

WHILE branding is well recognised for its great strength in driving business growth, there is a myth – particularly among small and medium-sized enterprises (SMEs) – that it is only for consumer-oriented businesses. Real life experience shows that branding benefits all businesses, even B2B firms.

“As firms build and grow their business by selling products and services, they have to build a reputation in the market. Businesses need to invest in reputation building as that builds perceptions leading to successful branding and results in stronger sales,” says Wilson Chew, chief executive officer of Strategicom, a B2B branding specialist with offices in 12 cities across the globe.

Better perceptions about a firm help to change the buying behaviour of its prospective clients, and this leads to clinching deals and doing more business. “Building a reputation is building a brand,” he stresses.

Branding is equally important for B2B businesses as often companies can offer similar products and services, and at similar price. They need to have differentiation to be able to grow their business, and this can be done successfully by branding, says Dr Chew.

“Of the top Forbes 1,000 global firms, 70-80 per cent are commercial and industrial companies doing B2B business, and they all successfully do branding to stay ahead in their business,” he highlights.

B2B firms need to learn to sell in the way that buyers want to buy, instead of trying to sell the way that they have been used to selling.

Says Danny Lien, managing director of Amos International: “In the B2B environment, people make business decisions based on their impression, experience and market feedback. That is why some companies do more



[by Narendra Aggarwal]

MANY HAPPY RETURNS

Positive branding applies the principle of happy returning customers, and is especially important for B2B businesses

◀ **STANDING OUT**

For Mr Tan, branding is the process of finding the differentiating factor which sets his company apart from competitors

business than their competitors. Consumers will patronise certain businesses more than others based on the perceived value they get and likewise, businesses will deal with certain companies more than others. Therefore as long you are out there in the market with products and services, branding is essential regardless of whether it is B2B or B2C."

In Mr Lien's view, branding is about customers' impression of the firm's business or its products. Branding can be positive or negative, and it is largely dependent on the customer's experience with the company, its products or services.

"Positive branding means the principle of 'many happy returns', ie many happy returning customers, is applied. Positive branding means being able to consistently live up to your customers' expectations and when things don't turn out as expected, prompt corrective action is taken to contain the lapse. Effective service recovery definitely contributes to positive branding."

Businesses – like consumers – also desire to work with companies that have a good brand name because of the positive reputation that they have in the marketplace. Companies with strong brand equity tend to be more successful than companies that lack brand equity, says Mr Lien.

Businesses that start off positively on their branding journey will continue to build trust and confidence in their customers. It is proven that happy and satisfied customers are the best brand ambassadors, he stresses.

His company, a one-stop marine and offshore procurement company, supplies essential items in the offshore and marine sector – from mundane items such as food and beverages, toiletries, tools, equipment, ropes, anchors, chains and clothing to more complex products such as engine spare parts, fireproof coatings, engineering supplies, and even repairs and maintenance services, if required. It also provides marine and offshore procurement and logistics management solutions to vessels calling at major Asian ports.



▲ MAKE AN IMPRESSION

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"Because most of the products we offer are highly commoditised, price wars are very common," says Mr Lien. "Often, the bidder with the lowest price will win the order. From the beginning, we knew that if our customers gave us orders because we have the lowest prices, we will eventually disappear from the marketplace."

The branding journey started when he decided that as a new player in the industry, he had to win the confidence of every customer by giving them a positive experience each time they place an order.

As he feels that a more structured branding strategy is needed to take the company to the next level of growth, he is now working with a branding company on several new initiatives.

"We continue to drive the brand image as a professional company that is honest in providing value. Customers who have had good experiences with our services continue to be our brand ambassadors," says Mr Lien.

Similarly, Mark Tan, managing director of Stolz Engineering Pte Ltd, says that it is unfortunate that many business managers think that branding is only for consumer-oriented brands.

"This is dangerous for the success of firms, as branding is relevant for all companies. For instance, buying a B2B product like an industrial cooling system involves a lot of money. And since a lot of risk is involved, buyers would tend to choose strong brands. That is why we made a strategic decision from day one that we will only work with strong cooling systems brands," he adds.

Stolz, a Singapore company, specialises in cooling tower technologies and equipment. Mr Tan says that to him, branding Stolz (the German word for "pride") is the process of finding the differentiating factor which sets it apart from competitors. "Our differentiation is found in our specialisation in industrial cooling integration, and we occupy this space in the minds of our customers."

Mr Tan says that branding has been beneficial for Stolz, and it can similarly do a lot for other B2B companies. "There are many competitors who can meet your potential customers' requirements in terms of price and specifications. So, how do they choose from among all these suppliers who are within their price range and specifications requirements?"

"They choose the strongest brand. Many companies like to think that they are stronger than their competitors. But the truth is that many of your competitors can compete with you based on price or specifications. It is here that having a strong brand can help tip the scale in your favour."

He has the following advice to those running a B2B business: "You have to manage your brand or your competitors will manage it for you out of their way. So when it comes to branding, you've got to just do it. Do it now, or be phased out." ■

To hear first-hand accounts of B2B companies and their branding journeys, look out for the Singapore Brand Conference 2012, held on March 29 at the Sands Expo Convention Center. For more information, go to <http://www.singaporebrand.org/>