship over time that must be foregone in the event that a relationship terminates” (Barnes, Naude, & Michell, 2007, p. 664).

Information exchange is the “the degree to which each party discloses information that may facilitate the other party’s activities, as opposed to keeping all information proprietary” (Heide & Miner, 1992, p. 275). Cannon and Perreault define information exchange “as expectations of open sharing of information that may be useful to both parties” (1999, p. 441). Information exchange is also about the quality of communication between partners (e.g., the accuracy, timeliness, and adequacy of information exchange) (Claycomb & Frankwick, 2010). A high information exchange between buyers and sellers is characterized by sharing proprietary information, relevant cost information, product development information, or supply and demand forecasts (Cannon & Perreault, 1999).

---

Our outcome variables are customer loyalty and price sensitivity (Figure 3.1). Customer loyalty captures the customer's motivation to maintain a relationship with the supplier, which is shown through a set of behaviors (Sirdeshmukh, Singh, & Sabol, 2002). "The customer's intention to continue to conduct business with the selling firm may be based on the customer's interactions with the salesperson and other employees [...]" (Palmatier, Scheer, & Steenkamp, 2007, p. 186). Customer loyalty is a well-established outcome variable in branding research (e.g., Michell, King, & Reast, 2001). Customer loyalty is relevant in this study because evidence shows that a strong supplier brand increases customer loyalty (e.g., van Riel, Pahud de Mortanges, & Streukens, 2005; Cretu & Brodie, 2007; Cassia & Magno, 2012; Biedenbach, Bengtsson, & Marell, 2015; Cassia, Cobelli, & Ugolini, 2017) and a strong selling firm's organizational culture is positively related to customer orientation and relationship development (Williams & Attaway, 1996).

Price sensitivity is defined as "the extent to which customers rely on prices in choosing their suppliers" (Homburg, Jensen, & Hahn, 2012, p. 52). Price sensitivity is a well-established outcome variable in branding research (e.g., Erdem, Swait, & Louviere, 2002; Salamandic, Alijosiene, & Gudonaviciene, 2014). We argue that price sensitivity is relevant in this study because prior research implies that a strong culture (e.g. Homburg & Pflesser, 2000; Sin & Tse, 2000) and a strong brand (e.g., Homburg, Klarmann, & Schmitt, 2010) of the selling firm should increase seller profitability and financial performance.

### **3.3 Hypothesis Development**

#### **3.3.1 Main Effects of BCS Congruence and BCS Incongruence**

We first address the outcomes of buyer-seller perceptions of BCS. Thereby, we focus on perceptual congruence and incongruence. We draw on social identity theory (Tajfel & Turner, 1979). Social identity theory has three assumptions: First, individuals aim a high self-esteem and a positive self-concept. Second, being a member of a group or category is

---

associated with value connotations that influence the social identity. Third, members evaluate their in-group in comparison to out-groups (Tajfel & Turner, 1979). Further, social identity theory has three principles: First, individuals aim at a positive social identity. Second, a positive social identity stems from an in-group that is positively differentiated from the out-groups. Third, an unsatisfactory social identity makes individuals to leave the in-group or to make it positively distinct (Tajfel & Turner, 1979).

People derive parts of their individual identity from the organizations to which they belong (Hogg & Terry, 2000). This applies to employees in supplier and customer firms. Employees that strongly identify with their organizations act more in the way of their typical workplace norms (e.g., brand culture) (Van Dick & Kerschreiter, 2016) and “match their behavior to the standards relevant to the social identity” (Stets & Burke, 2000, p. 232). Members of the in-group (e.g., sales people) are highly motivated to achieve the group goals. They further work for the group’s interests, which can positively affect the groups success or performance (Van Knippenberg, 2000). Group members with a group-based social identity are characterized by their uniformity of perception and action (Stets & Burke, 2000). Therefore, BCS is an indicator of the extent to which employees, as in-group members, have internalized the brand culture.

When it comes to intergroup relationships, like between suppliers and customers, in-group bias is typical (Tajfel & Turner, 1979). Group members emphasize perceived similarities with the in-group and perceived differences with the out-group concerning “all the attitudes, beliefs and values, affective reactions, behavioral norms, styles of speech, and other properties that are believed to be correlated with the relevant intergroup categorization” (Stets & Burke, 2000, p. 225). Intergroup differentiation can take place in specific social situations, when people see their membership to a group as a part of their self-concept, when the social situation enables intergroup comparisons, and the out-group is a relevant comparison group.



---

Through differentiation, one group wants to establish or maintain its superiority over another group, which means a high level of competition between groups (Tajfel & Turner, 1979).

Accordingly, social identity theory helps to explain conflicts between groups based on group-based self-definitions. Between groups (e.g., supplier firm and customer firm) exist biased and exaggerated perceptions that are framed to maximize self-evaluations (Islam, 2014).

As a result, social identity theory first explains the effects of BCS congruence on customer loyalty and price sensitivity. A high BCS congruence means that buyers and sellers perceive BCS equally. This can be either at a high level or at a low level of BCS. First, we assume that both buyers and sellers rate BCS as high.

A high BCS rating by the sellers tends to indicate that individuals strive for a positive self-esteem by improving their social identity. This motivation makes individuals to behave in an adapted and coordinated way with their group's interests (Homburg, Wieseke, & Hoyer, 2009). Additionally, social identification makes group members feeling loyal to their organization or corporate culture (Ashforth & Mael, 1989) and try to achieve the group's goals and be successful (Van Knippenberg, 2000).

A high BCS rating by the buyers indicates that buyers identify with the seller. Interestingly, identification is possible even if a person is not a member of a group (Bagozzi et al., 2012), and identification is possible in reciprocal role relationships, like between a salesperson and its customer contact (Ashforth & Mael, 1989). The buyer's perceptions about the seller's company characteristics (e.g., personal experiences or perceived culture) and characteristics of the seller's main contact person (i.e., sales or service representative) can determine how customers identify with their supplier (Ahearne, Bhattacharya, & Gruen, 2005). If buyers have a high psychological attachment or identification with a selling firm, they should commit to the seller's goals and become supporters of this firm. Several forms of

---

behavior (e.g., purchase) show this support of the buyer (Ahearne, Bhattacharya, & Gruen, 2005).

However, congruence can also mean that the seller and buyer rate BCS as low. A low BCS rating of the buyer is obviously not beneficial for the seller, as the buyer does not seem to identify with the seller. In terms of seller perceptions, a low BCS rating indicates that there is no in-group bias. In addition, sellers should not seek superiority over buyers, so there is little potential for conflict.

Consequently, BCS congruence with high and low BCS scores may be an indicator of buyer-seller perceptions that are not biased by the respective in-group. Therefore, we assume low conflict and competition between buyers and sellers, which we interpret as low intergroup conflict. Buyers and sellers want to maintain their relationship with each other and thus BCS congruence leads to high customer loyalty. It is even possible that buyers identify with the seller and support the seller. Accordingly, price is in the background compared to other criteria and consequently price sensitivity should be low. Thus, we assume that BCS congruence, with either both high and low congruent BCS scores, leads to low price sensitivity. Therefore, we hypothesize:

*H<sub>1</sub>: As the buyer-seller congruence of BCS increases, (H<sub>1.1</sub>) customer loyalty increases and (H<sub>1.2</sub>) price sensitivity decreases.*

Second, social identity theory also explains the impact of BCS incongruence on customer loyalty and price sensitivity. A high degree of incongruence between the BCS perceptions of the seller and the buyer indicates a different valuation of the BCS by both. Here, either the seller's BCS perception may be better than the buyer's or vice versa.

When customers perceive BCS to be better than the seller, this does not seem to have a negative impact on the seller at first glance. After all, a high BCS customer perception indicates identification with the seller. However, if sellers rate their own BCS low, we

---

anticipate this may indicate that there is low identification with the organization or with the culture and therefore there is no aligned behavior in the group (i.e., the supplier firm) (Van Dick & Kerschreiter, 2016; Stets & Burke, 2000) or that the motivation to achieve the group's goals is low (Van Knippenberg, 2000). Furthermore, a low BCS perception of the seller can be interpreted as sellers underestimating their BCS and thus not recognizing that their buyers perceive the BCS as strong. As a result, sellers may focus on the wrong aspects in their interactions with buyers (e.g., exclusively on product or service attributes). This can lead to buyers being less loyal or more price-sensitive because the seller sets the wrong priorities in customer contact.

However, incongruence can also mean that sellers perceive the BCS better than the buyers. Here, it could be that there is an in-group bias on both sides. In this case, the sellers rate their BCS comparatively high and the buyers rate the BCS of the seller comparatively low, respectively, in order to increase self-esteem in their own group and to achieve a certain superiority over the other group. Organizations are embedded in complex networks of intergroup relations. Relationships between groups are shaped by power, status, and prestige (Hogg & Terry, 2000). Incompatible group interests between buyers and sellers can generate conflict, competition, and discrimination (Tajfel & Turner, 1979). "The aim of differentiation is to maintain or achieve superiority over an out-group" (Tajfel & Turner, 1979, p. 41). BCS incongruence may thus be a consequence of group-biased perceptions and intergroup conflict. Thus, we hypothesize that BCS incongruence leads to low customer loyalty and high price sensitivity. We hypothesize:

*H<sub>2</sub>: As the buyer-seller incongruence of the BCS increases, (H<sub>2.1</sub>) customer loyalty decreases and (H<sub>2.2</sub>) price sensitivity increases.*

---

### 3.3.2 Interaction Effects

The moderating effects of our research model are based on interaction/network theory. Interaction/network theory contains exchange, adaptation, and uncertainty elements (Arli, Bauer, & Palmatier, 2018; Johanson & Mattsson, 1987), as well as mutuality, investments, bonds, and dependence (Johanson & Mattsson, 1987). Möller and Halinen (2000) classify interaction processes, adaptation and investment elements, actor bonds, resource ties, activity chains, and phases and dynamics in networks and relationships. Claycomb and Frankwick (2010) identify relationship characteristics (e.g., relationship-specific investments that can foster switching costs) and interaction mechanisms (e.g., information exchange and conflict resolution methods) as typical elements of the interaction/network approach. Therefore, we focus on switching costs and information exchange as moderating variables (Figure 3.1).

Generally, if customer's switching costs are high, an existing supplier will be rather chosen again (Heide & Weiss, 1995). According to interaction/network theory, high switching costs indicate high relationship-specific investments (Claycomb & Frankwick, 2010), can represent investments in people or procedures (Campbell, 1985; Barnes, Naude, & Michell, 2007), and thus characterize close relationships. Although high switching costs characterize close and intensive buyer-seller relationships, these high relationship-specific investments should not necessarily mean the absence of group-biased perceptions or intergroup conflicts. Generally, buyers and sellers in close relationships should pay greater attention to *soft* factors such as culture (Moeller, Fassnacht, & Klose, 2006). Thus, in relationships characterized by high switching costs, the effect of buyer-seller BCS congruence and BCS incongruence on customer loyalty should be stronger. In that the suppliers and customers are close and focus more on each other, the previously presented mechanisms of social identity theory should be reinforced. Accordingly, the effect of BCS perceptions on customer loyalty (H<sub>3.1</sub> & H<sub>3.2</sub>) should be strengthened by switching costs.

---

*H<sub>3</sub>: For customers with high switching costs (compared to low), (H<sub>3.1</sub>) buyer-seller congruence of BCS has a stronger effect on customer loyalty, and (H<sub>3.2</sub>) buyer-seller incongruence has a stronger effect on customer loyalty.*

Additionally, our second outcome variable price sensitivity, as the weight of price in an overall evaluation of product utility (Erdem, Swait, & Louviere, 2002) and the degree supplier selection is based on prices (Homburg, Jensen, & Hahn, 2012), is dependent on the interaction of BCS perceptions and customers switching costs to another supplier. According to the mechanisms of social identity theory and interaction/network theory mentioned before, switching costs, as an indicator for close buyer-seller relationships, should strengthen the effects of BCS congruence and incongruence on price sensitivity (H<sub>4.1</sub> & H<sub>4.2</sub>).

*H<sub>4</sub>: For customers with high switching costs (compared to low), (H<sub>4.1</sub>) buyer-seller congruence of BCS has a stronger effect on price sensitivity, and (H<sub>4.2</sub>) buyer-seller incongruence has a stronger effect on price sensitivity.*

An extensive exchange of technical and commercial information is necessary to build partnerships (e.g., joint product development). Especially for complex products, there is a need for close collaboration and information exchange (Metcalf, Frear, & Krishnan, 1992). Customers are ready to share information with their supplier if they see it as a part of a reciprocal process (Fletcher & Peters, 1997). Following interaction/network theory, information exchange should lead to higher communication quality and in turn foster accuracy of the information exchanged between buyers and sellers (Claycomb & Frankwick, 2010).

However, high information exchange (and consequently communication quality and information exchange accuracy) does not exclude intergroup conflicts and group-biased perceptions. Buyers and sellers could try to achieve superiority over the outgroup even if they intensively exchange information. We think that information exchange indicates intense

---

interaction mechanisms between buyers and sellers, and therefore hints close relationships.

We assume that in close relationships indicated by high information exchange, the effect of buyer-seller BCS congruence and incongruence on customer loyalty is stronger, because somewhat *soft* variables like BCS are more important in close relationships (Moeller, Fassnacht, & Klose, 2006) and when buyers and sellers are exchanging information more intensively. We expect the intensity of information exchange between buyers and sellers to strengthen the effect of BCS perceptions on customer loyalty (H<sub>5.1</sub> & H<sub>5.2</sub>).

*H<sub>5</sub>: For customers with high information exchange (compared to low), (H<sub>5.1</sub>) buyer-seller congruence of BCS has a stronger effect on customer loyalty, and (H<sub>5.2</sub>) buyer-seller incongruence has a stronger effect on customer loyalty.*

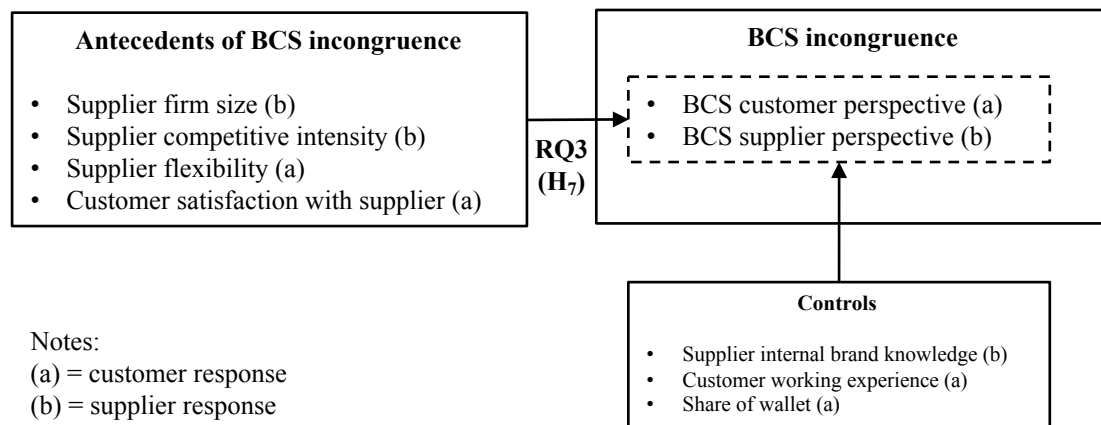
Consequently, we expect the aforementioned mechanisms of social identity theory and interaction/network theory to cause further moderating effects of information exchange. The intensity of information exchange between buyers and sellers should strengthen the effect of BCS congruence and incongruence on price sensitivity (H<sub>6.1</sub> & H<sub>6.2</sub>).

*H<sub>6</sub>: For customers with high information exchange (compared to low), (H<sub>6.1</sub>) buyer-seller congruence of BCS has a stronger effect on price sensitivity, and (H<sub>6.2</sub>) buyer-seller incongruence has a stronger effect on price sensitivity.*

### **3.3.3 Key Antecedents of BCS Incongruence**

In addition to the outcomes of BCS perceptions, this essay addresses the antecedents of BCS incongruence (Figure 3.2). In this study, we concentrate on the size of the supplier firm, supplier's competitive intensity, customer's perceived flexibility of the supplier, and satisfaction with the supplier as antecedents. The selection of the four antecedents is motivated by the fact that two antecedents each are based on customer and supplier responses.

Figure 3.2. Research Framework for the Antecedents of BCS Incongruence



The potential antecedents that cause perceptual incongruence are part of the following hypothesis (H<sub>7</sub>). According to social identity theory, incongruence as group-biased perceptions can be a sign for intergroup conflict between buyers and sellers (Tajfel & Turner, 1979). In case of perceptual incongruence, buyers and sellers evaluate BCS opposite to each other (e.g., Benlian, 2014). Buyer perceptions of BCS can be higher (i.e., better) than their seller perceptions, and the other way around (Benlian, 2014; Mullins et al., 2014).

Firm size can have an effect on the type of culture (Kim & Chang, 2019). Big supplier firms may also have several small-group subcultures (Schein, 2004). Especially for big firms, there is an immense challenge to unify culture (de Chernatony, 2010). In big supplier firms, it should be unlikely that every employee behaves in a unified way and gives its firm's brand culture the same importance. In addition, customers can have many different contact persons in huge supplier firms. Homburg et al. (2012) partially support that correlations between key informants are smaller if firm size is high. Therefore, perceptual incongruence of BCS should be higher when the size of the supplier firm is high (H<sub>7.1</sub>).

*H<sub>7.1</sub>: The suppliers' firm size is driving BCS incongruence.*

Competitive intensity is the extent of competition in a certain market (e.g., Kohli & Jaworski, 1990; Homburg, Grozdanovic, & Klarmann, 2007). In highly competitive markets, customers have many different alternatives to exactly satisfy their needs (Kumar et al., 2011),

---

so that products and services are interchangeable. Thus, we assume customers to pay more attention to less tangible aspects like the supplier's culture. Additionally, in case of a highly competitive intensity of supplier, we assume a higher intergroup conflict between all market actors, including buyers and sellers. As a consequence, perceptual incongruence of BCS should be higher when competitive intensity is high (H<sub>7.2</sub>).

*H<sub>7.2</sub>: The suppliers' competitive intensity is driving BCS incongruence.*

Flexibility, as an element of purchasing relationships (Noordewier, John, & Nevin, 1990), is how customers perceive supplier's willingness to adopt to not-mandatory change requests (e.g., Homburg et al., 2005; Noordewier, John, & Nevin, 1990), which can be a short set-up time, product volume changes, or conflict resolution (e.g., Choi & Hartley, 1996; Bennion, 1987). Flexibility is about to tailor the offer "to a customer's particular needs" (Hansen, Samuelsen, & Silseth, 2008, p. 207), which should include flexible employees, routines, and services and as a consequence drives customer perceived value (Hansen, Samuelsen, & Silseth, 2008). Because of this not-mandatory character of flexibility (i.e., a flexible supplier firm or a flexible contact person), we assume that if customers' perceived flexibility of the supplier is high, customers' BCS perceptions should be high accordingly. If customers' BCS perceptions are even higher than their suppliers' BCS perceptions, perceptual incongruence arises. Consequently, perceptual incongruence is not solely caused by intergroup conflict, but may arise from other reasons as well. Thus, perceptual incongruence of BCS is higher when supplier flexibility is high (H<sub>7.3</sub>).

*H<sub>7.3</sub>: The customers' perception of supplier flexibility is driving BCS incongruence.*

Customer satisfaction captures "the customer's overall evaluation of purchase and consumption" (Homburg, Müller, & Klarmann, 2011, p. 57). Research shows that customer satisfaction is positively related to brand equity and can be seen as a trigger of brand loyalty (Biedenbach, Bengtsson, & Marell, 2015). Therefore, highly satisfied customers should have



---

a high BCS perception accordingly. The BCS perception of the suppliers, on the other hand, remains unaffected by the customers' satisfaction with their suppliers. Consequently, highly satisfied customers should have a higher BCS perception than their suppliers, which results in perceptual incongruence of BCS. Again, perceptual incongruence may occur even though there is no intergroup conflict. Therefore, the perceptual incongruence of BCS is higher, when customer satisfaction with supplier is high (H<sub>7.4</sub>).

*H<sub>7.4</sub>: The customers' satisfaction with the supplier is driving BCS incongruence.*

### **3.4 Methodology**

#### **3.4.1 Data Collection and Sample**

We conducted a dyadic survey study with supplier informants and customer informants in several B2B industries. Our data collection process consists of two steps. In the first step, we identified possible B2B supplier firms and appropriate contact persons (i.e., management board, marketing or sales representatives). We sent an invitation email and followed up with a reminder and follow-up phone calls with basic information about the study. This resulted in 79 supplier firms with a general interest to participate in our study.

In these interested supplier firms, we introduced details about the idea and content of our dyadic study. We asked for contact details of employees with direct customer contact, notable sales managers, key account managers, or sales people. We also informed these contacts that they were supposed to forward the questionnaire to one to three customer contacts, that is, employees from customer firms interacting with them on a regular basis. In this respect, we targeted purchasing managers or members of the customer buying center. It is worth emphasizing that we asked suppliers not only to invite their best or most satisfied customers, but critical customers or customers with special requirements as well (Homburg, Bornemann, & Kretzer, 2014).

---

In the second step, we sent the link to our online questionnaire to the potential supplier informants. To ensure the anonymity of all participants while matching buyer-seller dyads, supplier informants had to conceive an individual code for each potential customer informant at the end of the questionnaire. Then, they forwarded the invitation link to their customer contacts. In turn, customer informants had to enter their individual code before accessing the questionnaire.

The initial sample consists of 37 supplier firms with 212 supplier informants and 268 customer informants. For further analysis, we only relied on matched buyer-seller dyads of a supplier informant and at least one customer informant responding to all variables in our research framework, which led us to eliminate responses without counterpart or responses with missing values.

As our empirical analysis involves testing of potential U-shaped relationships, we followed the recommendation of Haans, Pieters, and He (2016) to examine the impact of outliers in our data on our results. As a result, we screened out seven dyads with a very high or low congruence and incongruence of supplier BCS.

As a result, the final sample involved 106 supplier informants of 30 supplier firms and 200 customer informants (i.e., an average of 3.5 informants per supplier firm and an average of 1.9 customer informants per supplier informant). Table 3.1 summarizes key sample characteristics.

Table 3.1. Sample Composition

<b>Supplier (n = 106)</b>		<b>Customer (n = 200)</b>	
<b>Industry (in %)</b>			
Machinery / Plant Engineering	31.1	Construction / Building Materials	14.0
Healthcare	14.2	Machinery / Plant Engineering	11.5
Logistics/Transportation	10.4	Healthcare	11.0
Software/IT	8.5	Chemicals/Plastics	8.0
Materials Processing	7.5	Automotive	7.0
Construction / Building Materials	6.6	Wholesale / Specialist Trade	6.5
Chemicals/Plastics	6.6	Electronics	5.0
Electronics	4.7	Gastronomy / Commercial Kitchens	5.0
Other industries	10.4	Other industries	32.0
<b>Firm size (in %)</b>			
< 50 employees	41.5		40.5
50 – 99 employees	6.6		12.5
100 – 249 employees	8.5		11.5
250 – 499 employees	4.7		10.0
500 – 999 employees	10.4		4.0
1,000 – 5,000 employees	22.6		8.0
5,000 or more employees	5.7		13.0
N/A	/		.5
<b>Annual revenue (in €)</b>			
< 25 million	33.0		50.0
25 – 49 million	6.6		9.0
50 – 99 million	11.3		7.0
100 – 499 million	34.9		12.0
500 – 999 million	2.8		3.5
1,000 – 5,000 million	5.7		7.0
> 5,000 million	3.8		8.5
N/A	1.9		3.0
<b>Functional background (in %)</b>			
Employee Sales / Field Sales	43.4	General Management Responsibility (Director / Management Board)	34.5
Director Sales / Field Sales	23.6	Director Production/Technical/R&D	17.0
General Management Responsibility (Director / Management Board)	12.3	Employee Purchasing/Procurement	10.5
Key Account Management	6.6	Employee Technical/Service	10.5
Consultant / Management Assistant	5.7	Director Purchasing/Procurement	6.0
Marketing / Business Development	4.7	Director Logistics/Distribution	4.5
Other	3.8	Other	17.0
<b>Working experience (in %)</b>			
< 5 years	24.5		14.0
5 – 10 years	21.7		25.5
11 – 15 years	8.5		12.5
16 – 20 years	14.2		11.5
20 or more years	29.2		36.5
N/A	1.9		/

41.5% of the 106 supplier informants worked for small firms (i.e., < 50 employees), 30.2% worked for medium-sized firms (i.e., 50 - 999 employees), and 28.3% worked for big firms (i.e., > 1,000 employees). Participating companies covered a broad range of industries.

---

Most of the 106 supplier informants came from firms in the machinery / plant engineering (31.1%), healthcare (14.2%), logistics/transportation (10.4%), software/IT (8.5%), and materials processing (7.5%) industries. The 106 supplier informants mostly worked as (field) sales people (43.4%), (field) sales directors (23.6%), and as managing directors or board members (12.3%).

In terms of the general branding strategy, 50% of all 106 supplier informants indicated that their firms followed a corporate branding strategy, 44,3% indicated that their firms followed a mixed branding strategy with a corporate brand and product brands, and 5.7% indicated that their firms followed a house of brands strategy with several product brands.

40.5% of the 200 customer informants worked for small firms (i.e., < 50 employees), 38% worked for medium-sized firms (i.e., 50 - 999 employees), and 21% worked for big firms (i.e., > 1,000 employees). Most of the 200 customers worked in the construction / building materials (14.0%), machinery / plant engineering (11.5%), healthcare (11.0%), chemicals/plastics (8.0%), and automotive (7.0%) industries. Customer firm informants (n = 200) held positions as managing directors or board members (34.5%), production, technical, or R&D directors (17.0%), or purchasing people (10.5%).

To ensure that our key informants are knowledgeable and provide reliable and valid responses (Homburg, Klarmann, & Schmitt, 2010), we asked all supplier informants about their involvement in negotiations with customers and vice versa (single item with a seven-point rating scale with anchors 1 = very low involvement and 7 = very high involvement). Results indicate high involvement for both suppliers (M = 6.4, SD = 1.3, n = 197; M = 6.22, SD = 1.5, n = 105) and customers (M = 5.88, SD = 1.6, n = 200). We also assessed the supplier internal brand knowledge (M = 5.9, SD = 1.0, n = 200; multi-item measure with a seven-point Likert-type rating scale) and the contact intensity between customer informant and supplier informant (M = 5.0, SD = 1.4, n = 200; single item with a seven-point rating

---

scale). In addition, the relevant functional background and several years of working experience (Table 3.1) of the supplier and customer informants indicate that there are no major concerns about the reliability and validity of the key informants' responses.

### 3.4.2 Measures

We used both newly developed and established scales. Unless mentioned differently, we assessed all our measures on seven-point Likert-type rating scales. All scales and items appear in Appendix 3.B.

We developed a new scale for the strength of brand culture in the B2B context as literature does not provide an established measure of B2B BCS and as it focuses on organizational culture measures in general. We drew on prior literature and qualitative interviews with 25 B2B branding professionals as a preliminary study to develop our scale (Essay 1). We conducted the data analysis of the interviews using *MAXQDA version 12*. We transcribed the interviews and identified a list of codes both inductively and deductively. This process resulted in a list of items for BCS that we used in our quantitative study.

Subsequently, we conducted an exploratory and confirmatory factor analysis using *STATA 16*. To estimate the overall model fit, we evaluated a factor model with the items that resulted from the qualitative interviews. All supplier items loaded on one factor for suppliers and all customer items loaded on one factor for customers. The final scale consists of five items for supplier's BCS from the supplier and customer perspectives (Appendix 3.B). The fit of the BCS construct is satisfying for suppliers (comparative fit index [CFI] = .94; standardized root mean-square of residuals [SRMR] = .04; Tucker-Lewis index [TLI] = .87) and for customers (comparative fit index [CFI] = .97; standardized root mean-square of residuals [SRMR] = .02; Tucker-Lewis index [TLI] = .95) (Table 3.2).

Table 3.2. Correlations and Constructs

Variables	1	2	3	4	5	6	7	8	9	10	11	12	13
1 Supplier firm size (S) <sup>c</sup>	1.00												
2 Supplier competitive intensity (S) <sup>a</sup>	-.03	1.00											
3 Supplier flexibility (C) <sup>a</sup>	-.07	.11	1.00										
4 Customer satisfaction with supplier (C) <sup>a</sup>	-.04	.10	.55**	1.00									
5 Supplier BCS (S) <sup>a</sup>	-.25**	-.15*	.11	-.02	1.00								
6 Supplier BCS (C) <sup>a</sup>	.06	.09	.51**	.66**	.01	1.00							
7 Customer switching costs (C) <sup>a</sup>	.05	-.09	-.09	.04	-.16*	.13	1.00						
8 Customer information exchange (C) <sup>a</sup>	-.03	.04	.08	.11	-.06	.22**	.37**	1.00					
9 Supplier internal brand knowledge (S) <sup>a</sup>	.04	.03	.12	.11	.41**	.15*	-.17*	-.07	1.00				
10 Customer working experience (C) <sup>c</sup>	-.11	.14*	.08	.09	-.14*	.11	-.09	-.00	-.02	1.00			
11 Share of wallet (C) <sup>b</sup>	.01	.01	.17*	.13	.08	.09	.05	-.01	.07	-.05	1.00		
12 Customer loyalty (C) <sup>a</sup>	.00	.03	.37**	.60**	.02	.49**	.04	-.01	.21**	.09	.26**	1.00	
13 Price sensitivity (C) <sup>a</sup>	.15*	.01	-.07	-.09	-.03	-.10	-.02	.07	-.19**	-.15*	-.13	-.27**	1.00
Mean	-. <sup>d</sup>	5.51	5.11	5.77	5.00	5.38	3.80	4.31	5.93	-. <sup>d</sup>	2.34	5.64	3.64
SD	-. <sup>d</sup>	1.15	1.19	.97	1.12	.99	1.73	1.52	.95	-. <sup>d</sup>	1.54	1.14	1.38
CA	-. <sup>d</sup>	.89	.89	.95	.90	.93	.92	.81	.86	-. <sup>d</sup>	-. <sup>d</sup>	.87	.86
CR	-. <sup>d</sup>	.89	.90	.95	.90	.93	.92	.81	.87	-. <sup>d</sup>	-. <sup>d</sup>	.87	.86
AVE	-. <sup>d</sup>	.73	.63	.83	.65	.74	.70	.52	.57	-. <sup>d</sup>	-. <sup>d</sup>	.64	.61

Notes: \*\*  $p < .01$ ; \*  $p < .05$ ; SD = standard deviation; CA = Cronbach's alpha; CR = composite reliability; AVE = average variance extracted; S = supplier variable; C = customer variable.

<sup>a</sup> Seven-point Likert-type rating scales with anchors 1 = strongly disagree and 7 = strongly agree.

<sup>b</sup> Five-point rating scale with anchors 1 = 1 - 20% and 5 = 81 - 100%.

<sup>c</sup> Categorical rating scale.

<sup>d</sup> Calculation not possible.

---

We measured customer loyalty based on Zeithaml, Berry, and Parasuraman (1996) and on Palmatier, Scheer, and Steenkamp (2007). The items for price sensitivity are adopted from Homburg, Jensen, and Hahn (2012). We used scale items for switching costs from Lam et al. (2004). Our items for information exchange are based on the scale of Cannon and Perreault (1999). The number of employees is used as an indicator of supplier firm size (Chan, Shaffer, & Snape, 2004; Morgan, Vorhies, & Mason, 2009). We measured the size of the supplier firm with a single item. The items for competitive intensity of supplier are based on Homburg, Grozdanovic, and Klarmann (2007) and on Jaworski and Kohli (1993). Suppliers flexibility is based on the items of Choi and Hartley (1996). We measured customer satisfaction with supplier with a scale based on Homburg, Müller, and Klarmann (2011).

In our research framework (Figure 3.1; Figure 3.2) we use the following control variables in all analyses and models: the suppliers internal brand knowledge, customers working experience in the current job position, and share of wallet. In the outcomes model (Figure 3.1), we additionally use salesperson dummy variables.

Internal brand knowledge is “the degree of employees’ brand-relevant knowledge” (Baumgarth & Schmidt, 2010, p. 1253). Internal brand knowledge is important for employees “because that provides them with the wherewithal to behave in the way their company’s brand identity requires. That will in turn depend on internal and external brand communication, brand values, and brand benefits” (Baumgarth & Schmidt, 2010, p. 1253). Internal brand knowledge is an important control variable in this study because we suppose that it should be a basic requirement for the supplier’s employees to be aware of BCS, to behave accordingly, and to be able to assess the strength of the brand culture. We measured internal brand knowledge with scale items by Baumgarth and Schmidt (2010). Customers working experience is measured with a single-item scale. Share of wallet captures “the extent to which the selling firm achieves sales penetration with the customer” (Palmatier et al., 2008, p. 178).

---

In other words, share of wallet is the share of purchases in a certain category that one customer has for one of its suppliers (Verhoef, 2003; Homburg, Droll, & Totzek, 2008). Share of wallet is measured with a single item from Palmatier et al. (2008). Customers assignment to salesperson is controlled with dummy variables.

We assessed measure reliability and validity of each of our multi-item measures individually using confirmatory factor analysis (e.g., Bagozzi & Yi, 2012). All our reflective measures meet and exceed common cut-off values for reliability and validity. The overall measurement model including all latent variables (including latent antecedents, moderators, and controls) shows a good fit to the data ( $\chi^2/df = 1.76$ , comparative fit index [CFI] = .90, Tucker-Lewis index [TLI] = .89, root mean square error of approximation [RMSEA] = .06, standardized root-mean-square residual [SRMR] = .06). Since the squared correlations between each pair of latent variables are below the corresponding average recorded variances, we do not anticipate any problems with respect to discriminant validity (Fornell & Larcker, 1981). Table 3.2 provides descriptive statistics, average variances extracted, composite reliabilities, and correlations between constructs.

### **3.4.3 Common Method Bias and Endogeneity**

Common method variance is the variance attributed to the measurement method instead of to the construct. Common method bias can occur when the dependent variable as well as the independent variable are measured by the same rater. In addition to this common rater effect, there are item characteristic effects, item context effects, and measurement context effects (Podsakoff et al., 2003). Although the ratings of the dependent and independent variables in this study come from both suppliers and customers, which does little to suggest the presence of a common rater effect, potential biases are now examined.

First, certain things should be considered in the questionnaire design. At the beginning of the survey, we indicated to the subjects that they should answer the questions based on



---

their personal opinion and that there were no right or wrong answers. In addition, we assured respondents of anonymity and explained how their data would be handled (Podsakoff et al., 2003). In the questionnaire itself, the order of the questions considered which variables were dependent or independent. The dependent variables were asked first and then the independent variables. The dependent and independent variables were separated by intermediate texts and other variables. Finally, the comprehensibility of the scale items in the questionnaire was checked by experts and, if necessary, reworded to make them as understandable as possible for the subjects (Podsakoff et al., 2003).

Second, one can examine possible common method variance from a statistical perspective. One way to do this is with Harman's single factor test. Here, all indicators of the measurement model are loaded on one factor and the maximum explained variance is checked. This explained variance should not be the majority (i.e., a value  $< .5$ ) of variance among measures (Podsakoff et al., 2003). In this study, the criterion is met (maximum explained variance = .2076). Nevertheless, this test is very controversial, as it is very unlikely that a one-factor model fits the data and it is not yet proof that there is no common method variance in the measures (Podsakoff et al., 2003).

Third, we tried to integrate a latent method factor into our measurement model (Podsakoff et al., 2003). This procedure includes all latent variables. All loadings of the latent method factor were equated across all items. As a result, the estimated structural model that included the latent common factor was not able to fit because of too many variables. Therefore, we retried the procedure and excluded latent moderator variables. Again, the estimated structural model that included the latent common factor was not able to fit because of too many variables. Thus, we executed a fourth test to account for common method variance.

---

Fourth, another test for common method variance is the marker variable technique of Lindell and Whitney (2001) and its variation by Malhotra, Kim, and Patil (2006). Here, post hoc variation is used (Malhotra, Kim, & Patil, 2006). The second smallest positive correlation ( $rM2$ ) between all manifest variables is used as a conservative estimate of the common method variance (Auh et al., 2011; Malhotra, Kim, & Patil, 2006). We also included the moderators and control variables for this purpose, but not the salesperson dummies. The analysis showed the second smallest correlation between the first item of BCS (supplier perspective) and the fourth item of customer satisfaction ( $rM2 = .0006$ ). We then reanalyzed all correlations after adjusting for  $rM2$ . Of the 315 positive correlations originally significant at the 5% level, 313 remain significant. This corresponds to 99.37% positive correlations that remain significant. Losing 0.63% of the significant correlations is a comparatively very small number (e.g., Auh et al., 2011; Malhotra, Kim, & Patil, 2006) so common method bias is not a major threat in this study.

Furthermore, we considered endogeneity. Endogeneity means that at least one of the explanatory variables is correlated with the error term. Endogeneity can occur due to omitted variables, simultaneity, and measurement errors and can undermine the validity of the results (Sande & Ghosh, 2018). One way to account for endogeneity is through the use of control variables (Germann, Ebbes, & Grewal, 2015). We followed this approach and included three control variables and salesperson dummies in our models, resulting in acceptable explained variance (Table 3.3; Table 3.4).

### **3.5 Analysis and Results**

The final sample consists of  $n = 200$  buyer-seller dyads with full response for the variables in our entire research framework. Although the sample structure is appropriate for multilevel analysis, we decided to use polynomial regression with supplier and customer data and salesperson dummies as a control variable.

---

### 3.5.1 Outcomes of BCS Congruence and BCS Incongruence

For our first and second research question, we used polynomial regression and response surface analysis (Edwards & Parry, 1993; Mullins et al., 2014). This procedure not only considers the amount of difference between two perceptions, but also the level of congruence and incongruence (Mullins et al., 2014). In addition, polynomial regression is beneficial because effects from congruent and incongruent perceptions as well as level effects are tested simultaneously, both dyadic data are modeled, and curvilinear effects can be modeled (Mullins et al., 2014).

We used *STATA 16* for all our analyses. We allow the standard errors for intragroup correlation and use the robust variance estimator. The salesperson dummy variable assigns all customers to their certain salesperson and therefore is used as group variable. This means that the observations are independent across salesperson dummies, but not inevitably within.

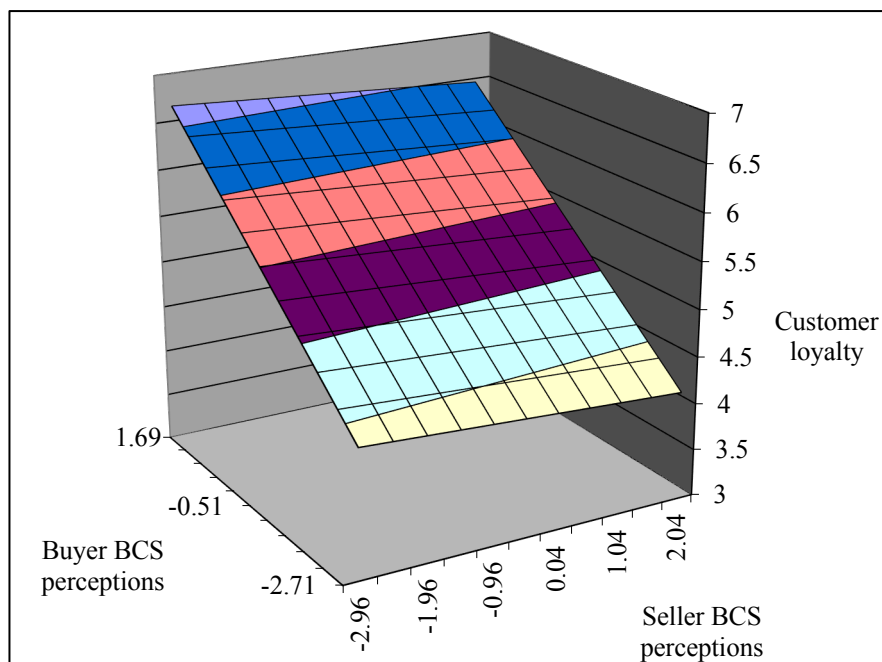
As we observe potential U-shaped effects, Haans, Pieters, and He (2016) argue that mean-centering makes the computation of the turning point and the interpretation of the results more complex. Nevertheless, we decided to the mean-centering of predictor variables because of two reasons: (1) variables in our research framework are measured with different scales, and (2) moderator effects can be better visualized (standard deviation = -1 and +1).

To analyze the effects of BCS perceptions on each dependent variable (i.e., customer loyalty and price sensitivity), we examine the congruence (high level or low level) and incongruence (i.e., sellers evaluate BCS better than their customers et vice versa) of the buyer-seller perceptions of BCS. We estimate separate models for the two dependent variables. The main effects of the polynomial regression models are used to form response surface coefficients (e.g., Edwards & Parry, 1993; Mullins et al., 2014). We then add the two moderators switching costs and information exchange separately to the polynomial regression models for customer loyalty and for price sensitivity. The control variables suppliers internal

brand knowledge, customers working experience, share of wallet, and salesperson dummy variables are included in every model.

With respect to customer loyalty as a dependent variable, results are shown in Table 3.3. Figure 3.3 shows the three-dimensional surface for the main effects model. This plot contains the relationship between buyer and seller perceptions of BCS and customer loyalty.

Figure 3.3. Influence of BCS Congruence and BCS Incongruence on Customer Loyalty (Main Effects; Response Surface)



Results show a significant positive linear effect of buyer-seller BCS congruence on customer loyalty ( $b_1 + b_2 = .417, p < .01$ ), whereas the curvature is not significant ( $b_3 + b_4 + b_5 = -.030, p > .10$ ). Thus, the linear surface (Figure 3.3) supports  $H_{1.1}$  that a higher level of buyer-seller congruence of BCS leads to higher customer loyalty. We also find support for  $H_{2.1}$  as we find a negative linear effect of buyer-seller BCS incongruence on customer loyalty ( $b_1 - b_2 = -.504, p < .01$ ), whereas the curvature is not significant ( $b_3 - b_4 + b_5 = -.008, p > .10$ ). Therefore, customer loyalty decreases when sellers evaluate the strength of their brand culture better than their customers.

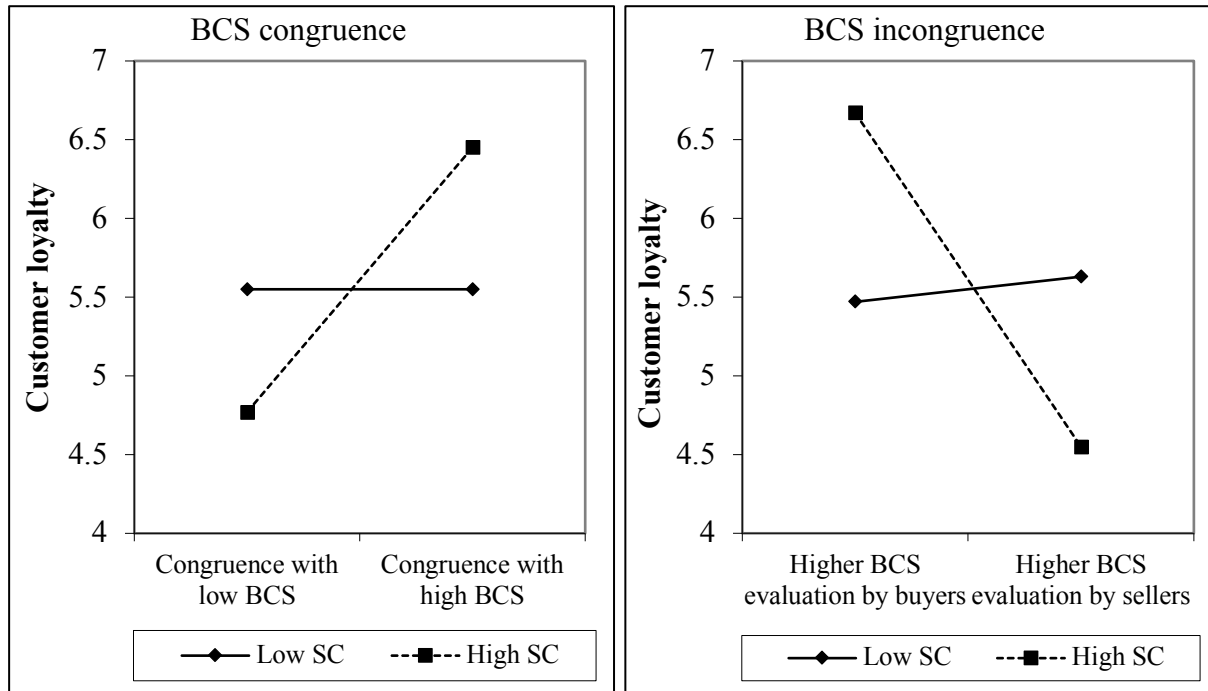
Table 3.3. Polynomial Regression with Customer Loyalty as Dependent Variable

Polynomial regression results for customer loyalty (n = 200 dyads)			
A: Variables			
	b (SE)		
	Main effects	Full model (SC)	Full model (IE)
<b>Predictor effects</b>			
Intercept (b <sub>0</sub> )	5.601 ** (.118)	5.581 ** (.116)	5.626 ** (.117)
BCS <sub>S</sub> (b <sub>1</sub> )	-.043 (.072)	-.035 (.079)	-.074 (.077)
BCS <sub>C</sub> (b <sub>2</sub> )	.461 ** (.091)	.453 ** (.100)	.495 ** (.088)
BCS <sub>S</sub> <sup>2</sup> (b <sub>3</sub> )	.100 * (.047)	.091 (.055)	.096 * (.045)
BCS <sub>S</sub> x BCS <sub>C</sub> (b <sub>4</sub> )	-.011 (.062)	.009 (.069)	.032 (.074)
BCS <sub>C</sub> <sup>2</sup> (b <sub>5</sub> )	-.119 (.072)	-.103 (.067)	-.147 (.085)
SC (b <sub>6</sub> )		.033 (.047)	
IE (b <sub>7</sub> )			-.041 (.055)
<b>Controls</b>			
Salesperson dummy variables	included	included	included
IBR (b <sub>8</sub> )	.161 * (.067)	.136 (.077)	.173 * (.070)
CWE (b <sub>9</sub> )	.036 (.041)	.030 (.043)	.029 (.041)
SOW (b <sub>10</sub> )	.166 ** (.042)	.173 ** (.043)	.175 ** (.042)
<b>Interactions SC</b>			
BCS <sub>S</sub> x SC (b <sub>11</sub> )		-.040 (.035)	
BCS <sub>C</sub> x SC (b <sub>12</sub> )		.040 (.039)	
BCS <sub>S</sub> <sup>2</sup> x SC (b <sub>13</sub> )		-.003 (.021)	
BCS <sub>S</sub> x BCS <sub>C</sub> x SC (b <sub>14</sub> )		-.029 (.035)	
BCS <sub>C</sub> <sup>2</sup> x SC (b <sub>15</sub> )		-.027 (.034)	
<b>Interactions IE</b>			
BCS <sub>S</sub> x IE (b <sub>16</sub> )			-.068 (.040)
BCS <sub>C</sub> x IE (b <sub>17</sub> )			-.033 (.055)
BCS <sub>S</sub> <sup>2</sup> x IE (b <sub>18</sub> )			.027 (.029)
BCS <sub>S</sub> x BCS <sub>C</sub> x IE (b <sub>19</sub> )			.045 (.047)
BCS <sub>C</sub> <sup>2</sup> x IE (b <sub>20</sub> )			-.052 (.050)
R <sup>2</sup>	.35	.37	.37
<b>B: Response surface analysis</b>			
Congruence line slope (b <sub>1</sub> + b <sub>2</sub> )	.417 ** (.117)		H <sub>1.1</sub>
Switching costs		.418 ** (.112)	H <sub>3.1</sub>
Information exchange			.320 * (.145) H <sub>5.1</sub>
Congruence line curvature (b <sub>3</sub> + b <sub>4</sub> + b <sub>5</sub> )	-.030 (.095)		
Switching costs		-.062 (.088)	
Information exchange			.000 (.091)
Incongruence line slope (b <sub>1</sub> - b <sub>2</sub> )	-.504 ** (.115)		H <sub>2.1</sub>
Switching costs		-.567 ** (.133)	H <sub>3.2</sub>
Information exchange			-.604 ** (.171) H <sub>5.2</sub>
Incongruence line curvature (b <sub>3</sub> - b <sub>4</sub> + b <sub>5</sub> )	-.008 (.107)		
Switching costs		-.023 (.125)	
Information exchange			-.153 (.194)

Notes: \*\*  $p < .01$ ; \*  $p < .05$ ; BCS<sub>S</sub> = supplier perception of brand culture strength; BCS<sub>C</sub> = customer perception of brand culture strength; SC = switching costs; IE = information exchange; IBR = internal brand knowledge; CWE = customer working experience; SOW = share of wallet.

With respect to the moderating role of switching costs, results show that the buyer-seller congruence of BCS has a positive linear effect ( $b_1 + b_2 + b_{11} + b_{12} = .418, p < .01$ ) and the buyer-seller incongruence has a negative linear effect ( $b_1 - b_2 + b_{11} - b_{12} = -.567, p < .01$ ) on customer loyalty. The results for buyer-seller congruence show a stronger effect on customer loyalty with high switching costs compared to low, and thus support H<sub>3.1</sub>. Furthermore, the results show a stronger effect of buyer-seller incongruence on customer loyalty with high switching costs compared to low. We therefore support H<sub>3.2</sub>. When switching costs change from low to high, there is a change in direction as the effect of sellers evaluating BCS better than their customers on customer loyalty changes from positive to negative (Figure 3.4).

Figure 3.4. Influence of BCS Congruence and BCS Incongruence on Customer Loyalty (Switching Costs Interaction Effects)

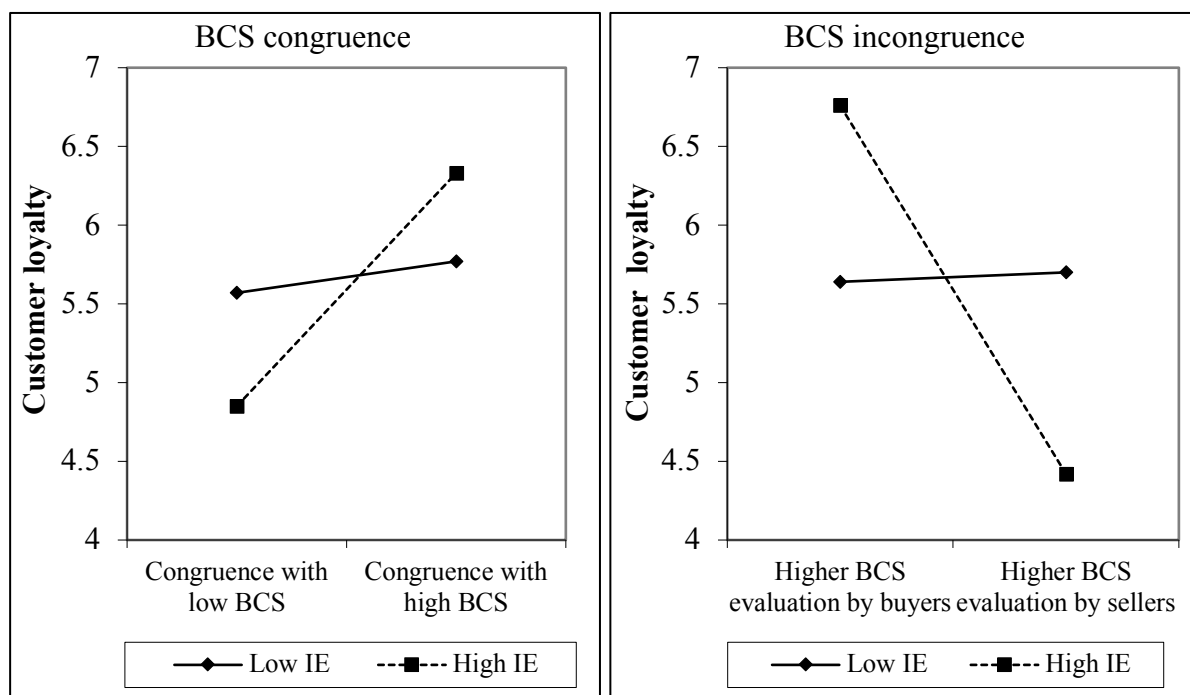


Note: SC = switching costs.

For the interaction with information exchange, the buyer-seller congruence has a positive linear effect ( $b_1 + b_2 + b_{16} + b_{17} = .320, p < .05$ ) and the buyer-seller incongruence

has a negative linear effect ( $b_1 - b_2 + b_{16} - b_{17} = -.604, p < .01$ ). The results for buyer-seller congruence show a stronger effect on customer loyalty with high information exchange compared to low, which supports H<sub>5.1</sub>. In addition, the results for buyer-seller incongruence also show a stronger effect of buyer-seller incongruence on customer loyalty with high information exchange compared to low. As a consequence, H<sub>5.2</sub> is supported. When information exchange changes from low to high, there is a change in direction as the effect of sellers evaluating BCS better than their customers on customer loyalty changes from positive to negative (Figure 3.5).

Figure 3.5. Influence of BCS Congruence and BCS Incongruence on Customer Loyalty (Information Exchange Interaction Effects)



Note: IE = information exchange.

With respect to price sensitivity as dependent variable, the results of the response surface-level tests are shown in Table 3.4. For buyer-seller BCS congruence, there is a non-significant negative linear effect ( $b_1 + b_2 = -.050, p > .10$ ) and a non-significant negative curvature ( $b_3 + b_4 + b_5 = -.064, p > .10$ ). Results for buyer-seller BCS incongruence show a

non-significant positive linear effect ( $b_1 - b_2 = .129, p > .10$ ) and a non-significant negative curvature ( $b_3 - b_4 + b_5 = -.148, p > .10$ ). As a consequence,  $H_{1,2}$  and  $H_{2,2}$  are not supported.

Table 3.4. Polynomial Regression with Price Sensitivity as Dependent Variable

Polynomial regression results for price sensitivity (n = 200 dyads)						
A: Variables						
	b (SE)					
	Main effects		Full model (SC)		Full model (IE)	
<b>Predictor effects</b>						
Intercept ( $b_0$ )	3.763 **	(.158)	3.772 **	(.153)	3.799 **	(.162)
BCS <sub>S</sub> ( $b_1$ )	.039	(.089)	.020	(.090)	.107	(.082)
BCS <sub>C</sub> ( $b_2$ )	-.090	(.098)	-.079	(.097)	-.135	(.096)
BCS <sub>S</sub> <sup>2</sup> ( $b_3$ )	-.015	(.063)	-.036	(.066)	-.016	(.062)
BCS <sub>S</sub> x BCS <sub>C</sub> ( $b_4$ )	.042	(.076)	.070	(.076)	-.024	(.076)
BCS <sub>C</sub> <sup>2</sup> ( $b_5$ )	-.091	(.073)	-.067	(.071)	-.057	(.078)
SC ( $b_6$ )			.030	(.084)		
IE ( $b_7$ )					.002	(.093)
<b>Controls</b>						
Salesperson dummy variables	included		included		included	
IBR ( $b_8$ )	-.289 *	(.118)	-.296 *	(.117)	-.325 *	(.126)
CWE ( $b_9$ )	-.136 *	(.065)	-.143 *	(.066)	-.105	(.063)
SOW ( $b_{10}$ )	-.088	(.072)	-.084	(.072)	-.083	(.067)
<b>Interactions SC</b>						
BCS <sub>S</sub> x SC ( $b_{11}$ )			-.036	(.047)		
BCS <sub>C</sub> x SC ( $b_{12}$ )			.000	(.057)		
BCS <sub>S</sub> <sup>2</sup> x SC ( $b_{13}$ )			.031	(.031)		
BCS <sub>S</sub> x BCS <sub>C</sub> x SC ( $b_{14}$ )			.107 *	(.053)		
BCS <sub>C</sub> <sup>2</sup> x SC ( $b_{15}$ )			-.096 *	(.041)		
<b>Interactions IE</b>						
BCS <sub>S</sub> x IE ( $b_{16}$ )					.068	(.065)
BCS <sub>C</sub> x IE ( $b_{17}$ )					-.136	(.070)
BCS <sub>S</sub> <sup>2</sup> x IE ( $b_{18}$ )					.033	(.046)
BCS <sub>S</sub> x BCS <sub>C</sub> x IE ( $b_{19}$ )					-.051	(.054)
BCS <sub>C</sub> <sup>2</sup> x IE ( $b_{20}$ )					.029	(.050)
$R^2$	.08		.12		.12	



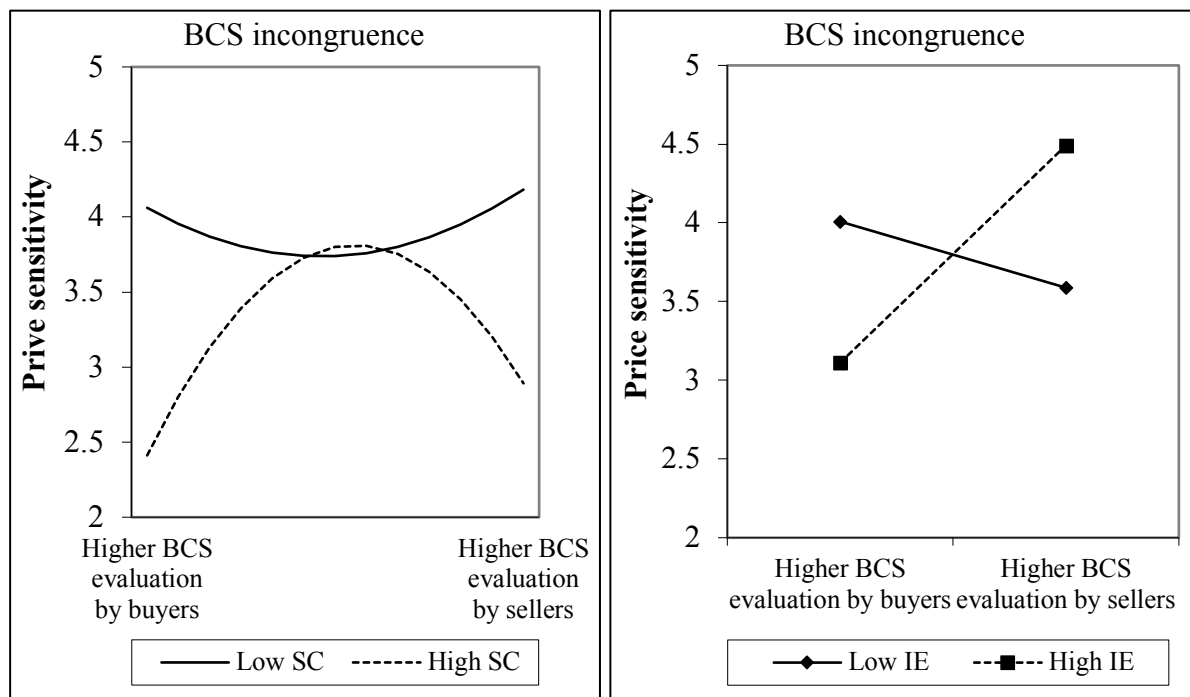
Table 3.4. Continued

<b>B: Response surface analysis</b>							
Congruence line slope ( $b_1 + b_2$ )	-.050	(.130)					
Switching costs			-.095	(.132)			
Information exchange					-.096	(.127)	H <sub>6.1</sub>
Congruence line curvature ( $b_3 + b_4 + b_5$ )	-.064	(.114)					H <sub>1.2</sub>
Switching costs			.009	(.133)			H <sub>4.1</sub>
Information exchange					-.086	(.115)	
Incongruence line slope ( $b_1 - b_2$ )	.129	(.134)					
Switching costs			.063	(.163)			
Information exchange					.447 **	(.160)	H <sub>6.2</sub>
Incongruence line curvature ( $b_3 - b_4 + b_5$ )	-.148	(.132)					H <sub>2.2</sub>
Switching costs			-.345 *	(.153)			H <sub>4.2</sub>
Information exchange					.066	(.173)	

Notes: \*\*  $p < .01$ ; \*  $p < .05$ ; BCS<sub>S</sub> = supplier perception of brand culture strength; BCS<sub>C</sub> = customer perception of brand culture strength; SC = switching costs; IE = information exchange; IBR = internal brand knowledge; CWE = customers working experience; SOW = share of wallet.

With respect to the moderating role of switching costs, results show that the buyer-seller congruence has no significant effect, neither linear ( $b_1 + b_2 + b_{11} + b_{12} = -.095, p > .10$ ) nor for the curvature ( $b_3 + b_4 + b_5 + b_{13} + b_{14} + b_{15} = .009, p > .10$ ). Thus, H<sub>4.1</sub> is not supported. The interaction of switching costs and buyer-seller incongruence has a negative U-shaped effect ( $b_3 - b_4 + b_5 + b_{13} - b_{14} + b_{15} = -.345, p < .05$ ) on price sensitivity. This means in case of high switching costs (compared to low) buyer-seller incongruence has a significant inverted U-shape effect (and a stronger effect) on price sensitivity (Figure 3.6). In other words, when switching costs are high, price sensitivity decreases at an increasing rate as the extent of buyer-seller incongruence increases through either sellers evaluating BCS better than their customers et vice versa. Furthermore, there is a stronger effect of buyer-seller incongruence on price sensitivity with high switching costs compared to low, which leads us to support H<sub>4.2</sub>. Interestingly, there is a shape-flip in direction for buyer-seller incongruence outcomes: When switching costs are low, buyer-seller incongruence has a U-shape effect on price sensitivity, and when switching costs are high, buyer-seller incongruence has an inverted U-shape effect on price sensitivity (Figure 3.6).

Figure 3.6. Influence of BCS Incongruence on Price Sensitivity (Interaction Effects)



Notes: SC = switching costs; IE = information exchange.

For the interaction with information exchange, the buyer-seller congruence has no significant effect on price sensitivity, neither linear ( $b_1 + b_2 + b_{16} + b_{17} = -.096, p > .10$ ) nor for the curvature ( $b_3 + b_4 + b_5 + b_{18} + b_{19} + b_{20} = -.086, p > .10$ ). Thus,  $H_{6.1}$  is not supported. The interaction of information exchange and buyer-seller incongruence has a positive linear effect ( $b_1 - b_2 + b_{16} - b_{17} = .447, p < .01$ ) on price sensitivity.  $H_{6.2}$  is supported because the results for buyer-seller incongruence show a stronger effect of buyer-seller incongruence on price sensitivity with high information exchange compared to low. When information exchange changes from low to high, there is a change in direction, as the effect of sellers evaluating BCS better than their customers on price sensitivity changes from negative to positive (Figure 3.6).

### 3.5.2 Antecedents of Buyer-Seller BCS Incongruence

With respect to the third question, our analysis is based on seemingly unrelated regression (SUR), which allows to test if antecedents differently affect buyer and seller

---

perceptions. The SUR-model contains the mean-centered predictor variables supplier firm size, supplier competitive intensity, supplier flexibility, and customer satisfaction with the supplier. The included control variables supplier internal brand knowledge, customer working experience, and share of wallet are also mean-centered. In line with Mullins et al. (2014), we examine differential coefficients with a constraint for each coefficient pair in the model. We used  $\chi^2$ -difference tests to test for differences between a constrained model with equal coefficients and an unconstrained model. Thereby, we reveal different effects of one antecedent on BCS perceptions of buyers and sellers.

In support of H<sub>7.1</sub> ( $\chi^2(1) = 24.04, p < .01$ ), results show that supplier firm size has a negative effect on the sellers' perceptions of BCS ( $b_{11} = -.14, p < .01$ ), whereas it has a positive effect on buyers' perceptions of BCS ( $b_{21} = .04, p < .05$ ). This means that BCS incongruence between buyers' and sellers' perceptions is increasing as the size of the supplier firm increases. The supplier competitive intensity has a significant negative effect on seller perceived BCS ( $b_{12} = -.15, p < .05$ ), whereas there is no significant effect on buyer perceived BCS ( $b_{22} = .00, p > .10$ ). As a consequence, H<sub>7.2</sub> is supported ( $\chi^2(1) = 4.06, p < .05$ ). Thus, if suppliers are in fierce competition, BCS incongruence increases. The flexibility of a supplier has a positive (non-significant) effect on seller perceived BCS ( $b_{13} = .12, p > .05$ ). For buyer perceived BCS, the supplier flexibility has a significant positive effect ( $b_{23} = .18, p < .01$ ). Therefore, H<sub>7.3</sub> is not supported ( $\chi^2(1) = .51, p > .10$ ). This indicates no different effects of supplier flexibility on buyer-seller BCS perceptions. If customers are satisfied with their suppliers, this has a non-significant negative effect on seller BCS perceptions ( $b_{14} = -.14, p > .05$ ). In turn, customer satisfaction with supplier has a significant positive effect on buyers' perceptions of BCS ( $b_{24} = .55, p < .01$ ). This supports H<sub>7.4</sub> ( $\chi^2(1) = 44.40, p < .01$ ). Therefore, a high customer satisfaction with the supplier drives BCS incongruence. Table 3.5 shows detailed results.

Table 3.5. SUR Results for Antecedents to BCS Incongruence

	b (SE)			
	Suppliers brand culture strength		Constraints	
	<i>Supplier perspective</i>	<i>Customer perspective</i>		
<b>Main effects</b>				
Intercept (b <sub>0</sub> )	4.99** (.07)	5.35** (.05)		
Supplier firm size (b <sub>1</sub> )	-.14** (.03)	.04* (.02)	$\chi^2(1) = 24.04^{**}$	H <sub>7.1</sub>
Supplier competitive intensity (b <sub>2</sub> )	-.15* (.06)	.00 (.04)	$\chi^2(1) = 4.06^*$	H <sub>7.2</sub>
Supplier flexibility (b <sub>3</sub> )	.12 (.07)	.18** (.05)	$\chi^2(1) = .51$	H <sub>7.3</sub>
Customer satisfaction with supplier (b <sub>4</sub> )	-.14 (.08)	.55** (.06)	$\chi^2(1) = 44.40^{**}$	H <sub>7.4</sub>
<b>Controls</b>				
Supplier internal brand knowledge (b <sub>5</sub> )	.49** (.07)	.07 (.05)		
Customer working experience (b <sub>6</sub> )	-.11* (.04)	.04 (.03)		
Share of wallet (b <sub>7</sub> )	.03 (.04)	-.01 (.03)		
	$R^2 = .30$	$R^2 = .48$		
	$\chi^2(7) = 85.1^{**}$	$\chi^2(7) = 186.9^{**}$		

Notes: \*\*  $p < .01$ ; \*  $p < .05$ ; i = 1 for supplier perspective, 2 for customer perspective.

## 3.6 Discussion

### 3.6.1 Theoretical Implications

The goal of this study was to examine the impact of BCS congruence and incongruence in buyer-seller relationships in B2B industries. Previous research considers culture as an organizational aspect rather than as a part of the brand, and so far leaves out the issue of perceptual congruence and incongruence of such soft variables as brand culture. Thus, we draw on social identity theory, which highlights group-biased perceptions based on social identity and intergroup conflict, to examine the effect of BCS congruence and incongruence on customer loyalty and price sensitivity. In addition, we draw on interaction/network theory, which highlights interaction mechanisms and relationship characteristics, to investigate the moderating roles of switching costs and information exchange. Finally, we identify possible antecedents of BCS incongruence based on the theory of social identity.

In general, results show that BCS congruence has a positive linear effect on customer loyalty and no significant effect on price sensitivity. BCS incongruence has a negative linear

---

effect on customer loyalty and no significant effect on price sensitivity. Further, high switching costs and high information exchange lead to a stronger and positive linear effect of BCS congruence on customer loyalty, but we find no significant effect on price sensitivity. Moreover, high switching costs and high information exchange lead to a stronger and negative linear effect of BCS incongruence (i.e., seller evaluate BCS better than their customers) on customer loyalty. Remarkably, high switching costs lead to an inverted U-shape effect of BCS incongruence on price sensitivity, whereas a high information exchange leads to an increasing price sensitivity when sellers evaluate BCS better than their customers. Overall, our results imply that the effects of BCS congruence and incongruence are complex and strongly dependent on relationship-specific investments and interaction mechanisms. Furthermore, BCS incongruence is more likely to occur with big supplier firms, with suppliers in highly competitive markets, and with suppliers with satisfied customers.

Our study makes three major theoretical contributions. First, we extend the B2B branding literature and brand culture literature. The relevance of BCS is still unclear, as prior research mainly neglected culture in the branding context, and though has focused on other branding concepts or on culture in the organizational context. However, this is important as culture is not only focused inward (e.g., Chan, Shaffer, & Snape, 2004), but rather has an external impact as it motivates employees and makes them feel proud to be a part of the brand (de Chernatony, 2010). Therefore, we consider that culture as an important part of supplier brands and that BCS is an important but neglected concept in the B2B research. In particular, we reinforce prior research (e.g., Baumgarth, 2010) by showing the relevance of how sales people have internalized the brand and behave appropriate to the culture.

Second, we enrich prior literature (e.g., Homburg et al., 2012) by illustrating that incongruence is likely for subjective variables like BCS. We further contribute to the literature towards brand culture and towards perceptual congruence and incongruence (e.g.,

---

Benlian, 2014; Mullins et al., 2014) by analyzing the effects of BCS congruence and incongruence through the integration of social identity theory. Prior research shows that culture is beneficial for supplier firms (e.g., Xie & Zheng, 2020), but neglects to address if buyers and sellers share the same perception about how strong a brand culture is. In this respect, we investigate the level of BCS congruence and the direction of BCS incongruence with matched buyer-seller dyads (e.g., Williams & Attaway, 1996). Moreover, we expand prior research by integrating social identity theory of group-biased perceptions, buyer-seller differentiation, and intergroup conflict, as sellers represent their firms brand culture to the customers and as buyers ascribe their perception of BCS to the behavior of their suppliers contact person. In this respect, we show that BCS congruence increases and BCS incongruence decreases customer loyalty, and that both have no effect on price sensitivity. This is why customer loyalty is such a key outcome variable in this research area.

Furthermore, we extend prior research by combining social identity theory with interaction/network theory. In particular, by analyzing (1) moderating effects and (2) nonlinear effects by focusing on switching costs and information exchange as elements of the interaction/network theory (Claycomb & Frankwick, 2010). The effects of BCS congruence and BCS incongruence on customer loyalty and price sensitivity are shaped by switching costs and information exchange. Remarkably, we found a shape-flip (Haans, Pieters, & He, 2016), while low switching costs lead to a U-shape effect and high switching costs lead to an inverted U-shape effect of BCS incongruence on price sensitivity. This implies that further research should consider interactions of BCS incongruence more in detail, because at the point of the shape-flip, a certain level of BCS incongruence can either lead to the minimum value or to the maximum value of the outcome variable price sensitivity.

Third, we enrich brand culture literature and perceptual incongruence literature by investigating potential antecedents of BCS incongruence. This is important as the likelihood

---

of incongruence is very high for subjective variables (Homburg et al., 2012). Especially, our results for BCS incongruence are complex, non-linear, and context-dependent, and thus imply the need for this examination. More specifically, we follow the approach of Mullins et al. (2014), who examine differentiated effects of antecedents on the buyer and seller perceptions. In this respect, we show that big supplier firms, competitive markets, and satisfied customers lead to BCS incongruence. This implies that future research should take a nuanced look at other potential antecedents of BCS incongruence.

### **3.6.2 Managerial Implications**

Our study offers managerial implications regarding the question, why companies should concern themselves with the topic of brand culture. This is important as brand culture is a neglected concept in the B2B context, that often takes a back seat to other brand concepts or organizational culture. For suppliers, it is crucial to know how perceptual congruence and incongruence of BCS shape customer loyalty and price sensitivity.

First, we motivate suppliers to consider culture as part of the brand identity and thus not exclusively as part of the organization. This is important because the culture in the sense of a brand culture not only has an effect internally, but also an enormous effect externally, which is transported through the sales people as the interface to the customer. The decisive factor here is the extent to which the sales people have internalized the brand culture. We motivate suppliers to give high priority to their brand culture, as this can have a positive impact on customer loyalty. To this end, all employees, especially those with customer contact, should be trained to behave in line with the brand culture and to communicate it uniformly and strongly to the outside world.

Second, we sensitize suppliers who strategically manage their brand culture to consider not only their own perspective, but also the customers' perception of BCS. For example, this can be realized through regular customer surveys or evaluations. This is

---

important because the impact of brand culture varies greatly depending on how BCS is perceived internally and externally. For B2B suppliers, it is beneficial that their sales people and their customers do have the same perception of BCS. Thus, as the level of BCS congruence increases, customer loyalty increases. On the other side, BCS incongruence decreases customer loyalty. Interestingly, managers should consider that either BCS congruence and BCS incongruence have no major effect on the price sensitivity of their customers. This holds, for example, even though congruence is on a high level, which means suppliers and customers evaluate the brand culture as strong. For example, brand culture measures tend not to be suitable for supplier firms that want to use them to enforce a certain price level. Consequently, we recommend that suppliers rather drive other factors such as product quality or additional services in order to reduce price sensitivity.

In addition, managers should consider the context of the customer when designing brand culture communication activities. This means that managers in supplier firms should critically consider their strategy of switching costs and information exchange, in particular how high they build the barriers for customers to switch to another supplier and how intense they want to share information with customers. Interestingly, the contextual factors switching costs and information exchange strengthen the impact of BCS congruence on customer loyalty. Accordingly, one could assume that managers can gain an advantage through high switching costs and information exchange, but the dependencies are not that trivial. Suppliers have to face threats when there is a combination of BCS incongruence and high switching costs and information exchange. This even goes as far as unfavorable consequences if the supplier relies too much on the strength of the brand culture, but the customer does not perceive it accordingly.

Third, supplier firms' managers should be aware of the antecedents of BCS incongruence. Perceptual bias of BCS is more likely for big supplier firms with many



---

employees, for suppliers in highly competitive markets, and for suppliers with satisfied customers. In particular, sellers in big supplier firms and sellers operating in highly competitive markets evaluate their brand culture as relatively weak. In turn, customers evaluate their supplier's brand culture as strong if it is a large firm with many employees and, hardly surprising, if the customers are highly satisfied with the supplier. As a consequence, especially managers of (1) small supplier firms, (2) in less competitive markets, and (3) with less satisfied customers should be aware not to solely rely on the strength of their brand culture, as it can decrease loyalty and increase price sensitivity when customers evaluate BCS comparatively weak. In these cases, other strategies should increasingly be developed alongside brand culture to increase loyalty and lower price sensitivity.

### **3.6.3 Limitations and Further Research**

Our study has limitations which provide opportunities for further research. First, we focus on the perceived strength of the suppliers' brand culture and do neither address any content-related factors nor context-related factors of brand culture. "As cultural forms, brands evolve in accordance with changes in historical, geographical and social contexts" (Schroeder, 2017, p. 1526). Therefore, in further research, it could be useful to integrate the cultural fit between buyers and sellers (e.g., Hewett, Money, & Sharma 2002), because incompatible cultures hinder effective identification between a supplier and its customers (Törmälä & Gyrd-Jones, 2017). Additionally, and due to the fact that B2B suppliers mostly operate in international markets, the cultural fit between a seller and different cultural contexts (e.g., geographical sales markets) should be considered. Our sample is cross-sectional. To gain more detailed insights for certain industries, further context-related factors like branches or product categories could be considered.

Second, our two dependent variables customer loyalty and price sensitive are based on customer data. Additionally, it could be useful to have dependent variables from supplier data

---

(e.g., accounting performance data like profit or margin) or even financial-market performance (Katsikeas et al. 2016).

Third, as we are focusing on existing business relationships, further research could concentrate on the relationship phase as a possible moderator variable. Culture is no rigid state, rather it develops over time. Additionally, contact persons on both sides, supplier and customer representatives, may change during the whole customer relationship cycle. Thus, further research in a longitudinal setting could take relationship phases (e.g., acquisition, retention, recovery) into account.

---

### 3.7 References

- Abbasi, H., Abbasi, H. R., Faraji, A., & Hajirasouliha, M. (2014). Investigating the effects of organizational culture on brand promise. *Management Science Letters*, 4(5), 1039-1042.
- Ahearne, M., Bhattacharya, C. B., & Gruen, T. (2005). Antecedents and Consequences of Customer–Company Identification: Expanding the Role of Relationship Marketing. *Journal of Applied Psychology*, 90(3), 574-585.
- Anees-ur-Rehman, M., Saraniemi, S., Ulkuniemi, P. & Hurmelinna-laukkanen, P. (2017). The strategic hybrid orientation and brand performance of B2B SMEs. *Journal of Small Business and Enterprise Development*, 24(3), 585-606.
- Arli, D., Bauer, C., & Palmatier, R. W. (2018). Relational selling: Past, present and future. *Industrial Marketing Management*, 69(February), 169-184.
- Ashforth, B. E., & Mael, F. (1989). Social Identity Theory and the Organization. *The Academy of Management Review*, 14(1), 20-39.
- Auh, S., Menguc, B., Fisher, M., & Haddad, A. (2011). The Contingency Effect of Service Employee Personalities on Service Climate: Getting Employee Perceptions Aligned Can Reduce Personality Effects. *Journal of Service Research*, 14(4), 426-442.
- Bagozzi, R. P., Bergami, M., Marzocchi, G. L., & Morandin, G. (2012). Customer-Organization Relationships: Development and Test of a Theory of Extended Identities. *Journal of Applied Psychology*, 97(1), 63-76.
- Bagozzi, R., & Yi, Y. (2012). Specification, Evaluation, and Interpretation of Structural Equation Models. *Journal of the Academy of Marketing Science*, 40(1), 8-34.
- Balmer, J. M. T., & Greyser, S. A. (2006). Corporate marketing. Integrating corporate identity, corporate branding, corporate communications, corporate image and corporate reputation. *European Journal of Marketing*, 40(7/8), 730-741.

- 
- Baumgarth, C. (2010). "Living the brand": brand orientation in the business-to-business sector. *European Journal of Marketing*, 44(5), 653-671.
- Baumgarth, C., & Schmidt, M. (2010). How strong is the business-to-business brand in the workforce? An empirically-tested model of 'internal brand equity' in a business-to-business setting. *Industrial Marketing Management*, 39(8), 1250-1260.
- Barnes, B. R., Naude, P., & Michell, P. (2007). Perceptual gaps and similarities in buyer-seller dyadic relationships. *Industrial Marketing Management*, 36(5), 662-675.
- Barney, J. B. (1986). Organizational Culture: Can It Be a Source of Sustained Competitive Advantage? *The Academy of Management Review*, 11(3), 656-665.
- Benlian, A. (2014). Are We Aligned...Enough? The Effects of Perceptual Congruence Between Service Teams and Their Leaders on Team Performance. *Journal of Service Research*, 17(2), 212-228.
- Bennion, M. L. (1987). Segmentation and Positioning in a Basic Industry. *Industrial Marketing Management*, 16(1), 9-18.
- Biedenbach, G., Bengtsson, M., & Marell, A. (2015). Brand equity, satisfaction, and switching costs: An examination of effects in the business-to-business setting. *Marketing Intelligence & Planning*, 33(2), 164-178.
- Burmann, C., & Zeplin, S. (2005). Building brand commitment: A behavioural approach to internal brand management. *Journal of Brand Management*, 12(4), 279-300.
- Campbell, N. C. G. (1985). An interaction approach to organizational buying behavior. *Journal of Business Research*, 13(1), 35-48.
- Cannon, J., & Perreault, W. (1999). Buyer-Seller Relationships in Business Markets. *Journal of Marketing Research*, 36(4), 439-460.

- 
- Cassia, F., Cobelli, N., & Ugolini, M. (2017). The effects of goods-related and service-related B2B brand images on customer loyalty. *Journal of Business & Industrial Marketing*, 32(5), 722-732.
- Cassia, F., & Magno, F. (2012). Business-to-Business Branding: A Review and Assessment of the Impact of Non-Attribute-Based Brand Beliefs on Buyer's Attitudinal Loyalty. *Canadian Journal of Administrative Sciences*, 29(3), 242-254.
- Chan, L. L. M., Shaffer, M. A., & Snape, E. (2004). In search of sustained competitive advantage: the impact of organizational culture, competitive strategy and human resource management practices on firm performance. *International Journal of Human Resource Management*, 15(1), 17-35.
- Choi, T. Y., & Hartley, J. L. (1996). An exploration of supplier selection practices across the supply chain. *Journal of Operations Management*, 14(4), 333-343.
- Claycomb, C., & Frankwick, G. L. (2010). Buyers' perspectives of buyer-seller relationship development. *Industrial Marketing Management*, 39(2), 252-263.
- Cretu, A. E., & Brodie, R. J. (2007). The influence of brand image and company reputation where manufacturers market to small firms: A customer value perspective. *Industrial Marketing Management*, 36(2), 230-240.
- de Chernatony, L. (1999). Brand Management Through Narrowing the Gap Between Brand Identity and Brand Reputation. *Journal of Marketing Management*, 15(1-3), 157-179.
- de Chernatony, L. (2010). From Brand Vision to Brand Evaluation. The Strategic Process of Growing and Strengthening Brands. 3<sup>rd</sup> Edition. Butterworth-Heinemann: Amsterdam et al.
- de Chernatony, L., & Cottam, S. (2008). Interactions between organizational cultures and corporate brands. *Journal of Product & Brand Management*, 17(1), 13-24.

- 
- Deshpande, R., & Webster, F. E. Jr. (1989). Organizational Culture and Marketing: Defining the Research Agenda. *Journal of Marketing*, 53(1), 3-15.
- Edwards, J. R., & Parry, M. E. (1993). On the Use of Polynomial Regression Equations as an Alternative to Difference Score in Organizational Research. *Academy of Management Journal*, 36(6), 1577-1613.
- Erdem, T., Swait, J., & Louviere, J. (2002). The impact of brand credibility on consumer price sensitivity. *International Journal of Research in Marketing*, 19(1), 1-19.
- Fletcher, K. P., & Peters, L. D. (1997). Trust and direct marketing environments: A consumer perspective. *Journal of Marketing Management*, 13(6), 523-539.
- Fornell, C., & Larcker, D. F. (1981). Evaluating Structural Equation Models with Unobservable Variables and Measurement Error. *Journal of Marketing Research*, 18(1), 39-50.
- Germann, F., Ebbes, P., & Grewal, R. (2015). The Chief Marketing Officer Matters! *Journal of Marketing*, 79(May), 1-22.
- Gillespie, M. A., Denison, D. R., Haaland, S., Smerek, R., & Neale, W. S. (2008). Linking organizational culture and customer satisfaction: Results from two companies in different industries. *European Journal of Work and Organizational Psychology*, 17(1), 112-132.
- Gordon, G. L., Calantone, R. J., & di Benedetto, C. A. (1993). Brand Equity in the Business-to-Business Sector: AN EXPLORATORY STUDY. *Journal of Product & Brand Management*, 2(3), 4-16.
- Haans, R. F. J., Pieters, C., & He, Z.-L. (2016). Thinking about U: Theorizing and testing U- and inverted U-shaped relationships in strategy research. *Strategic Management Journal*, 37(7), 1177-1195.

- 
- Hansen, H., Samuelsen, B. M., & Silseth, P. R. (2008). Customer perceived value in B-t-B service relationships: Investigating the importance of corporate reputation. *Industrial Marketing Management*, 37(2), 206-217.
- Harris, F., & de Chernatony, L. (2001). Corporate branding and corporate brand performance. *European Journal of Marketing*, 35(3/4), 441-456.
- Hatch, M. J. (1993). The Dynamics of Organizational Culture. *Academy of Management Review*, 18(4), 657-693.
- Heide, J. B., & Miner, A. S. (1992). The Shadow Of The Future: Effects Of Anticipated Interaction And Frequency Of Contact On Buyer-Seller Cooperation. *Academy of Management Journal*, 35(2), 265-291.
- Heide, J. B., & Weiss, A. M. (1995). Vendor Consideration and Switching Behavior for Buyers in High-Technology Markets. *Journal of Marketing*, 59(3), 30-43.
- Hewett, K., Money, R. B., & Sharma, S. (2002). An Exploration of the Moderating Role of Buyer Corporate Culture in Industrial Buyer-Seller Relationships. *Journal of the Academy of Marketing Science*, 30(3), 229-239.
- Hogg, M. A., & Terry, D. J. (2000). Social Identity and Self-Categorization Processes in Organizational Contexts. *The Academy of Management Review*, 25(1), 121-140.
- Homburg, C., Bornemann, T., & Kretzer, M. (2014). Delusive perception – antecedents and consequences of salespeople’s misperception of customer commitment. *Journal of the Academy of Marketing Science*, 42(2), 137-153.
- Homburg, C., Droll, M., & Totzek, D. (2008). Customer Prioritization: Does It Pay Off, and How Should It Be Implemented? *Journal of Marketing*. 72(5), 110-130.
- Homburg, C., Grozdanovic, M., & Klarmann, M. (2007). Responsiveness to Customers and Competitors: The Role of Affective and Cognitive Organizational Systems. *Journal of Marketing*, 71(3), 18-38.

- 
- Homburg, C., Jensen, O., & Hahn, A. (2012). How to Organize Pricing? Vertical Delegation and Horizontal Dispersion of Pricing Authority. *Journal of Marketing*, 76(5), 49-69.
- Homburg, C., Klarmann, M., Reimann, M., & Schilke, O. (2012). What drives key informant accuracy? *Journal of Marketing Research*, 49(4), 594-608.
- Homburg, C., Klarmann, M., & Schmitt, J. (2010). Brand awareness in business markets: When is it related to firm performance? *International Journal of Research in Marketing*, 27(3), 201-212.
- Homburg, C., Kuester, S., Beutin, N., & Menon, A. (2005). Determinants of Customer Benefits in Business-to-Business Markets: A Cross-Cultural Comparison. *Journal of International Marketing*, 13(3), 1-31.
- Homburg, C., Müller, M., & Klarmann, M. (2011). When Should the Customer Really be King? On the Optimum Level of Salesperson Customer Orientation in Sales Encounters. *Journal of Marketing*, 75(2), 55-74.
- Homburg, C., & Pflesser, C. (2000). A Multiple-Layer Model of Market-Oriented Organizational Culture: Measurement Issues and Performance Outcomes. *Journal of Marketing Research*, 37(4), 449-462.
- Homburg, C., Wieseke, J., & Hoyer, W. D. (2009). Social Identity and the Service-Profit Chain. *Journal of Marketing*, 73(2), 38-54.
- Islam, G. (2014). Social Identity Theory. In: T. Teo (Eds.), *Encyclopedia of Critical Psychology* (pp. 1781-1783). Springer: New York, NY.
- Jaworski, B. J., & Kohli, A. K. (1993). Market Orientation: Antecedents and Consequences. *Journal of Marketing*, 57(3), 53-70.
- Johanson, J., & Mattsson, L.-G. (1987). Interorganizational Relations in Industrial Systems: A Network Approach Compared with the Transaction-Cost Approach. *International Studies of Management & Organization*, 17(1), 34-48.



- 
- Kapferer, J. N. (2008). *The new strategic Brand Management*. 4<sup>th</sup> Edition. Kogan Page: London and Philadelphia.
- Katsikeas, C. S., Morgan, N. A., Leonidou, L. C., & Hult, G. T. M. (2016). Assessing Performance Outcomes in Marketing. *Journal of Marketing*, 80(2), 1-20.
- Kim, T., & Chang, J. (2019). Organizational culture and performance: a macro-level longitudinal study. *Leadership & Organization Development Journal*, 40(1), 65-84.
- Kohli, A., & Jaworski, B. (1990). Market Orientation: The Construct, Research Propositions, and Managerial Implications. *Journal of Marketing*, 54(2), 1-18.
- Kowalczyk, S. J., & Pawlish, M. J. (2002). Corporate Branding through External Perception of Organizational Culture. *Corporate Reputation Review*, 5(2/3), 159-174.
- Kumar, V., Jones, E., Venkatesan, R., & Leone, R. P. (2011). Is Market Orientation a Source of Sustainable Competitive Advantage or Simply the Cost of Competing? *Journal of Marketing*, 75(1), 16-30.
- Lam, S. Y., Shankar, V., Erramilli, M. K., & Murthy, B. (2004). Customer Value, Satisfaction, Loyalty, and Switching Costs: An Illustration From a Business-to-Business Service Context. *Journal of the Academy of Marketing Science*, 32(3), 293-311.
- Lambert, D. M., Marmorstein, H., & Sharma, A. (1990a). Industrial Salespeople as a Source of Market Information. *Industrial Marketing Management*, 19(2), 141-148.
- Lambert, D. M., Marmorstein, H., & Sharma, A. (1990b). The Accuracy of Salespersons' Perceptions of their Customers: Conceptual Examination and an Empirical Study. *Journal of Personal Selling and Sales Management*, 10(1), 1-9.
- Lim, B. (1995). Examining the organizational culture and organizational performance link. *Leadership & Organization Development Journal*, 16(5), 16-21.

- 
- Lindell, M. K., & Whitney, D. J. (2001). Accounting for Common Method Variance in Cross-Sectional Research Designs. *Journal of Applied Psychology*, 86(1), 114-121.
- Madhavaram, S., Badrinarayanan, V., & McDonald, R. E. (2005). Integrated Marketing Communication (IMC) and brand identity as critical components of brand equity strategy. *Journal of Advertising*, 34(4), 69-80.
- Malhotra, N. K., Kim, S. S., & Patil, A. (2006). Common Method Variance in IS Research: A Comparison of Alternative Approaches and a Reanalysis of Past Research. *Management Science*, 52(12), 1865-1883.
- Metcalf, L. E., Frear, C. R., & Krishnan, R. (1992). Buyer-Seller Relationships: An Application of the IMP Interaction Model. *European Journal of Marketing*, 26(2), 27-46.
- Michell, P., King, J., & Reast, J. (2001). Brand Values Related to Industrial Products. *Industrial Marketing Management*, 30(5), 415-425.
- Moeller, S., Fassnacht, M., & Klose, S. (2006) A Framework for Supplier Relationship Management (SRM). *Journal of Business-to-Business Marketing*, 13(4), 69-94.
- Möller, K., & Halinen, A. (2000). Relationship Marketing Theory: Its Roots and Direction. *Journal of Marketing Management*, 16(1-3), 29-54.
- Morgan, N. A., Vorhies, D. W., & Mason, C. H. (2009). Market orientation, marketing capabilities, and firm performance. *Strategic Management Journal*, 30(8), 909-920.
- Mudambi, S. (2002). Branding importance in business-to-business markets: Three buyer clusters. *Industrial Marketing Management*, 31(6), 525-533.
- Mullins, R. R., Ahearne, M., Lam, S. K., Hall, Z. R., & Boichuk, J. P. (2014). Know Your Customer: How Salesperson Perceptions of Customer Relationship Quality Form and Influence Account Profitability. *Journal of Marketing*, 78(6), 38-58.

- 
- Noordewier, T. G, John, G., & Nevin, J. R. (1990). Performance Outcomes of Purchasing Arrangements in Industrial Buyer-Vendor Relationships. *Journal of Marketing*, 54(4), 80-93.
- O’Cass, A., & Ngo, L. V. (2007). Market orientation versus innovative culture: two routes to superior brand performance. *European Journal of Marketing*, 41(7/8), 868-887.
- Oracle (2020). Who We are – Life at Oracle.  
<https://www.oracle.com/de/corporate/careers/culture/who-we-are.html> [August, 17<sup>th</sup> 2020].
- Palmatier, R. W., Scheer, L. K., Evans, K. R., & Arnold, T. (2008). Achieving relationship marketing effectiveness in business-to-business exchanges. *Journal of the Academy of Marketing Science*, 36, 174-190.
- Palmatier, R. W., Scheer, L. K., & Steenkamp, J.-B. E. M. (2007). Customer Loyalty to Whom? Managing the Benefits and Risks of Salesperson-Owned Loyalty. *Journal of Marketing Research*, 44(2), 185-199.
- Podsakoff, P. M., MacKenzie, S. B., Lee, J.-Y., & Podsakoff, N. P. (2003). Common Method Biases in Behavioral Research: A Critical Review of the Literature and Recommended Remedies. *Journal of Applied Psychology*, 88(5), 879-903.
- Saffold, G. (1988). Culture Traits, Strength, and Organizational Performance: Moving beyond “Strong” Culture. *The Academy of Management Review*, 13(4), 546-558.
- Salamandic, E., Alijosiene, S., & Gudonaviciene, R. (2014). Price sensitivity measurement depending on brand awareness: a case of Ziede brand. *Procedia – Social and Behavioral Sciences*, 156(2014), 473-478.
- Sande, J. B., & Ghosh, M. (2018). Endogeneity in survey research. *International Journal of Research in Marketing*, 35(2), 185-204.

- 
- Saraniemi, S., Juntunen, M., Niemelä, T., & Tähtinen, J. (2010). Internal Elements Influencing the Corporate Brand Equity of Small Firms. *6<sup>th</sup> Thought Leaders of Brand Management Conference*, April, 18<sup>th</sup>-20<sup>th</sup> 2010, Lugano, Switzerland.
- Saunders, J. A., & Watt, F. A. W. (1979). Do Brand Names Differentiate Identical Industrial Products? *Industrial Marketing Management*, 8(2), 114-123.
- Schein, E. H. (2004). *Organizational Culture and Leadership*. 3<sup>rd</sup> Edition. Jossey-Bass: San Francisco.
- Schembri, S., & Latimer, L. (2016). Online brand communities: constructing and co-constructing brand culture. *Journal of Marketing Management*, 32(7/8), 628-651.
- Schroeder, J. E. (2009). The cultural codes of branding. *Marketing theory*, 9(1), 123-126.
- Schroeder, J. E. (2017). Corporate branding in perspective: a typology. *European Journal of Marketing*, 51(9/10), 1522-1529.
- Schultz, M., & Hatch, M. J. (2006). A cultural perspective on corporate branding: the case of LEGO Group. In: J. E. Schroeder & M. Salzer-Mörling (Eds.), *Brand Culture* (pp. 15-33). Routledge: London, New York.
- Sin, L. Y. M., & Tse, A. C. B. (2000). How does marketing effectiveness mediate the effect of organizational culture on business performance? The case of service firms. *Journal of Services Marketing*, 14(4), 295-309.
- Sirdeshmukh, D., Singh, J., & Sabol, B. (2002). Consumer Trust, Value, and Loyalty in Relational Exchanges. *Journal of Marketing*, 66(1), 15-37.
- Shipley, D., & Howard, P. (1993). Brand-naming industrial products. *Industrial Marketing Management*, 22(1), 59-66.
- Stets, J. E., & Burke, P. J. (2000). Identity Theory and Social Identity Theory. *Social Psychology Quarterly*, 63(3), 224-237.

- 
- Tajfel, H., & Turner, J. (1979). An Integrative Theory of Intergroup Conflict. In: W. G. Austin & S. Worchel (Eds.), *The social psychology of inter-group relations* (pp. 33-47). Brooks/Cole: Monterey, CA.
- Törmälä, M., & Gyrð-Jones, R. I. (2017). Development of new B2B venture corporate brand identity: A narrative performance approach. *Industrial Marketing Management*, 65(August), 76-85.
- Urde, M. (2013). The corporate brand identity matrix. *Journal of Brand Management*, 20(9), 742-761.
- Vallaster, C., & de Chernatony, L. (2006). Internal brand building and structuration: the role of leadership. *European Journal of Marketing*, 40(7/8), 761-784.
- Vallaster, C., & Lindgreen, A. (2011). Corporate brand strategy formation: Brand actors and the situational context for a business-to-business brand. *Industrial Marketing Management*, 40(7), 1133-1143.
- Van Dick, R., & Kerschreiter, R. (2016). The Social Identity Approach to Effective Leadership: An Overview and Some Ideas on Cross-Cultural Generalizability. *Frontiers of Business Research in China*, 10(3), 363-384.
- Van Knippenberg, D. (2000). Work Motivation and Performance: A Social Identity Perspective. *Applied Psychology: An International Review*, 49(3), 357-371.
- van Riel, A. C. R., Pahud de Mortanges, C., & Streukens, S. (2005). Marketing antecedents of industrial brand equity: an empirical investigation in specialty chemicals. *Industrial Marketing Management*, 34(8), 841-847.
- Verhoef, P. C. (2003). Understanding the Effect of Customer Relationship Management Efforts on Customer Retention and Customer Share Development, *Journal of Marketing*, 67(4), 30-45.

- 
- Viot, C. (2011). Can brand identity predict brand extensions' success or failure? *Journal of Product & Brand Management*, 20(3), 216-227.
- Vosgerau, J., Anderson, E., & Ross, W. T. Jr. (2008). Can Inaccurate Perceptions in Business-to-Business (B2B) Relationships Be Beneficial? *Marketing Science*, 27(2), 205-224.
- Weitz, B. A. (1978). Relationship between salesperson performance and understanding of customer decision making. *Journal of Marketing Research*, 15(4), 501-516.
- Wilkins, A. L., & Ouchi, W. G. (1983). Efficient Cultures: Exploring the Relationship Between Culture and Organizational Performance. *Administrative Science Quarterly*, 28(3), 468-481.
- Williams, M., & Attaway, J. (1996). Exploring Salespersons' Customer Orientation as a Mediator of Organizational Culture's Influence on Buyer-Seller Relationships. *The Journal of Personal Selling and Sales Management*, 16(4), 33-52.
- Wilson, A. M. (2001). Understanding organisational culture and the implications for corporate marketing. *European Journal of Marketing*, 35(3/4), 353-367.
- Xie, Y., & Zheng, X. (2020). How does corporate learning orientation enhance industrial brand equity? The roles of firm capabilities and size. *Journal of Business & Industrial Marketing*, 35(2), 231-243.
- Zablah, A. R., Brown, B. P., & Donthu, N. (2010). The relative importance of brands in modified rebuy purchase situations. *International Journal of Research in Marketing*, 27(3), 248-260.
- Zeithaml, V., Berry, L., & Parasuraman, A. (1996). The Behavioral Consequences of Service Quality. *Journal of Marketing*, 60(2), 31-46.
- Zenker, S., Gollan, T., & Van Quaquebeke, N. (2014). Using Polynomial Regression Analysis and Response Surface Methodology to Make a Stronger Case for Value Congruence in Place Marketing. *Psychology and Marketing*, 31(3), 184-202.

### 3.8 Appendices

#### Appendix 3.A. Literature Review (Brand Culture)

Author(s), year	Research topic	Industry context	Research focus	Data	Perspective (self-assessment, external assessment, dyadic)
<i>Literature shows that culture and brand are strongly linked</i>					
Xie & Zheng, 2020	Organizational culture, learning orientation, industrial brand equity	B2B	Quantitative	Machinery sectors in China; 212 senior managers; survey	Self-Assessment (e.g., seller)
Saraniemi et al., 2010	Corporate brand equity	B2B	Qualitative	One case company; 2 employees and 1 customer; qualitative interviews	Dyadic (i.e., matched internal and external assessment)
de Chernatony & Cottam, 2008	Organizational culture, corporate brand	/	Qualitative	UK financial service organizations; 41 employees with varying functions; in-depth interviews	Self-Assessment (e.g., seller)
O’Cass & Ngo, 2007	Organizational culture, market orientation, brand performance	/	Quantitative	Cross-sectional; 180 marketing executives in Australia; survey	Self-Assessment (e.g., seller)
Vallaster & de Chernatony, 2006	Internal brand building	B2B/ B2C	Qualitative	30 managers, in-depth interviews, 1 expert group discussion	Self-Assessment (e.g., seller)
<i>Literature shows that it is important for the buyer-seller relationship to what extent the sales people have internalized the brand culture</i>					
Törmälä & Gyrd-Jones, 2017	Brand identity	B2B	Qualitative	A new B2B venture; case study; 17 semi-structured narrative interviews with the managing director, founders and employees	Self-Assessment (e.g., seller)
Baumgarth & Schmidt, 2010	Internal brand equity, Brand-oriented corporate culture	B2B	Quantitative	93 top-managers and 481 employees; survey	Self-Assessment (e.g., seller)
Baumgarth, 2010	Brand orientation, organizational culture	B2B	Quantitative	261 managers; survey	Self-Assessment (e.g., seller)
Kowalczyk & Pawlish, 2002	External perceptions of organizational culture	B2B/ B2C	Quantitative	Six Silion Valley firms; 179 professionals; survey	External assessment (e.g., buyer, professionals, experts)

## Appendix 3.A. Continued

Author(s), year	Research topic	Industry context	Research focus	Data	Perspective (self-assessment, external assessment, dyadic)
<i>Literature shows that culture can have a positive effect on the selling firm's success</i>					
Chan, Shaffer, & Snape, 2004	Organizational culture, human resource practices, firm performance	/	Quantitative	49 matched data from senior executives and human resource managers; 82 companies in Hong Kong; survey	Self-Assessment (e.g., seller)
Homburg & Pfleger, 2000	Market-oriented organizational culture, performance	/	Qualitative/ quantitative	Different industries; 10 managers, in- depth interviews / 160 managers, survey	Self-Assessment (e.g., seller)
Sin & Tse, 2000	Organizational culture, business performance	/	Quantitative	388 service firms in Hong Kong; survey	Self-Assessment (e.g., seller)
Williams & Attaway, 1996	Buying and selling firm's organizational culture	B2B	Quantitative	459 buyer-seller dyads (survey)	Dyadic (i.e., matched internal and external assessment)



## Appendix 3.B. Measurement Items

<i>Supplier survey</i>	
	Item reliability
<b>Supplier firm size</b> <sup>a</sup> , newly developed	
How many employees are actually working in your company/business unit?	N/A
<b>Supplier competitive intensity</b> <sup>b</sup> , based on Homburg, Grozdanovic, & Klarmann (2007); Jaworski & Kohli (1993)	
Competition in our industry is cutthroat.	.87
Intensive competitor-related activities (e.g., intensive competition via price or product) are a hallmark of our industry.	.72
Our competitors are relatively strong.	.61
<b>Supplier brand culture strength</b> <sup>b</sup> , newly developed, based on qualitative interview data	
The way we are talking to each other reflects our brand's culture.	.60
Our brand culture is very harmonious.	.77
Our brand culture is very collaborative and problem-solving.	.75
Our team spirit reflects our brand's culture.	.71
Our brand culture makes us to be a popular employer.	.44
<b>Supplier internal brand knowledge</b> <sup>b</sup> , based on Baumgarth & Schmidt (2010)	
I am familiar with our brand communication (e.g., magazines, internet, exhibitions).	.34
I am aware of the goals we try to achieve through the brand.	.67
I am well informed about the values represented by the brand.	.85
I understand how our customers can benefit from our brand.	.45
I am familiar with our brand style guide.	.56
<i>Customer survey</i>	
	Item reliability
<b>Supplier flexibility</b> <sup>b</sup> , based on Choi & Hartley (1996)	
This supplier enables us product volume / order volume changes.	.61
This supplier offers us a short set- up time.	.65
This supplier offers us a short delivery lead time.	.47
Conflict resolution is one of this supplier's competences.	.68
Overall, this supplier is very flexible.	.76
<b>Customer satisfaction with supplier</b> <sup>b</sup> , based on Homburg, Müller, & Klarmann (2011)	
We are very pleased with the products and services of this supplier.	.72
We intensively enjoy collaborating with this supplier.	.80
On an overall basis, our experience with this supplier has been very positive.	.88
On an overall basis, we are very satisfied with this supplier.	.91
<b>Supplier brand culture strength</b> <sup>b</sup> , newly developed, based on qualitative interview data	
The way this supplier's employees talk to each other reflects its brand's culture.	.78
The supplier's brand culture is very harmonious.	.90
The supplier's brand culture is very collaborative and problem-solving.	.82
The supplier's team spirit reflects its brand's culture.	.68
The supplier's brand culture makes it a popular employer.	.53
<b>Customer switching costs</b> <sup>b</sup> , based on Lam et al. (2004)	
It would cost us a lot of money to switch to another supplier.	.76
It would take us a lot of effort to switch to another supplier.	.91
It would take us a lot of time to switch to another supplier.	.91
If we changed to another supplier, some new technological problems would arise.	.49
We would feel uncertain if we have to choose a new supplier.	.41

## Appendix 3.B. Continued

<i>Customer survey</i>	
	Item reliability
<b>Customer information exchange with supplier</b> <sup>b</sup> , based on Cannon & Perreault (1999)	
With this supplier, proprietary information is shared with each other.	.51
With this supplier, we will both share relevant cost information.	.44
With this supplier, we include each other in product development meetings.	.51
With this supplier, we always share supply and demand forecasts.	.63
<b>Customer working experience</b> <sup>c</sup> , newly developed	
How many years of working experience do you have with this position?	N/A
<b>Share of wallet</b> <sup>d</sup> , based on Palmatier et al. (2008)	
How much of your demand for this product or service do you obtain from this supplier?	N/A
<b>Customer loyalty</b> <sup>b</sup> , based on Zeithaml, Berry, & Parasuraman (1996) and Palmatier, Scheer & Steenkamp (2007)	
We will consider this supplier as our first choice for these kinds of products or services.	.58
Our aim is to remain loyal to this supplier.	.57
We recommend this supplier to other persons (e.g., customers, business partners, acquaintances).	.72
Towards other persons we say positive things about this supplier (e.g., customers, business partners, acquaintances).	.67
<b>Price sensitivity</b> <sup>b</sup> , based on Homburg, Jensen, & Hahn (2012)	
For products and services of this supplier we mostly focus on prices.	.46
We change our supplier already because of small price differences for these products and services.	.55
For products and services of this supplier our buying decisions are mainly based on prices.	.81
For products and services of this supplier we are very price sensitive.	.63

## Notes:

<sup>a</sup> Seven-point rating scale with anchors 1 = < 50 employees and 5 = > 5,000 employees.

<sup>b</sup> Seven-point Likert-type rating scales with anchors 1 = strongly disagree and 7 = strongly agree.

<sup>c</sup> Five-point rating scale with anchors 1 = < 5 years and 5 = > 20 years.

<sup>d</sup> Five-point rating scale with anchors 1 = 1 – 20% and 5 = 81 – 100%.

---

#### 4. **Essay 3: When Does Brand Essence Strength Play an Important Role in Business Relationships?**

René Matthias Resch

##### **Abstract**

Brand essence is a brand's soul and it strengthens the core identity of a brand. In this essay, I examine how a strong brand essence affects buyer-seller relationships in the business-to-business (B2B) context. This is important as many customers rely on their attitude towards products or services and on their attitude towards the salesperson, as key customer attitudes in their relationship with the supplier. Therefore, I examine the interaction effects between supplier brand essence strength (BES), customer attitude towards the products (ATP), and towards the salesperson (ATS). In addition, I test further contextual effects. First, I draw on social identity theory to consider the moderating role of customer-company identification (CCI) as customers' psychological attachment. Second, I examine the moderating role of share of wallet (SOW) as customers' financial attachment. Results of a survey with 204 matched buyer-seller dyads show no main effect of BES on customer loyalty and customer profitability. However, BES positively relates to customer loyalty if ATS is low and at the same time CCI is high. BES positively relates to customer profitability when customers ATP is low, CCI is high, or SOW is high. I contribute to B2B branding literature by showing the impact and contextual effects of a strong essence as the inner part of a brand.

*Keywords: business-to-business marketing, dyadic data, brand essence, customer-company identification, share of wallet*

---

## 4.1 Introduction

Branding is a highly relevant topic in B2B markets (e.g., Pyper et al., 2020; Cassia & Magno, 2019; Anees-ur-Rehman et al., 2018; Chang, Wang, & Arnett, 2018; Törmälä & Saraniemi, 2018). However, prior research on the role of brands in the B2B context has focused on external or outlying parts of a brand and largely neglected the notion of inner parts of a brand, such as brand essence and its impact on buyer-seller relationships.

However, practice shows that many of the most important B2B brands strongly emphasize the inner parts of their brand (e.g., core values or essence). This is in line with the idea that a “brand cannot be stronger externally than it is internally” (Urde, 2009, p. 616). Cisco’s “Bridge to Possible” comprises “The technology that builds bridges. Cisco technology solves, creates, inspires, heals, and secures to help build your bridge to possible” (Cisco, 2021). *‘Magic you can trust’* is the brand essence of IBM, which is about the inspirational aspect of IBM’s products and services as well as the trust towards IBM, which is built through the heritage, size, and competence of the company (Kotler & Pfoertsch, 2006).

Urde (2009) mentions a few related terms for the inner parts of brands. I use the common term *brand essence*. Brand essence is defined as the inner and central part of a brand identity and “a single thought that captures the soul of the brand” (Aaker & Joachimsthaler, 2009, p. 45). Brand essence is about summarizing the brand identity and asking for the global key value that the brand sells or stands for (Kapferer, 2008). Thus, brand essence is relevant for the brand building (e.g., de Chernatony, 2010; Barnham, 2009; Aaker & Joachimsthaler, 2009; Kapferer, 2008).

However, it is still unclear if suppliers benefit from a strong brand essence in their business relationships. In this respect, the goal of this essay is to explain if, when, and how suppliers benefit from a strong brand essence in B2B relationships. More specifically, I examine the effect of the supplier’s BES on customer loyalty and customer profitability as

---

key brand- and customer-related performance outcomes in business relationships (Katsikeas et al., 2016). Further, brand essence is strongly linked with supplier's products (Kapferer, 2008) and employees (de Chernatony, 2010). Therefore, I examine how BES interacts with the key customer attitudes ATP and ATS (e.g., Homburg, Müller, & Klarmann, 2011) to identify how BES affects customer loyalty and customer profitability when considering key customer attitudes as further buyer-seller determinants. This is important as products or services and sales people are important criteria for customers to evaluate their supplier (Palmatier, Scheer, & Steenkamp, 2007; Homburg et al., 2005; Bendixen, Bukasa, & Abratt, 2004). In this respect, the first research question of this essay is: (1) How does the supplier's BES affect customer loyalty and customer profitability, and what is the role of the customer's attitude towards the products and towards the salesperson in this relationship?

Drawing on social identity theory (e.g., Tajfel & Turner, 1979; Mael & Ashforth, 1992; Stets & Burke, 2000; Islam, 2014; Brashear-Alejandro, Kang, & Groza, 2016), I further examine the moderating effect of CCI as an identity-overlap between a customer's identity and a supplier's organizational identity (e.g., Wolter et al., 2017; Ahearne, Bhattacharya, & Gruen, 2005; Ashforth & Mael, 1989). CCI shows customer identification with the supplier and drives supplier's outcomes (Homburg, Wieseke, & Hoyer 2009). In addition, I examine the moderating effect of SOW as a signal of customer's purchasing power (e.g., Ritter & Walter, 2012) and supplier's competitive advantage (e.g., Geiger & Kleinaltenkamp, 2015) between customers and their suppliers. SOW captures the importance of the business relationship (Geiger & Kleinaltenkamp, 2015) and is the proportionate value of a customer's purchases from one supplier to the total value of the customer's purchases from all other suppliers (Blut et al., 2016). The examination of these moderators is important as CCI and SOW are used as indicators for the closeness between buyers and sellers, which are assumed to shape the business relationship. Thus, CCI is used as an indicator for psychological

---

attached customers and SOW is used as an indicator for financial attached customers. In this respect, this essay addresses the second research question: (2) How do customer-company identification and share of wallet affect the relationship between the supplier's BES and customer loyalty as well as customer profitability? I address these research questions with a dyadic survey study with 104 informants from 30 B2B supplier firms and 204 customer firm informants.

With this essay, I make key contributions to the B2B branding literature as well as managerial contributions: First, I contribute while investigating the role of the supplier's BES as the inner and central part of a supplier brand identity. Prior work on the role of brands in the B2B context has focused on external or outlying parts of a brand like brand names (e.g., Shipley & Howard, 1993), brand awareness (e.g., Homburg, Klarmann, & Schmitt, 2010), or brand image (e.g., Cretu & Brodie, 2007). There are no clear results about the effectiveness of different brand concepts in B2B markets (e.g., Wuyts, Verhoef, & Prins, 2009). Accordingly, the effectiveness of BES has not yet been clearly proven. For this reason, revealing limited effectiveness of BES, i.e., that there are no significant effects, is also an interesting finding. However, I show that BES as the inner part of a brand is limited in its effectiveness as it has no impact on customer loyalty and customer profitability by itself. This is also particularly important for managers in supplier firms, as the effects of BES cannot be considered stand-alone, but depend on contextual factors.

Second, prior work has investigated the relevance of brands in concrete B2B purchase decisions (e.g., Cretu & Brodie, 2007; Walley et al., 2007; Mudambi, 2002; Gordon et al., 1993). More specifically, I enrich literature by focusing on BES in dyadic buyer-seller relationships. Accordingly, I integrate contextual effects with key customer attitudes. This is important as brand essence is strongly linked with suppliers' products (Kapferer, 2008) and employees (de Chernatony, 2010). However, prior work shows no clear evidence as to

---

whether the brand or functional characteristics of an offering influence buyers' preferences (Cassia & Magno, 2012). In this respect, results show that the key customer attitudes ATP and ATS in general do not contribute to the emergence or strengthening of a positive effect of BES. In turn, for managers it is important to consider that brand essence cannot be used blanket to fix unfavorable ATP or ATS. Managers thus may focus on other measures.

Third, this study enriches this research stream by introducing two different relationship closeness indicators as moderating variables. First, CCI as customers' psychological attachment based on social identity theory. Second, SOW as customers' financial attachment. I expand literature by examining interactions of BES with CCI and SOW. The key finding is that the effects between BES and ATP and between BES and ATS are highly context-dependent and affected by the relationship closeness indicators CCI and SOW. Consequently, BES can be effective in close buyer-seller relationships. The effectiveness of BES differs between psychologically and financially attached customers. These issues are also important from a managerial standpoint. For managers, it is not sufficient to create a unique brand essence that fits the company's purpose in the long term. Rather, managers should consider the extent to which a customer identifies with their company and what SOW they have with the respective customer. Consequently, managers have to build close relationships to their customers in terms of psychological or financial attachments. Only in this way BES can make a positive contribution to the supplier firm.

The remainder of this essay is organized as follows. First, I develop the research framework, drawing on prior literature on the role of brands and brand essence as the central part of brand identity in B2B relationships, and I introduce key customer attitudes and buyer-seller relationship closeness indicators as moderating variables. Then, I develop the hypotheses. Next, I describe the dyadic research approach and test hypotheses. Finally, I

---

discuss the results of the study, the contributions to theory, as well as managerial implications.

## **4.2 Conceptual Background and Research Framework**

### **4.2.1 BES and Key Customer Attitudes in Business Relationships**

The main independent variable in this study is the supplier's BES. Brand essence is a summary of the most important aspects and key values of a brand (Chandler & Owen, 2002) and a core element of brand identity frameworks (Kapferer, 2008). Further, brand essence holds for a long period of time and across markets and products (Aaker & Joachimsthaler, 2009), and its aim is to communicate the brand internally and externally (Aaker & Joachimsthaler, 2009; de Chernatony, 2010).

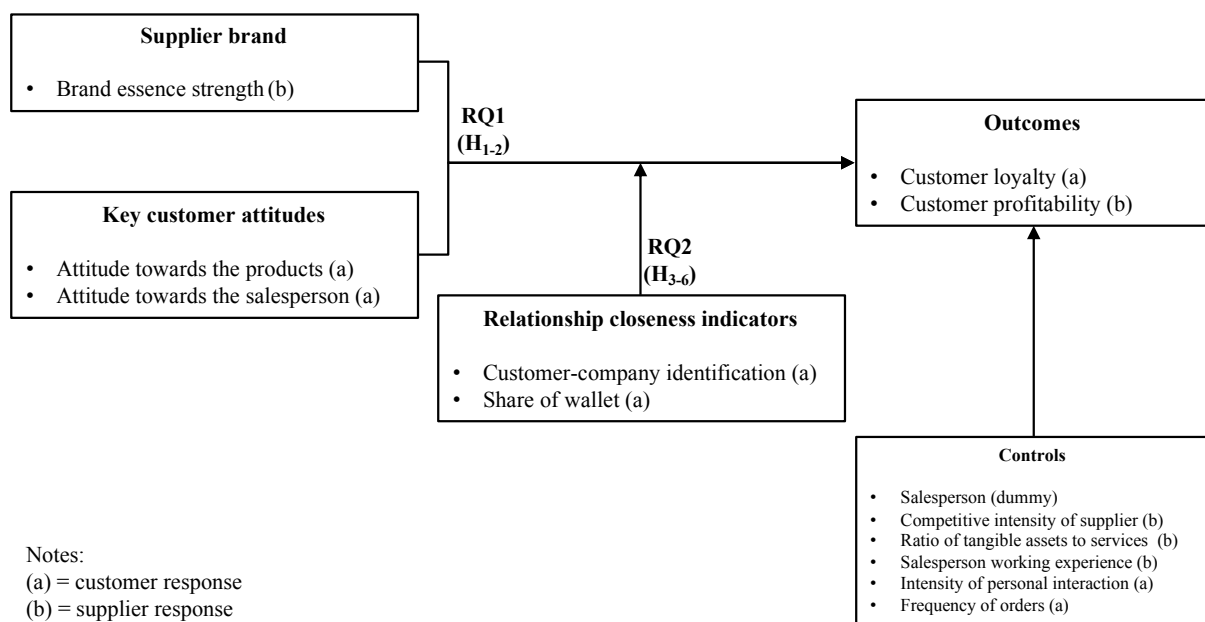
However, there are alternative approaches of the brand essence concept (de Chernatony, 2010), including that brands themselves are essences (Barnham, 2009). Brand essence embodies the identity of the brand (Aaker & Joachimsthaler, 2009). The key function of brand essence is to communicate and energize the core characteristics of the brand internally (Aaker & Joachimsthaler, 2009; de Chernatony, 2010) and "to reflect the critical components of the brand that are important to customers" (de Chernatony, 2010, p. 260). Thus, brand essence is about conceptualizing the core of the brand and to communicate it to everyone. Visually, brand essence contains functional attributes and benefits, emotional rewards, values, and personality traits that all together can build the claim (de Chernatony, 2010). Verbally, brand essence is "a short statement that summarizes the distinctive and welcomed promise of the brand" (de Chernatony, 2010, p. 259).

Prior work already shows that B2B brands effect customers' purchase decisions and supplier selection (e.g., Blombäck & Axelsson, 2007; Alexander et al., 2009; Gomes, Fernandes, & Brandão, 2016) and that brands are not equally important for all buyers and in all situations (Gomes, Fernandes, & Brandão, 2016). In contrast, research on the role of BES



in established buyer-seller relationships is sparse. This is important, on the one hand, as B2B branding is about “the essence of value propositions made to a large and heterogeneous group of stakeholders” (McKinsey Marketing and Sales Practice, 2013, p. 3) and on the other hand, as many buyer-seller relationships in the B2B context are rather long-term oriented (Johanson & Mattsson, 1987) than one-time purchase decisions. Therefore, I focus on the relevance of BES in established buyer-seller relationships and further consider contextual factors with key customer attitudes and relationship closeness indicators. Figure 4.1 shows the research framework.

Figure 4.1. Research Framework



Two important attitudes for customers in business relationships are the customers’ ATP and ATS (e.g., Homburg, Müller, & Klarmann, 2011). I use them as moderators to investigate their two-way interactions with BES.

ATP “is the degree to which the customer exhibits a learned predisposition to respond favorably to the supplier’s products” (Homburg, Müller, & Klarmann, 2011, p. 57). There are several studies that identify suppliers’ products and quality as important for the customers’ preferences (e.g., Homburg et al., 2005; Bendixen, Bukasa, & Abratt, 2004). For a detailed

---

overview see Chéron and Kleinschmitt (1985). Interestingly, “there is no agreement on the relative contribution of a brand versus an offering’s functional attributes to the industrial buyer’s preferences” (Cassia & Magno, 2012, p. 242).

ATS is defined as “the degree to which the customer exhibits a learned predisposition to respond favorably to the salesperson” (Homburg, Müller, & Klarmann, 2011, p. 57). Studies identify the customers’ relationship to suppliers’ employees and sales people as important for the customers’ preferences (e.g., Palmatier, Scheer, & Steenkamp, 2007; Bendixen, Bukasa, & Abratt, 2004). Consequently, the interactions with the suppliers’ sales people or other employees determine the customers’ purpose to continue the relationship with suppliers (Palmatier, Scheer, & Steenkamp, 2007).

Literature gives evidence why ATP and ATS are *key* customer attitudes: Quality and the customer’s relationship with the sales people relate to industrial brand loyalty (Michell, King, & Reast, 2001). Customers willingness to continue the business relationship with a supplier depends on the product/service offering as well as on the employees (e.g., sales people) (Palmatier, Scheer, & Steenkamp, 2007). ATP and ATS positively relate to customer satisfaction, which positively relates to sales performance (Homburg, Müller, & Klarmann, 2011). If firms do not have information about customer attitudes, it makes it hard to predict the customer profitability in the future (Rust, Kumar & Venkatesan, 2011). Therefore, one can conclude that ATP and ATS are important *key* customer attitudes.

In this research, the constructs BES, ATP, and ATS are linked to the brand- and customer-level performance outcomes (Katsikeas et al., 2016) customer loyalty and customer profitability. Customer loyalty (e.g., Cassia & Magno, 2012) and customer profitability (e.g., Katsikeas, Paparoidamis, & Katsikea, 2004; Glynn, 2012) are both well-established outcome variables in the branding- and supplier selection literature. Customer loyalty captures the customer’s motivation to maintain a relationship with the supplier, which is shown through a

---

set of behaviors (Sirdeshmukh, Singh, & Sabol, 2002). Customer profitability is “the contribution of a customer to a supplier’s profits” (Ritter & Andersen, 2014, p. 1006). This distinction of the dependent variables is important as loyal customers are not mandatory those customers with the highest profitability (Reinartz & Kumar, 2000), as sellers’ customer-oriented behaviors may negatively influence profits (Homburg, Müller, & Klarmann, 2011). For this reason, this study examines the effects on customer loyalty and customer profitability as two separate outcomes.

#### **4.2.2 Relationship Closeness Indicators CCI and SOW as Moderating Variables**

I use the buyer-seller relationship closeness indicators CCI and SOW as moderating variables to test two-way interactions with BES as well as three-way interactions with BES and the key customer attitudes ATP and ATS. This is important as both CCI and SOW are indicators for the closeness of a relationship, but in different ways. I use CCI as an indicator for a high psychological attachment (i.e., social and interpersonal aspects) and SOW as an indicator for a high financial attachment (i.e., dependence through power, costs, and risks) of the customer. Customers in close relationships do not automatically evaluate the supplier’s performance better (Cannon & Perreault, 1999), which results in the need to differentiate between different types of closeness. For example, prior research on loyalty programs shows the importance to distinguish the effects of psychological attached customers, expressed through a high CCI, and financially attached customers, expressed through a high SOW, because customers may increase their SOW regardless of their CCI (Wirtz, Mattila, & Oo Lwin, 2007; Kang, Alejandro, & Groza 2015).

My first moderating variable is CCI. CCI is defined as a perceived identity overlap between a customer and a supplier firm (Wolter et al., 2017; Einwiller et al. 2006; Mael & Ashforth, 1992). CCI is (a) an indicator with self-definitional and emotional components that

---

shows how strong a customer identifies with a company, and (b) a buyer-seller relationship issue that drives supplier's outcomes (Homburg, Wieseke, & Hoyer 2009).

Concerning CCI, I draw on social identity theory. Social identity theory says "that identification develops from customers' desire to feel better about themselves" (Wolter & Cronin, 2017, p. 172). This identification holds (1) even if a person is not a member of a group (i.e., buyers and supplier firms), (2) even if a person wants to be like or become like certain aspects (e.g., like the brand essence), (3) for the usage to build social or interpersonal relationships (i.e., a buyer and a salesperson), and (4) for the fulfillment of targets (e.g., close and long-term business relationships) with members of the identified group (Bagozzi et al., 2012).

CCI captures motivations about why people feel related to companies. In such a cognitive categorization process, people (i.e., customers) position themselves as an organizational member (i.e., of the supplier firm). Doing so, similarities with other organizational members of the supplier firm are emphasized (Martinez & Del Bosque, 2013). More specifically, CCI is determined by the customers' perceptions about the suppliers' company characteristics (e.g., personal experiences or perceived culture) and characteristics of the suppliers' main contact person (i.e., sales or service representative) (Ahearne, Bhattacharya, & Gruen, 2005). With CCI, the object of identification is the company rather than the brand. Thus, suppliers with a product mix tailored to a specific target group also benefit from CCI across different brands (Ahearne, Bhattacharya, & Gruen, 2005).

My second moderating variable is SOW, which "is defined as the percentage of the value of purchases by a customer from a supplier to the total value of purchases from all other suppliers" (Blut et al., 2016, p. 86) and reveals the supplier firm's sales penetration with a certain customer (Palmatier et al., 2008). In other words, SOW is the share of purchases in a certain category that one customer has for one of his suppliers (Verhoef, 2003; Homburg,

---

Droll, & Totzek, 2008) or the “share of business for the component done with the supplier” (Worm, 2012, p. 126). In this respect, SOW captures the importance of the business relationship (Geiger & Kleinaltenkamp, 2015).

SOW is an important moderator in this study because SOW decisions in business relationships are often shaped by bargaining power, influence, risk, and costs (Ritter & Walter, 2012; Stahl, Matzler, & Hinterhuber, 2003). SOW-related risks address, among other things, the buying behavior of customers and the interest of customers in long-term relationships (Stahl, Matzler, & Hinterhuber, 2003).

These types of closeness (i.e., CCI and SOW) should have an impact on the role of BES, because customers who have a close relationship with their supplier should pay more attention to soft factors (e.g., Moeller, Fassnacht, & Klose, 2006) such as brand. In addition, further three-way interactions with BES and the key customer attitudes ATP and ATS are to be expected as CCI and SOW are awaited to be interrelated with the supplier’s products and sales people. I will derive these mechanisms in more detail in the following section.

### **4.3 Hypotheses Development**

It is unclear if suppliers benefit from a strong brand essence in their relationships to customers. In the following, I first develop hypotheses how BES as the inner part of a brand relates to customer loyalty and customer profitability, and how the key customer attitudes ATP and ATS reinforce the effects of BES. Then, I develop the hypotheses regarding the moderating roles of CCI and SOW as indicators for the closeness of the buyer-seller relationship (Figure 4.1).

#### **4.3.1 Effects of BES and its Interactions with ATP and ATS**

Prior research has already examined the relationships between brand-related concepts and customer loyalty in B2B settings. For example, brand trust positively relates to brand loyalty and relationship quality (Han & Sung, 2008). Cassia, Cobelli, and Ugolini have

---

determined that “goods-related and service-related B2B brand images have positive effects on loyalty” (2017, p. 722). Cassio and Magno (2012) found out that brand attitude drives attitudinal loyalty. Additionally, customer’s brand awareness positively affects the supplier’s market performance and return on sales (Homburg, Klarmann, & Schmitt, 2010). The benefits of B2B brands foster the profitability of business relationships (Glynn, 2012). In contrast, Wuyts, Verhoef, and Prins (2009) show that a strong brand name has no impact on supplier choice, whereas good personal relationships do. As can be seen, there are no clear results about the effects of different brand concepts in business relationships.

External parts of a brand, such as brand awareness (e.g., Homburg, Klarmann, & Schmitt, 2010), have a positive effect on the customer relationship. As mentioned, a brand cannot be stronger externally than internally (Urde, 2009). Therefore, I assume that especially BES as the brand inner (Aaker & Joachimsthaler, 2009) has a positive influence on the business relationship. I suggest that BES has a positive effect on customer loyalty ( $H_{1.1}$ ) and on customer profitability ( $H_{1.2}$ ).

*H<sub>1</sub>: The supplier’s brand essence strength positively relates to ( $H_{1.1}$ ) customer loyalty and ( $H_{1.2}$ ) customer profitability.*

In the following, I explain why ATP and ATS moderate the main effects presented previously. Literature shows a relationship between supplier’s brand essence and supplier’s products. In some firms, brand essence is related to product experiences (Kapferer, 2008). Newman and Dhar (2014) show that customers transfer the brand essence to the company’s products if they were produced in the company’s original factory. Customers perceive products from the original manufacturing location as more authentic and valuable (Newman & Dhar, 2014). Perceived quality is associated with strong brands (e.g., Michell, King, & Reast, 2001). Based on the results presented here, the interaction effect between ATP and

---

BES is illustrated. Therefore, I suggest ATP to strengthen the effect of BES on customer loyalty ( $H_{2.1(a)}$ ) and customer profitability ( $H_{2.2(a)}$ ).

There is also a relationship between brand essence and supplier's employees. "The brand essence is the first thing an employee might say to quickly describe the brand to another employee" (de Chernatony, 2010, p. 266). Brand efforts are doomed to failure if industrial companies do not take time to communicate and explain their brand essence to their employees (Kotler & Pfoertsch, 2006). However, for supplier firms it is challenging to communicate the brand essence to everyone inside the organization so that all employees contribute to build the brand (de Chernatony, 2010). Thus, BES should only be effective if all employees know the brand essence and behave in a supportive manner in accordance with the brand essence. This should especially be true for sales people, since they are in close contact with buyers. Accordingly, if customers have a high ATS and the responsible sales people in turn communicate the brand essence appropriately to these customers, then this should also strengthen the perception and effectiveness of the BES among these customers. Therefore, I suggest ATS to strengthen the effect of BES on customer loyalty ( $H_{2.1(b)}$ ) and customer profitability ( $H_{2.2(b)}$ ).

*H<sub>2</sub>: The positive effect of supplier's brand essence strength on ( $H_{2.1}$ ) customer loyalty and on ( $H_{2.2}$ ) customer profitability is stronger when the customer's attitude towards the supplier's (a) products and (b) salesperson is high.*

#### **4.3.2 Moderating Effects of CCI as Customer's Psychological Attachment**

I expect that when CCI is high, the effect of BES on customer loyalty and on customer profitability will be strengthened. I reason this effect on the basis of social identity theory. Social identity theory helps to explain conflicts between groups based on group-based self-definitions. Intergroup relationships like between a buyer and a seller are typically

---

characterized by biased (i.e., in-group bias) and exaggerated perceptions (Tajfel & Turner, 1979; Islam, 2014) that are framed to maximize self-evaluations (Islam, 2014).

On the one hand, incompatible group interests between buyers and sellers can generate conflict, competition, and discrimination (Tajfel & Turner, 1979). On the other hand, identification with an idea, object, or person holds even if a person is not a member of the relevant comparison group (Bagozzi et al., 2012), as in reciprocal role relationships between buyers and sellers (Ashforth & Mael, 1989). If buyers have a high psychological attachment or identification with a selling firm, they may commit to the seller's goals and become supporters of this firm. Several forms of behavior (e.g., purchase) show this support of the buyer (Ahearne, Bhattacharya, & Gruen, 2005).

In addition, it should not go unmentioned that there are studies showing that CCI has a positive effect on customer loyalty (e.g., Afifah & Asnan, 2015; Kang, Alejandro, & Groza 2015; Martinez & del Bosque, 2013; Homburg, Wieseke, & Hoyer, 2009) and on the customers willingness to pay (e.g., Homburg, Wieseke, & Hoyer, 2009).

Literature shows evidence for a strong relationship between CCI and BES. CCI is very likely if a customer and a supplier share the same values (Einwiller et al., 2006). Bagozzi et al. aim that customers "incorporate the identities of objects of organizations (e.g., a brand) into their own identities" (2012, p. 65). Customers with a high CCI for a supplier "will be motivated to act favorably toward it to raise its status" (Homburg, Wieseke, & Hoyer, 2009, p. 43). Thus, a high CCI indicates that customers have a strong psychological attachment to the seller, which should make the customers being more loyal to their supplier and additionally should give the supplier the opportunity to increase the profitability with the customer. Therefore, I estimate that the influence of BES on customer loyalty (H<sub>3.1</sub>) and on customer profitability (H<sub>3.2</sub>) is stronger for customers with a high CCI. The hypothesis for these two-way interactions is:



---

*H<sub>3</sub>: The positive effect of supplier's brand essence strength on (H<sub>3.1</sub>) customer loyalty and on (H<sub>3.2</sub>) customer profitability is stronger when the customer-company identification is high.*

In addition to the attachment of CCI to the seller's brand, its attachment to the seller's products and services as well as employees is further noticeable. There are several examples that demonstrate the close relationship between CCI and ATP. CCI "leads customers to develop long-term preferences for products or services provided by self-identified companies" (Kang, Alejandro, & Groza, 2015, p. 466). Because "such identification-based commitment is likely to be expressed through a sustained, long-term preference for the identified-with company's products over those of its competitors" (Bhattacharya & Sen, 2003, p. 83), one of the main consequences of CCI is loyalty to a selling firm (Bhattacharya & Sen, 2003).

In addition, there are examples that illustrate the close relationship between CCI and ATS. The customer's perceptions about the supplier's company characteristics and characteristics of the supplier's main contact person (i.e., sales person) can determine how customers identify with their supplier (Ahearne, Bhattacharya, & Gruen, 2005). Identification is possible in reciprocal role relationships like between a salesperson and its customer (Ashforth & Mael, 1989) and it serves to build social relationships (Bagozzi et al., 2012). Customers integrate identities of other people into their own identities (Bagozzi et al., 2012).

As a consequence, a high CCI should strengthen the interaction effects of BES and ATP as well as BES and ATS on customer loyalty (H<sub>4.1</sub>) and customer profitability (H<sub>4.2</sub>).

The hypothesized three-way interactions are:

*H<sub>4</sub>: The interaction of supplier's brand essence strength with the customer's attitude towards the supplier's (a) products and (b) salesperson has a stronger positive effect on (H<sub>4.1</sub>) customer loyalty and on (H<sub>4.2</sub>) customer profitability when customer-company identification is high (compared to low).*

---

### 4.3.3 Moderating Effects of SOW as Customer's Financial Attachment

I expect that when SOW is high, the effect of BES on customer loyalty and on customer profitability will be strengthened. In the following, I justify these assumptions. If a supplier has a high SOW with a customer, this supplier has a competitive advantage (Geiger & Kleinaltenkamp, 2015). However, a high SOW is not per se beneficial for suppliers. For instance, "a firm may choose not to maximize business with a given customer (e.g., maximize share of wallet) because the revenue from additional business will not offset its costs" (Johnson, Clark, & Barczak, 2012, pp. 1094-1095). Thus, SOW is an indicator for a high financial attachment (i.e., dependence through power, costs, and risks) of the customer.

Before considering the interaction effects of SOW, it should be mentioned at this point that SOW is interrelated with customer loyalty (e.g., Wieseke, Alavi, & Habel, 2014, Evanschitzky et al., 2012) and respectively with long-term relationships (Stahl, Matzler, & Hinterhuber, 2003). Furthermore, some studies show the close relationship of SOW and sales performance or customer profitability (e.g., Arli, Bauer, & Palmatier, 2018; Homburg, Droll, & Totzek, 2008; Palmatier et al., 2008).

In addition, there is a strong relationship between SOW and BES. Homburg, Müller, and Klarmann (2011) show the link between SOW (as part of customer loyalty) with the brand. Further, the brand-SOW relationship is shown by Perkins-Munn et al. (2005). Therefore, I estimate that the influence of BES on customer loyalty ( $H_{5.1}$ ) and on customer profitability ( $H_{5.2}$ ) is stronger for customers with a high SOW. The hypothesis for these two-way interactions is:

*H<sub>5</sub>: The positive effect of supplier's brand essence strength on ( $H_{5.1}$ ) customer loyalty and on ( $H_{5.2}$ ) customer profitability is stronger when the share of wallet is high.*

Reviewing SOW and its conceptual background in detail, its relationship to the supplier's products or services and to the supplier's employees is not to be neglected.

---

Although Paulssen and Roulet (2017) do not find a significant correlation, there are studies that demonstrate the close relationship between SOW and ATP. I see a high SOW as an indication that buyers actively try to build a close or intense bond with the seller that provides products that are important to them. In this way, buyers want to balance dependency (e.g., Palmatier et al., 2008). Homburg, Müller, and Klarmann (2011) show the link between SOW (as part of customer loyalty) with the products.

Further, there is a close relationship between SOW and ATS. A high SOW can be a result of a positive buyer's evaluation of the relationship. For example, buyer's exchange inefficiency with the salesperson can negatively affect SOW (e.g., Palmatier et al., 2008). Additionally, if customers bond with contact people at the selling firm, this leads to relational switching costs that impact SOW (Blut et al., 2016).

However, a high SOW can basically be interpreted as a close buyer-seller relationship based on financially attached customers. Consequently, I assume that a high SOW strengthens the interaction effects of BES and ATP as well as BES and ATS on customer loyalty ( $H_{6.1}$ ) and customer profitability ( $H_{6.2}$ ). The hypothesized three-way interactions are:

*H<sub>6</sub>: The interaction of supplier's brand essence strength with the customer's attitude towards the supplier's (a) products and (b) salesperson has a stronger positive effect on ( $H_{6.1}$ ) customer loyalty and on ( $H_{6.2}$ ) customer profitability when share of wallet is high (compared to low).*

## **4.4 Methodology**

### **4.4.1 Data Collection and Sample**

I conducted a dyadic survey study with supplier informants and customer informants in several B2B industries. The data collection process consists of two steps. In the first step, I identified possible B2B supplier firms and appropriate contact persons (i.e., management board, marketing or sales representatives). I sent an invitation email and followed up with a

---

reminder and follow-up phone calls with basic information about the study. This resulted in 79 supplier firms with a general interest to participate in this study.

In these interested supplier firms, I introduced details about the idea and content of the dyadic study. I asked for contact details of employees with direct customer contact, notable sales managers, key account managers, or sales people. I also informed these contacts that they were supposed to forward the questionnaire to one to three customer contacts, that is, employees from customer firms interacting with them on a regular basis. In this respect, I targeted purchasing managers or members of the customer buying center. It is worth emphasizing that I asked suppliers not only to invite their best or most satisfied customers, but critical customers or customers with special requirements as well (Homburg, Bornemann, & Kretzer, 2014).

In the second step, I sent the link to the online questionnaire to the potential supplier informants. To ensure the anonymity of all participants while matching buyer-seller dyads, supplier informants had to conceive an individual code for each potential customer informant at the end of the questionnaire. Then, they forwarded the invitation link to their customer contacts. In turn, customer informants had to enter their individual code before accessing the questionnaire.

The initial sample consists of 37 supplier firms with 212 supplier informants and 268 customer informants. For further analysis, I only relied on matched buyer-seller dyads of a supplier informant and at least one customer informant responding to all variables in the research framework, which led to the elimination of responses without counterpart or responses with missing values.

As a result, the final sample involved 104 supplier informants of 30 supplier firms and 204 customer informants (i.e., an average of 3.5 informants per supplier and an average of 2.0

customer informants per supplier informant). Table 4.1 summarizes key sample characteristics.

Table 4.1. Sample Composition

<b>Supplier (n = 104)</b>		<b>Customer (n = 204)</b>	
<b>Industry (in %)</b>			
Machinery / Plant Engineering	28.8	Construction / Building Materials	12.3
Healthcare	15.4	Healthcare	11.8
Logistics/Transportation	10.6	Machinery / Plant Engineering	9.3
Software/IT	9.6	Chemicals/Plastics	8.8
Materials Processing	7.7	Automotive	6.4
Construction / Building Materials	6.7	Wholesale / Specialist Trade	6.4
Chemicals/Plastics	6.7	Electronics	5.4
Automotive	3.8	Gastronomy / Commercial Kitchens	5.4
Electronics	3.8	Logistics/Transportation	4.9
Other industries	6.7	Other industries	29.3
<b>Number of employees (in %)</b>			
< 50 employees	42.3		40.7
50 – 99 employees	7.7		11.8
100 – 249 employees	8.7		12.7
250 – 499 employees	4.8		9.8
500 – 999 employees	8.7		4.4
1,000 – 5,000 employees	22.1		8.8
5,000 or more employees	5.8		11.3
N/A	/		.5
<b>Annual revenue (in €)</b>			
< 25 million	35.6		51.0
25 – 49 million	6.7		8.3
50 – 99 million	10.6		6.9
100 – 499 million	32.7		13.7
500 – 999 million	2.9		3.4
1,000 – 5,000 million	5.8		5.9
> 5,000 million	3.8		8.3
N/A	1.9		2.5
<b>Functional background (in %)</b>			
Employee Sales / Field Sales	44.2	General Management Responsibility (Director / Management Board)	33.3
Director Sales / Field Sales	24.0	Director Production/Technical/R&D	16.2
General Management Responsibility (Director / Management Board)	12.5	Employee Technical/Service	9.8
Key Account Management	6.7	Employee Purchasing/Procurement	8.3
Consultant / Management Assistant	5.8	Director Purchasing/Procurement	5.9
Marketing / Business Development	4.8	Commercial Staff	4.9
Other	1.9	Other	21.6
<b>Working experience (in %)</b>			
< 5 years	25.0		13.2
5 – 10 years	22.1		26.0
11 – 15 years	9.6		11.8
16 – 20 years	14.4		12.3
20 or more years	28.8		31.9
N/A	/		4.9

---

42.3% of the 104 supplier informants worked for small firms (i.e., < 50 employees), 29.9% worked for medium-sized firms (i.e., 50 – 999 employees), and 27.9% worked for big firms (i.e., > 1,000 employees). Participating companies covered a broad range of industries. Most of the 104 supplier informants came from firms in the machinery / plant engineering (28.8%), healthcare (15.4%), logistics/transportation (10.6%), software/IT (9.6%), and materials processing (7.7%) industries. The 104 supplier informants mostly worked as (field) sales people (44.2%), (field) sales directors (24.0%), and as managing directors or board members (12.5%).

In terms of the general branding strategy, 50% of all 104 supplier informants indicated that their firms followed a corporate branding strategy, 44.2% indicated that their firms followed a mixed branding strategy with a corporate brand and product brands, and 5.8% indicated that their firms followed a house of brands strategy with several product brands.

40.7% of the 204 customer informants worked for small firms (i.e., < 50 employees), 38.7% worked for medium-sized firms (i.e., 50 – 999 employees), and 20.1% worked for big firms (i.e., > 1,000 employees). Most of the 204 customers worked in the construction / building materials (12.3%), healthcare (11.8%), machinery / plant engineering (9.3%), chemicals/plastics (8.8%), and automotive (6.4%) industries. Customer firm informants (n = 204) held positions as managing directors or board members (33.3%), production, technical, or R&D directors (16.2%), or technical and service people (9.8%).

To ensure that the key informants are knowledgeable and provide reliable and valid responses (Homburg, Klarmann, & Schmitt, 2010), I asked all supplier informants about their involvement in negotiations with customers and vice versa (single item with a seven-point rating scale with anchors 1 = very low involvement and 7 = very high involvement). Results indicate high involvement for both suppliers (M = 6.37, SD = 1.3, n = 204; M = 6.20, SD = 1.5, n = 104) and customers (M = 5.82, SD = 1.6, n = 194). I also assessed the supplier

---

internal brand knowledge ( $M = 5.9$ ,  $SD = .9$ ,  $n = 204$ ; multi-item measure with a seven-point Likert-type rating scale) and the contact intensity between customer informant and supplier informant ( $M = 4.9$ ,  $SD = 1.5$ ,  $n = 204$ ; single item with a seven-point rating scale). In addition, the relevant functional background and several years of working experience (Table 4.1) of the supplier and customer informants indicate that there are no major concerns about the reliability and validity of the key informants' responses.

#### 4.4.2 Measures

I newly developed a scale for BES. For all other constructs, I used established scales. Unless mentioned differently, all the measures are assessed on seven-point Likert-type rating scales. All scales and items appear in Appendix 4.A.

Literature does not provide an established measure for the strength of brand essence. Instead, branding literature (especially in the B2B context) focuses on other branding aspects. Therefore, I developed a new scale for the strength of brand essence in the B2B context. Doing so, I first reviewed the brand essence related literature. I found a fruitful description of brand essence's facets in an article from Aaker and Joachimsthaler (2009). Thus, all of my items for BES are inspired by Aaker and Joachimsthaler (2009). To develop the scale, I paraphrased the attributes of brand essence mentioned by Aaker and Joachimsthaler (2009) and identified a list of codes inductively. Out of that, I initially identified and formulated a list of ten items that I used in my quantitative study. I conducted an exploratory and confirmatory factor analysis using *STATA 16* to estimate the overall model fit. One item of the BES scale was eliminated (namely, '*Our brand essence has multiple interpretations.*') because of its poor item-to-total correlation (.26) and its poor indicator reliability (.06) in the initial supplier sample. Finally, all items loaded on one factor. The final scale consists of nine items for BES from the supplier's perspective (Appendix 4.A). The fit of the construct measure for BES in the final sample is satisfying (comparative fit index [CFI] = .91; standardized root mean-

square of residuals [SRMR] = .04; Tucker-Lewis index [TLI] = .87). For more information see Table 4.2.

Table 4.2. Correlations and Constructs

Variables	1	2	3	4	5	6	7	8	9	10	11	12
1 Brand essence strength (S) <sup>a</sup>	1.00											
2 Attitude towards the products (C) <sup>a</sup>	.12	1.00										
3 Attitude towards the salesperson (C) <sup>a</sup>	.19**	.51**	1.00									
4 Customer-company identification (C) <sup>a</sup>	.17*	.72**	.62**	1.00								
5 Share of wallet (C) <sup>b</sup>	.16*	.06	.12	.15*	1.00							
6 Competitive intensity of supplier (S) <sup>a</sup>	-.06	.09	.14	.11	.02	1.00						
7 Ratio of tangible assets to services (S) <sup>c</sup>	.08	.24**	.03	.12	-.17*	-.10	1.00					
8 Salesperson working experience (S) <sup>d</sup>	.31**	.12	.26**	.15*	.16*	.03	.02	1.00				
9 Intensity of personal interaction (C) <sup>e</sup>	.18*	.15*	.33**	.25**	.12	.13	.05	.07	1.00			
10 Frequency of orders (C) <sup>d</sup>	.05	.05	.05	.11	-.15*	-.05	.20**	-.06	.21**	1.00		
11 Customer loyalty (C) <sup>a</sup>	.20**	.57**	.61**	.74**	.23**	.01	.14*	.16*	.24**	.03	1.00	
12 Customer profitability (S) <sup>f</sup>	.21**	.02	-.01	-.03	.02	.10	.17*	.17*	.17*	.15*	-.01	1.00
Mean	4.89	5.64	6.23	5.58	2.38	5.48	3.59	-.8	4.90	-.8	5.63	3.21
SD	1.16	.95	1.05	1.12	1.54	1.15	1.30	-.8	1.47	-.8	1.18	.83
CA	.94	.87	.97	.94	-.8	.89	-.8	-.8	-.8	-.8	.88	-.8
CR	.94	.87	.97	.94	-.8	.89	-.8	-.8	-.8	-.8	.89	-.8
AVE	.64	.64	.93	.77	-.8	.73	-.8	-.8	-.8	-.8	.66	-.8

Notes: \*\*  $p < .01$ ; \*  $p < .05$ ; SD = standard deviation; CA = Cronbach's alpha; CR = composite reliability; AVE = average variance extracted; S = supplier variable; C = customer variable.

<sup>a</sup> Seven-point Likert-type rating scales with anchors 1 = strongly disagree and 7 = strongly agree.

<sup>b</sup> Five-point rating scale with anchors 1 = 1 - 20% and 5 = 81 - 100%.

<sup>c</sup> Five-point rating scale with anchors 1 = only on services and 5 = only on tangible assets.

<sup>d</sup> Categorical rating scale.

<sup>e</sup> Seven-point rating scale with anchors 1 = very low intensity and 7 = very high intensity.

<sup>f</sup> Five-point rating scale with anchors 1 = clearly lower and 5 = clearly higher.

<sup>g</sup> Calculation not possible.



---

I derived all further measures from prior literature. The items for ATP and ATS are both based on Homburg, Müller, and Klarmann (2011). The items for CCI are based on the scale of Homburg, Wieseke, and Hoyer (2009). SOW is measured with a single item from Palmatier et al. (2008). I measured customer loyalty based on Zeithaml, Berry, and Parasuraman (1996) and Palmatier, Scheer, and Steenkamp (2007). I measured customer profitability with a single item based on the explanations of Homburg, Droll, and Totzek (2008), Ittner and Larcker (1998), and Bowman and Narayandas (2004).

I also include the following control variables. The suppliers' competitive intensity expresses the level of competition in a marketplace (Homburg, Müller, & Klarmann, 2011; Homburg, Grozdanovic, & Klarmann, 2007; Kohli & Jaworski, 1990). The items for the control variable competitive intensity of supplier are based on Homburg, Grozdanovic, and Klarmann (2007) and on Jaworski and Kohli (1993). Further control variables are the ratio of tangible assets to services, the salesperson's working experience in the current job position, the intensity of personal interaction between supplier's and customer's contact persons, the frequency of orders, and salesperson dummy variables (Figure 4.1). The ratio of tangible assets to services is measured with a single item scale. Salesperson's working experience is measured with a single item scale. The intensity of personal interaction is a single item based on Palmatier, Scheer, and Steenkamp (2007). Frequency of orders is measured with a single item scale. Customers assignment to salesperson is controlled with salesperson dummy variables.

I used *STATA 16* for all analyses. I assessed measure reliability and validity for each of the multi-item measures using confirmatory factor analysis (e.g., Bagozzi & Yi, 2012). All my reflective measures meet and exceed common cut-off values for reliability and validity. The overall measurement model including all latent variables (including latent moderators and latent controls) shows a good fit to the data ( $\chi^2/df = 2.12$ , comparative fit index [CFI] =

---

.93, Tucker-Lewis index [TLI] = .92, root mean square error of approximation [RMSEA] = .07, standardized root-mean-square residual [SRMR] = .05). Since the squared correlations between each pair of latent variables are below the corresponding average recorded variances, I do not anticipate any problems with respect to discriminant validity (Fornell & Larcker, 1981). Table 4.2 provides descriptive statistics, average variances extracted, composite reliabilities, and correlations between constructs.

#### **4.4.3 Common Method Bias and Endogeneity**

Common method variance is the variance attributed to the measurement method instead of to the construct. Common method bias can occur when the dependent variable as well as the independent variable are measured by the same rater. In addition to this common rater effect, there are item characteristic effects, item context effects, and measurement context effects (Podsakoff et al., 2003). Although the ratings of the dependent and independent variables in this study come from both suppliers and customers, which does little to suggest the presence of a common rater effect, potential biases are now examined.

First, certain things should be considered in the questionnaire design. At the beginning of the survey, I indicated to the subjects that they should answer the questions based on their personal opinion and that there were no right or wrong answers. In addition, I assured respondents of anonymity and explained how their data would be handled (Podsakoff et al., 2003). In the questionnaire itself, the order of the questions considered which variables were dependent or independent. With the exception of customer profitability (which was asked relatively at the end of the supplier questionnaire for technical reasons), the dependent variables were asked first and then the independent variables. The dependent and independent variables were separated by intermediate texts and other variables. Finally, the comprehensibility of the scale items in the questionnaire was checked by experts and, if

---

necessary, reworded to make them as understandable as possible for the subjects (Podsakoff et al., 2003).

Second, a latent method factor was integrated into the measurement model (Podsakoff et al., 2003). This includes all latent variables except moderators and control variables. All loadings of the latent method factor were equated across all items. As a result, the estimated structural model that included the latent common factor shows a good fit to the data ( $\chi^2/df = 2.31$ , comparative fit index [CFI] = .94, Tucker-Lewis index [TLI] = .93, root mean square error of approximation [RMSEA] = .08, standardized root-mean-square residual [SRMR] = .05).

Third, another test for common method variance is the marker variable technique of Lindell and Whitney (2001) and its variation by Malhotra, Kim, and Patil (2006). Here, post hoc variation is used (Malhotra, Kim, & Patil, 2006). Doing so, the second smallest positive correlation ( $rM2$ ) between all manifest variables is used as a conservative estimate of the common method variance (Auh et al., 2011; Malhotra, Kim, & Patil, 2006). I also included the moderators and control variables for this purpose, but not the salesperson dummies. The analysis showed the second smallest correlation between the second item of competitive intensity and the fifth item of BES ( $rM2 = .0010$ ). I then reanalyzed all correlations after adjusting for  $rM2$ . Of the 302 positive correlations originally significant at the 5% level, only two were no longer significant. This corresponds to 99.34% positive correlations that remain significant. Losing 0.66% of the significant correlations is a comparatively very small number (e.g., Auh et al., 2011; Malhotra, Kim, & Patil, 2006) so common method bias is very unlikely in this study.

Furthermore, I considered endogeneity. Endogeneity means that at least one of the explanatory variables is correlated with the error term. Endogeneity can occur due to omitted variables, simultaneity, and measurement errors and can undermine the validity of the results

---

(Sande & Ghosh, 2018). One way to account for endogeneity is through the use of control variables (Germann, Ebbes, & Grewal, 2015). I followed this approach and included five control variables and salesperson dummies in my models, resulting in acceptable explained variance (Table 4.3; Table 4.4).

## 4.5 Analysis and Results

With respect to the two research questions, my analysis is based on moderated regression analysis. I used *STATA 16* for all the analyses. All moderator variables are added separately to the regression models for customer loyalty and customer profitability. I allow the standard errors for intragroup correlation and therefore get cluster-robust standard errors and cluster-robust variance estimates. The salesperson dummy variable assigns all customers to their certain salesperson and therefore is used as group variable. This means that the observations are independent across salesperson dummies, but not inevitably within.

I decided to mean-center the predictor variables in all models. Mean-centering of the predictor variables is beneficial because in my research framework variables are measured with different scales. Additionally, mean-centering helps to better visualize and interpret moderating effects because the standard deviation of the variables is -1 and +1.

### 4.5.1 Outcomes of BES and its Interactions with ATP and ATS

The results for customer loyalty (Table 4.3; Model 1) show no significant effect for BES ( $b = .07, p > .10$ ). Therefore,  $H_{1.1}$  is not supported. The two-way interaction effects of BES with customer attitude towards the products ( $b = -.04, p > .10$ ) and with customer attitude towards the salesperson ( $b = -.01, p > .10$ ) show no significant effect. As a consequence,  $H_{2.1(a)}$  and  $H_{2.1(b)}$  are not supported.

Table 4.3. Results of Moderated Regression Analysis for Customer Loyalty

Dependent variable: <b>customer loyalty</b>	<b>Model 1</b>		<b>Model 2</b>		<b>Model 3</b>		
	<b>b</b>	<b>robust SE</b>	<b>b</b>	<b>robust SE</b>	<b>b</b>	<b>robust SE</b>	
<b>Predictor effects</b>							
Intercept	5.63***	(.078)	5.67***	(.072)	5.64***	(.071)	
BES	.07	(.077)	.10	(.074)	.06	(.073)	H <sub>1,1</sub>
ATP	.43***	(.092)	.02	(.103)	.42***	(.110)	
ATS	.46***	(.094)	.17**	(.068)	.48***	(.087)	
BES × ATP	-.04	(.054)	-.12*	(.061)	-.11*	(.059)	H <sub>2,1 (a)</sub>
BES × ATS	-.01	(.079)	-.09	(.068)	.04	(.074)	H <sub>2,1 (b)</sub>
<b>Moderators</b>							
CCI			.63***	(.064)			
SOW					.15***	(.033)	
<b>CCI interactions</b>							
BES × CCI			.07	(.052)			H <sub>3,1</sub>
ATP × CCI			.05	(.052)			
ATS × CCI			-.14***	(.054)			
BES × ATP × CCI			-.00	(.036)			H <sub>4,1 (a)</sub>
BES × ATS × CCI			-.08**	(.040)			H <sub>4,1 (b)</sub>
<b>Share of wallet interactions</b>							
BES × SOW					.01	(.037)	H <sub>5,1</sub>
ATP × SOW					.09**	(.047)	
ATS × SOW					-.14***	(.046)	
BES × ATP × SOW					-.00	(.040)	H <sub>6,1 (a)</sub>
BES × ATS × SOW					-.04	(.039)	H <sub>6,1 (b)</sub>
<b>Controls</b>							
Salesperson dummy variables	included		included		included		
Ratio of tangible assets to services	.03	(.074)	.05	(.069)	.05	(.079)	
Competitive intensity of supplier	-.07	(.051)	-.07*	(.043)	-.07	(.050)	
Salesperson working experience	-.01	(.038)	-.02	(.031)	-.03	(.039)	
Intensity of personal interaction	.04	(.047)	.03	(.042)	.02	(.044)	
Frequency of orders	-.04	(.071)	-.09	(.066)	-.02	(.067)	
Observations	204		204		204		
R <sup>2</sup>	.48		.63		.52		
F	29.78***		42.22***		34.35***		

\*  $p < .10$ ; \*\*  $p < .05$ ; \*\*\*  $p < .01$ .

Notes: BES = brand essence strength; ATP = attitude towards the products; ATS = attitude towards the salesperson; CCI = customer-company identification; SOW = share of wallet. Two-tailed tests of significance.

Results for customer profitability (Table 4.4; Model 1) show no significant effect for BES ( $b = .12, p > .10$ ). Therefore, H<sub>1,2</sub> is not supported. The two-way interaction effects of BES with customer attitude towards the products ( $b = -.06, p > .10$ ) and with customer attitude towards the salesperson ( $b = .08, p > .10$ ) show no significant effect. As a consequence, H<sub>2,2 (a)</sub> and H<sub>2,2 (b)</sub> are not supported.

Table 4.4. Results of Moderated Regression Analysis for Customer Profitability

Dependent variable: <b>customer profitability</b>	<b>Model 1</b>		<b>Model 2</b>		<b>Model 3</b>		
	<b>b</b>	<b>robust SE</b>	<b>b</b>	<b>robust SE</b>	<b>b</b>	<b>robust SE</b>	
<b>Predictor effects</b>							
Intercept	3.19***	(.070)	3.17***	(.070)	3.18***	(.065)	
BES	.12	(.081)	.12	(.076)	.12	(.072)	H <sub>1,2</sub>
ATP	-.02	(.081)	.04	(.085)	.02	(.074)	
ATS	-.08	(.072)	.02	(.073)	-.12*	(.070)	
BES × ATP	-.06	(.071)	-.16**	(.068)	-.01	(.065)	H <sub>2,2 (a)</sub>
BES × ATS	.08	(.052)	-.03	(.080)	.04	(.049)	H <sub>2,2 (b)</sub>
<b>Moderators</b>							
CCI			-.13*	(.075)			
SOW					-.01	(.037)	
<b>CCI interactions</b>							
BES × CCI			.18**	(.078)			H <sub>3,2</sub>
ATP × CCI			-.05	(.042)			
ATS × CCI			.09	(.054)			
BES × ATP × CCI			.05*	(.031)			H <sub>4,2 (a)</sub>
BES × ATS × CCI			-.03	(.045)			H <sub>4,2 (b)</sub>
<b>Share of wallet interactions</b>							
BES × SOW					.07***	(.027)	H <sub>5,2</sub>
ATP × SOW					-.10*	(.054)	
ATS × SOW					.06	(.040)	
BES × ATP × SOW					-.05	(.050)	H <sub>6,2 (a)</sub>
BES × ATS × SOW					.04	(.032)	H <sub>6,2 (b)</sub>
<b>Controls</b>							
Salesperson dummy variables	included		included		included		
Ratio of tangible assets to services	.09*	(.054)	.09*	(.051)	.09	(.055)	
Competitive intensity of supplier	.10*	(.053)	.10*	(.054)	.12**	(.053)	
Salesperson working experience	.08*	(.049)	.08	(.050)	.07	(.047)	
Intensity of personal interaction	.07*	(.042)	.06	(.037)	.08*	(.041)	
Frequency of orders	.09	(.069)	.10	(.068)	.10	(.067)	
Observations	204		204		204		
R <sup>2</sup>	.15		.21		.21		
F	1.99**		2.95***		3.26***		

\*  $p < .10$ ; \*\*  $p < .05$ ; \*\*\*  $p < .01$ .

Notes: BES = brand essence strength; ATP = attitude towards the products; ATS = attitude towards the salesperson; CCI = customer-company identification; SOW = share of wallet. Two-tailed tests of significance.

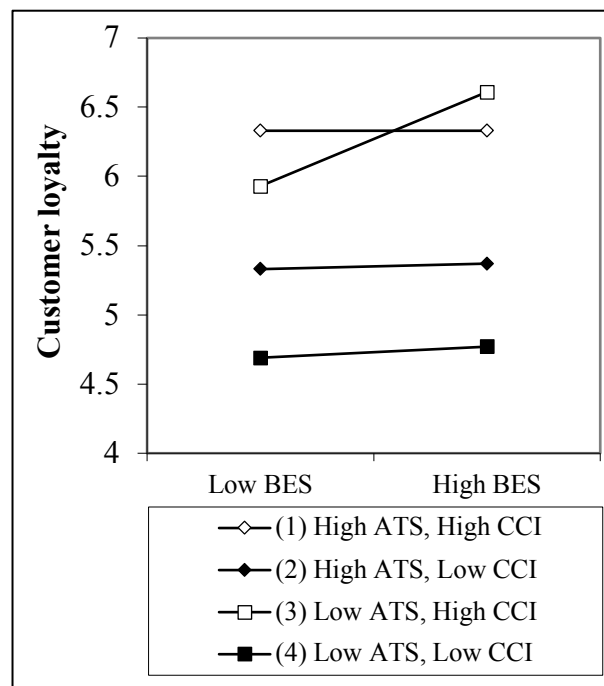
#### 4.5.2 Outcomes of the Moderating Roles of CCI and SOW

The results for the extended models for customer loyalty are shown in Table 4.3.

Model 2 (Table 4.3) shows the results for the moderating effects of CCI. The two-way interaction of BES with CCI ( $b = .07, p > .10$ ) has no significant effect, which does not support H<sub>3,1</sub>. In the case of a high CCI, the three-way interaction with BES and ATP has a

non-significant effect ( $b = -.00, p > .10$ ), and the three-way interaction with BES and ATS (Figure 4.2) has a significant negative effect ( $b = -.08, p < .05$ ).  $H_{4.1(a)}$  is thus not supported.  $H_{4.1(b)}$  is partially supported because the plotted interactions show that BES only affects customer loyalty when CCI is high and ATS is low (Figure 4.2). Interestingly, there are more changes in the effects between Model 1 and Model 2. The two-way interaction between BES and ATP has a marginally significant negative effect ( $b = -.12, p < .10$ ) on customer loyalty (Table 4.3; Model 2).

Figure 4.2. Influence of BES on Customer Loyalty (Interaction Effects; Model 2)



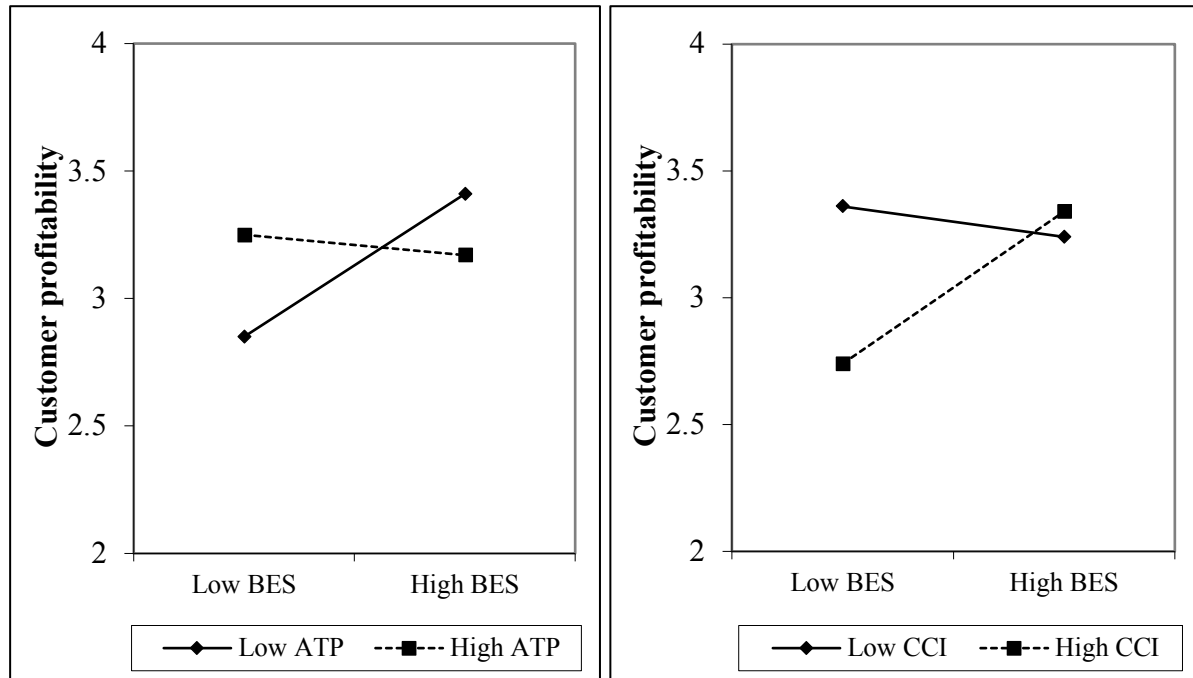
Notes: ATS = attitude towards the salesperson; BES = brand essence strength; CCI = customer-company identification.

The results for the SOW-interactions are shown in Model 3 (Table 4.3). Concerning  $H_{5.1}$ , the interaction of BES with SOW ( $b = .01, p > .10$ ) is not significant, which does not support  $H_{5.1}$ .  $H_{6.1(a)}$  and  $H_{6.1(b)}$  are not supported because in the case of a high SOW, the three-way interaction with BES and ATP ( $b = -.00, p > .10$ ) and the three-way interaction with BES and ATS ( $b = -.04, p > .10$ ) have a non-significant effect. Compared to Model 1, there are some effects changing in Model 3. The two-way interaction between BES and ATP

has a marginally significant negative effect ( $b = -.11, p < .10$ ) on customer loyalty (Table 4.3; Model 3).

The results for the extended models for customer profitability are shown in Table 4.4. Model 2 (Table 4.4) shows the results for the moderating effects of CCI. With regard to  $H_{3,2}$ , the interaction of BES with CCI ( $b = .18, p < .05$ ) has a significant positive effect (Figure 4.3). Therefore,  $H_{3,2}$  is supported. In the case of a high CCI, the three-way interaction with BES and ATP has a marginally significant positive effect ( $b = .05, p < .10$ ) and the three-way interaction with BES and ATS has a non-significant effect ( $b = -.03, p > .10$ ). Thus,  $H_{4,2(a)}$  is supported and  $H_{4,2(b)}$  is not supported. Between Model 1 and Model 2 are interesting changes of effects (Table 4.4). The main interaction between BES and ATP (Figure 4.3) has a significant negative effect on customer profitability ( $b = -.16, p < .05$ ).

Figure 4.3. Influence of BES on Customer Profitability (Interaction Effects; Model 2)



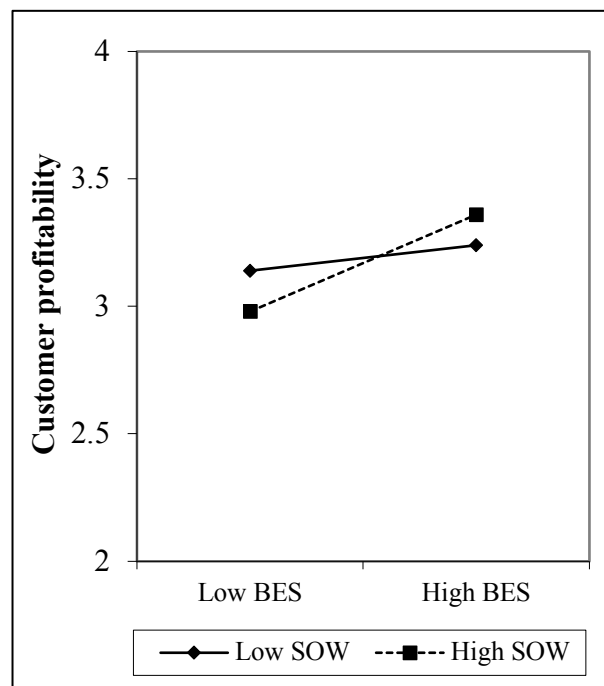
Notes: five-point rating scale with anchors 1 = clearly lower and 5 = clearly higher; ATP = attitude towards the products; BES = brand essence strength; CCI = customer-company identification.

The results for the SOW-interactions are shown in Model 3 (Table 4.4). The interaction of BES with SOW ( $b = .07, p < .01$ ) has a significant positive effect (Figure 4.4).



Thus, H<sub>5.2</sub> is supported. H<sub>6.2(a)</sub> and H<sub>6.2(b)</sub> are not supported because in the case of a high SOW, the three-way interaction with BES and ATP ( $b = -.05, p > .10$ ) and the three-way interaction with BES and ATS ( $b = .04, p > .10$ ) have a non-significant effect.

Figure 4.4. Influence of BES on Customer Profitability (Share of Wallet Interaction Effects; Model 3)



Notes: five-point rating scale with anchors 1 = clearly lower and 5 = clearly higher; BES = brand essence strength; SOW = share of wallet.

## 4.6 Discussion

### 4.6.1 Theoretical Implications

The goal of this study was to explain if, when, and how suppliers benefit from a strong brand essence in B2B relationships. In particular, to show the effect of BES on customer loyalty and customer profitability. Prior research has largely neglected the notion of brand essence and its impact on buyer-seller relationships. I examine the brand essence effects moderated by different contexts of B2B relationships. More specifically, I focus on the key customer attitudes ATP and ATS. In addition, I investigate the roles of CCI and SOW that

---

indicate the closeness of a relationship in different ways. First, CCI as an indicator for a high psychological, social, and interpersonal attachment, and second, SOW as an indicator for a high financial attachment through power, costs, and risks. I draw on the social identity theory for the moderating effects of CCI.

In general, results for customer loyalty (Table 4.3) show no significant main effect of BES. With respect to the CCI interaction effects, a strong brand essence positively relates to customer loyalty in case of a low ATS and at the same time a high CCI. Interestingly, BES marginally relates to customer loyalty when ATP is low, but this only holds for the models that contain CCI (Model 2) or SOW (Model 3) as moderators. Besides, there are no significant interactions for BES with respect to the moderating role of SOW.

In general, results for customer profitability (Table 4.4) show no significant main effects of BES. With respect to the moderating role of CCI, results show that a strong brand essence positively relates to customer profitability when ATP is low or when CCI is high. Surprisingly, customer profitability is also high when both BES and CCI are low (Figure 4.3). BES marginally increases customer profitability in a three-way interaction when (1) CCI is high and ATP is low, (2) CCI and ATP are both high, or (3) CCI and ATP are both low. Surprisingly, BES marginally decreases customer profitability when ATP is high and at the same time CCI is low. With SOW as a moderator, BES positively relates to customer profitability when SOW is high.

Based on these findings, this study makes three major theoretical contributions to the B2B branding literature: First, I enrich prior research by investigating the effectiveness of a strong brand essence. Even though essence is relevant for the brand building (e.g., de Chernatony, 2010; Barnham, 2009; Aaker & Joachimsthaler, 2009; Kapferer, 2008), it is still unclear if suppliers benefit from a strong brand essence in their business relationships. In this respect, results imply that the main effects of a strong brand essence alone do not increase

---

customer loyalty or customer profitability. Rather, the effects of BES are context-dependent as they are shaped by the closeness in the buyer-seller relationship, here expressed by the relationship closeness indicators CCI and SOW. This is relevant for further B2B branding research in that it should be further investigated why the effectiveness of BES is limited, when BES stand-alone is effective, and how the effects of BES differ compared to those of other branding concepts.

Second, I contribute to this literature stream by examining BES in business relationships with matched buyer-seller dyads. Prior research shows that the effects of a supplier brand are typically context-dependent (e.g., Homburg, Klarmann, & Schmitt, 2010). I enrich this research by integrating key customer attitudes as contextual effects. More specifically, I show that, except for some marginal effects, there are no significant interactions between BES and ATP and between BES and ATS that increase customer loyalty or customer profitability. This is important as well as unexpected, since there is evidence in the prior literature that supplier brands are strongly related to product issues (e.g., Homburg, Klarmann, & Schmitt, 2010) and employees in interactions with customers (Harris & de Chernatony, 2001). Thus, the key customer attitudes ATP and ATS are not able to strengthen the impact of a strong brand essence.

Third, I contribute to this literature stream by integrating (1) moderating effects of CCI based on social identity theory, and (2) moderating effects of SOW. This is important as CCI and SOW indicate the closeness of a business relationship in different ways. CCI expresses more the psychological attachment and SOW expresses more the financial attachment. In this respect, the key finding is that if customers have a high psychological, social, and interpersonal attachment expressed through a high CCI, a strong brand essence in certain situations is able to contribute to an increase of customer loyalty (Figure 4.2) and customer profitability (Figure 4.3) or even able to compensate for low ATP or ATS. In

---

contrast, if customers have a high power, costs, and risk attachment, expressed through a high SOW, a strong brand essence is not able to contribute to customer loyalty, but to customer profitability (Figure 4.4). Overall, I enrich prior research by showing that the impact of BES is complex and depends on the contexts of psychological attachment and social identity theory as well as financial attachment.

#### **4.6.2 Managerial Implications**

My study offers managerial implications regarding the benefits and pitfalls of brand essence in business relationships. This is important because brand essence is a common branding concept among B2B firms. For suppliers, it is important to know how and in which situations the inner part of their brand, namely their essence (e.g., Aaker & Joachimsthaler, 2009), affects customer loyalty and customer profitability.

Therefore, for managers it is crucial to consider (1) how strong their force as a supplier is (i.e., high ATP or ATS), and (2) if customers merely have a psychological attachment (i.e., CCI) or financial attachment (i.e., SOW) with them as a supplier. The combination of the two relationship closeness indicators CCI and SOW with the interaction effects between BES and the two key customer attitudes ATP and ATS enables to study business relationships with typical customer characteristics.

In general, this study shows if, when, and how BES is beneficial for suppliers in B2B relationships. The impact of BES is shaped by the closeness in the buyer-seller relationship, here expressed by the relationship closeness indicators CCI and SOW. Accordingly, the management implications must be differentiated. First, in relationships without knowledge about key customer attitudes or customer attachment. Second, in relationships with psychological attached customers. Third, in relationships with financial attached customers.

First, if managers in supplier firms are in a relationship with customers and do not have any information about key customer attitudes or customer attachment, they cannot

---

assume that BES has an effect on customer loyalty or customer profitability. In such a case, managers should rather concentrate on their products and services as well as on their sales people in order to increase customer loyalty. Furthermore, managers do not have a clear and obvious set of levers or options to increase customer profitability, neither with BES nor with ATP or ATS. Consequently, in such business relationships, it is difficult to predict the impact of brand essence. Suppliers should therefore consider whether and how intensively they pursue a branding strategy based on brand essence.

Second, if suppliers have a buyer-seller relationship with psychological attached customers (i.e., a high CCI), managers can increase customer loyalty and customer profitability with an adequate strategy that strengthens their brand essence among customers. It is crucial that the combination of high a CCI with brand essence measures increases customer loyalty when ATS is low. A high CCI likewise makes it possible to increase customer profitability through brand essence activities. In addition, managers can increase customer profitability through targeted brand essence activities when customers' ATP is low. Thus, managers in supplier firms benefit in many ways from a high BES if customers have a high CCI. As a consequence, brand essence measures can help suppliers to overcome low ATP or ATS. This can be important in long-term business relationships, for example, if the sales person in charge does not match the customer to be served or if interpersonal conflicts arise between these two people. In addition, high profits can be achieved even if quality problems with the products should occur.

Third, if the business relationship is characterized by financial attached customers (i.e., a high SOW), managers should be aware that BES is not the suitable branding strategy to increase customer loyalty. In contrast, communicating the brand essence externally leads to customer profitability. For example, a supplier firm that has a high SOW because it offers a non-interchangeable product, including in the form of an innovation, custom manufacturing,

---

or interface barrier, cannot further increase customer loyalty through a brand essence communication strategy, but the brand essence activities do help increase customer profitability.

Finally, for managers it is crucial to consider situations where a strong brand essence has no effect, or even a negative effect, on their supplier firm (i.e., a lower customer loyalty or a lower customer profitability). Interaction effects on customer profitability (Table 4.4; Model 2) show some interesting results: If customers have a high ATP, supplier BES negatively affects customer profitability (Figure 4.3). This could mean that in very product-driven business relationships, customer profitability cannot be increased by brand essence measures. The associated effort for the supplier even reduces customer profitability. Second, if customers have a low CCI, supplier BES negatively affects customer profitability (Figure 4.3). This could be because the brand essence is only perceived as plausible and authentic by customers when they identify with the supplier anyway.

#### **4.6.3 Limitations and Further Research**

My study has limitations which provide opportunities for further research. First, I focus on the perceived strength of the supplier's brand essence and do neither address any content-related factors nor context-related factors of brand essence. For example, I do not use any branding strategy or brand identity model. I neither test specific values that a supplier brand essence could possibly contain. In further research, it could be useful to integrate and compare several brand identity models of suppliers in an empirical case study.

Second, the results show that the effectiveness of BES stand-alone is limited. Rather, the BES effectiveness is context-dependent, as it is shaped by the closeness in the buyer-seller relationship. Future research should examine the reasons for the limited effectiveness of BES and additionally compare it to the effectiveness of other branding concepts. In particular, future research should examine whether branding activities involving more comprehensive,

---

internal, and central components of a brand identity, such as brand essence (Aaker & Joachimsthaler, 2009), are less effective in business relationships than less comprehensive branding activities such as brand awareness diffusion (e.g., Homburg, Klarmann, & Schmitt, 2010).

Third, and due to the fact that B2B suppliers mostly operate in international markets, the fit between a supplier's brand essence and different sales market contexts of customers (e.g., culture and language) should be considered. The sample of this study is cross-sectional. To gain more detailed insights for certain industries, further context-related factors like branches or product categories could be considered.

Fourth, the two dependent variables customer loyalty and customer profitability are based on customer data and supplier data. Additionally, it could be useful to have third-party dependent variables (e.g., accounting performance data like absolute profit or margin) or even financial-market performance (Katsikeas et al. 2016).

Fifth, as I am focusing on existing business relationships, further research could concentrate on the relationship phase as a possible moderator variable. This is important because, for example, customer profitability is not independent of customer retention (Anderson & Mittal, 2000). Thus, further research in a longitudinal setting could take relationship phases into account.

---

## 4.7 References

- Aaker, D. A., & Joachimsthaler, E. (2009). *Brand Leadership. Building Assets in an Information Economy*. Simon & Schuster: London.
- Afifah, N., & Asnan, A. (2015). The Impact of Corporate Social Responsibility, Service Experience and Intercultural Competence on Customer Company Identification, Customer Satisfaction and Customer Loyalty (Case Study: PDAM Tirta Khatulistiwa Pontianak West Kalimantan). *Procedia – Social and Behavioral Sciences*, 211(November), 277-284.
- Ahearne, M., Bhattacharya, C. B., & Gruen, T. (2005). Antecedents and Consequences of Customer–Company Identification: Expanding the Role of Relationship Marketing. *Journal of Applied Psychology*, 90(3), 574-585.
- Alexander, N. S., Bick, G., Abratt, R., & Bendixen, M. (2009). Impact of branding and product augmentation on decision making in the B2B market. *South African Journal of Business Management*, 40(1), 1-20.
- Anderson, E. W., & Mittal, V. (2000). Strengthening the Satisfaction-Profit Chain. *Journal of Service Research*, 3(2), 107-120.
- Anees-ur-Rehman, M., Wong, H. Y., Sultan, P., & Merrilees, B. (2018). How brand-oriented strategy affects the financial performance of B2B SMEs. *Journal of Business & Industrial Marketing*, 33(3), 303-315.
- Arli, D., Bauer, C., & Palmatier, R. W. (2018). Relational selling: Past, present and future. *Industrial Marketing Management*, 69(February), 169-184.
- Ashforth, B. E., & Mael, F. (1989). Social Identity Theory and the Organization. *The Academy of Management Review*, 14(1), 20-39.



- 
- Auh, S., Menguc, B., Fisher, M., & Haddad, A. (2011). The Contingency Effect of Service Employee Personalities on Service Climate: Getting Employee Perceptions Aligned Can Reduce Personality Effects. *Journal of Service Research*, 14(4), 426-442.
- Bagozzi, R. P., Bergami, M., Marzocchi, G. L., & Morandin, G. (2012). Customer-Organization Relationships: Development and Test of a Theory of Extended Identities. *Journal of Applied Psychology*, 97(1), 63-76.
- Bagozzi, R., & Yi, Y. (2012). Specification, Evaluation, and Interpretation of Structural Equation Models. *Journal of the Academy of Marketing Science*, 40(1), 8-34.
- Barnham, C. (2009). Essence: the structure and dynamics of the brand. *International Journal of Market Research*, 51(5), 1-14.
- Bendixen, M., Bukasa, K. A., & Abratt, R. (2004). Brand equity in the business-to-business market. *Industrial Marketing Management*, 33(5), 371-380.
- Bhattacharya, C. B., & Sen, S. (2003). Consumer–Company Identification: A Framework for Understanding Consumers’ Relationships with Companies. *Journal of Marketing*, 67(2), 76-88.
- Blombäck, A., & Axelsson, B. (2007). The role of corporate brand image in the selection of new subcontractors. *Journal of Business & Industrial Marketing*, 22(6), 418-430.
- Blut, M., Evanschitzky, H., Backhaus, C., Rudd, J., & Marck, M. (2016). Securing business-to-business relationships: The impact of switching costs. *Industrial Marketing Management*, 52(January), 82-90.
- Bowman, D., & Narayandas, D. (2004). Linking Customer Management Effort to Customer Profitability in Business Markets. *Journal of Marketing Research*, 41(November), 433-447.

- 
- Brashear-Alejandro, T., Kang, J., & Groza, M. D. (2016). Leveraging loyalty programs to build customer–company identification. *Journal of Business Research*, 69(3), 1190-1198.
- Cannon, J., & Perreault, W. (1999). Buyer-Seller Relationships in Business Markets. *Journal of Marketing Research*, 36(4), 439-460.
- Cassia, F., Cobelli, N., & Ugolini, M. (2017). The effects of goods-related and service-related B2B brand images on customer loyalty. *Journal of Business & Industrial Marketing*, 32(5), 722-732.
- Cassia, F., & Magno, F. (2012). Business-to-Business Branding: A Review and Assessment of the Impact of Non-Attribute-Based Brand Beliefs on Buyer’s Attitudinal Loyalty. *Canadian Journal of Administrative Sciences*, 29(3), 242-254.
- Cassia, F., & Magno, F. (2019). A framework to manage business-to-business branding strategies. *EuroMed Journal of Business*, 14(2), 110-122.
- Chandler, J., & Owen, M. (2002). *Developing Brands with Qualitative Market Research*. SAGE Publications Ltd.: London, Thousand Oaks, & New Delhi.
- Chang, Y., Wang, X., & Arnett, D. B. (2018). Enhancing firm performance: The role of brand orientation in business-to-business marketing. *Industrial Marketing Management*, 72(July), 17-25.
- Chéron, E. J., & Kleinschmitt, E. J. (1985). A review of industrial market segmentation research and a proposal for an integrated segmentation framework. *International Journal of Research in Marketing*, 2(2), 101-115.
- Cisco (2021). Bridge to Possible. [https://www.cisco.com/c/en\\_be/about/bridge-to-possible.html](https://www.cisco.com/c/en_be/about/bridge-to-possible.html) [April, 16<sup>th</sup> 2021].

- 
- Cretu, A. E., & Brodie, R. J. (2007). The influence of brand image and company reputation where manufacturers market to small firms: A customer value perspective. *Industrial Marketing Management*, 36(2), 230-240.
- de Chernatony, L. (2010). From Brand Vision to Brand Evaluation. 3<sup>rd</sup> Edition. Amsterdam et al.: Butterworth-Heinemann.
- Einwiller, S. A., Fedorikhin, A., Johnson, A. R., & Kamins, M. A. (2006). Enough Is Enough! When Identification No Longer Prevents Negative Corporate Associations, *Journal of the Academy of Marketing Science*, 34(2), 185-94.
- Evanschitzky, H., Ramaseshan, B., Woisetschläger, D. M., Richelsen, V., Blut, M., & Backhaus, C. (2012). Consequences of customer loyalty to the loyalty program and to the company. *Journal of the Academy of Marketing Science*, 40(5), 625-638.
- Fornell, C., & Larcker, D. F. (1981). Evaluating Structural Equation Models with Unobservable Variables and Measurement Error. *Journal of Marketing Research*, 18(1), 39-50.
- Geiger, I., & Kleinaltenkamp, M. (2015). Internal Implementation of Business Relationship Management. In: M. Kleinaltenkamp, W. Plinke, & I. Geiger (Eds.), *Business Relationship Management and Marketing. Mastering Business Markets* (pp. 245-288). Springer: Berlin & Heidelberg.
- Germann, F., Ebbes, P., & Grewal, R. (2015). The Chief Marketing Officer Matters! *Journal of Marketing*, 79(May), 1-22.
- Glynn, M. S. (2012). Primer in B2B brand-building strategies with a reader practicum. *Journal of Business Research*, 65(5), 666-675.
- Gomes, M., Fernandes, T., & Brandão, A. (2016). Determinants of brand relevance in a B2B service purchasing context. *Journal of Business & Industrial Marketing*, 31(2), 193-204.

- 
- Gordon, G. L., Calantone, R. J., & di Benedetto, C. A. (1993). Brand Equity in the Business-to-Business Sector: AN EXPLORATORY STUDY. *Journal of Product & Brand Management*, 2(3), 4-16.
- Han, S.-L., & Sung, H.-S. (2008). Industrial brand value and relationship performance in business markets – A general structural equation model. *Industrial Marketing Management*, 37(7), 807-818.
- Harris, F., & de Chernatony, L. (2001). Corporate branding and corporate brand performance. *European Journal of Marketing*, 35(3/4), 441-456.
- Homburg, C., Bornemann, T., & Kretzer, M. (2014). Delusive perception – antecedents and consequences of salespeople's misperception of customer commitment. *Journal of the Academy of Marketing Science*, 42(2), 137-153.
- Homburg, C., Droll, M., & Totzek, D. (2008). Customer Prioritization: Does It Pay Off, and How Should It Be Implemented? *Journal of Marketing*. 72(5), 110-130.
- Homburg, C., Grozdanovic, M., & Klarmann, M. (2007). Responsiveness to Customers and Competitors: The Role of Affective and Cognitive Organizational Systems. *Journal of Marketing*, 71(3), 18-38.
- Homburg, C., Klarmann, M., & Schmitt, J. (2010). Brand awareness in business markets: When is it related to firm performance? *International Journal of Research in Marketing*, 27(3), 201-212.
- Homburg, C., Kuester, S., Beutin, N., & Menon, A. (2005). Determinants of Customer Benefits in Business-to-Business Markets: A Cross-Cultural Comparison. *Journal of International Marketing*, 13(3), 1-31.
- Homburg, C., Müller, M., & Klarmann, M. (2011). When Should the Customer Really be King? On the Optimum Level of Salesperson Customer Orientation in Sales Encounters. *Journal of Marketing*, 75(2), 55-74.

- 
- Homburg, C., Wieseke, J., & Hoyer, W. D. (2009). Social Identity and the Service-Profit Chain. *Journal of Marketing*, 73(2), 38-54.
- Islam, G. (2014). Social Identity Theory. In: T. Teo (Eds.), *Encyclopedia of Critical Psychology* (pp. 1781-1783). Springer: New York, NY.
- Ittner, C. D., & Larcker, D. F. (1998). Are Nonfinancial Measures Leading Indicators of Financial Performance? An Analysis of Customer Satisfaction. *Journal of Accounting Research*, 36(Supplement), 1-35.
- Jaworski, B. J., & Kohli, A. K. (1993). Market Orientation: Antecedents and Consequences. *Journal of Marketing*, 57(3), 53-70.
- Johanson, J., & Mattsson, L.-G. (1987). Interorganizational Relations in Industrial Systems: A Network Approach Compared with the Transaction-Cost Approach. *International Studies of Management & Organization*, 17(1), 34-48.
- Johnson, D. S., Clark, B. H., & Barczak, G. (2012). Customer relationship management processes: How faithful are business-to-business firms to customer profitability? *Industrial Marketing Management*, 41(7) 1094-1105.
- Kang, J., Alejandro, T. B., & Groza, M. D. (2015). Customer–company identification and the effectiveness of loyalty programs. *Journal of Business Research*, 68(2), 464-471.
- Kapferer, J. N. (2008). *The new strategic Brand Management*. 4<sup>th</sup> Edition. Kogan Page: London & Philadelphia.
- Katsikeas, C. S., Morgan, N. A., Leonidou, L. C., & Hult, G. T. M. (2016). Assessing Performance Outcomes in Marketing. *Journal of Marketing*, 80(2), 1-20.
- Katsikeas, C. S., Papatoidamis, N. G., & Katsikea, E. (2004). Supply source selection criteria: The impact of supplier performance on distributor performance. *Industrial Marketing Management*, 33(8), 755-764.

- 
- Kohli, A. K., & Jaworski, B. J. (1990). Market Orientation: The Construct, Research Propositions, and Managerial Implications. *Journal of Marketing*, 54(2), 1-18.
- Kotler, P., & Pfoertsch, W. (2006). B2B Brand Management. Springer: Berlin & Heidelberg.
- Lindell, M. K., & Whitney, D. J. (2001). Accounting for Common Method Variance in Cross-Sectional Research Designs. *Journal of Applied Psychology*, 86(1), 114-121.
- Mael, F., & Ashforth, B. E. (1992). Alumni and their alma mater: A partial test of the reformulated model of organizational identification. *Journal of Organizational Behavior*, 13(2), 103-123.
- Malhotra, N. K., Kim, S. S., & Patil, A. (2006). Common Method Variance in IS Research: A Comparison of Alternative Approaches and a Reanalysis of Past Research. *Management Science*, 52(12), 1865-1883.
- Martinez, P., & Del Bosque, I. R. (2013). CSR and customer loyalty: The roles of trust, customer identification with the company and satisfaction. *International Journal of Hospitality Management*, 35(December), 89-99.
- McKinsey Marketing and Sales Practice (2013). Business branding. Bringing strategy to life. [https://www.mckinsey.de/files/b2b\\_branding.pdf](https://www.mckinsey.de/files/b2b_branding.pdf) [August, 19<sup>th</sup> 2020].
- Mitchell, P., King, J., & Reast, J. (2001). Brand Values Related to Industrial Products. *Industrial Marketing Management*, 30(5), 415-425.
- Moeller, S., Fassnacht, M., & Klose, S. (2006) A Framework for Supplier Relationship Management (SRM). *Journal of Business-to-Business Marketing*, 13(4), 69-94.
- Mudambi, S. (2002). Branding importance in business-to-business markets: Three buyer clusters. *Industrial Marketing Management*, 31(6), 525-533.
- Newman, G. E., & Dhar, R. (2014). Authenticity Is Contagious: Brand Essence and the Original Source of Production. *Journal of Marketing Research*, 51(3), 371-386.

- 
- Palmatier, R. W., Scheer, L. K., Evans, K. R., & Arnold, T. (2008). Achieving relationship marketing effectiveness in business-to-business exchanges. *Journal of the Academy of Marketing Science*, 36, 174-190.
- Palmatier, R. W., Scheer, L. K., & Steenkamp, J.-B. E. M. (2007). Customer Loyalty to Whom? Managing the Benefits and Risks of Salesperson-Owned Loyalty. *Journal of Marketing Research*, 44(2), 185-199.
- Paulssen, M., & Roulet, R. (2017). Social bonding as a determinant of share of wallet and cross-buying behavior in B2B relationships. *European Journal of Marketing*, 51(5/6), 1011-1028.
- Perkins-Munn, T., Aksoy, L., Keiningham, T. L., & Estrin, D. (2005). Actual Purchase as a Proxy for Share of Wallet. *Journal of Service Research*, 7(3), 245-256.
- Podsakoff, P. M., MacKenzie, S. B., Lee, J.-Y., & Podsakoff, N. P. (2003). Common Method Biases in Behavioral Research: A Critical Review of the Literature and Recommended Remedies. *Journal of Applied Psychology*, 88(5), 879-903.
- Pyper, K., Doherty, A. M., Gounaris, S., & Wilson, A. (2020). Investigating international strategic brand management and export performance outcomes in the B2B context. *International Marketing Review*, 37(1), 98-129.
- Reinartz, W. J., & Kumar, V. (2000). On the Profitability of Long-Life Customers in a Noncontractual Setting: An Empirical Investigation and Implications for Marketing. *Journal of Marketing*, 64(4), 17-35.
- Ritter, T., & Andersen, H. (2014). A relationship strategy perspective on relationship portfolios: Linking customer profitability, commitment, and growth potential to relationship strategy. *Industrial Marketing Management*, 43(6), 1005-1011.

- 
- Ritter, T., & Walter, A. (2012). More is not always better: The impact of relationship functions on customer-perceived relationship value. *Industrial Marketing Management*, 41(1), 136-144.
- Rust, R. T., Kumar, V., & Venkatesan, R. (2011). Will the frog change into a prince? Predicting future customer profitability. *International Journal of Research in Marketing*, 28(4), 281-294.
- Sande, J. B., & Ghosh, M. (2018). Endogeneity in survey research. *International Journal of Research in Marketing*, 35(2), 185-204.
- Shipley, D., & Howard, P. (1993). Brand-Naming Industrial Products. *Industrial Marketing Management*, 22(1), 59-66.
- Sirdeshmukh, D., Singh, J., & Sabol, B. (2002). Consumer Trust, Value, and Loyalty in Relational Exchanges. *Journal of Marketing*, 66(1), 15-37.
- Stahl, H. K., Matzler, K., & Hinterhuber, H. H. (2003). Linking customer lifetime value with shareholder value. *Industrial Marketing Management*, 32(4), 267-279.
- Stets, J. E., & Burke, P. J. (2000). Identity Theory and Social Identity Theory. *Social Psychology Quarterly*, 63(3), 224-237.
- Tajfel, H., & Turner, J. (1979). An Integrative Theory of Intergroup Conflict. In: W. G. Austin & S. Worchel (Eds.), *The social psychology of inter-group relations* (pp. 33-47). Brooks/Cole: Monterey, CA.
- Törmälä, M., & Saraniemi, S. (2018). The roles of business partners in corporate brand image co-creation. *Journal of Product & Brand Management*, 27(1), 29-40.
- Urde, M. (2009). Uncovering the corporate brand's core values. *Management Decision*, 47(4), 616-638.



- 
- Verhoef, P. C. (2003). Understanding the Effect of Customer Relationship Management Efforts on Customer Retention and Customer Share Development, *Journal of Marketing*, 67(4), 30-45.
- Walley, K., Custance, P., Taylor, S., Lindgreen, A., & Hingley, M. (2007). The importance of brand in the industrial purchase decision: a case study of the UK tractor market. *Journal of Business & Industrial Marketing*, 22(6), 383-393.
- Wieseke, J., Alavi, S., & Habel, J. (2014). Willing to Pay More, Eager to Pay Less: The Role of Customer Loyalty in Price Negotiations. *Journal of Marketing*, 78(6), 17-37.
- Wirtz, J., Mattila, A. S., & Oo Lwin, M. (2007). How Effective Are Loyalty Reward Programs in Driving Share of Wallet? *Journal of Service Research*, 9(4), 327-334.
- Wolter, J. S., Bock, D., Smith, J. S., & Cronin, J. J. (2017). Creating Ultimate Customer Loyalty Through Loyalty Conviction and Customer-Company Identification. *Journal of Retailing*, 93(4), 458-476.
- Wolter, J. S., & Cronin, J. J. (2017). Unique influences of cognitive and affective customer-company identification. *Journal of Business Research*, 78(September), 172-179.
- Worm, S. (2012). *Branded Component Strategies. Ingredient Branding in B2B Markets*. Gabler: Wiesbaden.
- Wuyts, S., Verhoef, P. C., & Prins, R. (2009). Partner selection in B2B information service markets. *International Journal of Research in Marketing*, 26(1), 41-51.
- Zeithaml, V., Berry, L., & Parasuraman, A. (1996). The Behavioral Consequences of Service Quality. *Journal of Marketing*, 60(2), 31-46.

## 4.8 Appendix

### Appendix 4.A. Measurement Items

<i>Supplier perspective</i>	
	Item reliability
<b>Brand essence strength</b> <sup>a</sup> , newly developed; inspired by Aaker & Joachimsthaler (2009)	
Our brand essence captures much of what the brand stands for.	.75
Our brand essence is the glue that holds our identity together.	.78
Our brand essence resonates with our customers.	.77
Our brand essence drives our value proposition.	.74
Our brand essence provides a long-term differentiation from competitors.	.36
Our brand essence inspires our employees.	.56
Our brand essence inspires the partners of our organization.	.61
Independently of our chosen brand strategy our brand essence is relevant across markets and products.	.53
Our brand essence is an important factor in our company.	.70
<b>Competitive intensity of supplier</b> <sup>a</sup> , based on Homburg, Grozdanovic, & Klarmann (2007); Jaworski & Kohli (1993)	
Competition in our industry is cutthroat.	.86
Intensive competitor-related activities (e.g., intensive competition via price or product) are a hallmark of our industry.	.71
Our competitors are relatively strong.	.62
<b>Customer profitability</b> <sup>b</sup> , based on Homburg, Droll, & Totzek (2008); Ittner & Larcker (1998); Bowman & Narayandas (2004)	
What was the return on sales (pre-tax results in % of sales) of your company/business unit with this customer last year compared to other customers to whom you sell this product or service?	N/A
<b>Ratio of tangible assets to services</b> <sup>c</sup> , newly developed	
Is the turnover of your company/business unit with this customer rather based on tangible assets or services?	N/A
<b>Salesperson working experience</b> <sup>d</sup> , newly developed	
How many years of working experience do you have with this position?	N/A
<i>Customer perspective</i>	
	Item reliability
<b>Attitude towards the products</b> <sup>a</sup> , based on Homburg, Müller, & Klarmann (2011)	
The products and services of this supplier are of high quality.	.64
The products and services of this supplier extensively meet our requirements.	.78
The products and services of this supplier greatly contribute to the attainment of our targets.	.51
Compared to other suppliers, the products and services of this supplier are very good.	.61
<b>Attitude towards the salesperson</b> <sup>a</sup> , based on Homburg, Müller, & Klarmann (2011)	
I consider my account manager at this supplier to be very customer-oriented.	.86
Overall, I have a very positive opinion about my account manager at this supplier.	.96
Overall, I am very satisfied with my account manager at this supplier.	.97
<b>Customer-company identification</b> <sup>a</sup> , based on Homburg, Wieseke, & Hoyer (2009)	
We strongly identify with this supplier.	.69
We feel good to be a customer of this supplier.	.84
We like to tell that we are a customer of this supplier.	.78
This supplier fits well to us.	.86
We feel attached to this supplier.	.69
<b>Share of wallet</b> <sup>e</sup> , based on Palmatier et al. (2008)	
How much of your demand for this product or service do you obtain from this supplier?	N/A

## Appendix 4.A. Continued

<i>Customer perspective</i>	
	Item reliability
<b>Customer loyalty</b> <sup>a</sup> , based on Zeithaml, Berry, & Parasuraman (1996); Palmatier, Scheer & Steenkamp (2007)	
We will consider this supplier as our first choice for these kinds of products or services.	.55
Our aim is to remain loyal to this supplier.	.61
We recommend this supplier to other persons (e.g., customers, business partners, acquaintances).	.77
Towards other persons we say positive things about this supplier (e.g., customers, business partners, acquaintances).	.71
<b>Intensity of personal interaction</b> <sup>f</sup> , based on Palmatier, Scheer, & Steenkamp (2007)	
How intense is your personal interaction with the account manager of this supplier?	N/A
<b>Frequency of orders</b> <sup>g</sup> , newly developed	
How often does your company/business unit submit new orders for products or services of this category to suppliers?	N/A

## Notes:

<sup>a</sup> Seven-point Likert-type rating scales with anchors 1 = strongly disagree and 7 = strongly agree.

<sup>b</sup> Five-point rating scale with anchors 1 = clearly lower and 5 = clearly higher.

<sup>c</sup> Five-point rating scale with anchors 1 = only on services and 5 = only on tangible assets.

<sup>d</sup> Five-point rating scale with anchors 1 = < 5 years and 5 = > 20 years.

<sup>e</sup> Five-point rating scale with anchors 1 = 1 – 20% and 5 = 81 – 100%.

<sup>f</sup> Seven-point rating scale with anchors 1 = very low intensity and 7 = very high intensity.

<sup>g</sup> Four-point rating scale with anchors 1 = unique and 4 = several times a year.

---

## 5. General Discussion

This dissertation addresses the overarching research question of how supplier brand management in the form of brand identity, brand culture, and brand essence influences buyer-seller relationships. In three essays, I examine B2B brand management from the standpoint of suppliers and customers, and in different contextual situations, to answer this question from different angles. Essay 1 addresses the concept of brand identity in B2B industries by considering key components, capabilities, and outcomes of brand identity. Further, Essay 2 focuses on how perceptual congruence and incongruence of BCS affect the buyer-seller relationship and how perceptual incongruence of BCS can arise. Essay 3 provides insides how the interactions of BES with key customer attitudes and relationship closeness indicators as contextual effects influence the buyer-seller relationship. Both theoretical and managerial implications can be derived from these three essays, which are discussed in the following chapters. Thereafter, the limitations of this dissertation are presented, thereby highlighting key avenues for further research. Finally, my dissertation completes with a conclusion.

### 5.1 Theoretical Contributions

Overall, my dissertation provides overarching contributions to B2B branding research. Prior B2B branding research is fragmented and focuses on many different topics of branding, for example, brand management and strategy (Pyper et al., 2020; Cassia & Magno, 2019) or brand orientation (Anees-ur-Rehman et al., 2018; Chang, Wang, & Arnett, 2018). In addition, different theories are used to explain the phenomena of a brand in diverse contexts.

My dissertation contributes to B2B branding literature by examining the so far neglected and under-researched concepts of brand identity, BCS, and BES. More specifically, it contributes by (1) demonstrating the functions, benefits, and added value of supplier brands in the B2B context, by (2) identifying relationship characteristics as determinants for brand management effectiveness, and by (3) clarifying the need to investigate the brand from

---

multiple perspectives. In the following section, I take a broader view on the individual contributions from the three essays and thus extend prior research.

### **5.1.1 The Functions, Benefits, and Added Value of Supplier Brands in the B2B Context**

First, with this dissertation, I expand prior B2B branding literature by the research on specific brand functions and brand benefits (e.g., McKinsey Marketing and Sales Practice, 2013; Backhaus, Steiner, & Lügger, 2011; Kotler & Pfoertsch, 2007; Mudambi, 2002). Based on a qualitative study and an IDM test, I enrich literature by identifying risk reduction and functional benefits as the two most important types of brand functions and clarifying at the same time which benefits are assigned to these two groups respectively. The major functional benefits are the quality of products and/or services, the supplier's reliable infrastructure and partnership, and the supplier's responsiveness and engagement to solve problems. The perceived risk will be reduced via the customer's personal relationship to supplier's contact persons, the customer's trust towards a supplier, and personal recommendations and references (Essay 1).

Furthermore, this dissertation adds to the research on the suppliers' added value of B2B brands in business relationships (e.g., Zablah, Brown, & Donthu, 2010; Wuyts, Verhoef, & Prins, 2009). In particular, this dissertation focuses on the success variables customer loyalty, price sensitivity, and customer profitability (Essay 2 and Essay 3), each of which are established customer-level performance outcomes (Katsikeas et al., 2016). Based on a dyadic study, results show that BES stand-alone is not able to strengthen customer loyalty and customer profitability (Essay 3), and that BCS congruence and BCS incongruence stand-alone affect customer loyalty, whereas both have no effect on price sensitivity (Essay 2). This indicates that the added value of B2B brands depends on contextual factors (5.1.2 Relationship Characteristics as Determinants for Brand Management Effectiveness).

---

In this respect, my dissertation unveils that B2B branding is very complex and delivers differentiated results when it comes to the added value of B2B brands. This is in line with prior literature that states the contribution of a brand to the customers' buying decision or to the business relationship as limited or with different results (e.g., Brown et al., 2012; Bendixen, Bukasa, & Abratt, 2004). Therefore, further research is needed to investigate other branding concepts or to examine other constellations of business relationships (e.g., Worm & Srivastava, 2014) and other contextual factors (e.g., Homburg, Klarmann, & Schmitt, 2010) in more detail.

### **5.1.2 Relationship Characteristics as Determinants for Brand Management**

#### **Effectiveness**

Second, this dissertation enriches literature on brands in business relationships by examining the effectiveness of (1) BCS on customer loyalty and customer price sensitivity and of (2) BES on customer loyalty and customer profitability depending on various relationship characteristics as contextual factors. Previous research shows that the role of brands in business relationships is highly dependent on contextual factors (e.g., Glynn, 2012; Homburg, Klarmann, & Schmitt, 2010; Glynn, 2010; Zablah, Brown, & Donthu, 2010).

Accordingly, Essays 2 and 3 examine several such relationship characteristics as determinants using empirical buyer-seller dyads. My dissertation extends previous research streams by illustrating that the effectiveness of a strong brand culture (Essay 2) is strongly dependent on the customers' relationship-specific investments (which induce switching costs) and interaction mechanisms (in the form of information exchange). More precisely, the effects are partly non-linear, U-shaped, and in certain constellations even unfavorable for the supplier firm. Additionally, effectiveness of a strong brand essence (Essay 3) is dependent on the psychological attachment (i.e., customer-company identification) and financial attachment (i.e., share of wallet) of a customer with a supplier, but not on the key customer attitudes (i.e.,

---

towards the product and towards the salesperson). This is noteworthy because prior research shows evidence that supplier brands are strongly related to product issues (e.g., Homburg, Klarmann, & Schmitt, 2010) and to supplier employees interacting with customers (Harris & de Chernatony, 2001). One possible explanation for the fact that key customer attitudes do not shape the effectiveness of BES is that a qualitative study and an IDM test (Essay 1) identify the product/service quality, which is similar to customer's attitude towards the product, and the customer's personal relationship to supplier's contact person, which is similar to customer's attitude towards the salesperson, as important brand functions in buyer-seller relationships (Essay 1), making them a benefit of effective B2B brands rather than a determinant.

Thus, this dissertation contributes to research in the area of contextual factors of a supplier brand. Research in this area helps to classify and differentiate the different and partly contradictory results about the contribution of B2B brands in business relationships. The contextual factors relationship-specific investments, interaction mechanisms, key customer attitudes, psychological attachment, and financial attachment explain when brand management in the form of a strong brand culture and a strong brand essence can be effective in B2B markets and when rather not. For example, managing a strong brand essence can only be effective in close buyer-seller relationships where customers have a psychological or financial attachment to their supplier. A strong brand essence stand-alone is not effective for suppliers.

### **5.1.3 Investigating the Brand from Multiple Perspectives**

Third, my dissertation contributes to the literature on social identity theory (Tajfel & Turner, 1979) by (1) investigating perceptual congruence and incongruence of BCS based on in-group bias and intergroup conflict (Essay 2), by (2) the combination of the social identity theory with the interaction/network theory (Claycomb & Frankwick, 2010) that considers

---

relationship-specific investments and interaction mechanisms in business relationships (Essay 2), and by (3) examining the customers' psychological and financial attachment as interactions with the suppliers' BES (Essay 3) while examining buyer-seller dyads.

The results show that perceptual incongruence is highly likely for subjective variables such as brand culture, confirming prior research (e.g., Homburg et al., 2012). The dissertation further shows that the mechanisms of social identity theory are suitable to explain phenomena of B2B brands. For example, it is shown that the effectiveness of a strong brand culture differs between its congruent and incongruent perceptions, which can be based on in-group bias or intergroup conflict that are attributed to the mechanisms of social identity theory (Essay 2). In addition to the examination of intergroup relationships based on the mechanisms of the social identity theory, further research should consider the perceptions and attitudes within in-groups as well, for example, examining conflicts between the sales director and the sales people. From the customers' perspectives, it could be interesting, for example, to examine the personal conflicts between buying center members as a customer in-group and their effect on the perception of the supplier brand.

In this respect, future research should go beyond dyadic studies with two perspectives and, for example, consider triadic data sets (e.g., Vedel, Holma, & Havila, 2016). A possible constellation for a triad is, for example, sales directors, sales people, and customers (e.g., Dion & Banting, 2000) in order to consider how sales people apply the brand-specific specifications of the sales directors and how customers perceive them accordingly. This is important as the results according to the resource-based view of the firm (e.g., Amit & Shoemaker, 1993) of Essay 1 indicate that it should also be investigated which resources, capabilities, or concrete measures are used at the supplier firm (e.g. trainings, brand building measures, guidelines, role models) to support the sales people. In turn, it is important how the sales people evaluate these measures and also apply them in contact with the customer.



---

In this respect, my dissertation enriches prior research by giving evidence that B2B brands should not be investigated from only one perspective, but rather from multiple perspectives. Assessments from only one perspective are often subject to in-group bias and should therefore be treated with caution. This is due to the fact that individuals aim at a positive social identity and try to differentiate their in-group positively from the out-groups (Tajfel & Turner, 1979). Individuals further work for their group's (e.g., their company's) interests (Van Knippenberg, 2000) and are characterized by their uniformity of perception and action (Stets & Burke, 2000). Additionally, incongruence is very likely with soft and subjective variables (Homburg et al., 2012) like B2B brands. Therefore, considering multiple perspectives can help determine the *true* strength of soft factors such as B2B brands.

## **5.2 Managerial Implications**

My dissertation provides implications for managing directors and brand managers in B2B firms who would like to take a look at the aspects of brand identity, brand culture, or brand essence for the first time at all, whose brand identity, brand culture, or brand essence is not realizing the expected benefits, or who want to strategically build and rebuild their brand for the long term.

The three managerial implications of this dissertation are starting with the fact that managers have to (1) understand the complexity of B2B brand management initially. Thereafter, managers should (2) put the brand in the context of the customer relationship in order to be able to consider determinants from the customer relationship for a fruitful management of their brand. Finally, managers should (3) consider the capabilities, resources, and efforts required to manage a supplier brand.

### **5.2.1 Understanding the Complexity of B2B Brand Management**

First, the results show that the concept of a B2B brand is complex. Even in the B2B context, it is not sufficient to rely on trivial branding measures, such as increasing awareness

---

through branding with the firm's name. There are many brand management opportunities for managers in B2B markets that go beyond this. Thus, managers have to understand how complex the management of their brand is.

In this respect, Essay 1 gives managers a clear understanding of how to shape brand identity in B2B markets. It shows that there can be as many as eleven different components, arranged thematically in four clusters. These clusters are (1) the brand's uniqueness and differentiation from others, (2) making the history tangible, (3) communicating the brand's heart to the outside, and (4) future orientation. In addition, it is essential for managers to consider the most important and widespread components in order to align them accordingly with the company in brand management. These components are the brand values and culture, the visual appearance of the brand, the brand core and essence, and the brand vision.

Further, the relevance of different brand identity benefits differs between suppliers and customers (Essay 1). For example, in contrast to the suppliers' statements, the personal relationship to supplier's contact person is not among the most important aspects for customers. When designing the brand identity, suppliers should therefore consider the brand benefits demanded by their customers. Only in this way the brand identity can be tailored to both the competencies of the supplier and to the expectations of the customers in order to be effective. In summary, managers should concentrate on risk reduction and functional benefits, as these are the most important benefits of a brand identity for both themselves and their customers.

### **5.2.2 Putting the Brand in the Context of the Customer Relationship**

Second, it is important for managers to align their brand strategy in particular so that it has a positive effect on their customer relationships. If contextual factors of customer relationships are excluded, the effectiveness of brand culture and brand essence stand-alone appear to be limited. Perceptual congruence and incongruence of a strong brand culture stand-

---

alone do not improve price sensitivity (Essay 2). A strong brand essence stand-alone does not increase customer loyalty and customer profitability (Essay 3). Thus, the impact of brands in B2B markets depends on contextual factors and cannot be predicted across the board.

Therefore, managers have to put their brand in the context of the customer relationship.

This is suggested by the statements in the qualitative interviews in Essay 1 and confirmed by the findings in Essays 2 and 3. It is shown that the effect of BCS on customer loyalty and price sensitivity is dependent on the perceptions of sales people and customers and at the same time is affected by switching costs and information exchange. Similarly, the effect of BES on customer loyalty and customer profitability is affected by customer-company identification and share of wallet.

Moreover, brands can be disadvantageous under certain conditions (Essays 2 and 3). In Essay 2, for example, high switching costs and high information exchange lead to a decrease in customer loyalty if sales people evaluate BCS better than their customers. Low switching costs lead to increasingly higher price sensitivity if customers or suppliers evaluate BCS better than the counterpart. In case of high information exchange, it can be noted that customers' price sensitivity increases if sellers evaluate BCS better than their customers. Supplier BES decreases customer profitability in two cases (Essay 3): First, if customers have a high attitude towards products, and second, if customers have a low customer-company identification.

In summary, this means that there is no recipe for managers that applies equally to all B2B companies or all customer relationships. Rather, managers in supplier companies have to examine in their specific case - if necessary even at the level of business units or customer segments - which brand management strategy fits and how this can be implemented, ideally together with the sales people.

---

### **5.2.3 Considering the Capabilities, Resources, and Efforts Required to Manage the Supplier Brand**

Third, it is essential for practitioners to know to what extent they should invest which resources in brand management. This should be related to the expected benefit from the brand, especially against the background of the potential disadvantages of a strong brand mentioned above. Essay 1 shows that three internal capabilities are necessary to successfully implement a brand identity. Accordingly, managers of B2B brand identity should consequently focus on management capabilities, internal communication capabilities, and employee identification with the brand. Furthermore, it is shown that it is crucial to what extent the suppliers' managers and sales people have internalized the brand so that they can behave appropriately (Essay 2). This results in an enormous effort for the workforce. In addition to financial aspects (e.g., for internal and external communication campaigns), this should not be underestimated, especially in the area of human resources for the corresponding managers. An example of this is the planning and implementation of employee training, especially for employees at customer interfaces.

The tasks of efficient brand management also include determining the perception of customers at regular intervals, for example, through customer surveys. This relates both to the necessary alignment of the brand with the required brand benefits of the customers, for example supplier's reliable infrastructure and partnership (Essay 1), as well as to the concrete perception of the strength of the brand culture (Essay 2) or the brand essence (Essay 3). As Essay 2 has shown, there are particular factors that favor perceptual incongruence. When managers find themselves in such constellations with their customers (i.e., big supplier firms with many employees, suppliers in highly competitive markets, and suppliers with satisfied customers), it is important that they are particularly alert to the consequences of perceptual incongruence.

---

### 5.3 Outlook

This dissertation contributes to a better understanding of the management and mechanisms of B2B brands and, in particular, brand identity as well as brand culture and brand essence as two key constructs of brand identity in the B2B context. However, in addition to the implications for research and practice, limitations also emerge that indicate the need for future research. While a detailed discussion is included in each of the essays (2.5 Discussion; 3.6 Discussion; 4.6 Discussion), an overarching outlook is given here.

First, further research is needed that examines the concept of brand identity and the interaction of its specific components in B2B contexts. This is important in order to understand what motivations lead suppliers to decide on a particular brand identity structure. Thus, other potential components of a B2B brand identity, for example, the concept of brand personality (e.g., Herbst & Merz, 2011), should not be ignored. The literature provides dozens of categories and components that can potentially be relevant for the identity of certain brands. Practically speaking, there will be no brand identity in which all components are relevant and elaborated (Aaker & Joachimsthaler, 2009). Furthermore, future research should go into more detail about the specific characteristics of suppliers. One of these supplier-specific characteristics is, for example, the respective brand architecture. Here, further research is needed that examines the interactions of brand architecture (e.g., corporate brands or product brands) and brand identity composition. Another issue is the relevance and efficacy of multiple brand identities. Although a brand identity can be elaborated widely across contextual factors, in certain cases it makes sense to have multiple separate brand identities (Aaker & Joachimsthaler, 2009). An example of this is Hewlett-Packard, whose brand is intended to appeal to engineers, business professionals, and consumers (Aaker & Joachimsthaler, 2009). Additionally, many suppliers operate internationally. For firms

---

operating in global markets, research should further evaluate whether there is a global common understanding among practitioners about the various components of brand identity.

Second, both the literature and the qualitative interviews with practitioners in Essay 1 have shown that both the elaboration of brand identity and its impact are highly dependent on contextual factors. This dissertation is limited in that while it comprehensively considers important contextual factors, there are other contextual factors that are worth investigating in further research. In this case, relationship-specific investments and interaction mechanisms (i.e., switching costs and information exchange), key customer attitudes (i.e., towards the products and towards the sales person), as well as relationship closeness indicators (i.e., customer-company identification and share of wallet) were investigated in Essay 2 and 3. To address these important aspects, further internal and external factors that could influence the effectiveness of brand identity and its components (e.g., brand culture and brand essence) should be examined in the future. Basically, besides objective and measurable moderators such as product characteristics or market conditions, which are well established in the literature, more soft and interpersonal dependencies should be considered. This is important because the maintenance of a business relationship depends on the interaction between the salesperson and the customer (Palmatier, Scheer, & Steenkamp, 2007).

Furthermore, this dissertation focuses on existing business relationships. However, in B2B markets there are very heterogeneous relationship and distribution structures that partly have been considered in prior research, for example, original equipment manufacturers (e.g., Worm, 2012) or identity co-construction (e.g., von Wallpach, Hemetsberger, & Espersen, 2017). In this respect, my dissertation provides impetus for specific research on the perceptual congruence and incongruence of the supplier brand in multi-level sales structures. This can be done, for example, by integrating the intermediary into the research design (i.e., supplier brands, wholesalers/retailers, and customers). In addition, it could be promising to examine

---

perceptual congruence and incongruence backwards, for example, by integrating the view of the raw material or component supplier in the triadic data set (i.e., raw material / component suppliers, manufacturing suppliers, and customers). Essay 2 implies that complex results with non-linear and curvilinear effects are possible here as well, to which future research on perceptual congruence and incongruence of B2B brands should pay attention to.

Third, this dissertation focuses heavily on the personal contact between the supplier's contact person (typically a salesperson) and the customer's contact person (often a buyer or equivalent person from the buying center). This is important in that the brand is lived, embodied, and communicated to the outside world by the supplier's employees (Harris & de Chernatony, 2001). Future research, however, should focus even more on the interaction between brand and sales by considering specific sales topics such as solution selling, artificial intelligence in sales, the digitalization of sales, and B2B online channels. It is particularly relevant for practice whether other substituting or additional interfaces to the customer influence and possibly increase the effect of brands or whether new types of contact points even prove to be more relevant than personal contact.

---

## 5.4 References

- Aaker, D. A., & Joachimsthaler, E. (2009). *Brand Leadership. Building Assets in an Information Economy*. Simon & Schuster: London.
- Amit, R., & Shoemaker, P. J. H. (1993). Strategic Assets and Organizational Rent. *Strategic Management Journal*, 14(1), 33-46.
- Anees-ur-Rehman, M., Wong, H. Y., Sultan, P., & Merrilees, B. (2018). How brand-oriented strategy affects the financial performance of B2B SMEs. *Journal of Business & Industrial Marketing*, 33(3), 303-315.
- Backhaus, K., Steiner, M., & Lügger, K. (2011). To invest, or not to invest, in brands? Drivers of brand relevance in B2B markets. *Industrial Marketing Management*, 40(7), 1082-1092.
- Bendixen, M., Bukasa, K. A., & Abratt, R. (2004). Brand equity in the business-to-business market. *Industrial Marketing Management*, 33(5), 371-380.
- Brown, B. P., Zablah, A. R., Bellenger, D. N., & Donthu, N. (2012). What factors influence buying center brand sensitivity? *Industrial Marketing Management*, 41(3), 508-520.
- Cassia, F., & Magno, F. (2019). A framework to manage business-to-business branding strategies. *EuroMed Journal of Business*, 14(2), 110-122.
- Chang, Y., Wang, X., & Arnett, D. B. (2018). Enhancing firm performance: The role of brand orientation in business-to-business marketing. *Industrial Marketing Management*, 72(July), 17-25.
- Claycomb, C., & Frankwick, G. L. (2010). Buyers' perspectives of buyer-seller relationship development. *Industrial Marketing Management*, 39(2), 252-263.
- Dion, P. A., & Banting, P. M. (2000). Comparisons of Alternative Perceptions of Sales Performance. *Industrial Marketing Management*, 29(3), 263-270.



- 
- Glynn, M. S. (2010). The moderating effect of brand strength in manufacturer–reseller relationships. *Industrial Marketing Management*, 39(8), 1226-1233.
- Glynn, M. S. (2012). Primer in B2B brand-building strategies with a reader practicum. *Journal of Business Research*, 65(5), 666-675.
- Harris, F., & de Chernatony, L. (2001). Corporate branding and corporate brand performance. *European Journal of Marketing*, 35(3/4), 441-456.
- Herbst, U., & Merz, M. A. (2011). The industrial brand personality scale: Building strong business-to-business brands. *Industrial Marketing Management*, 40(7), 1072-1081.
- Homburg, C., Klarmann, M., Reimann, M., & Schilke, O. (2012). What drives key informant accuracy? *Journal of Marketing Research*, 49(4), 594-608.
- Homburg, C., Klarmann, M., & Schmitt, J. (2010). Brand awareness in business markets: When is it related to firm performance? *International Journal of Research in Marketing*, 27(3), 201-212.
- Katsikeas, C. S., Morgan, N. A., Leonidou, L. C., & Hult, G. T. M. (2016). Assessing Performance Outcomes in Marketing. *Journal of Marketing*, 80(2), 1-20.
- Kotler, P., & Pfoertsch, W. (2007). Being known or being one of many: the need for brand management for business-to-business (B2B) companies. *Journal of Business & Industrial Marketing*, 22(6), 357-362.
- McKinsey Marketing and Sales Practice (2013). Business branding. Bringing strategy to life. [https://www.mckinsey.de/files/b2b\\_branding.pdf](https://www.mckinsey.de/files/b2b_branding.pdf) [August, 19<sup>th</sup> 2020].
- Mudambi, S. (2002). Branding importance in business-to-business markets: Three buyer clusters. *Industrial Marketing Management*, 31(6), 525-533.
- Palmatier, R. W., Scheer, L. K., & Steenkamp, J.-B. E. M. (2007). Customer Loyalty to Whom? Managing the Benefits and Risks of Salesperson-Owned Loyalty. *Journal of Marketing Research*, 44(2), 185-199.

- 
- Pyper, K., Doherty, A. M., Gounaris, S., & Wilson, A. (2020). Investigating international strategic brand management and export performance outcomes in the B2B context. *International Marketing Review*, 37(1), 98-129.
- Stets, J. E., & Burke, P. J. (2000). Identity Theory and Social Identity Theory. *Social Psychology Quarterly*, 63(3), 224-237.
- Tajfel, H., & Turner, J. (1979). An Integrative Theory of Intergroup Conflict. In: W. G. Austin & S. Worchel (Eds.), *The social psychology of inter-group relations* (pp. 33-47). Brooks/Cole: Monterey, CA.
- Van Knippenberg, D. (2000). Work Motivation and Performance: A Social Identity Perspective. *Applied Psychology: An International Review*, 49(3), 357-371.
- Vedel, M., Holma, A.-M., & Havila, V. (2016). Conceptualizing inter-organizational triads. *Industrial Marketing Management*, 57(August), 139-147.
- von Wallpach, S., Hemetsberger, A., & Espersen, P. (2017). Performing identities: Processes of brand and stakeholder identity co-construction. *Journal of Business Research*, 70(January), 443-452.
- Worm, S. (2012). *Branded Component Strategies. Ingredient Branding in B2B Markets*. Gabler: Wiesbaden.
- Worm, S., & Srivastava, R. K. (2014). Impact of component supplier branding on profitability. *International Journal of Research in Marketing*, 31(4), 409-424.
- Wuyts, S., Verhoef, P. C., & Prins, R. (2009). Partner selection in B2B information service markets. *International Journal of Research in Marketing*, 26(1), 41-51.
- Zablah, A. R., Brown, B. P., & Donthu, N. (2010). The relative importance of brands in modified rebuy purchase situations. *International Journal of Research in Marketing*, 27(3), 248-260.

---

## 6. Conclusion

Brand management in the B2B context has been an important topic for several decades and is also currently highly relevant for both marketing theory and practice. Despite some established - mostly consumer goods related - brand identity models as well as literature examining brand identity among B2B suppliers, there are still major gaps when it comes to the question of the relevance of the diverse potential components of a brand identity. This is important because, when designing their brand identity, suppliers should focus on the components that are appropriate for them in order to subsequently implement them in a coherent manner. In addition, while brand culture and brand essence are very established components of brand identities, their impact in existing business relationships has been little investigated.

Contributing to B2B branding research, my dissertation demonstrates the need to take a differentiated view of the various components of B2B brands and place each in context with buyer-seller relationships and customer perceptions. By examining B2B suppliers' understanding of their brand identity, I show the most important components of a brand, which among others are brand culture and brand essence, as well as the capabilities needed for brand management and the benefits most relevant for suppliers. In addition, the examination of buyer-seller relationships shows the impact of a strong brand culture and brand essence in different contexts. Managers benefit from insights from existing relationship constellations that clarify when and why a brand identity, brand culture, and brand essence are beneficial to them. In conclusion, this dissertation contributes to the management of B2B brands in buyer-seller relationships. In particular, it contributes to a better understanding of brand identity, brand culture, and brand essence. Thus, it is hoped that the results of the dissertation will stimulate future research in this area and, with their practical recommendations for action, contribute to successful brand management in B2B firms.