Branding Issues in Company Growth Management

A Case Study of a European B2B Company in Chinese Market

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Master Thesis within the Main Profile of Marketing and Brand Management

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Abstract

Economic globalization, regional economic cooperation and knowledge economy make a great impact on the development of the new century. This feature drives the companies to make every endeavor to survive and then grow among the fierce competition. Popular methods include joint venture, merger, acquisition and so on. In this case, however, companies have to deal with different issues from various perspectives such as production issue or organization issue. Branding, which plays an important role in company growth management, is often ignored by managers. The growing companies should pay attention to the branding issues on both their own brands and also the acquired new brands. The concept “Brand Equity” then, is introduced and acts as a common denominator to interpret the potential effects and tradeoffs of various strategies of the brands for those marketers. What factors need to learn for the brand equity and what kind of potential strategies that the companies can implement are vital to discuss. Therefore, the purpose of this work is to examine the aspects that growing companies need to consider for revising the brand equity. Relevant theories are presented which are summarized through literature view. And in order to make the theories applicable, a case study for a Motor Manufacturer has been done in this work as well. The methods mainly used in this work include collecting processed data from literature review and gathering primary data through interviews. The conclusion of this work, in this case, is conducted from both theory perspective and empirical case study perspective.

Key Words: brand management, brand equity revise, B2B brands, case study, motor manufacturer
Preface

This thesis is written as a part of the Master of Science in Economics and Business Administration degree at the Norwegian School of Economics. It accounts for 30 ECTS. My major is Marketing and Brand Management, and this thesis is on brand equity revise.

The writing process is very challenging. The most difficult part during writing was normative framework generating. Huge work on literature review has been done. And the work has been modified for several times. At the same time, it is also rewarding to write this thesis, the knowledge on both academic areas and scientific writing are improved and reinforced.

At last, I would like to thank my supervisor - Aksel Ivar Rokkan - for his valuable suggestions and helpful guidance on this paper. I really appreciate his hard work a lot.

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1. Introduction

This section provides an overview of the research problems and also a justification for a study about this particular subject. Overall context including the purpose together with the structure of this work is illustrated in this chapter as well.

1.1 Background

Today’s marketplace is characterized by fast-paced and unremitting competition on a global scale; companies make every endeavor to grow for occupying a favorable position in the fierce competing market (Block and MacMillan, 1993). In general, there are two types of strategy for companies to grow their business. The first one is intensive growth strategy, companies conduct this strategy mainly by penetrating and further developing their present market, creating new products or accessing alternative channels. The second strategy is integrative growth strategy that the companies consider growth through acquisition; although this strategy may be more risky than intensive growth strategy, due to the benefits on speed and profit, many companies still prefer to choose acquisition as their primary choice to achieve growth (Very and Schweiger, 2001).

As many business executives now recognize, perhaps one of the most valuable assets a firm has are the brands it has invested in and developed over time. There are very few strategic assets available to a company that can provide a long-lasting competitive advantage, and even then the time span of the advantage is getting shorter, brands are one of them in this case (Kapferer, 2008). Although competitors can often duplicate manufacturing processes and factory design, it is not easy to reproduce strongly held beliefs and attitudes established in the customers’ minds. Today, every organization wants to have a brand. Beyond the natural brand world of producers and distributors of fast-moving consumer goods, whose brands are competing head to head, branding
has become a strategic issue in all sectors: high tech, low tech, commodities, utilities, components, services, business-to-business (B2B), pharmaceutical laboratories, non-governmental organizations and non-profit organizations all see a use for branding (Keller, 1993).

The brands may represent invaluable intangible assets, while creating and nurturing a strong brand poses considerable challenges, fortunately, the Brand Equity can provide marketers with valuable perspective and a common denominator to interpret the potential effects and tradeoffs of various strategies and tactics for their brands. It can be regarded as the bridge between what happened to the brand in the past and what should happen to it in the future. (Keller, 2008) Building up and sustaining good brand equity is vital for every company. It is especially the case when the companies need to deal with the branding problems after applying either intensive growth strategy or integrative growth strategy. Therefore the purpose of this work, in this case, is to discuss how the company could revise their brand equity in their growth management.

1.2 Purpose

The purpose of this work is to examine the aspects that companies need to consider for revising the brand equity.

1.3 Research Question

The concrete research questions are as follows:
What factors need to consider for revising the brand equity?
How to deal with these factors?

1.4 The Structure of This Work

The structure of this work mainly contains 7 sections
The first section is a general *introduction* of the context together with the purpose of the work.

The second section gives a brief illustration on what kinds of *methods* that have been used inside this work.

The third section is *theoretical framework* where the relevant studies and theories on the theme are displayed, so that the readers will have a theoretical basis of this work.

The forth section is *normative framework drawing*, both from general and B2B perspectives.

The fifth section provides the *findings on empirical case company*.

The sixth section offers *discussions* on the empirical case.

The last section *concludes* the whole paper by summarizing theoretical as well as managerial implications.

*Figure 1: The Structure of This Work*
2. Methodology

This paper is mainly divided into two parts: theoretical basis and empirical case study. Different methods were applied during the research so as to capturing the data thoroughly; the concrete methods used in this project are discussed in this chapter.

According to Walliman (2005), there are three perspectives in research methods: data collection and analysis, quantitative and qualitative research, and research strategies. All of these three perspectives were expressed in this work.

2.1 Data Collection and Analysis

Once a research problem has been formulated, the relevant data should be collected and analyzed in order to draw conclusions. Data collection can be divided into two parts: collecting secondary data as well as collecting primary data (Walliman, 2005). In this paper, the used data includes both secondary and primary types.

2.1.1 Collecting Secondary Data

There are various sources of secondary information which containing the internet, the libraries and archives, museums, government departments and so on (Walliman, 2005). Secondary data in this work was gathered from: Libraries, including theories written on relevant books as well as models illustrated in the available scientific articles; Internet, consisting of information provided by the case company on their homepage as well as the database from online researches; and Company brochures, referring to the brand and product descriptions gained directly form the case company.

2.1.2 Collecting Primary Data

Sampling, doing questionnaires, interviewing and observing, all of these contribute a lot to doing research. The primary data in this work is from the empirical case study,
which is based on directly company visit and online interview. In the summer of 2012, the author visited the company in Shang Yu, China. The purpose of this visit was to have a basic knowledge of the company and also get to learn the proposed research questions of this paper. Interviewing is particularly useful when qualitative data are required (Harrel and Bradley, 2009). Since the mother company is located in China and after summer, the author was in Sweden, online interview was done in this case so as to avoid the necessity of traveling to the respondents. The complementary information gained via interview includes basic information on the brands and products as well as the targeted markets they want to enter.

2.1.3 Data Analysis

In order to measure, to make comparison and to explain, data analysis is necessary after the data collection (Walliman, 2005). Qualitative analysis often gives the analysts an edge since the key factors does not show up in quantitative analysis (Ihaka and Gentleman, 1996). Because there is no statistical analysis in this study, qualitative analysis is used only. Qualitative analysis is a kind of security analysis that uses subjective judgment based on no quantifiable information, such as management expertise, and qualitative analysis helps to increase the insight into the company (Ihaka and Gentleman, 1996). In this work, qualitative analysis mainly refers to the brands analysis such as product portfolio analysis, brand positioning and so on.

2.2 Research Method

Quantitative and qualitative methods are two different methods. Precise measurement like figure analysis belongs to quantitative method while there are some variables that cannot easily be quantified; a qualitative research method is also needed (Walliman, 2005). In this work, data was collected mainly from books, scientific articles, words through interviews and documents sent by the case company. In this case, qualitative method is the main one used in this paper; it is very suitable for this study because those variables that cannot be quantified in the interview could be measured in a good
way by using qualitative method.

2.3 Research Strategy

Research strategy is not a simple theory that could be summarized step by step. It mainly depends on what kinds of research that is going to be done (Walliman, 2005). Data collection and data analysis should be repeated many times. This is also the case in this work: data collection and analysis have been done for 7 rounds. The information collected from just one time is not sufficient and online interview is not formed in one piece either. Case study is a very important research strategy in this thesis work, the case study aims to answer the research questions by collecting data, analyzing information and reporting the results; this helps readers to understand the theories better by applying these theories into a real case, the case study itself also refers to many research methods such as secondary data collection and information analysis.

2.4 Reliability and Validity

Reliability is concerned with the question of the extent to which one’s findings will be found again (Sharan, 1995). In order to increase the reliability of this work, multiple methods, including literature review, Internet searching, online interview, were used for data collecting.

Validity includes external and internal validity (Sharan, 1995). The extent to which findings of the study can be applied to other situations refers to the question of external validity, while internal validity asks the question: How congruent are one’s findings with reality? In order to guarantee the validity of this work, the data was collected from different sources, such as Internet, company brochures, books, scientific articles and interviews.
2.5 Delimitations

There are some limitations of this work. Firstly, the discussion on the research questions is based on the premise that the targeted market has already been decided. Secondly, since the case company is in China, the interviewing modes is limited, email and online interview were the only two ways to get in touch with the company. There are several persons of the case company involved during this work, including the responsible persons in both marketing department and international business department. Finally, compared to fast moving consumer goods, motor industry is a relatively unknown area for many people, there is little information about marketing research on motor manufacturing, so in this case, the information source of the case study in this work is limited, besides company brochure and relevant websites, the main access of the essential information is from the case company.

2.6 Selection of the Company

ATB Anstria Antriebstechnik AG, acquired by Wolong Electric which belonging to Wolong Holding Group, is the case company in this work. It is chosen as the case company due to many reasons.

The first and foremost reason is that the case per se is very interesting and deserves to discuss: due to the uneven geographical distribution of factor endowments and market failure, business globalization has been a growing trend (Dunning, 1988). The expansion in the internationalization of business organizations means that lots of firms are moving from purely operating domestically to operating without borders in an international scene (Gooderham and Nordhaug, 2003). Going global is not just for Western institutions anymore. Nowadays, there are more and more Chinese companies are able to achieve growth via the acquisition of other companies abroad.
The acquisition of ATB by Wolong Electric is one typical example here. Although the size of the acquisition is not big or even relatively small in the broader context of the global acquisition, this deal has symbolic importance to Chinese motor industry, not to mention the significance to Wolong Group in arriving on a global economic scene. How Wolong Group could manage well after the acquisition is vital and rather desirable to analyze in detail both in theoretical as well as practical perspectives; moreover, they suffer in the problems on brand equity which fits the branding profile that the author prefer to write about.

In addition to the studying value of this case, there are also some objective reasons behind this case choice: the mother company -Wolong Electric- is located in China where the author comes from; it is more possible for the author to get access to the company at the beginning; and at the same time, the company provided this opportunity to the author in writing thesis on their problems and was able to offer some necessary information in this case.
3. Theoretical Framework

This section discusses the theory and analytical model that are used in this work for analysis. Before building up and sustaining the brand equity, first of all, a comprehensive understanding on what the brand equity is should be stated.

3.1 Identifying Brand Equity

Brand equity has been discussed in many different researches. According to Biel (1992), brand equity can be thought of as the additional cash flow achieved by associating a brand with the underlying product or service. Pagano (1990) described the brand equity as the value of worth that resides in a particular brand name, trademark or product. Aaker and Keller (1990) defined it as the net value of brand image, which is specific associations with brand and overall attitudes towards brand in memory, as perceived by decision makers. Briefly speaking, brand equity can be viewed from both financial and consumer based perspectives.

3.1.1 Financial Perspective

Strong brands have become an important part of the asset value of a company (Aaker, 1991). Brand names were increasingly seen as one of a company’s most important assets, even if a company is not doing well financially, it could still be an attractive merger or acquisition target if it has strong brands (Kapferer, 1998). For less frequently purchased products, especially industrial products, wholesalers and distributors will be keen to associate with a strong brand because they know it will sell (Percy and Pervan, 2011).

Strong brands, brands with strong positive brand equity, are generally brands with a highly loyal core of consumers and high market share as a result. Strong brand loyalty leads to a number of advantages in marketing the brand that help sustain its position.
and contributes to its financial value. With a high degree of brand loyalty, a company can generally expect sales to remain stable and strong over time. Because of continuing consumer demand, a strong brand will be more attractive to the trade, leading to good levels of distribution, which in turn will help maintain higher market share. This also means the company can generally charge a relatively higher price for its product that maintains higher margins than its competitors in the category (Percy and Pervan, 2011).

Briefly speaking, brand equity could contribute a lot to the company’s financial performance, while its impacts on the marketing perspective are more important to discuss especially for the brands (Keller, 2008).

3.1.2 Consumer Based Perspective

Brand equity springs from consumer awareness for the brand that triggers associations in memory that are linked to the brand. Over time, the positive brand attitude takes on strong emotional associations that extend simply liking the brand (Keller, 1993). According to Percy and Pervan (2011), the favorable brand attitude built over time by the acceptance of perceived benefits for the brand, and loyal brand behavior, has resulted in strong positive brand equity: a preference for the brand that goes beyond any objective consideration of the product. All in all, the brand equity from the consumer’s perspective may be summarized as: awareness of a brand leads to learning and formation of attitudes about that brand, which will be influenced by emotional associations and result in preferences for that brand, building brand loyalty.

**Brand Awareness:**

People must be aware of a brand in order to prefer it. Early research indicated that there are more than 32% of people will only consider one brand in their shopping behavior (Beatty and Smith, 1987). Punj and Staelin (1983) discovered that even for the purchase of expensive products, such as a new car, more than 30% of people
considered only one make of car and visited only one car dealer prior to their purchase. So having strong brand awareness is really important for customers to recognize and recall the brand during the purchasing behavior. The power of strong brand awareness comes from the sense of familiarity it brings, which involves a primitive sense of knowing without the need for specific details (Schacter, 2001). In addition, Aaker (1998) stated that strong brand awareness also suggests a presence, commitment, and substance for the brand, this can be especially important for buyers of high-priced products. When brand awareness is considered as an asset in terms of brand equity, it is really being considered in terms of brand salience, the more salient the brand, the more likely it will be the chosen or preferred brand when a purchase decision is made, and Miller and Berry (1998) also found that market share was primarily influenced by increasing brand salience.

**Brand Attitude:**

People who think about brands and what they mean to consumers often talk in terms of things like “value”, “perceived quality” and “image”. What this all comes down to is brand attitude, the associations in memory linked to the brand (Percy and Pervan, 2011). According to Supphelen (2000), the brand associations in memory must be strong, positive and unique to the brand in order to build a brand attitude that leads to strong brand equity. Product related attributes can be specific ingredients or qualities such that they may be specially measured or discussed (Percy and Elliott, 2009); while at the same time, Keller (1993) found that there some attributes, such as price, imagery and feelings, that do not directly affect the product performance also can be easily associated to the brands by customers. So in terms of brand association, it could have objective characteristics including both product and non-product specific, where the companies should pay attention to both of these perspectives.
**Brand Loyalty:**

The building of a strong positive brand attitude generally leads to preference for the brand, and over time a loyalty towards it. Brand loyalty consumers usually have a reluctance to switch brands. Loyal brand users have a high degree of bonding with the brand and do not show much of an urge to switch (Franzen, 1999). When strong positive brand equity leads to brand loyalty, it results in significant competitive advantages; and these advantages tend to last over time because of that loyalty. Sustaining positive brand attitude is much easier, and less costly, than building brand attitude, and this is approved by Percy and Pervan (2011) that repeat purchase objectives are less costly than trial objectives, and with strong brand loyalty there is less need for promotion. Strong brand loyalty can also form a barrier to new brands entering a category. A new competitor must gain substantial share from existing brands in the category in order to be successful. This requires getting current category users to consider switching the new brand. And in this case, the stronger a brand’s equity, the higher their brand loyalty and the more difficult this will be (Aaker, 1998). Finally, the researchers also argue that strong brand loyalty leads to better leverage with the trade. When distributors and retailers know that a brand enjoys strong customer loyalty, they know the product will move out of their warehouse and off their shelves. They will also understand that there is a strong consumer demand for the brand, and that is they do not handle it, they will lose customers (Percy and Pervan, 2011).

**3.1.3 Branding**

Branding is the prerequisite for companies to take advantage of their brand equity, which should be considered in addition to the financial and customer-based meanings of brand equity per se. Stated by Kapferer (2008), branding means much more than just giving a brand name and signaling to the outside world that such a product or service has been stamped with the mark and imprint of an organization. It requires a
corporate long-term involvement, a high level of resources and skills.

**Branding Consists in Transforming the Product Category**

Brands are a direct consequence of the strategy of market segmentation and product differentiation. As companies seek to better fulfill the expectations of specific customer, they concentrate on providing the latter, consistently and repeatedly, with the ideal combination of attributes under viable economic conditions for their businesses. According to Kapferer (2008), the first task in brand analysis is to define precisely all that the brand injects into the product (or service) and how the brands transform it: What attributes materialize? What advantages are created? What benefits emerge? What ideals does it represent?

**A Brand is a Long-Term Vision**

The brand should have its own specific point of view on the product category. Laforet and Saunders (1994) argued that major brands have more than just a specific or dominating position in the market: they also hold positions within the product category. In 2008, Kapferer designed the following pyramid to compare those major brands.
Figure 2: The Brand System (Kapferer, 2008)

The top states the brand’s vision and purpose, it leads to core brand values in the next one down, which shows the general brand style of communication. Brand personality and style are conveyed less by words than by a way of being and communicating. These codes must be defined so as to reflect the brand’s unique character. The next level refers to the brand’s strategic image features that amounting to four or five, they result from the overall vision and materialize in the brand’s products, communication and actions. The product level, which is at the bottom of the pyramid, consists of each model’s positioning in its respective segment. One problem needs to notice that consumers look at the pyramid from the bottom up. They usually start with what is real and tangible. The wider the pyramid base is, the more the customers would doubt.

The Product and the Brand

As the product mane evolves into a brand, customers’ reasons for purchase may still
be the brand’s superior performance image, according to Penrose (1989), this is still the case even though in reality that performance may has been matched by some other new competitors.

Psychologists have also identified the *halo effect* as a major source of value created by the brand: the fact that knowing the name of the brand does influence consumer’s perception of the product advantages beyond what the visible cues had themselves indicated, not to speak of the invisible advantages (AhluWalia, 2000).

**Each Brand Needs a Flagship Product**

The spirit of each brand will be especially noticeable in certain specific products, those most representative or typical of the brand meaning. They are the brand’s prototype products. Each product range thus must contain products demonstrating the brand’s guiding value and obsession, flagships for the brand’s meaning and purpose. Kapferer (2008) said that, in this case each brand has had to exaggerate its outward appearance in order to be easily recognized, because problem may arise when brands within the same group overlap too much, with one preventing the other from asserting its identity.

**3.2 Building Brand Equity**

After identifying brand equity, various methods should be applied for building it up. Choosing brand elements is the first step for companies to consider in this case.

**3.2.1 Choosing Brand Elements to Build Brand Equity**

Brand elements, or brand identities, are those trademark-able devices that serve to identify and differentiate that brand. The main ones, listed out by Keller (2008), are brand names, URLs, logos, symbols, characters, slogans, jingles and packages. Brand elements can both enhance brand awareness and facilitate the formation of strong,
favorable and unique brand associations.

**Brand Name**

According to Prankel (2004), the brand name is a fundamentally important choice because it often captures the central theme or key associations of a product in a very compact and economical fashion. Yokston and Menon (2004) also argued that the meaning of the name may give the company a well brand personality and it could also serve as a platform for sub-brands. Selecting a brand name for a new product is certainly an art and a science (Robertson, 1987); Kapferer (2008) summarized some different types of possible brand names that showed in the following table.

<table>
<thead>
<tr>
<th>Type</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Descriptive</strong></td>
<td>Singapore Airlines</td>
</tr>
<tr>
<td><em>(describes function literally)</em></td>
<td></td>
</tr>
<tr>
<td><strong>Suggestive</strong></td>
<td>Agilent Technologies</td>
</tr>
<tr>
<td><em>(suggestive of a benefit or function)</em></td>
<td></td>
</tr>
<tr>
<td><strong>Compounds</strong></td>
<td>redhat</td>
</tr>
<tr>
<td><em>(combination of two or more words)</em></td>
<td></td>
</tr>
<tr>
<td><strong>Classical</strong></td>
<td>Meritor</td>
</tr>
<tr>
<td><em>(based on Latin, Greek or Sanskrit)</em></td>
<td></td>
</tr>
<tr>
<td><strong>Arbitrary</strong></td>
<td>Apple</td>
</tr>
<tr>
<td><em>(Real words with no obvious tie-in to company)</em></td>
<td></td>
</tr>
<tr>
<td><strong>Fanciful</strong></td>
<td>avanade</td>
</tr>
<tr>
<td><em>(coined words with no obvious meaning)</em></td>
<td></td>
</tr>
</tbody>
</table>

*Table 1: Types of Possible Brand Names*

Brand names that are simple and easy to pronounce or spell, familiar and meaningful, and different, distinctive, and unusual can obviously improve brand awareness (Robertson, 1989). The basic requirements of the brand name are discussed as
follows.

Firstly, the brand name should be simple and easy to pronounce and spell. Simplicity reduces the effort consumers have to make to comprehend and process the brand name. Short names often facilitate recall because they are easy to encode and store in memory. Roberston (1989) found that in order to encourage word-of-mouth exposure that helps to build strong memory links, marketers should also make brand names easy to pronounce. Secondly, according to Kanungo (1968), the brand name should be full of familiarity and meaningfulness so it can tap into existing knowledge structures. Thirdly, the brand name should be differentiated, distinctive and unique. Brand recognition depends on consumers’ ability to discriminate between brands, and more complex brand names are more easily distinguished. Researchers convinced this statement by finding out that distinctive brand name can make it easier for consumers to learn intrinsic product information (Warlop, Ratneshwar and Osselaer, 2005).

Because the brand name is a compact form of communication, the explicit and implicit meanings consumers extract from it are important. In particular, the brand name can reinforce and important attribute or benefit association that makes up its product positioning. It is argued by Moore and Lehmann (1982) that a descriptive brand name should make it easier to link the reinforced attribute or benefit. Consumers may find it more difficult to accept or just too easy to forget the new positioning when the brand name continues to remind them of other product considerations.

**URLs**

Uniform Resource Locations (URLs) specify locations of pages on the Web and are also commonly referred to as domain names. In recent years, as companies clamored for space on the Web, the number of registered URLs increased dramatically. The sheer volume of registered URLs often makes it necessary for companies to use
coined words of new brands if they wish to have a Web site for the brand (Hicks, 2001). The increasing rate of e-commercial businesses also makes URL very important for daily business activities of the companies.

Logos and Symbols

Although the brand name typically is the central element of the brand, visual elements typically also play a critical role in building brand equity and especially brand awareness. Logos have a long history as a means to indicate origin, ownership or association (Konrad, 2000). McCarthy (2000) found that Logos range from corporate names or trademarks written in a distinctive form, to entirely abstract designs that may be completely unrelated to the word mark, corporate name or corporate activities. Logos and Symbols are often easily recognized and can be a valuable way to identify products, although consumers may recognize them but the unable to link them to any specific product brand (Henderson and Cote, 1998). Murphy (1990) also found out another advantage of logos, which is versatility, because they are often nonverbal, logos transfer well across cultures and over a range of product categories. Abstract logos offer advantages when the full brand name is difficult to use for any reason, and logos can be easily adapted over time to achieve a more contemporary look.

Characters

Characters represent a special type of brand symbol, one that takes on human or real life characteristics. Brand characters typically are introduced through advertising and can play a central role in ad campaigns and package designs. Because they are often colorful and rich in imagery, brand characters tend to be attention getting and quite useful for creating brand awareness. Moreover, according to Keller (2008), brand characters can help brands break through marketplace clutter as well as help to communicate a key product benefit; since brand characters do not typically have direct product meaning, they may also be transferred relatively easily across product
categories.

**Slogans**

Slogans are short phases that communicate descriptive or persuasive information about the brand. They often appear in advertising but can play an important role on packaging and in other aspects of the marketing program. Deutch (2005) said that slogans are powerful branding devices because they are an extremely efficient, shorthand means to build brand equity.

**Jingles**

Jingles are musical messages written around the brand which perhaps are most valuable in enhancing brand awareness. They usually repeat the brand name in clever and amusing ways that allow consumers multiple encoding opportunities; they can communicate brand benefits but they often convey product meaning in a non-direct and fairly abstract fashion (Smillie, 2000).

**Packaging**

Packaging is the activities of designing and producing containers or wrappers for a product. Bassin (1988) defined that, from the perspective of both the firm and consumers, packaging must achieve a number of objectives: identify the brand; convey descriptive and persuasive information; facilitate product transportation and protection; assist at-home storage and aid product consumption.

**3.2.2 Designing Marketing Programs to Build Brand Equity**

The marketing activities could be integrated to enhance brand awareness, improve the brand image, elicit positive brand responses and increase brand resonance. According to Kotler and Keller (2006), the basic marketing activities include product, pricing
and distribution strategies.

**Perspectives on Marketing**

There are many different means by which products and services and their corresponding marketing programs can build brand equity (Schultz, Tannenbaum and Lauterborn, 1993). Channel strategies, communication strategies, pricing strategies and other marketing activities can all enhance or detract from brand equity (Farrell, 1999). Marketer should evaluate all possible means to create knowledge, considering not just efficiency and cost but also effectiveness (Raines, 2005). The rapid expansion of the Internet and continued fragmentation of mass media has brought the need for personalized marketing into sharp focus (Locke, Levine, Searls and Weinberger, 2000). To adapt to the increased consumer desire for personalization, marketers have embraced concepts such as experiential marketing, one-to-one marketing, permission marketing and relationship marketing (Post, 2000; Tomkins, 2000). Experiential marketing promotes a product by not only communicating a product’s features and benefits but also connecting it with unique and interesting experiences (Pine and Gilmore, 1999). The basic rationale of one-to-one marketing is that consumers help to add value by providing information to marketers; in turn, marketers add value by taking that information and generating rewarding experiences for consumers. The company is able to create switching costs, reduce transaction costs and maximize utility for consumers, all of which could help to build strong, profitable relationships. Several fundamental strategies include: focus on individual consumers through consumer databases; respond to consumer dialogue via interactivity; and customize products and services (Peppers and Rogers, 1997). Permission marketing is another tool with which companies can break through the clutter and build customer loyalty, it refers to the practice of marketing to consumers only after gaining their express permission (Fournier, Dobscha and Mick, 1998). There are five steps of effective permission marketing: offer the prospect an incentive to volunteer; offer the interested prospect a curriculum over time; teaching the consumer about the product or service
being marketed; reinforce the incentive to guarantee that the prospect maintains their permissions offer additional incentives to get more permission from the costumer; leverage the permission to change consumer behavior toward profits over time (Danneels, 2003). Relationship marketing could be defined as the process of creating, maintaining and enhancing strong relationships with customers and other stakeholders (Jobber, 2010). There are four types of relationships that have been identified (Gummerson, 1996). The former two are market relationships between suppliers and customers, which make up the core of relationship marketing. The first one is classic market relationships concerning supplier-customer, supplier-customer-competitor and the physical distribution network; the second type is special market relationships such as the customer as a member of loyalty program and the interaction in the service encounter; the third type is mega-relationship which concerning the economy and society in general; the last one is nano-relationship that concerns the internal operations of an organization (Gummerson, 1996).

**Product Strategy**

The product influences primarily on what consumers experience with a brand, what they hear about a brand from others, and what the firm can tell customers about the brand. On another word, just as Aaker, Fournier and Brasel (2004) said, a great product is at the heart of a great brand.

The specific attributes of product quality can vary from category to category which have the following dimensions:

- **Performance**: levels at which the primary characteristics of the product operate
- **Features**: secondary elements of a product that complement the primary characteristics
- **Conformance quality**: degree to which the product meets specifications and is free of defects
- **Reliability**: consistency of performance over time and from purchase to purchase
Durability: expected economic life of the product; serviceability (ease of servicing the product)
Style and design: appearance or feel of quality (Aggarwal, 2004)

Marketers must take a broad, holistic approach to building brand equity. 3-D marketing is an approach meets this need, which emphasizes three product or service benefit dimensions:
Functional benefits: product and performance attributes; value; quality
Process benefits: ease of access to product information; broad product selection; simplified/assisted decision making; convenient transactions; automatic product replenishment
Relationship benefits: value based on personalized service strong emotional relevance; information sharing that creates value exchange; differential loyalty rewards (Aggarwal and Law, 2005)

Mass customization is a tool often used for relationship marketing in product strategy. Via the Internet, customers can communicate their preferences directly to the manufacturer, who can assemble that product for a price comparable to that of a no customized item by using a sophisticated production line. (Morgan and Shelby 1994)
To achieve the desired brand image, product strategies should focus on both purchase and consumption. There are seven after marketing activities that marketers need to consider:
Establishing and maintaining a customer information file, tracking all current, potential, inactive and past customers
Blueprinting customers contacts, identifying and characterizing points of interaction with customers in search of moments of truth
Analyzing customer feedback, explore the nature of satisfaction ad dissatisfaction
Conducting customer satisfaction surveys, to also signal interest in customer’s reactions
Formulating and managing communication programs, sending customers
proprietory magazine or newsletter

Hosting special customer events or programs, celebrating relationships with the brand

Identifying and reclaiming list customers, one of the best sources for new customers (Vavra, 1995)

Besides the company that makes the product, the country or geographic location from which the product origins may also become linked to the brand and generate secondary associations (Li and Wyer, 1994). Many countries have become known for expertise in certain product categories or for conveying a particular type of image. The world is becoming a ‘culture bazaar’ where consumer can pick and choose brands originating in different countries, based on their beliefs about the quality of certain types of products from certain countries or the image that these brands or products communicate (Kotler, Jatusriptak and Maesincee, 1997). Thus a number of brands are able to create a strong point of difference, in part because of consumer’s identification of and beliefs about the country of origin. The country of origin of a product, typically communicated by the phrase ‘made in [country]’, has a considerable influence on the quality perception of that product (Olins, 2002). Some countries have a good reputation and others have a poor reputation for certain products. For example, Japan and Germany have good reputations for producing cars. Sometimes, the country of origin is more important than the brand name (Keegan and Green, 2012). Because it is typically a legal necessity for the country of origin to appear somewhere on the product or package, associations to the country of origin almost always have the potential to be created at the point of purchase and to affect brand decisions here (Gudjonsson, 2005). The favorability of country of origin should be considered from both a domestic and foreign perspective. In the domestic market, country of origin perceptions may stir consumers’ patriotic notions or remind them of their past, as international trade rows, consumers may view certain brands as symbolically important of their won cultural heritage and identity (Gurhan-Canli and Maheswara, 2000).
Price Strategy

Price is the one revenue-generating element of the traditional marketing mix, and price premiums are among the most important brand equity benefits of building a strong brand (Blattberg and Wisniewski, 1989). Consumers may infer the quality of a product on the basis of its price and use perceived quality and price to arrive at an assessment of perceived value. Consumer associations of perceived value are often an important factor in purchase decisions. In this case, Nagel and Holden (2002) discovered that many marketers have adopted value-based pricing strategies-attempting to sell the right product at the right price-to better meet consumer wishes.

In order to better price the products, Dolan (1995) described eight steps for companies to consider:

Firstly, the value the customers place on a product or service should be assessed. Companies should determine the product’s value to the customers rather than basing pricing decisions on product costs.

Secondly, companies should look for variation in the way customers value the product. Customers often vary on how and why they use the products which leading different customers to value the product differently. Companies, then, should customize prices to take advantage of these different values.

Thirdly, customers’ price sensitivity should be assessed. Companies should determine the price elasticity for its products in three areas: customer economics, customer search and usage, and the competitive situation.

Fourthly, an optimal pricing structure should be identified. Companies can decide to offer discounts based on quantity purchased or use bundle pricing to sell a combination of products instead of setting fixed price.

Fifthly, competitors’ reactions should also be taken into consideration. In order to avoid costly price wars, companies must consider the long-term effects of price decisions in terms of the competition.
Sixthly, monitor prices realized at the transaction level. Though a product may have a single list price, it may have many possible final processes due to discounts and rebates. The real net revenue from a product is affected by factors such as customer returns and damage claims.

Seventhly, customer’s emotional response should also be assessed. A customer’s emotional response to a price can have long-term effects that outweigh the short-term economic impact of sale.

Last but not least, companies should analyze whether the returns are worth the cost to serve. High cost-to-serve customers do not necessarily pay high prices, just as customers who spend little do not always receive low-cost service.

**Channel Strategy**

The manner by which a product is sold or distributed can have a profound impact on the resulting equity and ultimate sales success of a brand. Marketing channels are defined as “sets of interdependent organizations involved in the process of making a product or service available for use or consumption” (Coughlan, Anderson, Stern and El-Ansary, 2001).

A number of possible channel types and arrangements exist, which could be broadly classified into direct and indirect channels (Moriarty and Moran, 1990). Direct channels mean selling through personal contacts from the company to prospective customers by mail, phone, electronic means, in-person visits and so on. Indirect channels sell through third party intermediaries such as agents or broker representatives, wholesalers or distributors and retailers or dealers.

*Direct Channels:* To gain control over the selling process and build stronger relationships with customers, some manufacturers are introducing their own retail outlets, as well as selling their products directly to customers through various means. On one hand, the company stores are a means to showcase the brand and all its
different product varieties in a manner not easily achieved through normal retail channels. On the other hand, operating company stores require essential skills and resources and may be conflict with existing retail channels and distributors potentially (Kotler and Keller, 2006).

Direct channels are preferable for the following situations (Rangan, Menezes and Maier, 1992):

- Product information needs are high
- Product customization is high
- Product quality assurance is important
- Purchase lot size is important
- Logistics are important

*Indirect channels:* Besides the indirect avenue of image transfer, retailers can directly affect the equity of the brands they sell. Their methods of stocking, displaying, and selling products can enhance or detract from brand equity. Suggesting that manufacturers must take an active role in helping retailers adds value to their brands (Erin, 2003). By devoting marketing efforts to the end consumer, a manufacturer is said to employ a pull strategy, since consumers use their buying power and influence on retailers to ‘pull’ the product through the channel (Virginia, 2003). Alternatively, marketers can devote their selling efforts to the channel members themselves, proving direct incentives for them to stock and sell products to end consumer. This approach is called push strategy, because the manufacturer attempts to reach the consumer by ‘pushing’ the product through each step of the distribution chain (Virginia, 2003).

Indirect channels may be suitable when (Rangan, Menezes and Maier, 1992):

- A broad assortment is essential
- Availability is critical
- After-sales service is important
Pull and push in channel: As part of your channel strategy, you may decide to use intermediaries to move or push your product through the outbound connections of the value chain to customers, an approach known as a push strategy. The point is to encourage retailers, wholesalers, reps, and agents to carry the product and make it readily available to customers. Marketers using a push strategy typically stir channel interest through sales and communication programs targeting intermediaries (William, 1993).

An alternative approach is the pull strategy, which relies on customers requesting the product through the channel from producer to customer, because intermediaries generally strive to satisfy their customers by selling what is requested. Some marketers successfully use this approach to build distinction in targeted areas: they place advertisements or otherwise communicate with customers, who in turn are motivated to contact local retailers or distributors and ask for the products (William, 1993). In terms of marketing planning, pull strategy can mean a better match between demand and supply (Christopher, 1993).

Figure 3: Push and Pull Strategy

If you choose a pull strategy, one can use sales promotions to induce customers to request a certain product from channel members; in a push strategy, one can use sales
promotions to encourage channel members to stock and sell the product (Jacquelyn and Ursula, 2005). In a pull strategy, for example, company will primarily target customers as a way of stimulating demand, in a push strategy, company will primarily target channel members (Matthew, Karla and Leslie, 2005). Due to the rising cost of mass-media campaigns and the growing strength of retailer, many companies now shift from pull strategy to push strategy, however, reckless use of push promotion leads to fierce price competition and a continual spiral of price slashing and margin erosion, leaving less money to invest in the product R&D, packaging and advertising that is required to improve and maintain long-run consumer preference and loyalty. Most companies prefer to use the combination of both strategies instead of only using one.

3.3 Sustaining Brand Equity

The brand equity should be sustained during different phases after building-up, according to Keller (2008), how many brands within the portfolio do the companies want to launch and maintain is the basic question that need to be answered first of all.

3.3.1 Brand Portfolios

Although brand extension can help a company to grow, there are limits to what a single brand can achieve. Even if psychographics are substituted for demographics, a brand is not a catchall. The other way in which a company can grow is by creating new brands to meet the demand that existing brands cannot satisfy. The purpose of multi-brand portfolios is to better meet the demands of segmented markets, and any reassessment of the portfolio raises the questions of the segments to be retained (Dacin and Smith, 1994).

The natural tendency during the growth of firms has been to add new brands each time they wanted to penetrate new market segments or new distribution channels. This is done so as to avoid conflicts with former segments and channels which could
have endangered their old brands (Morgan and Rego, 2009).

How many brands are suitable for the companies? The answer to this question depends on the various conditions from both marketing and industrial perspectives, such as target customers, product portfolios, brand positioning and so on (Dacin and Smith, 1994). There is no uniform criteria based on to make the decision, while there are more and more companies with potential capacities prefer multiple brands approach in today’s market ((Kapferer, 2008).

**The Benefits of Multiple Brands Approach**

The first benefit is market growth. No single brand can develop a market on its own. Even if it forms the sole presence at the outset, once the band has created the market, its development requires a multiplication of players, each investing to promote their respective differences.

Moreover, multiple brands allow for best market coverage. Single brand cannot cover a market on its own. There is a need for differentiation due to the market matures and it becomes necessary to offer a wide range, the market is becoming segmented. In another word, a brand cannot be targeted at several different qualities at the same time without running the risk of losing the identity.

Multiple brands offer a tactical flexibility which also enables one to limit a competitor’s field of extension. A multi-brand policy can stop any new competitors entering a market. A strong entry barrier to a market can be created by offering a complete range to retailers with a brand name for each sector of the market.

Last but not least, a multi-brand policy is necessary to protect main brand image, when the success of an innovation is not certain, it would be foolish to risk associating it with a successful brand. (Dacin and Smith, 1994; Kapferer, 2008)
Linking the Portfolio to Segmentation

The brand portfolio is indicative of a company’s desire to better meet the demands of the market, not only through differentiated products but also through different brands and therefore different identities. The type of market segmentation chosen by the company is reflected by the organization of the brand portfolio. The types of segmentation include: socio-demographic segmentation, psychographic segmentation, benefit segmentation, attitude segmentation, channel segmentation, occasion segmentation as well as price segmentation (Kapferer, 2008).

Key Rules to Manage a Multi-Brand Portfolio

The principles to be followed to optimize the results of multi-brand entries in a competitive market are described as follows (Kapferer, 2008).

Firstly, portfolio needs strong coordination. Above the brand level, brand portfolios need some form of coordination and even a coordinator. Companies are porous with ideas passing between departments, across corridors and even between buildings, which gives rise to a tendency to duplicate brands within the same portfolio.

Secondly, allocate innovations according to each brand’s positioning. Innovations renew the brand’s relevance and differentiation and this is why it is essential to have clear and precise platforms for each brand. It is through innovation that the brand reveals its identity, brand values, positioning and market share are the elements influencing the allocation of innovations.

Thirdly, do not ‘rob Peter to pay Paul’. This mistake must be avoided because the aim is to create a portfolio of strong brands. Although it is standard practice to position brands clearly in relation to one another in order to maximize their appropriateness for the segments targeted, a brand should be prevented from becoming strong.

Fourthly, a brand portfolio is not an accumulation of independent brands but the reflection of a global strategy of market domination. With a precise role allocated to each brand, a portfolio is a global approach on the chessboard of competition. Brand
managers should receive a set of instructions so that they can understand the role and do not deviate from the global plan by carrying out a series of independent initiatives over time.

Fifthly, within all large companies, there is an inevitable tendency to replicate. Because the basic function of groups is to reduce costs by pooling as many resources as possible, there is always an underlying competition based on prices. And it is crucial to ensure that all the visible parts of these brands are different.

Sixthly, focus each brand of the portfolio on a specific external competitor. This is a way to prevent the brands in a portfolio from replicating each other, apart from permanent surveillance by brand coordinator. The best way to cover the market is through the logic of multi-brand portfolios rather than through narrowing the focus. Choosing a specific competitor for each brand could increase the chance to achieve this.

Lastly, a classic risk of brand portfolio is their complexity. Exaggerated fragmentation does not allow each brand to achieve its critical size. A brand is merely a name and not a long-term publicity and promotional medium. This is why the legal departments are gradually collapsing under the cost of registering and monitoring trademarks.

3.3.2 Brand Architecture

After a company confirms its brand portfolio, how to manage the various products and sub brands inside is vital to consider, this is especially the case for multi-portfolio companies (Dacin and Smith, 1994).

The vital brand need is to grow and at the same time maintain its reputation and profits. Capitalizing on the success of its founding product or service, it does so by means of successive extensions and when this extension of the perimeter of the brand’s offer occurs, strategic questions arise: they concern the brand architecture (Kapferer, 2008). Brand architecture is the way a company organizes manages and markets their brands, according to Petromili, Morrison and Million (2002), it must
align with and support business goals and strategies that different business strategies require different brand architectures. The brand architecture is the coherent response given to the following three questions: How many brand levels should be used? What linkage exists between these brand levels? What visibility should be corporate brand have? The answers to these questions are not independent. The researchers have studies the brand architecture for many years and there are various ways to classify different types. It is possible to classify these architectures according to the degree of constraint that they impose downstream, at the business, product and market levels. In this respect, the Americans distinguish between two basic alternatives: ‘House of Brands’ or ‘Branded House’. The House of Brands relates to a situation of extreme freedom of management for the brands, subsidiaries, activities and divisions; The Branded House expresses the desire to give coherence to the whole under the auspices of a brand with central values that find embodiment at the market and product level (Douglas, Craig and Nijssen, 1998). While Kapferer developed the classification in 2008 by coming up with six different types: the product-brand strategy; the flexible umbrella strategy; the master brand strategy; the maker’s mark strategy; the endorsing brand strategy; the source brand strategy. Although this kind of classification may be more specific, in reality it could be very complex for companies to implement and follow up. Actually in 2000, Aaker and Joachimsthaler have already developed four types of architectures; their method is more concrete than previous works and at the same time easier to understand and implement than Kapferer’s. According to Aaker and Joachimsthaler (2000), the four basic types of brand architectures are: House of Brands, Endorsed Brands, Sub-brands and Branded House.

**House of Brands**

The house of brands involves an independent set of stand-alone brands and each of them could maximize the brand impact on the market potentially. Typical examples are Procter & Gamble and Virgin. There are lots of benefits to implement the house of brands. Firstly, though house of brands, it is possible for the company to leverage a
brand across multiple businesses, and at the same time it allows firms to clearly position brands on functional benefits and to dominate niche segments. Secondly, it could avoid or minimize channel conflict because when unconnected brands are sold through competing channels, conflict is usually not an issue. Moreover, companies using house of brands can own a new product class association by using a powerful name that reflects a key benefits and at the same time, they can achieve signaling breakthrough advantages of those new offering. Last but not least, this strategy enables the firms to avoid a brand association that would be incompatible with an offering. For example, Volkswagen would adversely affect the images of Porsche and Audi if the brands were linked.

Shadow endorser brands are not connected visibly to the endorsed brand, while many consumers know about the link in fact. Shadow endorser could be regarded as a sub-category of the house of brands, which provides some of the advantages of having a known organization backing the brand and at the same time minimizing any association contamination. In this case, the brands are not visibly linked makes a statement about each brand even when the link is discovered. It communicates that the shadow-endorsed brands represent totally different products and market segments. (Aaker and Joachimsthaler, 2000)

**Endorsed Brands**

The brands are independent in the house of brands strategy, and the brands are still independent in the case of endorsed brands, while in this case, the brands are also endorsed by another brand, usually an organizational brand. The brand endorsement provides credibility and substance to the offering and usually plays only a minor driver role. The benefit is that all the corporate endorsements could add value over the control and many useful associations can be provided to the endorser, for example the endorser can be enhanced by an established market leader. According to Kapferer (2008), endorsing brand is placed lower down because it acts as a base guarantor, the
brand endorsement can be indicated in a graphic manner by placing the emblem of the endorser next to the brand name or by simply signing the endorser’s name. The greater freedom of movement is one advantage of this strategy; the endorsing brand profits less from its products; each particular product name evokes a forceful image and has a power of recall for the consumer. This strategy is also one of the least expensive ways of giving substance to a company name and allowing it to achieve minimal brand status.

Token endorser is one variant of the endorser strategy. This refers to a master brand involved in several product-market contexts which is substantially less prominent than the endorsed brand. The role of the token endorser is to provide some reassurance and credibility while still allowing the endorsed brands maximum freedom to create their own associations. The token endorser is more suitable in the following situations:

- The endorser is well known already
- The endorser is consistently presented
- The endorser has a visual metaphor symbol and therefore provides credibility from its ability to span products

Another endorsement variant is a linked brand name; here the brand names have common elements that create a family of brands with an implicit or implied endorser. A good example here is McDonald’s who has McNuggets, McKids, McRib and so on. The linked names allow more ownership and differentiation that a descriptor brands strategy and its most important benefit is that it enables brand to have a separate name without having to establish a second name from scratch and link it to a master brand (Aaker and Joachimsthaler, 2000).

**Sub-Brands**

Sub-brands are those brands connected to a master or parent brand and augment or modify the associations of that master brand. The master brand plays as a primary frame of reference, which is stretched by sub-brands that add attribute associations
(such as Black and Decker Sweet Hearts Waffle-baker), application associations (such as Microsoft Office), a signal of breakthrough newness (such as Sony Walkman), a brand personality (such as Audi TT) and even energy (such as Nike Force). The link between sub-brands and the master brands is closer that the link between the endorsed brands and the endorsers. Thanks to the linkage closeness, a sub-brand has considerable potential to affect the associations of the master brand, in turn, the master brand will usually have a major driver role and in this case, the sub-brands may have less freedom to create a distinct brand image. There are spillovers between the master and sub brands, usually from the strong ones to the weak ones, and this is especially the case in business to business market (Lei, Dawar and Lemmink, 2008).

When both the master brand and the sub-brands have major driver roles at the same time, this is considered a co-driver situation. For this to be the case, the master brand should already have some real credibility in the product class. It should also be noticed that, however, in a co-driver situation, unless the two brands stand for comparable quality, the association might tarnish the more prestigious brand (Aaker and Joachimsthaler, 2000).

**Branded House**

In this strategy, the role of a master brand moves from being a primary driver to a dominant driver role across multiple offering. The sub-brand, then, goes from having a modest driver role to being a descriptor with little or no diver role. The branded house architecture often maximizes clarity because the customer knows exactly what is being offered. Compared to a dozen individual brands with different associations, a single brand communicated across products and over time is much easier to understand and recall for the customers. And employees and communication partners could also benefit from the greater clarify and focus on a single dominant brand. Moreover, a branded house usually maximized synergy because participation in one product market creates associations and visibility that can help with each other. Lastly,
since the master brand works harder in more contexts, this enables it to create and leverage the assets as a result (Aaker and Joachimsthaler, 2000).

When the same brand is used across products, segments, and countries, two assumptions are usually made which are counterproductive to creating optimal brand architecture. The first assumption is that there can be different brand identities and positions in every context despite the common brand name. This may, however, create brand anarchy and result in inefficient and ineffective brand building. The second assumption is that, there is a single identity and position everywhere to avoid the brand anarchy, while in this case, there may exist risks in ineffectively branding in many business contexts (Aaker and Joachimsthaler, 2000).

In a nutshell, the basic brand architectures, according to Aaker and Joachimsthaler (2000), could be summarized as the following the figure.

![Brand Architecture Types](image)

*Figure 4: The Brand Architecture Types (Aaker and Joachimsthaler, 2000)*

**Selecting the Right Brand Architecture**

Although different architecture types as well as their benefits are defined, each context is different which leads to the difficulty in generalizing when and how to apply for certain brand architecture. In this case, Aaker and Joachimsthaler (2000) also provided a structure to analyze this issue which basically contains four questions to ask.

**Does the Master Brand Contribute to the Offering?**

The master brand needs to add value by becoming attached to a new product offering
in the branded house scenario. Usually there are four ways for master brands to add value: by creating associations to enhance the value proposition; by sharing the visibility of the master brand; by proving credibility with organizational associations; and by generating communication efficiencies.

**Will the Master Brand be Strengthened?**

The impact of brand extension and brand endorsement on the master brand is very critical but often overlooked. Some firms allow access to the brand to business units that are concerned only with the credibility gained by using it with no regard for any image dilution that may be generated. The real brand equity may be damaged if there is no organizational unit to prevent the brand extension or endorsement promiscuity. The company should always remember that a brand extension or brand endorsement should be a vehicle to support and enhance the key master brand associations.

**Is There a Compelling Need for a Separate Brand?**

Building up and managing a separate brand is expensive and difficult. Multiple brands may complicate the brand architecture for both the firms and customers. Using an established brand in a branded house will then reduce the required investment and lead to enhanced synergy. Therefore, a separate brand should be built up and developed only when a compelling need can be demonstrated. While on the other hand, new brands would be absolutely necessary to create or own an association, retain a customer relationship, represent a totally new concept, or deal with a severe channel conflict issue.

**Will the Business Support a New Brand Name?**

A new brand name is not feasible when the business is ultimately too small or short lived, because it is costly and difficult to establish and maintain a brand much more than expected or budgeted. Many companies have deep pockets but short arms, it is futile to build up a brand to fail to fund its construction and provide a maintenance budget.

To sum up, the brand architecture selecting criteria could be illustrated by the following figure.
Figure 5: Four questions need to ask before selecting brand architecture (Aaker and Joachimsthaler, 2000)

Briefly speaking, positive answers to the two questions on the left will suggest a downward movement to a branded house, while positive answer to the questions on the right will implicate an upward movement toward a house of brands.
4. Develop a Normative Framework

This section provides a general overview of the theories discussed above, and based on which a normative framework is designed especially for the research questions of this paper in both theoretical and case studying perspectives.

4.1 Theory Summery and General Framework Drawing

The theoretical review above has provided a number of relevant issues to the research questions. In a nutshell, the theories could be concluded as follows.

Brand equity can be defined as the net value of brand image, which is very important to the companies. It could provide financial benefits in terms of high profitability. At the same time, the brand equity from consumer based perspective can also make contributions to the brands in generating brand awareness, forming positive brand attitude and creating brand loyalty. Branding is the prerequisite for companies to take advantage of their brand equity, here the companies should remember that branding need to be done in a long run scale and the product profile should always be the basis of their considerations.

In order to build the brand equity, first of all, the company should choose suitable elements including brand name, URLs, logo and symbols, characters, slogans, jingles as well as packaging. Moreover, marketing programs should be designed to build up the brand equity, specifically speaking, product strategy, price strategy, channel strategy and also new marketing perspectives, such as experiential marketing, one to one marketing and permission marketing, need to be considered.

Sustain the brand equity after build-up also deserves to pay attention to. Firstly, the company should decide how many brands they want to keep within the brand portfolios. This depends on the concrete conditions of different companies including
both industrial and marketing perspectives. Afterwards, reasonable brand architecture should be applied, possible alternatives are house of brands, endorsed brands, sub-brands and branded house. The selecting criteria could be summarized into four questions on master brands or new brands.

In terms of the purpose of this paper on how to revise the brand equity, it cannot be answered by either building up or sustaining the brand equity. The answer depends on company’s concrete situation. However, no matter what kinds of the situations are, the former two aspects should all be examined so as to receive a comprehensive inspection and analysis. A normative framework, in this case, can be deigned as the following figure.

**Figure 6: Brand equity revising structure**

4.2 Knowledge on Business to Business

The normative framework illustrated above is designed from a general perspective, in another word, either Business to Business (B2B) companies, or Business to Consumer (B2C) companies, or Consumer to Consumer (C2C) companies could apply this structure basically. While in fact, there are many differences between different
business types that need to be considered when applying this framework, some issues may be more important than others under certain business type. In terms of the case company which will be discussed in next section, B2B marketing considerations need to be integrated with this general version. So first of all, some characteristics on the relevant aspects of B2B market should be discussed here.

### 4.2.1 Business to Business (B2B) Market Characteristics

Before discussing brand equity of B2B companies, it is important to learn the basic characteristics of B2B market first.

Business to Business market has been defined and discussed in many scientific literatures. According to Dibb et al. (2000), B2B marketing concerns those activities that directed towards facilitating and expediting exchanges between industrial markets and industrial producers. Ford et al. (2002) described the B2B marketing as the task of selecting, developing and managing customer relationships for the advantage of both customer and supplier, with regard to their respective skills, resources, technologies, strategies and objectives. Generally speaking, B2B market consists of all the organizations that buy goods and services to use in the production of other products and services that are sold.

B2B markets are similar to B2C (Business to Consumer) markets in some ways such as they all involve people who assume buying roles and make purchase decisions to satisfy needs (Kotler et al., 2005). However B2B markets do differ in many aspects. Firstly, the people involved in purchasing decision are more than those in B2C markets’ (Ford et al., 2003). Besides the users who finally consume the products, deciders who considering the budgets and the buyers who actually do the purchase, influencers usually play important roles during the purchasing process. They are persons whose views or advice carries some weight in making a final purchase decision; and they often help to define specifications and to provide essential
information for evaluating the alternatives (Kotler et al., 2005). Moreover, there may exist gatekeeper who could be another brand manager that may help or hinder in feeding information and the interpretation of that information. Individual who has the technical ability to critically evaluate the offerings can also be an influencer which is called analyst.

Secondly, the people involved in a B2B purchase are tending to be more professional because of the expensive, complex and risky one-off characteristics of the B2B products and services (Field, 2003). In this case, there will be more rational consumers instead of emotive consumers that may exist in B2C markets.

Thirdly, the time taken to negotiate from decision to buy to actual purchase is usually much longer (Menon, Raghubir and Schwarz, 1995). The driving forces here include the complexity of a business customer’s requirements, the importance and the value of the purchase, the number of individuals involved in the process and also the knowledge and advice that the suppliers could offer.

Last but not least, the B2B purchase is not an isolate event but a relationship development (Ford et al., 2003). Customers and suppliers can interact on the basis of their experiences of previous purchases and given the nature of their expectations for future purchases.

4.2.2 The Branding Importance to B2B Companies

Many business executives recognized that one of the most valuable assets of companies is the brands they invested in and developed over time (Keller, 2008). Branding issue has been discussed a lot in consumer markets, while it is also very important for Business to Business companies.

B2B branding creates positive image and reputation for the companies as a whole (Mitchell, King and Reast, 2001). Creating such goodwill with business customers can result in greater selling opportunities and more profitable relationships. Strong brands can provide valuable re-assurance to business customers who may put their
companies’ fate on the line. As a result, a strong competitive advantage can be gained via a strong B2B brand.

B2B branding is often complex because there are many people involved, both on the company side and in the many different market segments the company could be targeting within and across companies (Keller, 2008). In this case, Keller and Webster (2004) have raised 10 basic principles for better understanding B2B branding, which are stated as follows:

Firstly, the role and importance of branding should be tied directly into the industrial marketer’s business model and value delivery strategy.

Secondly, the role of the brand in the organizational buying process should be totally understood via for example market research or decision criteria.

Thirdly, be sure that the basic value proposition has relevance for all significant players in the decision-making unit and decision making process.

Fourthly, a corporate branding approach including buyer-seller relationship and buyer’s corporate credibility and reliability should be emphasized.

Fifthly, corporate brand around brand intangibles such as credibility, reputation and distinctiveness should be built up.

Sixthly, the corporate communication strategy as well as the brand strategy should be clear; the relationship between the two sets of activities need to be carefully managed so as to avoid potential conflict.

Seventhly, companies should apply detailed segmentation analysis within and across industry-defined segments, based on differences in the composition and functioning of buying centers within those segments.

Eighthly, brand communications around the interactive effects of multiple media need to build up.

Ninthly, both top-down management approach, which involves marketing activities that capture the possible synergies across products and markets to brand products accordingly, and bottom-up management approach, which requires marketing managers primarily direct their marketing activities to maximize brand equity for
individual products for particular business units, should be adopted.

Finally, all the members in the organization should be educated on the branding value as well as their roles in delivering the brand value.

4.2.3 Brand Equity Analysis for B2B Brands

There are many conceptual contributions on brand equity analysis while there are few frameworks especially for B2B companies. In 1997, Mudambi et al. provided a good solution on handling the brand image of B2B brands by raising a B2B Brand Image Model. Inside this model, most common brand image dimensions have been covered and both tangible and intangible brand associations are included. So this model is used as a starting point for analyzing B2B brand equity in this case. The model is showed as below.
Figure 7: B2B Brand Image Model (Mudambi et al., 1997)

According to this model, the B2B brand equity analysis is conducted based on product, support services, distribution and company aspects for both tangible and intangible perspectives.

**Product**

Product associations are regarded as the core of B2B brand (Kuhn et al., 2008). Usually the products are conceptualized as the physical core of a company’s offering. Product quality and performance can be described as the major sub dimensions. In B2B marketing, quality is essential to products and business customers always require consistently high performance (Zeithaml, 1988). The product quality and performance
can be tested in a tangible form such as statistic figures, while the terminology of ‘quality’ and ‘performance’ per se refer to customer-based intangible associations (Olson and Jacoby, 1972). Garvin (1987) found that it is hard for both customers and even professional buyers to make objective, complete and fully correct judgments of the product quality via intrinsic attributes, in this case, extrinsic associations such as reported number of defects for certain products should be well used, moreover, country of origin is also an useful extrinsic cues for the product quality. Product quality is the most important criteria for B2B companies to attract and retain customers, so as to increase high brand awareness, gain positive brand attitude and creating more brand loyalty. It is vital for the companies to remember that before the brand introducing or even developing a new product, companies should make sure that the entire organization is capable of consistently delivering the expected quality and proving enough resources (Mitra and Golder, 2006).

Besides the quality and performance, product diversification is also an important advantage for a B2B brand to stand out from the competitors (Mudambi et al., 1997). In this case the B2B market segmentation should be done for the diversified products targeting. There are mainly three types of segmentation bases for B2B companies, they are: the product applications, the buying conditions including who buys and where buts, and demographic segmentation such as the annual sales volume and the size of the customer company (Keller, 2008). Moreover, adopting a family branding strategy or creating a well-defined brand hierarchy could help the B2B companies to better manage various products with clear and different images (Philips and Dunkin, 1990).

Product customization is very popular in B2B business (Chernatony and Malcom, 1992), in order to meet this kind of customer needs, companies should not only own essential producing capacities but also should have available access to gather those specific requirements such as employing a full range of marketing communication associations and carefully tailoring the marketing programs for each segment.
Service

Service associations are often perceived as ‘service quality’ in a general level (Cretu and Brodie, 2007), at the same time, there are also concrete associations including technical support, staff expertise, design, training, financial services, information services and after-sale services (Bendixen et al., 2004). All the associations above are usually regarded as intangible associations, while if not strictly speaking, the whole range of those services could be a kind of tangible benefits that companies providing to the customers (Kuhn et al., 2008). In B2B markets, services are regarded as an augmented part of the product offerings (Mudambi et al., 1997). B2B customers often require service before, during and after a purchase, from tailoring product specifications to arranging installation to maintain and repairing the product years later (Marian, 2004). So it is very important for B2B brands and companies to well plan their customer service strategies in different service segments for different target groups. Generally speaking, there are four service segments for brands to consider: pre-purchase service, point of purchase service, post-purchase service, and service recovery.

Pre-purchase service: Customers may have questions and require service assistance before their purchase. Business buyers in particular need help with product specifications or configurations, installation options and warranty or repair information (Joseph, 2003). If B2B brands sell the products directly, they must provide some service before customer buy, while when the products are sold through indirect channels, educating channel members is important in case of answering the questions from the customers or demonstrating features of the products.

Point of purchase service: Customers of B2B businesses may not complete the purchase if the customer service falls short at the point of purchase. The possible services that customers may require in this phase include: testing a product, completing the paperwork for a transaction, arranging for delivery or pick-up,
arranging payment methods or terms, and taking advantages of promotions connected with purchasing (Marian, 2004). In order to meet those customer needs, clear regulations need to be published on different aspects such as payment methods; good coordination and efficient communication between different departments or even different sub-brands, by dealing with problems such as logistic problem, are extremely important in this case.

Post-purchase service: Companies usually provide post purchase service in order to encourage repeat business and strengthen customer relations. In terms of B2B business, the post-purchase service may consist of: training buyers in product use, explaining maintenance or repair procedures, exchanging defective products, returning products for refunds and installing replacement parts (Marian, 2004). In this case, companies should try the best to make their post service agencies cover all their markets. And before customers noticing the problems, companies could also develop detecting technologies to inspect their products first by themselves so as to ensure the product quality and maintain good brand image.

Service recovery: Service recovery refers to how the organization will recover from a service lapse and satisfies the customers because customer service cannot be delivered successfully every time (Marian, 2004). This offers an excellent opportunity for B2B companies to show their understanding of the customers’ needs and at the same time rebuild the relations with the customers by implementing a good solution here. Internal marketing is vital in this case, because the employees must have the commitment, skills and authority to clarify the extent and nature of a service lapse and at the same time offer a suitable response and see that it is implemented as promised.

**Distribution**

Distribution associations deal with both tangible aspects such as delivery and lead times and intangible aspects such as ordering, emergency response, reliability and
availability (Marian, 2004). Channel and logistics strategy is often the key point in distribution for B2B brands (Tim, 2002). B2B companies often face similar choices: Will they market through wholesalers, distributors or agents that sell to business buyers? Should they deal directly with some or all of their business customers? Both direct and indirect channels have their own pros and cons. For example in terms of direct channel in B2B business, personal selling is the most popular method that has been widely used by many companies; sales representatives are key player in building trust with customers and maintaining strong satisfying relationships. Companies usually gain more profits through direct selling while at the same time they also need to undertake the risks on different sales reps’ performances. In terms of indirect channel in B2B market, wholesaler is often the intermediaries between the B2B companies and the customers. Those wholesalers can provide potentially larger channels and more opportunities for the products to achieve customers, and some wholesalers with good reputation may even add extra value to those products; while at the same time, the B2B companies also need to pay for those wholesalers and there is potential risk on wholesaler’s negative brand image spillover on the B2B brands’ products as well.

Besides sales representatives, online marketing, telemarking, self-sales-agents are also direct marketing channels; In addition to wholesalers, retailers and other sale agents can be alternative indirect channels (Brown, Lusch and Smith, 1991). The elements that need to be considered when choosing different channels include: value chain flows and responsibilities, customer preferences and expectations, channel length, market coverage, channel member, appropriateness for product offering, ecological impact. Pull or push strategy consideration also works for B2B brands in channel strategy. While in the distribution association, channel strategy should not be isolated from logistic methods. The elements of logistics, then, need to be considered as well, which include: inventory, storage, transportation, order processing and fulfillment, and physical and financial information flows.
Company

Associations of the company behind a product or service were early identified as highly relevant (Aaker, 1996). The company associations encompass aspects of the company as a whole rather than specific products or services offered by it. The most common associations are: reliability (Hutton, 1997), excellence (Kuhn et al., 2008), leadership (Mudanbi et al., 1997), innovation (Cretu and Brodie, 2007), experience (Kuhn et al., 2008) and reputation (Sharp, 1995). In B2C brands, there is symbolic meaning of brands which refers to how consumers use the brand to reflect and develop their own personality since the social image of the brand provides consumers with means to express specific dimensions of themselves (Park, Jaworski and MacInnis, 1986). This is also the case in B2B brands as well (Kotler and Pfoertchs, 2006). All in all, in order to dealing with company associations, B2B brands need to implement various strategies such as strengthening public relationship, pay attention to corporate social responsibility, create product personality and distinctiveness, investing in R&D and keeping innovating and so on. The alternative communication options for B2B markets are: media advertising, trade journal advertising, direct mails, sponsorship or event marketing, exhibitions, trade shows and conventions, publicity or public relations (Keller, 2008).

4.2.4 B2B Brand Equity Summery

In conclusion, the brand equity of B2B brands can be summarized in the following table.

<table>
<thead>
<tr>
<th>B2B Brand Equity Elements</th>
<th>Sub-Elements</th>
<th>Alternative Considerations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product</td>
<td>Quality</td>
<td>Intrinsic and extrinsic cues</td>
</tr>
<tr>
<td></td>
<td>Diversification</td>
<td>Segmentation, brand family or/and hierarchy</td>
</tr>
<tr>
<td></td>
<td>Customization</td>
<td>Access information via full range communication or/and via market tailoring</td>
</tr>
<tr>
<td>Service</td>
<td>Pre-purchase service</td>
<td>Service from direct</td>
</tr>
<tr>
<td>Distribution</td>
<td>Channel</td>
<td>Relevant elements including value chain flows and responsibilities, customer preferences and expectations, channel length, market coverage, channel member, appropriateness for product offering, ecological impact</td>
</tr>
<tr>
<td>-----------------------</td>
<td>--------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Logistics</td>
<td></td>
<td>Relevant elements including inventory, storage, transportation, order processing and fulfillment, and physical and financial information flows</td>
</tr>
<tr>
<td>Company</td>
<td>Characteristics such as reliability, excellence, innovation, experience and reputation</td>
<td>Potential strategies such as strengthening public relationship, pay attention to corporate social responsibility, create product personality and distinctiveness and investing in R&amp;D and keeping innovating</td>
</tr>
</tbody>
</table>

Table 2: B2B Brand Equity Analysis

4.3 Normative Framework for B2B Brand Equity Refining

In order to design the framework for B2B brands to revise their brand equity, both general normative framework for brand equity revising and knowledge on B2B companies should be taken into consideration.
Firstly, for the brand elements, it is obvious that brand name, logos and symbols, characters, slogan and packaging are important for B2B brands to consider. The importance of jingles depends on how the brands communicate in the market, if one chooses to communicate its brand via commercial advertising, then jingles can play an important role in affecting the brand equity, otherwise its importance degree may be low when the brands choose other methods such as promoting the brands through trade shows. For URLs, people usually think it is important for B2C brands, while it is also the case for B2B brands. B2B e-commerce becomes a trend, most major B2B marketers now offer product information, customer purchasing and customer support online; Much B2B e-commerce takes place in open trading networks, which is huge e-marketplaces in which B2B buyers and sellers find each other online, achieve information and complete transactions efficiently(Keller et al., 2005). So owning an URL is very important for B2B brands in marketing and communicating nowadays.

Secondly, for brand architecture and brand portfolio, there is no significant difference between B2B brands with others. If the company capacity allows, it may be better for B2B companies to own multiple brands for different segments due to the needs on product diversification. Band architecture then should be redesigned accordingly. But single brand could also survive and grow in B2B market if it has been managed in a good way.

Last but not least, the most different aspect to discuss here should be the marketing program part. Some perspectives on marketing programs may also applicable to B2B brands, for example one-to-one marketing can meet the needs of product customization for B2B brands; in addition, relationship marketing is a significant part that deserve to pay attention to in B2B section. The characteristics that define the uniqueness of industrial products and services in B2B markets lead naturally to relationship marketing (Sheth and Parvatiyar, 2002). The long term relationship with customers that define relationship marketing fit the characteristics inherent in the
industrial products and is a viable strategy for B2B marketing (Wong, Tjosvold and Zhang, 2002). The buyer-seller relationships have been modeled as a five stage process, they are: pre-relationship stage where conducts an evaluation of a new potential supplier; early stage that negotiates of a trial; development stage referring to signing contracts or building up delivery; long-term stage where several major purchases or large scale deliveries have been made; final stage that patterns of trading in long-term stable markets is established (Ford, 1980). In general, there are five basic strategies for B2B companies to build up relationships (Jackson, 1985). The first one is technical support, which can take the form of R&D Corporation, before-sales or after-sales service, and providing training to the customer’s staff. In this case, the supplier enhances the customers’ know-how and productivity. The second strategy is providing expertise such as offering design and engineering consultancies, here the customers benefit through acquiring extra skills as low cost. The third strategy is resource support; suppliers can support the resource base of customers by extending credit facilities, giving low-interest loans, agreeing to cooperative promotion and accepting reciprocal buying practices where the suppliers agree to buy goods from customers; all of these activities provide reduced financial burden to the customers. The next strategy concerns the service level, suppliers can improve their relationships with customers by improving the level of service offered to them; this case involve providing more reliable delivery, fast or just-in-time delivery, setting up computerized reorder systems, offering fast and accurate quotes, and reducing defective levels; in this case, customers gain potentially lower inventory costs, smoother production runs and lower warranty costs, and by creating systems that linking the customer to supplier like recorder systems and just-in-time delivery, the supplier switching cost for the customers could be rather high. The last strategy is to reduce risks, suppliers could design some activities to customers for reassurance, such as low or even zero cost for product trial, preventative maintenance contracts, and product and service delivery guarantees.

Based on supplier-buyer relationship marketing in B2B markets, there are two
extended aspects that need to be considered in this case: customer needs consideration and supplier strategy.

B2B markets require close attention to the exact needs of customers. Basic differences across various markets are less than for customer goods, but the motives behind purchases differ enough to require a special approach. Global competition has risen to the point that B2B marketers must pay close attention to the level of economic and technological development of each market to determine the buyer’s assessment of quality (Gummerson, 1996). Companies that adapt their products to these needs are the ones that should be most effective in the market place. The demand for products and services in B2B markets is by nature more volatile than in most consumer markets. The demand also varies by level of economic development and the quality of educational systems across countries. Product or service quality is defined by customers, but global quality standards such as ISO 9000 are being developed that provide information about company’s attention to matters of quality. Trade shows are an especially important medium for reaching customers in B2B marketing (Sheth and Parvatiyar, 2002).

Choosing suitable supplier strategy is significant in maintaining a good supplier-buyer relationship. Product portfolio is an important consideration when analyzing the supplier strategy. According to Kraljic (1983), there are two variables to classify the product portfolio: purchasing impact on the bottom line and supply risk. The former one refers to the profit impact of a given supply item measured against criteria such as cost of materials, total cost, and volume purchased; concrete indicators could be: the value of purchases; the extent to which the purchase is part of a final product with a great value added; the extent to which the purchase is part of a final product with a good profitability; criticality of the purchase to get leverage with the supplier for other buys (Olsen and Ellram, 1997). The latter one is measured against criteria such as short-term and long-term availability, number of potential suppliers and structure of supply markets. Specifically speaking, the detail indicators could be material risk
uncertainty, supplier power and competence, and product novelty and complexity (Olsen and Ellram, 1997). As a result, there are four product portfolio classifications including leverage product, strategic product, noncritical product and bottleneck product, which are illustrated in the following tables.

![Figure 8: classifying purchasing materials (Kraljic, 1983)](image)

<table>
<thead>
<tr>
<th>Procurement focus</th>
<th>Main tasks</th>
<th>Required information</th>
<th>Decision level</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strategic items</strong></td>
<td>Accurate demand forecasting; Detailed market research; Development of long-term supply relationships;</td>
<td>Highly detailed market data; Long-term supply and demand trend information; Good competitive intelligence industry</td>
<td>Top level;</td>
</tr>
<tr>
<td>Bottleneck items</td>
<td>Make-or-buy decisions; Cost curves;</td>
<td>Contract staggering;</td>
<td>Risk analysis;</td>
</tr>
<tr>
<td>Leverage items</td>
<td>Exploitation of full purchasing power;</td>
<td>Vendor selection; Short-to-medium-term demand planning;</td>
<td>Product substitution; Accurate vendor data;</td>
</tr>
<tr>
<td>Noncritical items</td>
<td>Product standardization; Good market overview;</td>
<td>Order volume monitoring/optimization; Short-term demand forecast;</td>
<td>Efficient processing inventory optimization; Economic order quantity inventory;</td>
</tr>
</tbody>
</table>
Accordingly, there are four supplier strategies designed for each product classification separately. Partnership is suitable for strategic products; competitive bidding is good for leverage products; secure supply can be applied for bottleneck products; and category management and e-procurement solutions are suitable for noncritical products. Moreover, each of them has different objective, different major activities as well as different decision level. All these elements could be summarized as follows.

<table>
<thead>
<tr>
<th>Suitable for</th>
<th>Partnership</th>
<th>Competitive bidding</th>
<th>Secure supply</th>
<th>Category management and e-procurement solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Objective</td>
<td>Strategic products</td>
<td>Leverage products</td>
<td>Bottleneck products</td>
<td>Noncritical products</td>
</tr>
<tr>
<td></td>
<td>Create mutual commitment in long term relationship;</td>
<td>Obtain best deal for short term;</td>
<td>Secure short and long term supply;</td>
<td>Reduce logistic complexity;</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Reduce supply risk;</td>
<td>Improve operational efficiency;</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Reduce number of suppliers;</td>
</tr>
<tr>
<td>Activities</td>
<td>Accurate forecast of future requirements;</td>
<td>Improve product/market knowledge;</td>
<td>Accurate forecast of future requirements;</td>
<td>Subcontract per product group;</td>
</tr>
<tr>
<td></td>
<td>Supply risk</td>
<td>Search for alternative</td>
<td>Supply risk analysis;</td>
<td>Standardize product</td>
</tr>
</tbody>
</table>
After the perspectives in marketing, the features in product strategy in this case, however, should be based on product quality, product diversification and product customization; the country of origin consideration also applicable to B2B brands. In addition to channel strategies including indirect and direct channels as well as pull and push strategy discussion, logistic elements should also be taken into consideration, where the ‘distribution’ aspect appears rather than single channel strategy. Pricing in B2B market should be value based while there is usually no fixed price for the
products, especially when the products are designed according to customer’s specific needs, so in this case, the pricing part can be integrated into the production part as an augmentation. Besides the original four aspects, service elements deserve to pay attention to for B2B brands since service always plays important role in B2B marketing. Company associations are important complementary communication solutions as well.

After the integration, the normative framework for revising B2B brand equity could be seen as below.

![Figure 9: Normative Framework for Revising B2B Brand Equity](image-url)
5. Findings from Empirical Case Study

This section provides the findings of the case company ATB Austria Antriebstechnik AG. An overview of the company as well as concrete description of its specific sub brands is discussed here.

5.1 Wolong Electric and ATB Austria Antriebstechnik AG

Wolong Electric is a famous Chinese electrical manufacturer with 27 years electric motor manufacturing experience which belongs to Wolong Holding Group (Baidu, 2012). The company covers more than 40 series and 3000 specifications of products manufacturing as well as service providing, which includes motors and controlling system, battery and power supply, transformers and complete sets of electric transmission and transformation project, electric vehicle driving and controlling systems, etc.; The products are widely applied to various fields including industrial automation, home appliance, electric railway project, power supply project, nuclear power engineering, oil extraction and refining project, environmental engineering, mineral engineering and vessel engineering; Those leading products share more than 20% of the whole domestic market (Wolong, 2012). Wolong Electric holds total assets of 625 million USDs and has more than 6000 employees; moreover, it also has achieved 48 national key scientific research achievements (Baidu, 2012).

After the acquisition of ATB Austria Antriebstechnik AG in 2011, Wolong has enjoyed the equal population as Siemens and ABB as the third biggest manufacturer and servicer of electrical product in European market (ChinaDaily, 2011). The brief history of Wolong Electric could be displayed as follows.

- In 1984, Shangyu Multi-speed micro-motor factory was set with investment of 100,000 RMB in Haoba village of Shangyu
- In 1985, the first product-JW series motor was manufactured
- In 1986, Wolong brand was approved by national trademark office
In 1988, Wolong adopted international standards and testified the quality by Bureau of Standard Measurement.

In 1993, Wolong accepted to use joint stock enterprise.

In 1995, Wolong was permitted to market internationally with ISO9000 qualification.

In 2002, Wolong was listed to the market with stock code 600580, at the same time, technological transformation of Wolong industrial motor and special usage motor were launched in an all-round way.

In 2003, Wolong purchased Hubei motor factory and approved ISO14000.

In 2006, Wolong Electric was re-financed successfully, offered 48,880,000 shares in a non-public way.

In 2008, Wolong brand was recognized by SAIC as Chinese Famous Brand.

In 2011, Wolong accomplished the acquisition of ATB Group successfully.

ATB Austria Antriebstechnik AG, which is headquartered in Austria, engages in the manufacture and marketing of electrical motors and drive systems for industrial applications and household applications worldwide. It is one of the Europe’s leading independent full-line suppliers and the product portfolio includes: industrial motors, servomotors, motors for house and garden appliances, and ATB technology driving systems (Bloomberg Businessweek, 2012). In general, the company is operative within the two business segments: Industrial Motors and Project Motors. In the industrial motor division, the specific applications consist paper and printing industry, pump and vacuum industry, heating and ventilation, tool-building, general machine building, material handling, power generation, petrochemicals and chemicals, marine solutions, as well as special applications; the group would benefit a lot from the increasing demand for energy-efficient motors shaped by higher energy prices as well as regulatory and environmental protection efforts at the European level, the strong operative performance in the highly competitive industrial motors segment creates precondition for further optimization as well. For project motor division, the applications contain
oil and gas, petrochemicals and chemicals, power generation, steel and metal, water supply and irrigation, marine solutions, material handling and recycling, test benches, tunnels and fertilizer, and mining; large customer-specific motors in the project motor divisions are consistently positioned in attractive niches; the strategic target is to focus on core competencies as well as global market potential and reap the benefits arising from strong-margin business in this division (Wolong, 2012). There are 6 basic sub brands within ATB group, which includes ATB Morley, ATB Laurence Scott, ATB Sever, Schorch, Tamel S. A., and Brook Crompton.

5.1.1 ATB Morley

ATB Morley was established in 1897. It is a UK based leading designer and manufacturer of large rotating electrical machines. ATB Morley has a long history of supplying large AC induction motors and also specializes in flameproof and heavy-duty electric motors for bespoke application and hazardous environments. With their factories in Leeds and Bradford, they are able to undertake all development, design, manufacturing, test and administration duties, and their rich knowledge and experience allows them to continually develop new products to suit very specific requirements from the customers.

ATB Morley is regarded as one of the most famous subsidiaries in ATB group; its achievements are showed below:

- The Queens Award for Enterprise: International Trade 2009
- The Second Queens Award for Innovation 2010
- Business of the Year Award by ABDN 2011
- The Queens Award for Enterprise: International Trade 2012 (ATB Morley, 2012)

ATB Morley Mining Products

ATB Morley is very well established in all the key mining markets of the world and
the company’s products are certified to comply with a variety of international standards. ATB Morley prides itself on its design expertise, technical innovation as well as having the flexibility to better understand and react to the customers’ needs.

Mining motor products include, but not limited to, the following drives:

*Longwall conveyor and crusher motors*: ATB Morley manufactures water and air cooled armored face conveyor, stage loader and crusher motors for the most demanding mining equipment manufacturers and the most arduous underground mining installations in the world.

*Shearer cutter motors*: offering maximum reliability and the highest power densities per volume available, ATB Morley cutter motors are specifically engineered for relentless productivity and the most demanding working environments.

*Belt conveyer motors*: this kind of motor are designed for operation on variable speed drives and can operate torque applications. Force ventilation units are incorporated where required in order to keep cooling constant as motor drive speed is reduced.

*Auxiliary shearer motors*: powering crushing, haulage and hydraulic systems, ATB Morley motors are specified for building into shearers both by end users and original equipment manufacturers.

*Air cooled pump and fan motors*: ATB Morley has a wide range of air and water cooled motors available for the applications from small scrubber fans and hydraulic power pack motors for conveyor belt tensioners to face hydraulics and large ventilation drives.

*Continuous miner and shuttle car drive motors*: ATB Morley manufacturer a range of drive motors for continuous miners and shuttle cars, including traction, conveyor, cutter, hydraulic and gathering arm drivers. These motors are designed for maximum possible output from the envelope due to the space constraints of the driven equipment.

*Plow motors*: ATB Morley also manufacturers motors for the notoriously arduous plow application. With water cooled stator frame, endplates and rotor options, the ATB Morley product is engineered for complete reliability in the worst of circumstances. Frequent starts and reversals demand the security of the
comprehensive ATB Barlok rotor construction for security and reliability under the most difficult conditions in underground mining.  

*Industrial motors*: developed from our many years of experience in the underground coal mining industry, ATB Morley industrial motors are extremely tough and durable. Hand built from heavy gauge fabricated steel and subjected to comprehensive quality systems and testing, they can be designed and manufactured for almost any application. The typical applications include: pumps, fans, compressors and crushers. (ATB Morley, 2012)

**Other ATB Morley Motors**

Morley motors are designed and manufactured at the Morley had office and main factory in England, making use of proven electrical design and modern design tools including computer aided drawing and finite element analysis techniques. Established in 1897, the company can demonstrate comprehensive reference lists detailing numerous high profile global installations. Customers include packagers, original equipment manufacturers and end users. The company’s product range and experience embraces most duties, applications and environments. Morley is approved by ISO9001:2000 and EECS, it is strong focused and expanding organization that has flexibility to achieve the product customization.

Mining products are the main product portfolio of ATB Morley, in addition to various mining motors, ATB Morley also provides other types of motors including: flameproof EEXD motors; totally enclosed water jacket cooled motors; totally enclosed fan cooled motors; open ventilated and pipe ventilated fan cooled motors; Morley Barlok pinned copper car rotors; some special motors consisting shaft less overhung reciprocating compressor motors, reactor vessel stirrer motors, stator rotor units for submersible pumps, permanent magnet generators as well as packaged equipment. (ATB Morley, 2012)

**5.1.2 ATB Laurence Scott**
ATB Laurence Scott is another famous subsidiary of ATB group. It is a center of excellence for manufacturing mid and high voltage induction motors. The product range includes E Series, P Series, M Series and Control Gear. (ATB Laurence Scott, 2012)

**E Series Flameproof Motors**

This series of motors is an established range designed to meet the needs of modern industry with the flexibility to satisfy most applications over a wide range of outputs, speeds, and voltages. The output rating ranges from 75kw to 2500kw covering voltage supply from 3.3 kV to 11kV at 50Hz and 60Hz and covers certification for group IIA IIB and IIC gases. The motor enclosure is designed to withstand the increased pressure that results from the ignition of a flammable gas or vapor within the machine and to do so without transmitting the flame through enclosure joints to the external hazardous atmosphere. As such the stator frame and end shields are of fabricated steel. For frame sizes from 315 to 450 the motors are of surface cooled ribbed frame design. For frame size 560 and 630 the range utilizes a frame with integral tube air to air heat exchanger. (ATB Laurence Scott, 2012)

**P Series High Voltage Motor**

The P Series incorporates fabricated steel Box frame construction for the smaller frame sizes. With proven reliability and cost effective operations in a wide variety of industries and environments, the P series continues the Laurence Scott concept of satisfying the need of individual users with a rationalized but versatile range of machines. The range covers ratings up to 20mw for supply voltages from 3.3kV to 13.8 kV at 50Hz or 60Hz Machines with center height of 450 to 710 utilize box frames of fabricated steel construction with end shield mounted bearings, while machines of center height 900 and above are of unit construction with pedestal mounted bearings. The rigid steel fabricated base plate has machined facings to provide seating for the stator core pack, bearing pedestals and enclosure. The strength and versatility of the range has allowed Laurence Scott to design and apply its
technology in many arduous and difficult environments, including the largest off-shore induction motor currently in operation on a North Sea Platform. (ATB Laurence Scott, 2012)

**M Series High Voltage Motor**

This is a new range of high voltage, high efficiency TEFC cage induction motors. The range covers 125kW to 1500kW. Available with standard designs for 2 to 8 pole, the M Series in either horizontal or vertical mounting configurations with standard IP code of IP56. The robust construction includes cast iron frames and end shields with form-wound stator coils and copper or copper alloy rotor cage providing a design life of 20 years. The leading time for machines has been reduced through a deliberate rationalization of production methods and component procurement, while at the same time still retaining the flexibility to offer application specific motors. (ATB Laurence Scott, 2012)

**Control Gear**

Laurence Scott has become a leading manufacturer of control gear for over 100 years. The company offers a comprehensive and experienced after sales service worldwide for their equipment and other manufacturers equipment up to 11kV. After sales is organized to provide an efficient and fast response to meet customers’ requirements and combines an integrated engineering, design and manufacturing team to undertake technical projects from design through to on site commissioning. The main provided services include switchboard modifications, consultancy, training, spares, refurbishment and repairs. (ATB Laurence Scott, 2012)

**5.1.3 ATB Sever**

ATB Sever is well known for its experience and tradition in production of all types of electric machines in the period of more than 85 years. In the last 40 years, in addition to electric machines, some other programs
were developed in order to provide other products and services from the field of electric motors drive as well as for the market. One the basis of such development aims; series of new programs were created. Therefore, the current offer with its assortment meets wide requirements of the customers. The most significant programs of the ATB Sever are:

- Electric motors of low and high voltages for industry
- Special purpose electric motors
- Engineering including designation, delivery of equipment, mounting and putting into operation
- Overhauling service of all types of electric machines, especially large generators

ATB Sever sells the products and services all over the world and particularly in European countries for mining, black and non-ferrous metallurgy, paper industry, chemical industry, electric power industry, transport, food industry, tobacco industry, and agriculture. (ATB Sever, 2012)

5.1.4 ATB Schorch

ATB Schorch, headquartered in Mönchengladbach, is an electrical engineering manufacturer. The mission of this sub brand is to design and construct of state-of-the-art products that meet all economical, technical and ecological requirements. Their machines drive systems and installations are characterized by innovative technology combines with the highest possible quality standard. The products of ATB Schorch could meet the requirements of a wide range of applications in view of both quality and reliability, the basic products include: low and high voltage motors; drive systems and system engineering; and high-speed machines. ATB Schorch has wide product applications including agitators, air compressors, centrifuges, cranes, crunchers, fans, industrial furnaces, meat cutters, pumps, presses, plastic extrusion machines, refrigerating, testing equipment, wind power plants and so on. (ATB Schorch, 2012)
5.1.5 Tamel S. A

As a part of ATB group, Tamel S. A. offers general purpose motors of IE2 and IE3 efficiency, explosion-proof, flameproof, single phase, multi speed and special motors which are design modifications adjusted to needs of the most demanding customers together with relevant services. Besides the electronic motors, they also design and produce castings according to the customers’ specifications. Thanks to the continuous improvement of their products, constant updates of already possessed certifications as well as new certificates obtaining, Tamel S. A. is able to increase their market share and expand the portfolio of satisfied clients consistently. The product applications include pump and compressors, ventilation systems, smoke exhaust applications, chemical and petrochemical applications, and light and medium industrial applications. (Tamel S. A., 2012)

5.1.6 Brook Crompton

Brook Crompton has been a leader in the development of high efficiency electric motors for over 100 years. It is a leading provider of electric motors for the global industrial market with motor solutions that benefit a wide range of customers involved in numerous diverse markets. Their products are widely used in almost every industrial activity consisting water treatment, building services, chemicals and petrochemicals, general processing and manufacturing where they drives fans, pumps, compressors and conveyors amongst other things. The key attribute of them is their high ability in meeting specific customers’ needs by being both versatile and flexible. Brook Crompton is also committed to energy efficiency and is able to provide products that designed to offering a low cost of ownership throughout the motor lifetime. There are mainly two product categories in Brook Crompton which are Safe Area AC Motors and Hazardous Area AC Motors. (Brook Crompton, 2012)
5.2 Brand Equity Problems after Acquisition

The acquisition of ATB group was very successful, while the afterwards management is not as simple as the acquisition process; Wolong Electric faces some problems in the brand management after acquisition.

After acquisition, Wolong Electric would like to promote the sales of ATB motors in Chinese market, which is regarded as one of the important visions for Wolong Electric to achieve in their development plan. While before marketing, there are two main brand problems of ATB group in front of Wolong Electric to deal with first. The first problem refers to brand portfolio: as stated above, there are 6 basic sub brands under ATB group, in terms of Chinese market, each of them have their own marketing channels separately at before, since there are some overlap motor applications among these 6 brands, so actually there are competitions among these sub brands even though they all belongs to one group, not to mention the potential competitions in marketing channels and resources. The second problem, besides the brand portfolio, is that the brand awareness also triggers problems that need to consider. Although some sub brands of ATB group, such as ATB Morley and ATB Laurence Scott, have good reputation and high brand awareness in Europe, in terms of Chinese market, they are not well known among the potential customers compared to the other domestic brands. What is more, some customers may know ATB Morley or ATB Laurence Scott, while when comes to ATB group or other sub brands within the group, they almost know nothing. Increasing the brand awareness is the basis of marketing the products of the brand. (Liao, 2012)

So briefly speaking, before promoting the ATB group products in Chinese market, Wolong Electric has to deal with the problems on how to revise the brand equity of ATB Group in terms of Chinese market.
5.3 Chinese Market Analysis for ATB Group

With the acquisition of ATB Group, Wolong Electric could gain many synergy advantages in terms of their present situation. First of all, due to the different positioning between Wolong Electric and ATB Group, with the help of the acquisition of ATB Group, Wolong Electric can extend its present market and meets different needs of customers from another category. Secondly, since the brand awareness of ATB Group is rather high in Europe, Wolong Electric can benefit from higher brand awareness and potentially more product sales in terms of European customers after this acquisition. From the perspective of ATB Group, this acquisition is also beneficial to them. At first, they could gain more investments on different activities such as sales or R&D with the help from Wolong Group. Moreover, Wolong could provide many resources -including channel distribution, logistic support, manufacturing material supplier, local factory build-up, existing market knowledge as well as employee hiring- for ATB Group’s further growth in Chinese market.

Understanding the customer needs is an important prerequisite in analyzing the market. In terms of motor industry, there is no significant difference on customer needs between European and Chinese market: high product quality requirement, low price sensitivity and long-term relationship orientation (Bhaskar, 1980). While there is a fact in Chinese motor market that many customers prefer to choose the suppliers having flagship product or flagship category other than the one who define itself as ‘good in all’ (Liao, 2012). So in this case, motor manufacturers in China should rather well design their product portfolios so as to position itself clearly in Chinese customer’s mind.

In order to do the Chinese market analysis for ATB Group, the ‘segmentation, targeting and positioning’ elements need to be clearly stated. ATB Group segments the Chinese market mainly based on the ‘product segmentation’. According to the different needs of customers, ATB Group promotes and sells the relevant products.
When targeting those different segments, ATB Group members choose their own targeted customers based on their own competitive strategies. For example, ATB Morley will mainly focus on the mining industry while ATB Laurence Scott pays more attention to oil and gas industry. Customers make their purchase decision basically according to the product quality criteria as well as service consideration. However, the segmentation and targeting of those ATB Group members are not perfectly defined, due to their independent business operations, there are overlaps between setting their segments and target groups, which results in internal competition within ATB Group and leads to sales damage in the end. Positioning within the ATB Group members, on the other hand, is quite uniform. All the sub-brands position themselves as meeting the customers’ needs in large scale and mainly heavy manufacturing markets including both industrial and projective usages. This is quite different from Wolong Electric whose motors usually target those light manufacturing companies in civil market.

Moreover, the marketing mix including product, price, place and promotion are discussed separately. The product description of each brand has already done in section 5.2 to 5.7. In terms of product application, the conclusion can be drawn as below.

<table>
<thead>
<tr>
<th>Brand Name</th>
<th>Motor Applications</th>
</tr>
</thead>
<tbody>
<tr>
<td>ATB Morley</td>
<td><img src="image" alt="Underground" /> <img src="image" alt="Coal" /> <img src="image" alt="Mining" /> <img src="image" alt="Applications" /> <img src="image" alt="Shearers" /> <img src="image" alt="AFC" /> <img src="image" alt="BSL" /> <img src="image" alt="Crushers" /> <img src="image" alt="Coal Sizers" /> <img src="image" alt="Ex d Group 1 Mining" /> <img src="image" alt="Compressor Drives" /> <img src="image" alt="Replacement Motors for Industrial Applications" /></td>
</tr>
<tr>
<td>ATB Laurence Scott</td>
<td><img src="image" alt="Oil and Gas Applications" /></td>
</tr>
<tr>
<td>Vendor</td>
<td>Applications</td>
</tr>
<tr>
<td>----------------------</td>
<td>------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>ATB Schorch</td>
<td>Mid and Downstream Oil and Gas Applications, Chemical and Petrochemical Applications, Conventional Power Generation, Marine Applications, Water and Wastewater Applications</td>
</tr>
<tr>
<td>Tamel S. A.</td>
<td>Pumps and Compressors, Ventilation Systems, Smoke Exhaust Applications, Chemical and Petrochemical Applications, Light and Medium Industrial Applications</td>
</tr>
<tr>
<td>Brook Crompton</td>
<td>Material Handling, Distribution Industry Applications, Oil and Gas Applications, Petrochemical Applications, Food and Beverage Industry Applications</td>
</tr>
</tbody>
</table>
Table 5: Motor Applications of ATB Sub Brands

It is easy to see from the Table 3 that there are several product lines in each brand, and it is hard for some brands, such as Brook Crompton, to figure out a core product or product line among these alternatives. There are many overlap applications between those different brands, for example, both ATB Laurence Scott and Brook Crompton have oil and gas application, this leads to potential competitions between those sub-brands, even if they are under the same group. The motors of ATB Group are worked as parts of their customers’ products and help those customers’ production (such as pump manufacturer) and operation (such as oil and gas application). Since all the brands in ATB Group have no factories in China so far, the motors manufacturing is done in abroad factories such in Germany and Austria. So in this case, the complimentary technology and service support cannot cover all the required areas such as post purchase service and this may also result in late delivery of the products and services sometimes. While at the same time, the ‘made in Germany’ or ‘made in EU’ label on the product of ATB Group could be a very useful extrinsic cue for the customer to perceive their good product quality, this could also be one of the arguments on why Wolong Electric would like to retain the ‘ATB’ brand name after acquisition.

Pricing for industrial products usually is not a big issue in B2B market. The pricing strategies can vary from cost based, value based, competition based or even mix of them. There is often no fixed price for industrial products, the price basically depends on the specific requirements from the customers, which marketing channel to use and how many products does the customer require. This is also the case for the sales of ATB motors in China. While due to the abroad manufacturing and logistics cost, the price of ATB motors are usually higher than the domestic competitors’ in China, not to mention the relatively higher R&D costs and material costs of ATB motors.
The promotion for industrial products is more inconspicuous. Rather than investing much money in extensive commercials, B2B companies attract the customers often based on their good performance products and excellent services. Moreover, they usually go to the trade shows or relevant exhibitions for their customers’ customers to introduce their products so as to increase their brand awareness. ATB Group does the same thing in China. Moreover, since there are no manufacturing activities of ATB motors in China, all the sales here are done through indirect channels of wholesalers. This leads to lower profit generation and more serious is that, since each brand under ATB Group is relatively independent and there is little communication among them, there are potential competitions and conflicts existing in those wholesalers, and as a result the sales of different brands are influenced.

The place discussion mainly refers to logistics and supply chain. In terms of ATB Group in China, logistics is a big issue to deal with. The motors are mostly shipped by marine transportation. This results in longer delivery time as well as potentially late service. Wholesalers usually do not consider products inventory since this could increase the costs and sequentially the product price; the relevant risks for them are much higher in the case of product inventory as well.

5.4 ATB Group in China Sum-Up

Based on the information and analysis discussed above, the situations of ATB Group in China could be summarized in the following SWOT analysis.

<table>
<thead>
<tr>
<th>Aspects</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strength</strong></td>
<td>Good approved product quality</td>
</tr>
<tr>
<td></td>
<td>Good quality perception by customers via country of origin</td>
</tr>
<tr>
<td></td>
<td>Wide range of product applications</td>
</tr>
<tr>
<td></td>
<td>Well-developed R&amp;D system</td>
</tr>
<tr>
<td></td>
<td>Follow the trend of energy efficiency</td>
</tr>
<tr>
<td><strong>Weakness</strong></td>
<td>Low brand awareness of certain brands</td>
</tr>
<tr>
<td>--------------</td>
<td>--------------------------------------</td>
</tr>
<tr>
<td></td>
<td>Conflicting brand portfolio for Chinese market</td>
</tr>
<tr>
<td></td>
<td>Indirect selling resulting in low profit</td>
</tr>
<tr>
<td></td>
<td>Incomplete cover of technology and service</td>
</tr>
<tr>
<td></td>
<td>No manufacturing in China leading to higher logistic costs, long time delivery for both products and service</td>
</tr>
<tr>
<td><strong>Opportunities</strong></td>
<td>Potentially larger capacity after acquisition</td>
</tr>
<tr>
<td></td>
<td>Available marketing channels provided by Wolong Electric after acquisition</td>
</tr>
<tr>
<td></td>
<td>Accessible suppliers in China for manufacturing with the help of Wolong Electric</td>
</tr>
<tr>
<td><strong>Threats</strong></td>
<td>Threats from domestic competitors</td>
</tr>
<tr>
<td></td>
<td>Threats from abroad competitors in China</td>
</tr>
</tbody>
</table>

*Table 6: SWOT conclusion for ATB Group in China*
6. Empirical Case Study Discussion

In this section, the normative brand equity revise framework for B2B companies is applied to the case company; criticism is also done to illustrate some limitations of this work in this chapter.

6.1 Framework Application for ATB Group

The four aspects in the framework for B2B companies are discussed in detail respectively here.

6.1.1 Brand Element Consideration

In terms of brand elements consideration, firstly, the brand names of the sub-brands in ATB Group should be presented in a similar but not uniform way so that the image of the ATB Group may be increased by the brand name exposure of each sub-brand: the ‘ATB’ prefix should be remained, such as ATB Morley, ATB Tamel S. A., this is due to the existing awareness of the brands such as ATB Morley and ATB Laurence Scott; it also deserves to mention that the country of origin benefit of ATB products could be one argument on ‘ATB’ prefix retaining in Chinese market promotion as well. However, those sub-brands cannot use a uniform name such as ‘ATB’ as a whole, because this may confuse the customers by mixing the brand images of all the sub brands. Similarly, the logos, slogans as well as the packaging forms could also be designed similarly. For URLs, each brand has its own URL so far, since Wolong Electric would like to enhance the brand image of ATB Group as a whole, a URL particularly for ‘ATB Group’ should be created in this case to gather all the sub brands together, and at the same time, Chinese language alternative should be provided on each website of these sub brands, which is not available so far.
6.1.2 Marketing Programs Consideration

When considering the marketing programs, permission marketing among those new perspectives can be used for ATB Group in China, since it is often done through emails and B2B e-commerce is available and popular in Chinese market now. Experiential marketing and one-to-one marketing, however, are not suitable here because motors are functional products, although B2B brands can hold symbolic meanings, experiential marketing still does not fit for motor manufacturers. Since product customization is very important for motor industries, designing and producing the motors based on a ‘trend’ is not very rational. Last but not least, relationship marketing is very important for ATB Group to consider in Chinese market. Inside the relationship marketing, the buyer-seller relationship is the exact relationship type in this case. In order to create and retain good buyer-seller relationship, ATM Group should first provide technical support to the customers, investing in and emphasizing on R&D is very useful in this case; secondly, ATB could provide expertise such as offering design and engineering consultancies to the customers so that they can benefit through acquiring extra skills as low cost; the third strategy is resource support; ATB can support the resource base of customers by extending credit facilities, agreeing to cooperative promotion and accepting reciprocal buying practices to attract and retain customers; the next strategy concerns the service level, ATB can offer more reliable delivery, fast or just-in-time delivery, setting up computerized reorder systems, offering fast and accurate quotes, and reducing defective levels so that the supplier switching cost for the customers could be rather high; the last one is to reduce risks, ATB can set the trial activity for low or even zero cost, or provide preventative maintenance contracts, and product and service delivery guarantees, so that the customers may feel less risky in doing business with ATB Group.

In addition to relationship marketing, the supplier strategy is also important relevant aspect that deserves to consider. In terms of motor industry, the value of the purchases is rather high, and there is large extent to which the purchase is part of a final product with a good profitability (Liao, 2012), that is to say the purchasing’s impact on
financial results in motor manufacturing is rather significant. Although there are many potential suppliers for motor manufacturing in China, the present low brand awareness of ATB Group in China could result in certain risk degree in finding suitable suppliers, and there may be fewer suppliers could meet their needs on requiring high-performance materials to keep up their high quality motors; moreover, the motors of ATB Group is rather complex in manufacturing and functioning, so the supplier risk for ATB Group is China could be high to certain extent. All in all, according to Figure 8, the product portfolio for ATB Group is Strategic Product, so accordingly the supplier strategy should be creating partnership. In this case ATB Group should create mutual commitment with their suppliers in long-term relationship by doing concrete supply risk analysis, forecasting the future requirements, changing order procedure effectively, rating vendors and finally building up the relationship.

For product strategy, first of all, the motor quality is the most important competitive advantage for ATB Group. In order to communicate this to the customers, all the sub brands should not only show the intrinsic attribute of the motors, but also should provide defect reports as convincing evidence on product functional benefit to the customers. Moreover, pointing out the products’ country of origin is beneficial to ATB products to be perceived as good-quality since ‘made in Germany’ or ‘made in EU’ is often regarded as a quality guarantee in the consumers’ minds.

There are multiple applications of ATB motors while the product diversification is still a problem for ATB Group. According to Table 3, it is easy to see that each brand has several product lines with no core product specified. Using product segmentation to define diversification could solve this problem. According to the market research done by the marketing department of Wolong Electric for Chinese market, ATB Morley is famous for its mining applications and ATB Laurence Scott is well known for its oil and gas applications (Liao, 2012). Moreover, ATB Schorch has a long history in power generation, ATB Sever masters in medium and heavy industrial applications while at the same time Tamel S. A. is good at light and medium industrial applications. The brand left is Brook Crompton, it is known by the customers thanks to its high
quality products as well as its wide product applications (ATB Schorch, 2012; Tamel S. A., 2012; ATB Sever, 2012; Brook Crompton, 2012). So in this case, ATB Morley could focus on the mining applications it has in previous and could also take over the ATB Sever’s open-pit mining application; ATB Laurence Scott should still focus on oil and gas applications, the other brands who have the same applications could transfer that part to ATB Laurence Scott; ATB Schorch should stay in power generation applications; Tamel S. A. needs to focus on light medium industrial application who could also take over ventilation and smoke exhaust applications; ATB Sever, in another hand, should pay most attention to medium and heavy industrial applications who could also manage the hydroelectric power plants as well as water and wastewater applications; the last one, Brook Compton, can manage the left applications especially in fans, pump and compressors, material handling and distribution industrial application. Moreover, product diversification also requires ATB Group to work as the brand family instead of integrating all the sub brands together.

In order to meet product customization, ATB Group should provide wide-range communication channels to access customers including chatting online, emailing, creating specific blogs, providing product feedback as well as educating professional sales representatives. Pricing is also an issue to consider, providing bundle pricing benefit and extending the money returning time could help to attract customers.

Considering service strategy, at first, before the customer purchase, ATB Group should educate and offer enough information on their products to wholesalers since there is only indirect selling so far. While in a long-run perspective, direct selling is more profitable and efficient, however in this case, the manufacturing factories are better to be built up first. If direct selling is available, training sales representatives is very important then. In terms of point-of-purchase service, good coordination and efficient communication systems should be designed for effective operation such as for efficient product delivery. For post-purchase service, market coverage is very important in which case manufacturing in China tends to be more important then.
Developing detecting technology in order to test the potential defects before customer discovers is essential as well. In this case, ATB Group should invest more in R&D and could create a defecting department particularly. Internal marketing program should also be designed for service recovery.

In terms of distribution strategy, firstly, both direct and indirect channels should be applied, again, direct selling should be based on the product manufacturing in China, and there are opportunities for ATB Group to build up factories in China with the help from Wolong Electric on suppliers, potential channels and so on. Pull strategy is a very important strategy to be conducted under channel consideration, ATB Group need to promote and increase their brand awareness to induce the end customers other than the intermediaries such as wholesalers, so that those end customers will have request on ATB products which will ‘pull’ the wholesalers to buy and even store ATB products then. A uniform logistic system should be set for the whole ATB Group so that it is more convenient and efficient to control inventory, storage and processing. In another word, collective deployment for the whole ATB Group should be conducted rather than independent operating as before.

In terms of company perspective, in order to increase the brand awareness, ATB Group should introduce their brands and products in relevant trade shows and exhibitions of their customers’ customers; this is also the need from applying pull strategy. Sponsoring on relevant events or advertising on specific magazines, articles and even blogs is very effective. Furthermore, nowadays the corporate social responsibility as well as sustainable development has been regarded as more and more important, so taking social responsibilities such as ethic trading and green producing is an important alternative for ATB Group to increase their awareness and boost their reputation as well.
6.1.3 Brand Portfolio Consideration

Considering brand portfolios, because the products application is rather wide and these sub-brands have already existed for a long time, maintain multiple brand portfolios is more rationale then. It deserves to mention that ATB Group should link the portfolios to the segmentation, which has been discussed in product strategy above. In the case of multi-portfolio management, ATB Group should pay attention to the following aspects. Firstly, strong coordination, both among different brands and within different departments of one brand, is necessary. Brands and departments should be porous with ideas and information passing through. Secondly, it is essential to have clear and precise platforms for each brand because innovations renew the brand’s relevance and differentiation. Thirdly, every sub-brand should be developed evenly, so that the ATB Group can better cover Chinese markets in different segments. Last but not least, choosing a specific competitor for each sub-brand is important because this method is useful to prevent those sub-brands from replicating each other.

6.1.4 Brand Architecture Consideration

There are basically two levels of brand architecture that need to be considered, one is between Wolong Electric and ATB Group, the other one is inside ATB Group.

In the first level, after the acquisition, Wolong Electric should choose ‘house of brand’ to deal with their relationship with ATB Group, the main reason behind is different market targeting. ATB Group targets for large scale and mainly heavy manufacturing markets including industrial and projective usages; while Wolong Group usually targets for mainly light manufacturing in civil market (Liao, 2012). Integrating those two brands will make customers confused on brand positioning, and this is reason why Toyota creates Lexus and Audi creates Porsche. All in all, by applying the criteria in Figure 5, it is easy to approve that ‘house of brand’ is surely a suitable architecture here, because firstly there is a compelling need for Wolong Electric to have a separate
brand after the acquisition, because ATB Group represents a new and different offering in targeting differently, and in this case, both Wolong Electric and ATB Group can create their own associations to avoid branding confliction in customers’ minds. Secondly, Wolong Electric is expected to support the brand name ‘ATB’ because ATB Group has a long history and long-term lived, there are no significant difficulties and also no needs to build up a new brand name, Wolong Electric does not need to have budget and other relevant problems in this case.

In the second level, when revising brand equity for ATB Group, ‘sub-brand’ architecture is more suitable to choose, this is based on the purpose of Wolong Electric on reinforcing the brand image of ATB Group as a whole, and so as to make the brand images spillover between those brands, mainly from strong ones such as ATB Morley to relatively weak ones such as Tamel S. A.. Choosing sub-brand instead of endorsed brand which is similar to sub-brand, is because the master brand is more closely connected with those sub-brands than the endorsed ones, this fits the requirements on ‘ATB Group’ coordination. And what’s more, if applying ‘endorsed brand’, the endorser should be well known and consistently presented, ATB Group can hardly meet either of these two requirements, it is not well known China and the ‘ATB’ prefix is not presented by each of its sub-brand such as Brook Crompton. Although ATB Group is not as famous as some competitors in China, it is still has some existing brand credibility due to its previous customer relationships in China, and this meets the basic requirement of ‘sub-brand’ architecture. The co-driver effects under sub-brand can enable ATB Group to gain strong awareness from tis famous sub-brands like ATB Laurence Scott, and those less famous brands could also benefit from the master brand ‘ATB’ as it become more and more well-known.

6.2 Delimitations Afterwards

The theories in this work are summarized from scientific literatures, research results are gained from valid sources, but there are still some shortcomings.
Firstly, since motor manufacturing is a relatively unknown area for most people, there is little research on marketing and branding for motors, so in this case, the source of the information of the case study is limited, besides company brochure and relevant websites, the main access of the essential information is from the case company itself via interviews.

Secondly, the contact persons for online interview is limited, although the people in charge of marketing and international business department are contacted during the company visit in the summer of 2012, the contact person after the author went to Sweden is only the supervisor in the marketing department.

Thirdly, the information on different brand manufacturers including detail information on factories, production capacities, accessible suppliers, potential competitors and loyal existing customers is not available so far.
7. Conclusion

This section refers to the conclusion directly related to the purpose of this study. A summary of both theories as well as the case study is drawn here.

7.1 Theoretical Implications

Brand is one of the most valuable assets of companies for all business sectors. Good brand equity can provide long lasting competitive advantages and hard to be duplicated by others. Companies usually choose suitable brand elements and design suitable marketing programs to build their brand equity; brand portfolio management and brand architecture application are the most popular methods that companies use to sustain their brand equity. Companies prefer to use various methods to survive and grow in today’s competing environment such as via joint venture, merger and acquisition, in this case, they often have to face the problems on revising their own brand equity or the brand equity of the new acquired ones so as to manage the brands or develop new markets. For revising brand equity, both factors referring to building up and sustaining brand equity need to be considered and examined.

From a general perspective, the brand equity revise framework mainly includes four parts and each of them has their own sub elements. They are summarized in the following table:

<table>
<thead>
<tr>
<th>Main Block</th>
<th>Sub-elements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand Elements</td>
<td>Brand name; URLs; Logos and Symbols;</td>
</tr>
<tr>
<td></td>
<td>Slogans; Jingles; Packaging</td>
</tr>
<tr>
<td>Marketing Program</td>
<td>Perspectives on marketing; product strategy; Price strategy; Channel strategy</td>
</tr>
<tr>
<td>Brand Portfolio</td>
<td>Single brand or Multiple Brands</td>
</tr>
<tr>
<td>Brand Architecture</td>
<td>House of brands; Endorsed brands;</td>
</tr>
</tbody>
</table>
Table 7: Considering factors of brand equity revise in general case

From a B2B perspective, when taking B2B business features into consideration, the framework changes on the marketing program part. The consideration aspects are described as following.

<table>
<thead>
<tr>
<th>Main Block</th>
<th>Sub-elements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand Elements</td>
<td>Brand name; URLs; Logos and Symbols; Slogans; Jingles; Packaging</td>
</tr>
<tr>
<td>Marketing Program</td>
<td>Perspectives on marketing; Product strategy; Service strategy; Distribution strategy; Company association strategy</td>
</tr>
<tr>
<td>Brand Portfolio</td>
<td>Single brand or Multiple Brands</td>
</tr>
<tr>
<td>Brand Architecture</td>
<td>House of brands; Endorsed brands; Sub-brands; Branded house</td>
</tr>
</tbody>
</table>

Table 8: Considering factors of brand equity revise in B2B case

7.2 Managerial Implications

After applying the normative framework for B2B brands, some managerial implications on revising brand equity for ATB Group in China can be summed up as follows.

- **Brand element consideration:**
  - Re-design the brand name, logos, slogans, and packaging of all the sub-brands of ATB Group
  - Create a specific URL for ATB Group as a whole

- **Marketing program consideration:**
  - Permission marketing
  - Relationship marketing and partnership supplier strategy
  - Use extrinsic cues such as country of origin to convince customers on
product quality

➢ Choose flagship product for each brand to re-design the product lines
➢ Provide wide-range communication channels to access customers including chatting online, emailing, creating specific blogs, providing product feedback as well as educating professional sales representatives
➢ Provide bundle pricing benefit and extend the money returning time to attract and retain customers
➢ Build up factories in China for direct selling and efficient service
➢ Train sales reps and educate wholesalers
➢ Invest more in R&D and create a defecting department
➢ Create good coordination and efficient communication systems
➢ Applying pull strategy, introduce brands and products in relevant trade shows and exhibitions of their customers’ customers
➢ Sponsor on relevant events or advertise on specific magazines, articles and even blogs
➢ Take social responsibilities such as ethic trading and green producing

Brand portfolio consideration

➢ Choose multiple brand portfolios
➢ Distinguish each brand via segmentation

Brand architecture consideration

➢ ‘House of brands’ architecture between Wolong Electric and ATB Group
➢ ‘Sub-brand’ architecture within ATB Group

There is no special preferential order to implement these strategies, while based on timing scale criteria, these implications could be implemented in this way: brand element, brand portfolio as well as brand architecture consideration should act as the organizational basis for designing the marketing program. That is to say, brand element, brand portfolio and brand architecture consideration is short term based while marketing program consideration is more or less long term based. However, it is also important to check and revise all the elements frequently so as to meeting the
changing needs from different aspects.

7.3 Future Study

How to re-structure the organizations, including human resource management issues, logistics issues, production issues as well as benefits allocation issues, is a very important basis in implementing those potential strategies, and it is especially the case when ATB would like to build up Chinese factories in China. So in the future study, the international organization management should be discussed further. Moreover, post-acquisition management considerations are important to analyze as well, which is especially the case for Wolong Electric. Last but not least, in terms of B2B business, e-commerce is rather a popular trend that needs to further discussed in the future.
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