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B2B marketers sometimes talk about B2B branding as if it were just like branding Coke. Inappropriately applying the techniques used by B2C companies to B2B companies, however, can result in painfully expensive mistakes. Here are 6 key distinctions to be aware of when devising branding strategy and tactics.

B2B Branding: Consumer Branders Need Not Apply

By Kathryn Roy and Gib Trub

Overview

As markets mature and competition intensifies, B2B companies are increasingly leaning on marketing to help drive growth. Much of the available advice on branding and marketing is focused on consumer branding. The examples they use cite consumer companies and products because these are naturally more familiar to prospective readers. Inappropriately applying the techniques used by B2C companies to B2B companies, however, can result in painfully expensive mistakes. Here are 6 key distinctions to be aware of when devising branding strategy and tactics.

Non-discretionary purchases

B2B companies face more rigorous scrutiny during the evaluation process than B2C companies because of:

- High price points
- Additional cost of training, implementation, and support
- Reliance on multi-year support
- Importance of third party relationships
- Finance's scrutiny of ROI
- Multi-player decision processes

It hurts too much

Excepting most pharmaceuticals, consumers buy products to give them pleasure, not to relieve pain. For business, the inverse is true. With the exception of purchases that increase sales, it's mainly about relieving pain by reducing costs or eliminating barriers to increased sales. You see companies hanging on to ancient systems until the problems associated with obsolescence pass their pain threshold.

To be effective at gaining prospects' attention, B2B marketers need to be adept at exquisitely reminding prospects of their pain.

Just the facts, ma'am

Facts are mostly irrelevant to consumer products. Two vodkas that are indistinguishable in taste tests can vary in pricing by a factor of 10. Sales of Echinacea, which reached $68M before a clinical trial proved it was ineffective as a cold treatment, surged by 50% after the trial, in spite of – or perhaps because of – extensive broadcasting of the negative trial results.

Facts are critical in B2B sales. That's why the sales process is so much longer. Which product costs more up front? Which takes more time to get up and running? Which supports more popular data exchange formats? How does performance change as data volume scales? Where's the proof? RFPs for expensive business products span dozens of pages. Even lower-cost items have pretty complicated data sheets. Facts matter in B2B sales but they must be relevant and credible.

It's not the case that only hard facts matter in B2B, but there is much more rigorous scrutiny of claims, hard or soft, in B2B markets. Consumer products can credibly invoke a new teeth whitening agent or an all-natural wrinkle remover without proof, but B2B companies have to demonstrate concrete value.

It's all about me – not

Consumers buy products that make a statement about themselves. This is true of cars, alcohol, clothes and audio equipment.

B2B buyers rarely have that luxury. You don't see the CEO of a small company buying a big company CRM system because it fits his ambition for the future. B2B buying choices are driven by impact on costs, revenues, and profits.

While a B2B purchase decision can positively or negatively impact the buyer's reputation (He's the one who recommended this security product?!), the impact is in the context of business judgment: Was the decision made in a rational way based on the facts? Was the outcome good for the company?

In cases where the facts can support selecting from a pool of vendors, personal relationships and corporate reputations play a larger role. In all cases, though, the buyer has to be able to logically justify the decision and explain why this was the best choice for their company. You can coax and coach a buyer into changing the weights of evaluation criteria, but you have to provide the supporting data for why your solution best meets the new criteria.

No popularity contest

A recent marketing experiment showed that after the test subject heard a song, his rating differed significantly based on whether the subject had been told nothing else or had just been told that the song was popular or unpopular.

We are all more susceptible to popular opinion than we like to admit. In the B2B world, the purchase committee is trained in making methodical and rational evaluations in an effort to defeat the psychological subterfuge of popular opinion.

As a result, vendor attributes like market leadership have much less influence on purchase choices for B2B companies. Methodical purchasers recognize that the market leading product might not be ideal for their needs. That is why they spend money on consultants to help them draft RFPs for expensive purchases based on their specific needs. Market leadership lends credibility, but isn't sufficient as a reason to buy.

B2B buyers also realize that the baton of market leadership is quickly passed. A buyer reading three reviews or analyst reports highlighting why an upstart's new release is superior to the incumbent's is going to lean towards the upstart. There are ways to anchor customers temporarily to your product line through third party support and proprietary standards, but that won't stop customers from investigating routes to freedom as they become available.

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There is no denying that market leadership has its advantages. Customers learning that a market leader has a new entry in the category they are considering are more likely to investigate the entry, especially if the vendor has a successful track record of introducing new products in related areas. But business buyers have been around long enough to know that past success is not necessarily a predictor of future success. Companies touting their past market leadership while their competitors are demonstrating product superiority are bound to lose sales repeatedly.

Here today, here tomorrow

Consumers don't care if their jeweler goes out of business, but B2B buyers won't buy software or hardware expected to last for years from a vendor that might bite the dust momentarily. This doesn't always favor the largest vendor, however, when it comes to big budget items.

Once a vendor has attained a reasonable level of financial stability, vendor size ceases to be a differentiator. Or if an upstart has a dramatically superior technology that is gaining acceptance, customers are going to be comfortable signing up early, knowing the company will survive in some form, either independently or as a business unit of some larger acquirer.

Implications for B2B branding

Many of the methods of consumer branding, like researching current perceptions of the vendor and competitors among customers and prospects, apply to B2B companies.

The biggest trap to avoid is thinking that you can change perceptions of your B2B company with consumer branding techniques.

To get B2B prospects attention, messaging needs to:

- Relate to pain the prospective company is facing today
- Be supported by credible and relevant facts

And as important as research on existing perceptions is, B2B branding must also rely on technical expertise and conceptual thinking. In consumer research, most researchers can empathize with the test subjects and phrase questions and interpret results accordingly. But the research experts for B2B need to be facile with related technology vocabulary and concepts. This is a deeper requirement than B2C research imposes.

B2B branders must also have a strong conceptual understanding of the market space they are addressing and how it fits into the bigger picture. You can't, for example, stake out a meaningful position in compliance or security now. Both of these categories are too broad and too complex. An application that says it will solve your compliance problem when all it does is store and search emails will lose credibility instantly; there

Consumer vs. B2B Branding	
Consumer Branding	**B2B Branding**
Discretionary	Nondiscretionary
Increasing pleasure	Reducing pain
Emotional appeal	Supported by relevant, convincing facts
Self-image play	Relevance to immediate business needs
Popular opinion matters	Popular opinion not necessarily relevant
Transactional	Relationship-based

are a lot more hurdles to solving the compliance problem than sorting out email. You are better off defining your target segment more narrowly.

B2B companies need to be carefully guided through an analysis of the problem they best address, who cares, and how to best communicate to these prospects. Too often, consumer branding companies feed their client's ambition to stake out a larger position than can be supported or to rely on an emotional appeal.

Watch out for someone pitching branding advice more appropriate for a consumer sale. Make sure that the team or service firm you seek branding assistance from has deep experience with B2B branding. And when you read all those articles and books on branding, always note whether they used consumer or B2B companies as examples. Not all consumer branding principles translate to the B2B world.