An exploratory investigation of the elements of B2B brand image and its relationship to price premium

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ABSTRACT

Much of the extant work on brand equity in business markets has focused on predicting brand loyalty, as in what brand image elements that make buyers prefer to buy a brand. The question what drives buyers to pay more or less for brands has however been somewhat overlooked, despite price premium being a distinct and economically important outcome of a favourable brand image. In an attempt to answer this question, this paper suggests that the corporate brand image determinants of price premium can be conceptualised into six dimensions: brand familiarity-, product solution-, service-, distribution-, relationship- and company associations. Findings from a small-scale qualitative investigation, based on interviews with buyers of corrugated packaging, are used to illustrate this model as well as to explore its microelements and demonstrate why they can be assumed to be mentally related to buyers’ willingness to pay.

1. Introduction

Brand image has been defined as the information linked to a brand in customer memory (Keller, 1993), a definition based on theories on psychology, and most importantly on the “associative network memory model” (see also Collins & Loftus, 1975). Basically any specific information that exists in the minds of customers with respect to a brand is relevant as an image element, regardless of whether it is related to tangible or intangible elements, or whether it is based on an actual experiences or expectations. In brand management literature, an underlying assumption has always been that a favourable, strong, and unique brand image constitutes a sustainable competitive advantage that will deliver attractive economic returns (Aaker, 1991; Keller, 1998). As such, brand image is a highly interesting concept, both from a managerial and theoretical perspective. To understand how brand image is assumed to deliver profits, it can be put in a broader brand equity context.

The concept of brand equity has an explicit focus on extracting the tangible economic value from brands and is today a broad field that can be subdivided into a brand equity chain (see Fig. 1) with three components: brand image, brand strength and brand value (see similar chains in Srivastava & Shocker, 1991; Feldwick, 1996; Keller & Lehman, 2003; Kapferer, 2004). The visualised causal principle states that how target customers perceive a brand’s specific attributes (brand image), will influence how they globally evaluate and behave towards the brand in the marketplace (constitutes the strength of the brand), which will influence the long-term economic value that the brand generates to the brand-owning firm (brand value). There are mainly two distinct dimensions of brand strength. The most common one is brand loyalty, empirically captured with such measures as preference and purchase intention (Yoo & Donthu, 2001; Taylor, Geluch, & Goodwin, 2004; Cretu & Brodie, 2007). Less commonly measured in business markets is price premium (customers willingness to pay for products or services from a brand compared to similar products or services from other relevant brands), although it is acknowledged at the conceptual level and used as a distinct and important brand strength indicator in several B2C studies (Netemeyer et al., 2004; Kaira & Goodstein, 1998; Sethuraman, 2000; Ailawadi, Lehmann, & Neslin, 2003).

When it comes to B2B brand equity, it is commonly assumed that branding is most relevant at the corporate level (Kuhn, Alpert, & Pope, 2008; Mudambi, 2002) and the body of research is rapidly growing. Important conceptual contributions have been made by Sharp (1995), Kim et al., (1998), Lynch and deChernatony (2004) and Beverland, Napoli, and Lindgreen (2007) among others, and a number of empirical studies (Gordon, Calantine, & Di Benetto, 1993; Firth, 1993; Hutton, 1997; Bending, Bukasa, & Abratt, 2004; Walley, Custance, Taylor, Lindgreen, & Hingley, 2007) have proven the existence of brand strength per se. These investigations have shown that also in business markets, a brand can build customer loyalty and price premiums. In addition, a few empirical studies have been conducted to explore and validate different brand image elements (Mudambi, Doyle, & Wong, 1997; Wiedmann, 2004; Kuhn, Alpert & Pope, 2008; Van Riel, de Mortanges, & Streukens, 2005; Cretu & Brodie, 2007; Taylor et al., 2004; Han & Sung, 2008). These valuable contributions should definitely be built upon, but there is one question we do not yet have an answer to: what specific brand image elements are driving customers’ willingness to pay a price premium? It is only recently that researchers have begun to causally link brand image to brand...
2.2. Product solution

2.1. Brand familiarity

Brand familiarity has always been seen as a fundamental brand image dimension (Aaker, 1996; Keller, 1993). In business markets, it plays at least two roles. Obviously a buyer must be aware of a company in order to consider it, but what is more important perhaps is how buyers perceive less risk and tend to prefer well-known suppliers and producers (e.g. Dowling & Staelin, 1994; McQuiston & Dickson, 1991; Hutton, 1997). A well-known supplier may therefore have an advantage both when the buyer is considering different suppliers and then function as a deal-breaker when the choice is about to be made (Malaval, 2001).

2.2. Product solution

In B2B brand equity literature, the product dimension is most commonly conceptualised as the physical core of a firm’s offering, or the “thing” a firm produces. In more detailed terms, product quality, value, features, innovation, reliability, proven, consistency, performance as well as easy to install and upgrade (Beverland, 2007; Mudambi, Doyle, & Wong, 1997; Kuhn, Alpert, & Pope, 2008; Van Riel et al., 2005) appear to be relevant elements. A view emerging in adjacent fields is however that focus should be the customer problems a product is solving, rather than on the physical product as such (Vargo & Lusch, 2004; Beverland et al., 2007; Ballantyne & Aitken, 2007). This view implicates that customers are not buying separate products or services, but total solutions in the form of bundles of products and services that solve their problems rather than provide benefits or features. Both customisation and value-in-use are also at the core of this thinking, and to emphasise how this paper subscribes to this view, the product dimension is labelled product solution (rather than only product, as in most previous B2B brand image models such as Mudambi, Doyle, & Wong, 1997 and Van Riel et al., 2005).

2.3. Service

Perhaps as a consequence of the heavy focus on industrial products in empirical B2B brand equity research, most B2B brand equity writers seem to conceptualise the service dimension as mainly being an offering augmented to the core physical offering (Mudambi, Doyle, & Wong, 1997; Van Riel et al., 2005; Kuhn, Alpert, & Pope, 2008). A number of more specific service offerings appearing in the literature are technical support, design, training, financial services, staff training, development support, information services, after-sales services (Kuhn, Alpert, & Pope, 2008; McQuiston, 2004; Mudambi, Doyle, & Wong, 1997, Van Riel et al., 2005). In addition, more intangible service elements such as expertise and advice have also been mentioned (Mudambi, Doyle, & Wong, 1997; Beverland et al., 2007).

2.4. Distribution

Distribution associations deal with everything from delivery speed and lead times, to reliability, availability, ease-of-ordering and payment (Wiedmann, 2004; Mudambi, Doyle, & Wong, 1997; Van Riel et al., 2005; Han & Sung, 2008; Blomback & Axelsson, 2007). Distribution reliability is a highly critical element, as it relates to a suppliers ability to minimise costly disruptions in the customer’s production line (Beverland et al., 2007).

2.5. Relationship

What we know from a well-founded body of research on industrial marketing (e.g. Doney & Cannon, 1997; Moorman et al., 1992) and business relationships (for example from the IMP group, Ford, 2002) is that notions such as trust, mutuality, interpersonal relations, flexibility, information sharing, cooperation, partnership and commitment are crucial in buyer–seller relationships. Also researchers within the narrower field of B2B branding have addressed the importance of relational concepts, but not always described them as distinct brand image elements. Instead, relationship concepts have been conceptualised as outcomes of brand image (Han & Sung, 2008), as sub-elements to other
dimensions (Mudambi, Doyle, & Wong, 1997; Van Riel et al., 2005; Cretu & Brodie, 2007) or as “influencing factors” not being a part of a brand’s image (Mudambi, 2002; Rosenbrough, 2001; de Chernatyony & McDonald, 1998), which also happens to be the conventional conceptualisation of these concepts in industrial marketing and business relationship theory (Doney & Cannon, 1997; Ford, 2002). There are however some exceptions where relational concepts such as trust and adaptation are seen as image elements (Beverland et al., 2007; Taylor et al., 2004; Kuhn, Alpert, & Pope, 2008; Han & Sung, 2008). This framework follows in their footsteps by defining relationship brand image as a distinct dimension. At a first glance, the relationship dimension can appear as very similar to the service dimension. There is however an important temporal distinction here. Service can be of both episodic short-term transactional nature and long-term relational nature, whereas relationship elements deals specifically and only with the long-term and cannot be evaluated immediately after a single episode (Raval & Grönnroos, 1996; Crosby, Evans, & Cowles, 1990; Storbacka, Strandvik, & Grönnroos, 1994). Thus, in a brand image context, service associations deals with how a customer believes a seller behaves in short-term exchanges and what specific services it can offer, while relationship associations capture how a customer believes a seller will behave as a business partner, during a series of episodes (Crosby et al., 1990).

2.6. Company

Associations to the company behind a product or service, rather than associations to specific products or services offered by the company, were early identified as highly relevant elements in brand equity literature (Aaker, 1996) and their relevance in business markets have been confirmed (Mudambi, Doyle, & Wong, 1997). These associations tend to be somewhat abstract in nature, and some presumably relevant ones are supposed to be stability, success, credibility, social responsibility, history, size, industry leadership, reputation, likeability, experience, networks, financial stability, personality, and country-of-origin (Mudambi, Doyle, & Wong, 1997; Hutton, 1997; Kim et al., 1998; Michell, King, & Reast, 2001; Keller, 2000; Taylor et al., 2004; McQuiston, 2004; Cretu & Brodie, 2007; Kuhn, Alpert, & Pope, 2008).

2.7. Price premium as an indicator of brand strength

Price premium is an interesting form of brand strength, considering: (1) how strong B2B brands have been shown to obtain price premiums (Hutton, 1997; Firth, 1993; Bendixen et al., 2004); (2) how also brand-owning companies themselves associate successful B2B branding not only with loyalty but also price premium (Shipley & Howard, 1993; Michell, King, & Reast, 2001), and; (3) how price premium by many writers on B2C brand equity is seen as the most useful and profitability driving measure of brand equity (Aaker, 1996; Sethuraman, 2000; Blackston, 1995); and how: (4): it has been shown to explain market shares and consumer choice in B2C markets, and in addition is a relatively stable measure over time but yet captures variations in the brands health and correlates with other brand strength measures (Agarwal & Rao, 1996; Attalwadi et al., 2003). Some writers, such as Doyle (2000) even argue that a price premium is the most important way in which brands create shareholder value, because it requires no direct investments to charge a higher price.

3. The explorative study: buyers of corrugated packaging

The objective with the qualitative explorative study was to solicit insights into industrial buyers’ associative memory networks in order to identify relevant elements within each of the six brand image dimensions, with a specific focus on willingness to pay more or less as a dependent variable. Face-to-face interviews were conducted with 12 individual representatives from 12 different Swedish companies buying corrugated packaging solutions on a regular basis. The sample was chosen with expert help from one of the packaging suppliers in this market that is involved in a learning partnership with Lund University. The sample of customers was selected on a judgemental basis, with the ambition to include companies of different character and with different packaging needs, as well as individual buyers from the different functions that are influencing the choice of packaging supplier.

The 12 buying companies can be found in many different industries, including brewery, petrochemicals, consumer-packaged food, office products and heat pumps. Company size varied from 10 employees to 2000 and sales turnover from EUR 1.9 to 287 million. A majority of the 12 individual respondents (7 of them) were fully responsible for the choice of supplier, the rest were partly responsible as members of a buying centre. The most common function was purchaser and purchasing manager, but also a packaging developer, a CEO and owner and a production manger was included. All 12 interviews were conducted face-to-face and took place at the respondents’ company location (typically a production site). The interviews lasted for 1–1.5 h and were in most cases followed by an equally long study visit, resulting in additional information as respondents elaborated on their previous answers as well as on various general business and production matters.

The interview approach used here was based on Keller’s (2006), and partly also Roedder John, Loken, Kim, and Basu Monga (2006) and Henderson, Iacobucci, and Calder’s (2006) recommendations on how to identify relevant brand image elements by eliciting and aggregating brand associations from customers’ memory. The interviews started with asking the respondent to think of a packaging supplier their company is willing to pay more for compared to other packaging suppliers (the full interview guide can be found in Appendix A). By doing so, a strong B2B brand with a price premium was identified. Thereafter, in order to identify the relevant brand associations, the respondents were asked a spontaneous, open-ended question why they were willing to pay more for the chosen supplier. This question was then followed with various other open-ended free association questions, such as “what is the first thought that comes to mind when you think of this supplier?” The same procedure was then repeated, but with a weak B2B brand in focus: respondents were asked to think of a packaging supplier they were not willing to pay slightly more compared to other packaging suppliers. No conceptual frameworks were shared with the respondents during the interviews and similar to Mudambi, Doyle, and Wong (1997), the word “branding” was not used in the questions.

All respondents agreed to the use of a tape recorder during the interviews, which was a condition for retrieving the interviews for analysis. All interviews were then transcribed and the analysis process was very much a matter of sorting and grouping quotes into different image dimensions, according to the conceptual model and existing brand image elements, which were used as “sensitizing constructs”. The analysis process was thus fairly deductive, where the aim was to find out which of all previously addressed brand image elements within each dimension (found to drive brand loyalty) that seemed to be most closely related to a willingness to pay a price premium and how they are grouped together. To limit interviewer bias, the specific elements emerging from the analysis were shared with and corroborated by industry experts, as well as by the packaging company providing contact details to interviewees.

The drawback with a case like this is obviously generalisation, but the findings can at least be said to be somewhat representative for markets similar to this one where most purchases are modified re-buys, where the product is a part of the customer’s product, and where a fairly commoditised core product is augmented with tangible or intangible service. This case is thus less general for advanced hi-tech products, huge industrial investments, and for straight low involvement re-buys. The advantage with a single-case approach is the possibility to gain in-depth insights into customer associations to...
B2B brands. Without in-depth understanding of different empirical settings, the finer nuances and elements of certain brand image dimensions might be overlooked in the development of general B2B brand equity theory.

4. Findings: detailed brand image elements associated with price premium

Insights from the explorative interviews help identify a number of detailed elements within each of the six brand image dimensions. In the following section, buyer statements will be presented to illustrate these elements. When the a priori framework does not fully capture the findings, additional theory is brought in to refine the framework.

4.1. Brand familiarity associations

The interviews showed how a well-known name can evoke positive associations per se, as several respondents used phrases such as “Well-known on the market” and “Big and famous” when describing the brands they were willing to pay a premium for. On the negative side, it was apparent respondents expressed uncertainty about less known brands (“We’re not really familiar with them”, “I don’t know much about them to be honest”). Unfamiliar brands had a disadvantage in the decision process, and were very far from being able to charge a price premium.

P1. Favourable brand familiarity associations have a positive impact on buyers’ willingness to pay for the brand.

4.2. Product solution associations

Most product associations related to such elements that have been thoroughly mapped out in extant work, such as product quality, -assortment and -innovation. These different aspects addressed the conventional view of the product dimension; a number of quotes also explicitly highlighted the ability of a company to provide total solutions to customers. The following quote perfectly illustrates the distinction between delivering specific products and benefits and the ability to put them together to solve a customer’s problem: “They are good at many things, but they don’t get the entire cycle”. According to this buyer, the focal brand is seen as indeed providing a number of valuable benefits, but lacks the ability to bundle them in a way the customer’s problem is solved (“Ideally you want a supplier that can address all your packaging needs: production, logistics, sales and marketing-related matters. The total solution”). Theoretically speaking, product customisation is an important part of a total solution view, and did also emerge in the interviews: “They came up with this splendid idea just for us, it was a unique solution perfect for us”. So did, product value, capturing how a supplier’s product creates value for the customer when using it in production (“The new packaging they developed for us, it’s a new way of assembling it. We have made the entire process here more rapid, and also made the packaging much more attractive”) or as a sales tool targeted at end-customers (“With their packaging, we can become attractive and charge our customers and end-consumers with a price that is very beneficial for us”). These buyers were definitely willing to pay more for supplier brands that could create these kinds of values with their products.

P2. Favourable product associations to quality, assortment, innovation, total solution, customisation and value-in-use have a positive impact on buyers’ willingness to pay for the brand.

4.3. Service associations

Some service statements addressed the performance or quality of augmented service offerings, in general, such as “Provides excellent services”. A number of specific services were also mentioned, dealing with advice prior to the purchase (“To some extent one could pay more if they help us in the new product development work, if they are active with ideas and quickly develop and present new products or prototypes for us”) as well as after-sales support (“It’s human to fail, but X will fix it immediately. There you have a difference...that’s something you can pay a premium for”). Not only did respondents see a value in these services per se, it also seemed as these associations were transferred to the brand level where it could give a supplier brand a premium image. Service was also addressed in more intangible way, when buyers referred to the general expertise and advice of different companies, such as “We are no experts, so we rely on them to tell us what the best thing for us is” and “When we develop new packaging solutions, they have very competent personnel. They know what’s best for us”.

P3. Favourable service associations to augmented service offerings (prior to and after purchase), expertise and advice have a positive impact on buyers’ willingness to pay for the brand.

4.4. Distribution associations

Reliability was a critical element in the distribution dimension, as exemplified in the statement “They have no control over their systems, you can’t count on them to deliver the right quantity on the right day”. Also delivery speed was something that made some buyers willing to pay a price premium, at least when a supplier could offer deliveries far quicker than competing brands. Apart from the actual delivery, also ease-of-ordering seemed to be relevant, as buyers praised supplier brands from which ordering was easy (“Ordering works perfect, it’s really smooth. You place an order and get a confirmation back after just a few days”) and had apparent negative associations to those from which it could be more of a hassle (“It’s difficult sometimes to order smaller volumes from them, we need smaller batches every now and then”).

P4. Favourable distribution associations to reliable and speedy deliveries, and ease-of-ordering, have a positive impact on buyers’ willingness to pay for the brand.

4.5. Relationship associations

A recurring theme in the interviews was how buyers’ willingness to pay more or less for different supplier brands seemed to be driven by different types of relational associations. Trustworthiness was one consistently appearing association, and this statement explains how trust can be displayed: “If they suggest a solution where we actually pay less, let’s say by using one component to all products instead of four different ones, it certainly gives a good impression. Then there is mutual trust and a relationship to build on”. Commitment is usually conceptualised as a desired outcome of successful customer relationships, principally equivalent to customer loyalty (Moorman et al., 1992; Han & Sung, 2008). The interviews however indicated that the commitment also could be conceptualised in the form of a brand image element driving brand strength, as those brands that were seen standing for commitment to customer apparently were evaluated more favourably. Selnes’ (1998) signalled commitment is one term that can be used to capture this opposite form of loyalty that is evident in this buyer’s answer on the question why a supplier is worth a higher price: “They are really committed to get things working for us”. Responsiveness appeared to be one specific and very important way of signalling commitment, or signalling the lack thereof: “We brief them on what we need, give them a lot of information, and then they more or less ignore us”. The same goes for a supplier’s ability to provide adaptations (“We feel that they are not willing to invest to help us grow, they are very rigid and not willing to change”).
The quote “Their sales reps are very active, they work more or less together with us, as a part of our team” is one example of how some interviewees were willing to pay a premium price for suppliers with an ability to work cooperative in partnerships, rather than only at an arms-length distance (as in the negative quote “They can deliver the product for sure, but nothing else happens. It’s really difficult to work together with them”). Information exchange seemed to be relevant both in terms of listening (“They are very interested and always follow up when something has started”) and informing (“There is an open dialogue. If they can’t deliver the product on time, they’ll call us so that we know. Then we can rearrange in the production without having to stop”).

P5. Favourable relationship associations to trustworthiness, signalled commitment, responsiveness, adaptations, cooperative and information exchange, have a positive impact on buyers’ willingness to pay for the brand.

4.6. Company associations

One general company association that came up was related to leadership. When describing brands they were willing to pay a premium for, several buyers talked about how impressed they were by the company behind the brand. “X is a leading supplier”. “They’re No. 1” are two examples. Some buyers were even more specific, when talking about how a company behind a brand is being managed. It was clear that for some buyers, there is a mental connection between price premium and well-managed companies, whether this relates to HR (”Seems like they are taking good care of each other”), production (“They are very good at using their production capacity, and among the front runners in terms of lean production, sustainability and ergonomics”) or finances (“We always look at the finances...like cash flow, ownership and so on...and they’re good on these areas as well.”). A brand’s general reputation and track record was also addressed positively, as in the quote “They have been around for many years, and they are very respected in the industry”. A negative reputation is of course problematic, but here it was also evident that a lack of reputation could be a disadvantage, as this quote shows: “They’re new on the market, I’ve not heard about anyone buying from them. But we’ll keep an eye on them and wait and see”.

Some buyers mentioned the benefits of being indirectly connected to a supplier other business partners via its physical community. Two different community 7 facets came forward as being associated with premium brands. One captures the psychological or invisible community bonds that can exist between customers to a brand (Carlson, Suter, Brown, 2008), which is related to a brand’s user image (Keller, 1993). It was shown how a customer’s bond to a supplier might be strengthened when customer knows the supplier also is delivering to a highly prestigious customer (see also Kuhn, Alpert, Pope, 2008), as in “They’re good, they deliver directly to Volvo’s production line too”. Also the more tangible benefits of being member of a suppliers community were addressed, when buyers expressed how they expected a relationship with a supplier to result in knowledge transfer from, or useful business contacts among, the suppliers network of partners (see also Morgan, Deeter-Schmelz, Moberg, 2007; Kim et al., 1998). The following quotes are examples of this facet: “We needed some equipment and X had the contacts on that front, they set us up with a manufacturer and helped us get a good deal” and “If Ericsson buy from them, we can buy from them too. I mean, Ericsson have tough requirements and hopefully we can benefit from that”. What could not be found however were any signs of elements to more structured social forms of community interaction when members meet and engage socially (Andersen, 2005). Finally, it appears as brand personality may be a price premium driving brand image element. Several interviewees used personality traits to describe different suppliers, as in “They are all nice people, very humble. I think it has something to do with the fact that they are from the countryside. They are sort of down-to-earth.” and “Arrogant”. These traits are associated to companies and not to individual employees, which is why they can be seen as indicating the existence of brand personality image at the company level. While conceptually being recognised in general brand equity theory (Keller, 1998), the role of personality has been somewhat overlooked, or found irrelevant (Kuhn, Alpert, Pope, 2008) in B2B ditto.

P6. Favourable relationship associations to leadership, management, reputation, community and personality have a positive impact on buyers’ willingness to pay for the brand.

Judging by the findings, all these detailed elements (summarised in Fig. 2) are mentally associated with packaging buyers’ willingness to pay more or less for a brand. This study is however a small-scale explorative investigation, and the model and its propositions should be seen as suggestions for further research, rather than an attempt to precisely specify the determinants of the price premium construct, and how important they are.

4.7. Indications on the relative impact of brand image dimensions on price premium

Although this is an highly explorative and qualitative inquiry, some ideas about the relative importance of different brand image dimensions can at least be raised by counting the number of times associations within each dimension were mentioned (Table 1).

Table 1 shows how the relationship dimension seems to be the one most strongly associated with price premium brands (mentioned in total 86 times). It seems to be what satisfaction researchers (e.g. Matzler et al., 2004) conceptualise as a performance factor, since it is

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**Table 1**

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership</td>
<td>30</td>
</tr>
<tr>
<td>Management</td>
<td>25</td>
</tr>
<tr>
<td>Reputation</td>
<td>20</td>
</tr>
<tr>
<td>Community</td>
<td>15</td>
</tr>
<tr>
<td>Personality</td>
<td>16</td>
</tr>
</tbody>
</table>

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**Fig. 2.** Brand image determinants of price premium.
mentioned to the same extent when strong premium brands are discussed as when non-premium brands are. Also the product solution dimension shows the same performance symmetry but with less relative importance. The service dimension in contrast to the solution dimension shows the same performance symmetry but discussed as when non-premium brands are. Also the product mentioned to the same extent when strong premium brands are.

Table 1

<table>
<thead>
<tr>
<th>Brand image dimension</th>
<th>Mentioned in relation to strong price premium brands</th>
<th>Mentioned in relation to weak non-price premium brands</th>
<th>Total frequency of mention</th>
<th>Example of quote</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relationship</td>
<td>Freq: 54 Rank: 2</td>
<td>Freq: 32 Rank: 1</td>
<td>86</td>
<td>“Very easy to interact with”, “Trustworthy, and very committed to helping us”</td>
</tr>
<tr>
<td>Product solution</td>
<td>Freq: 51 Rank: 3</td>
<td>Freq: 22 Rank: 3</td>
<td>73</td>
<td>“Great product quality...very durable”</td>
</tr>
<tr>
<td>Service</td>
<td>Freq: 56 Rank: 1</td>
<td>Freq: 13 Rank: 4</td>
<td>69</td>
<td>“They have this new product development centre there...what you don't know yourself, they can assist you with”</td>
</tr>
<tr>
<td>Distribution</td>
<td>Freq: 35 Rank: 4</td>
<td>Freq: 23 Rank: 2</td>
<td>58</td>
<td>“They have 10-days delivery time, that's very important for us”</td>
</tr>
<tr>
<td>Company</td>
<td>Freq: 29 Rank: 5</td>
<td>Freq: 12 Rank: 5</td>
<td>41</td>
<td>“It's a huge company, packaging is just one part of it, it's a world player”, “They have a good reputation in the market”</td>
</tr>
<tr>
<td>Familiarity</td>
<td>Freq: 5 Rank: 6</td>
<td>Freq: 6 Rank: 6</td>
<td>11</td>
<td>“They are well-known”, “Big and famous”</td>
</tr>
</tbody>
</table>

5. Discussion

The general or formal theoretical contribution from this study to the industrial branding field is the refinement of a highly detailed B2B brand image model. In this model, six main dimensions comprise brand image: brand familiarity, product solution, service, distribution, relationship and company. To a large part, the study empirically confirms the relevance of elements that are occurring in existing models (c.f. Mudambi, 1997; Van Riel et al., 2005), thereby contributing with one step towards a more general theory of B2B brand equity. Keeping in mind the small-scale explorative character of this investigation, it does however also bring some unique contributions to the table by: (1) focusing on price premium as a specific and economically highly interesting form of brand strength; and by: (2) identifying a great number of brand image elements at a highly detailed level. Few of these specific elements identified in the explorative interviews can be said to be completely new discoveries in a broader relationship marketing context, and many of them have been more or less addressed in previous B2B brand equity work (Beverland et al., 2007; Mudambi, 1997; Van Riel et al., 2005; Kuhn, Alpert, & Pope, 2008). The uniqueness of this paper is however the specific focus on understanding mental associations that are mentally linked to customers’ willingness to pay a price premium. The model developed (Fig. 2) is an attempt to propose how customers think of premium brands, and what makes them pay more for some brands. As most previous work instead have focused on the volume side of a brand’s strength (often by using different forms of loyalty, see for example Mudambi, 1997; Wiedmann, 2004; Kuhn, Alpert, & Pope, 2008; Van Riel et al., 2005; Han & Sung, 2008), a price focus can help build a more comprehensive theory of B2B brand image.

In the following discussion, some of the elements in the model will be further discussed: relationship-, product solution- and brand community associations. Not because they are new discoveries per se, but because this explorative investigation indicates they may be more important than what extant work has shown. Possibly because they have a stronger impact on price premium than loyalty, which in that case would make them particularly interesting for firms striving for higher margins rather than larger volumes.

5.1. Relationship elements constitute a distinct endogenous brand image dimension

Relational elements such as trust (Taylor et al., 2004; Han & Sung, 2008; Kuhn, Alpert, & Pope, 2008) and adaptation (Beverland et al., 2007) have indeed been addressed in extant B2B branding literature, but this explorative study also indicates that these elements may be highly important price premium drivers. Together with the argument that relational elements are theoretically distinct from other elements with their explicit long-term interactional focus, it seems reasonable to treat them as a distinct and endogenous brand image dimension as was suggested in the theoretical framework, and not only as an exogenous influencing factor (as Mudambi, 2002; Rosenbröijer, 2001; de Chernatony & McDonald, 1998 and others do). As well as the level of information exchange and cooperation can influence the relationship between a customer and a brand, it may be the core of that relationship and the actual reason why the customer for example is willing to pay a price premium for the brand.

Looking closer at the concept of commitment, the findings also reinforce why it may be fruitful to treat it at a more nuanced level than what has been done so far. Signalled commitment (i.e. how committed a customer perceives a company to be), seems to function as a relational brand image element driving price premium and loyalty. Thus, commitment is not only theoretically relevant in its interactional nature of business relationships (Ahmad & Buttle, 2001), but this explorative investigation indicates they may be more important than what extant work has shown. Possibly because they have a stronger impact on price premium than loyalty, which in that case would make them particularly interesting for firms striving for higher margins rather than larger volumes.
5.2. The move from products to product solutions is empirically grounded

In extant empirical B2B brand equity work (e.g. Mudambi, Doyle, & Wong, 1997; Kuhn, Alpert, & Pope, 2008), the reported product findings have mainly revolved around the physical product as such. However, judging by this small-scale exploration the move from product features to product solution that was suggested in the theoretical framework (based on arguments by Ballantyne & Aitken, 2007; Vargo & Lusch, 2004; Beverland et al., 2007), seems to be empirically justified. Also product value-in-use (closely related to a total solution view according to Vargo & Lusch, 2004), emerged as, which has important theoretical implications as it extends the temporal dimension of brand image to also encapsulate the associations arising when customers use and interact with the products offered (see also Ballantyne & Aitken, 2007).

5.3. The role of a brand community as brand image element

Finally, a fairly unique finding in relation to existing B2B brand image literature is how favourable associations to a B2B brand's community seem to give rise to a premium price. While the existence and relevance of brand communities in business markets have been demonstrated (Andersen, 2005), the price premium link is a novel finding. As Muniz and O'Guinn (2001) and Ambler, Bhattacharya, Edell, and Keller (2002) suggest, acknowledging the role of brand communities adds a second relationship to the brand-building process: the relationships between customers. Thus, emphasising the role of brand community association as brand image element contributes with a conceptual acknowledgement of how the image and strength of a brand is not only a result of customers' associations to the focal brand, but also a result of associations to the focal brand's customers and network partners.

6. Managerial implications and future research directions

6.1. Managerial implications

With a high level of detail, the model presented in this paper provides a nuanced and multi-faceted tool for branding in business markets. Each and every brand image element provides a potential source for the development of a strong and valuable brand, and the challenge for a brand manager is to choose one or a few elements to allocate the often-limited resources to. Looking at the six dimensions together, the model suggests that a brand promise not only need to be based on what is offered (product solution and services) and how this offering is distributed, but can also be based on what a company stands for and how it acts as a long-term business partner (relationship). This may sound obvious, but what one notices in practice is how many B2B firms tend to focus primarily on their physical product when they attempt to create an attractive brand promise. Even if they have realised the benefit of adding something more intangible and long-lasting to their excellent products (as a strong brand), they can have difficulties letting go of the product focus when branding. If their industry is characterised by increasing proliferation of similar products, it can however be a much better choice to focus on for example a service-based differentiation. Or on product solutions: in commoditised markets (like the corrugated packaging market studied in this paper), the ability to bundle and customise products and services might be more important than the products itself. On the other hand, product elements should be a viable branding base for firms that are actually offering superior product performance, without adding any particular services or other augmented value (see also Beverland et al., 2007).

Brand community is a potential source of brand image that has been somewhat overlooked in B2B brand equity theory. If a company already has a community (whether it is social or psychological, initiated by the company itself or its customers) it should first of all nurture this community, but can also take it one step further by actually positioning its brand image on this particular feature. It seems as for example SAP has been trying to establish a favourable psychological brand community image with advertising where prestigious customers are shown to the world (“BMW runs SAP”, “Lufthansa runs SAP”, etc.). Alternatively, companies can provide social platforms online or offline (academies for example), where its different customers and partners can meet, and then try to extract and transfer the potentially favourable associations that arise to its brand image.

Regardless of which element is chosen, the optimal strategy should principally be to choose elements fulfilling two criteria. First, the firm must have the internal resources and commitment to deliver on this element to customers (the firm must be able to, and want to, deliver). Second, the element must provide a stable enough basis for a unique and sales driving brand promise to be targeted at customers (it must make customers buy and pay for the brand). Combining these two criteria creates four principle types of brand elements (Fig. 3), where the optimal branding image to strive for can be found in the upper right corner.

If a firm adapts its brand promise to customer preferences, but cannot deliver on those elements it would result in an empty promise. A meaningless delivery occurs when a firm promises and delivers elements that do not make customers buy or pay for the brand, which make the delivery meaningless in the sense that it will not enhance revenues and build brand value. Although academic research will likely be able to map out the general importance of different elements, it is necessary for each individual firm to understand its unique situation. Delivery speed, customisation or cooperation may be optimal elements in one industry but meaningless in another. When making this analysis, the firms must also take a stand on whether they primarily want to build sales volumes or increase the margins. Where different brand image elements are positioned on the Y-axis will depend on the focus of the analysis, at least if we assume that customers' willingness to buy and pay is driven by different brand image elements.

6.2. Suggestions for future research

It is difficult in an explorative investigation like this to be specific on how different elements are grouped and related to each other, and judge whether they are overlapping or not. This is definitely something future research could further investigate, by further validating and systematically refining the brand image elements. More specifically, future research should investigate whether some image elements are more important than others in different markets, or under different circumstances. Some
indications are provided in this explorative study (Table 1), where it particularly seems as the relationship dimension is the strongest performance driver of willingness to pay, while the service dimension is a differentiating excitement factor, and the distribution dimensions a basic hygiene factor. The distinction between brand loyalty and price premium should also be examined. In this paper, price premium is defined as a distinct form of brand strength as it does not focus on purchases choices and implicitly sales volumes as most loyalty measures do. If one subscribes to this distinction, it becomes highly interesting to more systematically investigate whether some brand image elements have a stronger impact on loyalty than price premium, or vice versa? In addition, the role of total product solutions, customisation, brand communities and relationship associations should be further investigated. It has been suggested throughout this paper that these elements should be given a more explicit role in B2B brand equity theory, but the question remains how important they really are relative to other elements?

Taking the concept of customised solutions one step further, one interesting question is what happens when the customer also becomes involved as co-creators in the process of developing a solution, rather than passively receiving it? Research on user-driven innovation (Thomke & Von Hippel, 2002) as well as consumer culture theory with its “consumer-as-producer” thinking (Firat & Venkatesh, 1995; Arnould & Thompson, 2005) has covered this question from different angles, but what consequence does it have for the creation of brand equity in business markets? Can a favourable and unique brand image be built on a promise that customers themselves are welcomed as co-creators? And if they do, what happens with the brand’s loyalty and price premium? Co-creation may make customers loyal (as Vargo & Lusch, 2004 argue), but how much will they be willing to pay for a solution they partly have created themselves?

Appendix 1. Interview guide

PART 1. Uncovering brand associations

Q1a (strong brand). Can you think of (don’t need to mention) a packaging supplier whose product, services or solution your company is willing to pay more for, compared to (similar) products, services or solutions from other suppliers?

Q: Tell me what comes to mind when you think of this supplier (x)?
Q: What is your company willing to pay more for this supplier than for other suppliers?
Q: What do you like best about x?
Q: What do you dislike about x?
Q: What do you find unique about x, how are they different from other suppliers?
Q: In what ways are they similar to other suppliers?
Q: What type of companies typically choose this supplier, and why?
Q: If this supplier (x) was a car, which one would it be? Why?
Q: Imagine a typical employee/representative working for this supplier, and describe the person.

Q1b (weak brand). Can you think of (don’t need to mention) a packaging supplier, and describe the person.

Q: What do you dislike about x?
Q: In what ways are they similar to other suppliers?
Q: What type of companies typically choose this supplier, and why?
Q: If this supplier (x) was a car, which one would it be? Why?
Q: Imagine a typical employee/representative working for this supplier, and describe the person.

PART 2. Summary of important brand associations

Q: In sum, what is the main difference between a packaging supplier that your company is willing to pay more for and a supplier your company definitely NOT is willing to pay more for?

PART 3. Background questions

Q4b. Respondent
Q: Position
Q: Influence of choice of packaging supplier

Q4c. Company
Q: Company name
Q: Number of employees
Q: Turnover previous year
Q: Describe major products and processes
Q: Describe major customer [groups]

References
