

SHARAD SARIN

# STRATEGIC BRAND MANAGEMENT for B2B MARKETS

A Road Map for Organizational  
Transformation



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# **Preface**

## **Why This Book**

The power of strong brands has either not been recognized or ignored by the marketers engaged in marketing of industrial goods and services. As a student of Business-to-Business (B2B) marketing for more than 40 years, I too feel strongly that the area of brands and brand management is either dormant or underleveraged. I think that the Indian perspective and context would supplement the attempts of the authors from developed economies—in the area of business markets—to fill this void. So the two primary purposes of this book are:

- To create intellectual capital rooted in the Indian context with Indian examples.
- To fill a glaring void in the field of B2B marketing. As admitted by several pundits like Professors Kotler and Keller (from the USA) and Consultants Hague and Jackson (from the UK), not much has been written on how to create powerful B2B brands.

The purpose of this book is not to become a substitute to several excellent books that are available in the areas of brands, brand management and advertisement management. Nor is it to become a professional guide to develop good advertising and promotional campaigns. But the purpose is to motivate the marketers deeply entrenched in B2B marketing to unleash the underleveraged power of brand to create competitive advantages for growth.

## **The Plan of the Book**

This book is divided in five parts.

Part I contains three chapters and deals with thinking about brands. Collectively they provide a good feel and exposure of the brand and branding issues for B2B marketers.

Part II deals with the role and importance of the most strategic asset of any organization: the corporate brand. The three chapters in this part discuss the brands of Tata, Larsen & Toubro (L&T) and Infosys. Readers would benefit and feel inspired with these three excellent stories of corporate India.

Part III deals with brand communications: the nuts-and-bolts issues in brand building. They too are critical in brand management. Efficient management of the 'small spends' on the communications elements will go a long way in contributing to the creation of a strong brand. Recognizing the importance of the Internet and websites, a separate chapter has been dedicated to the effective management of websites.

Part IV is based on holistic brand management. This, as brand pundits claim, is the core idea of creating and sustaining strong brands. Six cases of B2B brands included here are: Sintex, Motor Starter Type MK1 of L&T, Tata Steel's Structura brand for steel tubes, L&T Eutectic, OTIS Elevators in India and Elgi Equipments—an air compressor company. Collectively the cases provide a variety of perspective and help readers grasp the point that brand is much more than having just a communication programme.

Part V discusses future challenges of B2B brands. I have identified the creation of global brands as a very important challenge for the future Indian B2B marketers. Today there exists a very wide gap between the global and Indian B2B brands. The challenges would demand global competitiveness, global awareness and global recognition. The B2B marketers from India need to reorient their entire effort to recast themselves in order to play in the global market arena. There is a separate chapter on rekindling the aspiration through the idea of brand. It is directed at the millions of unknown B2B marketers. This chapter serves my key passion of urging the lesser known B2B marketers to dream and become big brands and

great companies. The last chapter of this part is a reflection on brand mystique, and is followed by closing suggestions.

### **Who Could Be the Target Audience for This Book?**

- Managers from both developed and developing economies engaged in business brands.
- Entrepreneurs belonging to small and medium enterprises.
- Students opting for specialized course in B2B markets both in India and abroad.
- Students in brand management wanting to expand their horizon to know and understand the challenges of creating B2B brands in contrast to Business-to-Consumer (B2C) markets.

At 12 noon, on 24 November 2009, a click on google.com for all articles and books on brands resulted in 42 million hits. A second click for all articles and books on B2B brands indicated only 55,500 hits. The gap is too wide and glaring. Looking at its economic importance, the world of B2B and brands deserves, if not 40 million, at least a million-plus search results. I am hopeful that this book will fill this void.

## Acknowledgements

This book would not have been possible without the support of many individuals and organizations. Though it would be difficult to mention all, some individuals deserve special acknowledgement. First and foremost is the support of the Director, Fr. Abraham of Xavier Labour Relations Institute (XLRI), Jamshedpur who gladly and promptly provided all the required support for my research. I am grateful to him as well as XLRI.

A set of individuals whose writings and presentations helped in expanding and strengthening my knowledge and conceptual base in the area of B2B brands are: Kotler and Pfoertsch; Kevin Lane Keller; Hague and Jackson; Narayana Murthy (Founder and mentor, Infosys); Muthuraman (ex-Managing Director or MD, Tata Steel); Gopalakrishnan (Executive Director, Tata Sons) and Rama Bijapurkar (a leading brand guru of India). I wish to thank them.

In the early phases of my research, I had interacted with several directors and senior executives. These include: Mr B.K. Jhawar (CMD, Usha Martin Group); Mr C.D. Kamath (ex-MD, Tata Refractories Limited); Mr B.L. Raina (ex-MD, Tinplate Company of India); Mr Rana Sinha (MD, Telcon Ltd); Dr Jairam Varadaraj (MD, Elgi Group); Mr Anand Sen (Vice President or VP, Flat Products of Tata Steel); Mr Vivek Kamra (Executive-in-Charge, Tubes Division); Mr Anurag Behar (MD, Wipro Hydraulic Systems) and Mr Aditya Jha (AVP, Corporate Marketing, Infosys Limited). Thank you all for your time and insights.

The L&T Group, starting from Mr A.M. Naik (CMD), several directors and a large team of senior- and middle-level managers deserve a special mention for sharing their views. This helped me in developing the chapter on Corporate Brand for L&T. Mr K.R. Palta (Senior Executive, VP, L&T), based in Delhi, deserves a special

mention in setting the tone for my data collection activities within L&T. Mr R.N. Mukhija (Director, L&T) and his team of senior executives of Switchgear division spared time to develop a case on Switchgear Standard Products Group. It was a very substantial effort to co-ordinate interviews within L&T. Deepak Morada (General Manager, Corporate Communication), provided excellent support. He and his team provided information on brand-building activities of L&T. The transparency and enthusiasm demonstrated by the L&T team speaks volumes about the greatness of this organization.

I wish to acknowledge the influence of Dr J.J. Irani (Director, Tata Sons and ex-MD, Tata Steel) on my thinking in several areas related to managing businesses. My long association with him has enabled me to know and understand many facets of the house of the Tatas. Mr Gopalakrishnan (Executive Director, Tata Sons and the main architect of brand-building initiatives of the house of Tatas), was gracious enough to provide time to share his deeper thoughts and highly refined ideas. My thanks are also extended to him.

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Besides the support from outsiders, the most powerful and a 24-hour support ever since I conceived the idea of developing a book on B2B brands has been Mani, my wife. Words would fail to indicate the importance of her role and support. On one hand she helped me in creating the folders of various chapters, visiting thousands of websites, collection of references and typing and re-typing of innumerable drafts on the laptop and on the other she kept my morale high by mentoring and motivating me throughout the period of two years. By forcing me to remain focused in this project, she brought in a lot of discipline that was required in the completion of the book. Our children and grandchildren, who have been away from Jamshedpur, were closely monitoring the progress. They have been anxiously waiting for me to finish the book. My very affectionate thanks to them for keeping my morale high and reminding me that 'I too can do it!'



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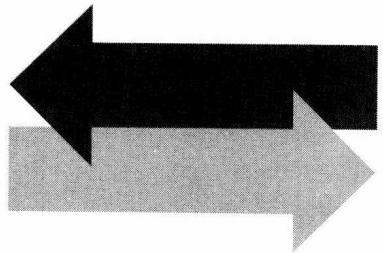
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# Thinking about B2B Brands





*With our thoughts we make the world.*

—Gautam Buddha



*A man is but the product of his thoughts,  
what he thinks, he becomes.*

—Mahatma Gandhi



*One of the greatest pieces of economic wisdom  
is to know what you do not know.*

—John Kenneth Galbraith



# 1

## **Brands and B2B Markets: Putting Things in Perspective**

There is one asset, an intangible one, that stands head and shoulders above all the others and that cannot be easily outsourced: the brand.

—Bedbury 2002

Brands differentiate, reduce risk and complexity and communicate the benefits and value a product or service can provide. This is just as true in B2B as it is in B2C.

—Kotler and Pfoertsch 2006

### **Idea of Brand is Widely Known**

It is my belief that amongst the long list of marketing concepts and jargons, brand would perhaps be the most widely known to both professionals and novices. From several platforms, I share an experience to support this belief. The situation was a training programme of 35 fresh and young trainees with no idea of either business or marketing. I began my class by asking as to what comes to their minds when they hear the word 'brand'. Their answers baffled and impressed me a great deal. Within 30 minutes of thinking aloud, the group covered all the aspects of brand management beginning from brand loyalty and ending with the gains from strong brand equity. They shared that brand differentiates and enables a marketer to earn premium. They observed that brand is a consistent delivery