

Impact of Intangible Attributes of Brand Perception on Purchase Decision In B2B Market : A Conceptual Framework

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ABSTRACT

The article is about Brand Perception and its effect on the Purchase Decision in the B2B market. The current literature discusses that the Customer Value is created by considering four performances viz. Product, Distribution, Support-Service and Company performances. This Customer Value actually is important in the B2B market. The other review discusses that in the B2B market brand value chain is created by company's action, what customers think, what customers do and how financial markets work.

The early literature emphasise that there are attributes which affect the customer value or performances that create the brand value chain. There are two types of attributes- tangible and intangible. Tangible attributes are price, delivery terms, technical features etc which can be directly quantified and compared with other brands. Say, Price of one product (brand) can be compared with that of the other product easily. Intangible attributes are reliability, trust, aesthetics, authenticity etc that cannot be directly quantified to compare with other similar brands. Say, Trust about one product (brand) is difficult to be compared with that of the other brand/ product easily. Trust remains in the thinking or mind of the customer in the form of a Perception. Thus the Intangible attributes play vital role in a competitive B2B market for given two equivalent products.

Customer listens, views, reads the information about the product in the form of marketing communication from the company. Thus customer has expectations from the products (brands) to satisfy his/ her need or want. Customer also touches, feels, & uses the products in the form of pilot, sample or proof-of-concept. An example of this can be test-ride of a car before the purchase. This creates an experience of the product- Brand Experience. Thus an Image is created in the mind of Customer for that Brand. Image gets translated into Perception about the intangible attributes of the Brand. The Brand Perception helps in determining the Purchase Decision about the Brand.

The researcher feels that what company creates are products, while what customers buy are the Brands. Companies perform activities to create a strong Brand to be offered in the market. The activities carried out by the companies are creating a Brand Identity, and management of their Brand. The customers keep on forming their perceptions about brands as the side-effect of marketing communication by companies. This affects the Brand Image in the mind space of customers which gets transformed into the Quality Perception about the Brands. Thus Credibility of Brand gets created in the mind space of customers which translates into Purchase Decision of the Brands. Researcher has suggested a model that can establish a relationship between Intangible Attributes of Brand Perception and Purchase Decision in the B2B market.

Key words : Quality Perception, Purchase Decision, Brand Perception, Intangible Attributes, B2B Market, Branding

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INTRODUCTION

It is said that companies “produce products” but the customers “buy brands”. Brands are an inevitable part of modern life. Our day starts with a cup of tea of some known brand while it ends also with brushing our teeth with some preferred brand. The rest of the day is also filled with the use of various brands to fulfil our needs or wants. Industrial or Business to Business (B2B) markets are also not an exception to this. The raw material purchase, machine tools used to manufacture, tools used to perform factory operations, robots, even the stationary items used office equipment used are brands that are purchased by the company. The core product/ service are enhanced by the intangible benefits in the form of some value to the customer, and a Brand comes into existence. Customers buy brands. But what actually impacts the purchase decision of the customer? This is the main question a marketer has to understand so as to decide the Product Selling Strategy. There have to be some tangible as well as intangible attributes that must be impacting the purchase decision.

In today's competitive markets, products/ services have to be competitive. If the core products/ services do not possess the quality in terms of performance, then the products/ services cannot sustain in the competitive markets. So the competing product/ services basically have to satisfy the quality criteria. Hence the differentiation in terms of tangible characteristics between two competing products is becoming virtually negligible. Thus intangible attributes need to be built around the product/ services by various branding activities to remain in the market.

In this article we are dealing with the Intangible Attributes of Brand Perception and their impact on Purchase Decision in the B2B market. First the article reviews various previous researches done in this area. Then the conceptual framework is created and then the new Framework is discussed in detail.

LITERATURE REVIEW

There exists very little literature in the branding in B2B market when compared with the research in the Consumer

market. However most of the researches done in this area have contributed phenomenally building excellent conceptual framework developing various models. These models throw light on the complex subject of purchase decision in the B2B market. Let us discuss a few of them as following paragraphs.

As per American Marketing association, a brand is defined as:

“A name, term, sign, symbol or design, or combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors” (AMA, 1960)

The definition attracts main focus on the differentiation. But the question arises as to how to differentiate a successful Brand from its competitors in the eyes of the customer. The answer to this is given by concept of Customer Perception of Superior Value (Doyle, 1994). But, the processes involved in adding value are complex and interrelated (Porter, 1985). Thus the emphasis is on a value of the brand which can act as a differentiator. This differentiators will explain us why a particular brand is preferred over the other available brands in the same market.

The research by Mudambi, Doyle & Wong, discusses tangible and intangible attributes that are important in the industrial markets (Mudambi, Doyle, & Wong, 1997). Their study states that the intangible attributes play a vital role in providing more brand value to the customer. Successful brands offer expected value to the customer. These values are provided by analyzing each attribute of the brand. Brand value to the customer is a function of the expected price, and the expected performance of tangible and intangible attributes. The four components of the customer value are:

1. Product Performance
2. Distribution (ordering & delivery) Performance
3. Services & support services Performance
4. Company Performance

Above components have both tangible and intangible attributes. They are explained in the following Table-1:

Table-1 : Summary of Customer Perceived Sources of Value

Source: (Mudambi, Doyle, & Wong, 1997)

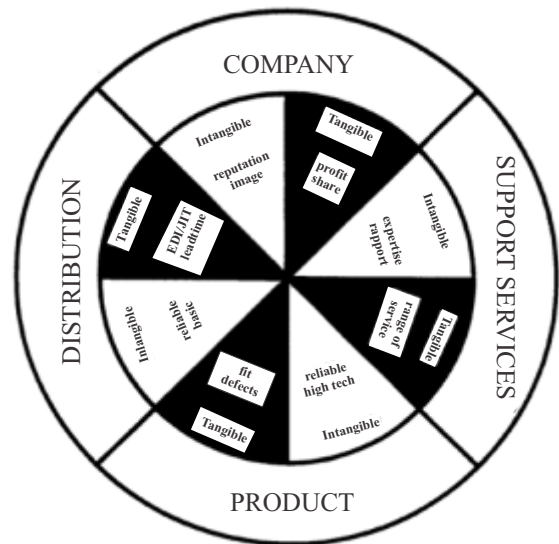
Product	Distribution	Support, Services	Company
Tangible	Tangible	Tangible	Tangible
Precision	Stated availability	Design advice	Financial stability
Load bearing	Stated lead times	Product testing	Years of experience
Dimensions	EDI and JIT	Site support	Global coverage
Intangible	Intangible	Intangible	Intangible
Innovation	Ease of ordering	Understands our needs/business	World class
Fit for purpose	Reliable delivery	Troubleshooting	Technical leadership
Over - engineered	Emergency response		Global perspective

As seen in the Table-1, the Product Performances have tangible attributes like precision in working, correct dimensions, proper load bearing capacities and so on. Whereas intangible attributes are innovation in design, fit-for purpose or over design giving more factor of safety. The Distribution performances have tangible attributes like stated availability, lead time and Electronic Data Interchange (EDI) or Just in Time (JIT). Whereas intangible attributes are ease of ordering, reliable delivery and emergency response. The Support, services performances have tangible attributes like getting design advice, prior product testing, site support. Whereas the intangible attributes are understanding our needs/business and troubleshooting. The Company performances have tangible attributes like financial stability, global coverage, and years of experience. Whereas the intangible attributes are world Class Company/ product, technical leadership, global perspective. These attributes as explained above will create the positive Customer value and will drive the decision towards purchase of the brand.

The pinwheel of brand value to the customer comprises of four basic components of performance namely product, distribution, support, services and company. The pinwheel explains how the value is added to the basic product by tangible and intangible attributes of the above performances.

Fig-1: Performance components of the pinwheel of brand value to the customer

Source: (Mudambi, Doyle, & Wong, 1997)



As the pinwheel is at rest, these are the performances and the attributes. But in real life the pinwheel is rotating and the performances and the attributes will be mixing together or as blur and not distinctively clear. The pinwheel represents clearer picture of the branding and the Customer Value. Industrial brands will have great power, but they are not fully explored and understood yet.

The research paper by Kevin L Keller & Donald R Lehmann discusses various brand and branding related aspects (Keller & Lehmann, November- December 2006). It also tells us that a brand serves as an indicator of its offerings. Customers look at brands as a choice or a promise. They also think that a brand assures them the required quality level, create trust, & reduce risk. Around the core product a brand is been built with integrated marketing communication. Customers have their own experience of the products also. Brand is also an asset of the company, thus indicating some financial value to the company. The product market is been governed by the company in terms of its marketing activities. Thus the brand affects the product (company) market, customer market and financial market according to this theory by Keller and Lehmann. Brand Equity is thus sum-total of all the Values accrued by the benefits out of the customer, company and financial markets.

The paper discusses the 5 Branding decisions and tasks as follows:

1. **Developing Brand Positioning** : This is the marketing activity where key brand associations are made to capture the minds of the customers. The efforts are also made to create impressions in the customers' minds that the brand has some superiority as compared to its competitors (Keller, Weitz, & Wensley, 2002).
2. **Integrating Brand Marketing** : The objectives of integrating the brand marketing are to achieve the expected Brand Positioning and Brand Equity. There are three aspects of this point: integrating the brand elements, marketing channels & communication and combining company controlled and external events.
3. **Assessing Brand Performance** : As discussed earlier the performance of a brand is done with the help of understanding the brand equity. The Brand needs to be valued at three different levels-
 - a. **Customer based** : It is the attraction to or

repulsion from the product from a company in addition to the product core value.

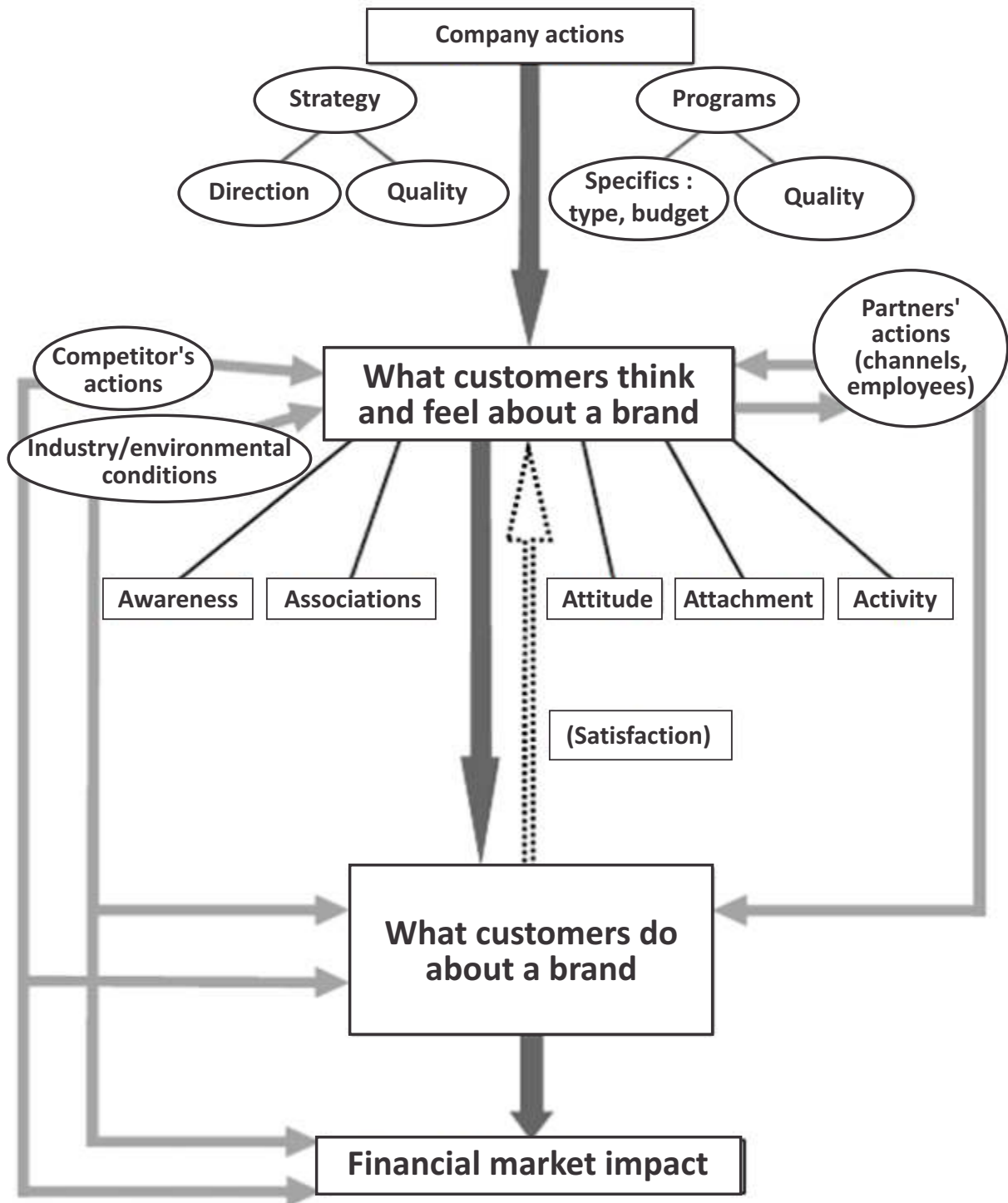
- b. **Company (product) based**: The additional value the company will accrue from the brand with respect to an equivalent but non branded product.
- c. **Financial based**: The financial worth of a brand to attract a premium price.

The new research area is relation between Customer Equity and the antecedents and consequences of developing bigger relationship with the customers (Rust, Lemon, & Zeithaml, 2000). Customer Equity is the value of a customer to the firm. Brand equity is the sum of the profit from selling equivalent generic products and the additional value from selling branded goods. Both values can be shown algebraically to be equal.

4. **Brand as Growth platform**: Every company's aim is to sustain in the market and to achieve that one has to grow. The company needs to grow in terms of profitability of the company and the volume. Both these can be achieved by Brand Extension and introduction of New Products in the market developing great value to the company.
5. **Strategically managing the Brand**: The aspects of this are:
 - a. **The Optimal Design of Brand Architecture**: This involves optimal design of line extensions, multiple brand extensions, vertical extensions, brand portfolios, and sub-brands (Aaker, 2004).
 - b. **The Effects of Co-Branding and Brand Alliance**: There has to be a critical evaluation and implementation of possible co-branding and brand alliances.
 - c. **Cross Cultural and Global Branding Strategies**: Localizing the product to sell in different local markets and still maintaining the global perspective.

Fig-2: A Systems Model of Brand Antecedents and Consequences

Source: (Keller & Lehmann, November- December 2006)



A Systems Model of Brand Antecedents and Consequences: the model suggested by Keller and Lehmann is a simple one and based on the 'brand value chain' where the value chain focuses on 4 major stages as shown in the fig-2:

1. **What companies do :** This refers to mainly the quantitative and qualitative marketing activities done by the company. Quantitative refer to how much money spent on the activities and qualitative refer to the consistency, clarity, relevance in the communication.
2. **What customers think and feel :** It is a mixed response of the individual customer, the effect of competition and other environmental elements.
3. **What customers do :** This stage is where the customers either buy or reject a brand and their post purchase action creating positive or negative impact on the said market.
4. **How financial markets react :** the overall effect in the market determines individual company's market share, revenue, profitability. These figures reflect on the share price, and market capitalization etc showing the financial impact on the company.

The model is very simple in its presentation, but may be complex in actual implementation. The study of brands and branding in the B2B market is moving toward more scientific way and this model can be one such effort in this way.

BUILDING THE CONCEPT WITH BRAND PERCEPTION

The main aim of this study is to find out the intangible attributes of brand perception that affect the purchase decision in B2B market. The company through its marketer performs various marketing activities in the form of Integrated Marketing Communication to present the Brand Identity in front of the customer in such a way that the customer should have a positive Image about that Brand. This Image is an end result of the Perception the customer has in his/her mind space.

“Brand perception is owned by consumers, not brands. Regardless of your message, whatever people are thinking and saying about your brand, that is your brand.” (Smith, 2015)

The Perception of a Brand in the mind space of customer

will always be in the form of some Attributes of that Brand which are quantifiable or not; i.e. tangible or intangible. Tangible ones are price, technical features, color, etc which are quantifiable.

The Intangible Attributes do not have physical existence. They exist in the mind of the buyers in the form of Perception. Perception is nothing but “Sensation and its Interpretation”. Perception is formed from the Latin word- perceptio or percipio. It refers to organization, identification and interpretation of Sensory Information so as to create a mental representation of a product, situation or condition. This Interpretation influences Human Learning, Understanding, Memory and Expectations. Thus perception is not a passive but an active process that creates a basis for further Decision Making. Perception is a dynamic process and keeps on changing every time. So a company has to keep in touch with the customers all the time.

NEW FRAMEWORK

The new frame work suggested by the authors involves four Intangible Attributes that affect the Purchase Decision in the B2B market. They are Brand Management (Product Selling Strategies of the company), Brand Identity and Image, Brand Quality Perception, and Brand Credibility. All these activities are dynamic in nature and not static. But if we consider the logical sequence in them, they can be thought to follow the sequence as shown in Fig-3.

I. Product Selling Strategy- Brand Management:

The First intangible attribute that impacts Purchase Decision in B2B market is Product Selling Strategy-Brand Management activity as carried out by the company. The product selling strategy over a long period in a way refers to the Brand Management. This attribute further consists of:

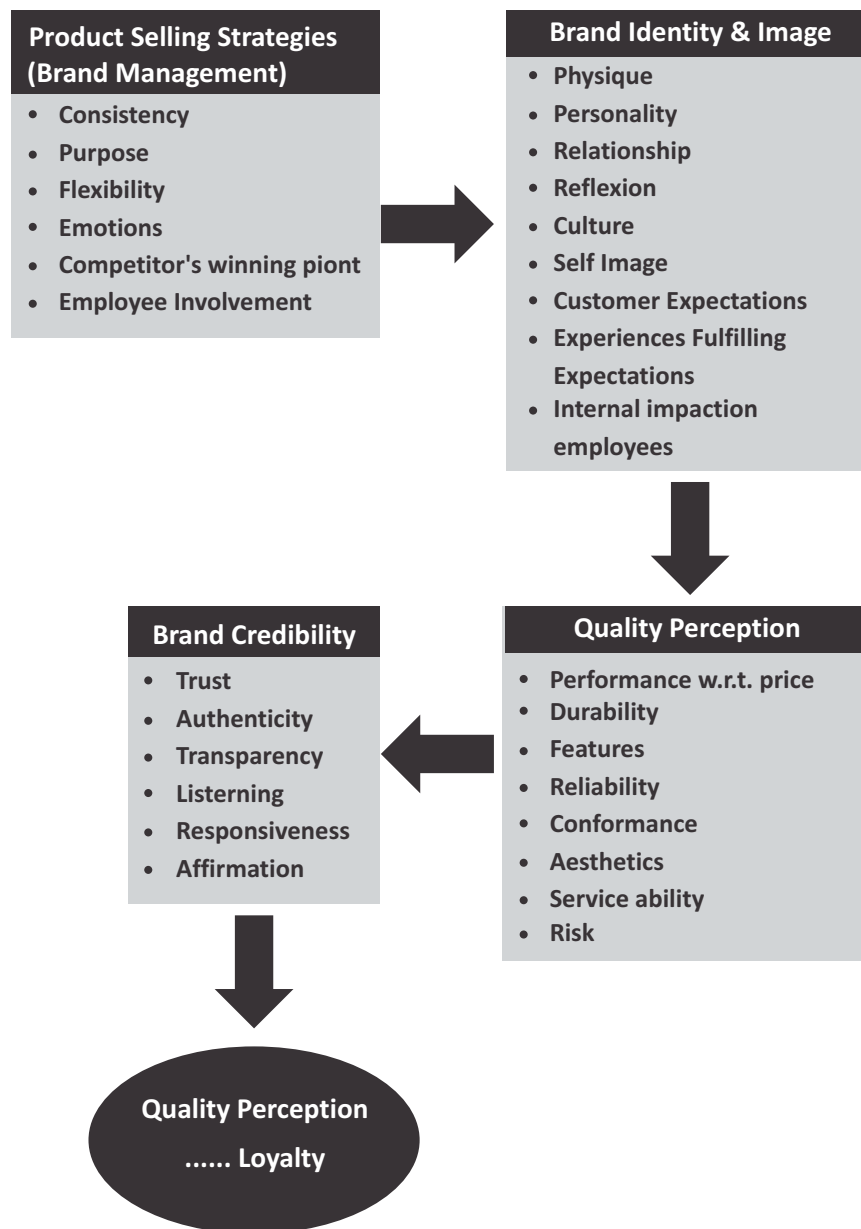
1. **Consistency :** Consistency over time establishes a positive picture in the mind-frame of customers. In 1969, Coca Cola advertised as “It's the real thing” which ran into the 70's, 90s and till date.
2. **Purpose:** Every marketing communication sends out some message explicitly and there can be some implicit message. The implied message can be a promise done by that product through that communication. This promise may differentiate your product from its competitors. Thus will build a good brand.

3. **Flexibility:** In the changing world competitors keep on adding functionalities to their products. Technology advances and makes our life easier. In such a situation products/ services need to cater to

those changing environments. But this does not mean that our marketing communication totally needs to change. Consistency is needed in the marketing communication and flexibility is needed so as to accommodate newer markets.

Fig-3: A Model of Intangible Attributes of Brand Perception and Purchase Decision

Source: Researcher's own study



1. **Emotions:** Customers are human beings and are susceptible to irrational thinking than rational one. HOG- Harley Owners' Group is where the customer feels that he belongs to a larger group of bikers. So one buys a Harley Davidson at a premium.
2. **Competitor's winning point:** A product and its competitors exist in the same market place. Watching competitors and understanding what worked for them, can be a lesson to learn and implement similar tactics.
3. **Employee Involvement:** whatever be the promise of the brand/ strategy, it is fulfilled by the employees. They create the product; provide service to customer and create a good/ bad impression about the brand in the minds of the customers.

I. Brand Identity and Brand Image:

The second intangible attribute impacting Purchase Decision in B2B market is Brand Identity and Brand Image. Brand Identity was first introduced by Jean-Noel Kapferer in Europe (Kapferer, 1992). Name, Trademark, communication, & visual appearances are its outward form of expressions. Customer recognises the brand by its brand identity. Brand identity also symbolises the physical differentiation of a brand from its competitors. Kapferer as cited above, describes the Brand Identity elements as follows:

1. **Physique :** It is the set of brand's physical features which are evoked in the people's mind when the brand name is mentioned. This is the basis of the brand as per Kapferer.
2. **Personality :** This is the Brand's character. This can be expressed with a specific writing style, using specific design feature or specific color schemes or a person used to vitalise the brand.
3. **Relationship :** It is what the brand stands for. Lexus differentiates from BMW by giving its customers a red carpet treatment.
4. **Reflexion :** It is the reflection of the consumer that makes references to the stereotypical user of brand it is the source of identification. Coke- for age group 15-18 which is fun sporty and friendship. In actual the consumer group can be much bigger.
5. **Culture :** It is the system of values and brand's basic principles on which its basic behaviour is based. It is mostly relating to country of origin Coke- American, Mercedes- German, Citroen- French and so on.

6. **Self Image :** It is the kind of mirror the target group holds up to itself. Eg. A Porsche driver thinks that others think of him as a rich person, Lacoste user thinks that he/she is a member of a sporty club.

Brand Identity is created, promoted by the company while Brand Image gets created in the mind of the customers as result of Brand Management activities or Product Selling Strategies. Brand Image deals with the expectations and the brand experiences in following ways:

1. Brand Image expresses the Expectations of a customer. When a customer senses the communication from the company about its brand, he/she understands the information, features etc about the brand. This creates the idea in the mind of a customer about what needs/ wants can be fulfilled by this brand. Thus Image creates an expression of Customer Expectation about the Brand.
2. Brand Image is the function of Expectations and Experiences. Customer also experiences the product performance, thus creating Brand Experience. This may be in the form of a sample of the product or proof-of-concept/ pilot, or the entire product experiences. The customer compares this experience with respect the expectations from the Brand management activities from the company. Thus he/ she creates an Image of Expectation vis-à-vis own Experience of the brand.
3. Brand Image also has an internal impact on the employees. The employees of the company can also be the customers of the brand in certain cases. They have their own experience inside the company creating much deeper understanding about the brand either positively or negatively.

Brand Image thus created is the filter which influences the Perceptions of the Performance of the brand/ company.

II. Quality Perception:

Quality Perception of the Brand is the third intangible attribute that impacts the Purchase decision in B2B market. A Product/ Service is anything that is offered to customer by marketer to satisfy a need or want of the Customer. So if the marketer understands what customer expects, quality can be inculcated in that Product/ Service. These Expectations of the customer are outcome of the Quality Perception the Customer carries about a Product/ Service. There are 7 Quality Perception attributes as discussed below:

1. **Performance:** Perception about Performance of similar Products/ Services with respect to Price is main element of Quality Performance. It can be ranked for various products in an order of Brand Expectations meeting Brand Experiences.
2. **Durability:** Durability (product's Life) may mean the time frame of the product/ service being current and usable. Software products are life-long but the operating system (OS) may not support them, thus becoming un-usable. Before Purchase Decision, positive Perception of Customer about Durability will increase the chances of that products' purchase.
3. **Features:** This attribute is also a main attribute like Performance. Though it refers to a tangible attribute of technical features, the Perception of a customer towards them is important. More positive perception as compared to similar Brands, may result in Purchase of that particular Brand.
4. **Reliability:** It is the probability that a product/ service will continue to give the same performance in its lifetime. If Perception of Reliability is more, chances of Risk are less and chances of Purchase of that product/ service are more.
5. **Conformance:** This term relates to conforming to one or more standards or legal systems, specific to a particular industry in that country. It may mean capability of adhering to ANSI/ ISI/ DIN etc used in different countries; or industry standards like API- American Petroleum Industry, ASME- American Society of Mechanical engineers etc. Perception of Conformance in Software/ Music Industry removes the doubt of Piracy, easing the Purchase.
6. **Aesthetics:** This attribute relates to the look and feel, colour and overall appearance of the product. In terms of services it may mean User Friendliness. More Perception on aesthetics, more chances for purchase of the Brand.
7. **Serviceability:** Perception about serviceability of the product/ service is very important attribute as downtime leads to loss of time and money.

III. Brand Credibility :

Brand Credibility is the fourth intangible attribute that impacts the Purchase Decision in B2B market. Customers do not believe all claims done about a product. Claims like faster, cheaper, less money, tastes good, lasts longer, or weighs less are most of the time ignored as they are

claimed by almost everybody. Customers compare these claims with their own Brand Experiences. Brand Credentials build successful brands. The attribute Brand Credibility as stated by Pete Blackshaw, further consists of (Blackshaw, May/ Jun 2008):

1. **Trust :** Trust is the most critical component of Brand Credibility. Trust is built over a period of time with ethical, straight forward, predictable and consistent business practices. Trust is directly related to product/ service and its performance as implied by the marketing communication or its advertisement. Brand assures a promise to the customer and that is not kept by the performance of the Product/ Service, then the trust is broken. Customers assess both the explicit and implicit assurances and promises by the ad-campaign or marketing communication. A customer tends to believe in the marketing communication of trusted brands. As such, it has been argued that soft facts such as Security, Risk reduction and Trust are emotions most effectively communicated by the B2B brand (Kotler & Pfoertsch, 2005).
2. **Authenticity:** Authenticity refers to the perception of brand as a real, genuine, and sincere. Trust and authenticity go hand in hand. In this 'digital age' it is very easy for a customer to search for the real information about the claim/ promise of brand. Non-real fake promise becomes global in no time. But if a company's executives interact with customers and the issues of customers are solved by them, customers start feeling that they are real, genuine sincere company, people, and products.
2. **Transparency:** Transparency is gained by non-secretive, open communication from the company. If the Information and data related to the company is clearly visible, accessible, then one can say that it is Transparent. Transparency can be counter-productive if the sensitive information is made public. Transparency also relates to how advertisers deal with disclaimers in an ad. In July, 2007 Dell used its blog openly for grievances about their product. Dell held its entire organization responsible for customer service. The outcome of the exercise is increased credibility of Dell.
3. **Listening:** Customers need to be given respect and one way to show the respect is to listen to them. This calls for an open conversation. Thus customers feel that the company/ brands are accessible or approachable and company really hears them out and

that results in increased credibility for the brand. Listening increases the more humanising relationship between the brand and the consumer. It also creates the brand loyalty as the basic need of the consumer 'to be heard' is satisfied. Absence of listening in case of a grievance will reflect negatively. Negativity increases very fast.

4. **Responsiveness:** Responsiveness refers to how the company acts after listening to the customer. Listening gives a sense of satisfaction to the customer, but if that is not supported by a corrective action then Listening has no meaning. It is also proved that the companies that have gone that extra mile, have always received the loss for the short period, but huge customer loyalty in long run.
5. **Affirmation:** Affirmation is a collective agreement of the customers that can be positive or negative. Most of the big companies have their own blogs where there are trails of customer and company persons' communication called as CGM- consumer generated media. A positive affirmation always drives existing customer to become loyal customer and prospective customer to become future customers.

IV. Purchase Decision:

The Four intangible attributes discussed above create a positive or negative Brand Perception which leads the Purchase Decision in favour or against a brand. Positive Perception lead to favourable while negative lead to unfavourable decision. More the positive perception more is the probability that a favourable decision b in favour of that particular brand.

In long term several such favourable decisions about the same Brand create a Brand Loyalty. Reward your existing customers. They have chosen our product amongst the competition, so find out what attracts them. Reward them with the attractive offering. Make sure that they work as your Brand Ambassador. This will create repeat purchase and a loyal customer. Thus we should create Loyalty amongst the customers.

CONCLUSION

Companies drive Brand Management activities to create Brand Value. The same is perceived by the Customers in terms of Customer Value. The researcher feels that a marketer has to drive the Brand Management activities

with strong Brand Identity creating good Brand Image among the customers. This will translate into better Quality Perception of the Brand which will lead to Brand Credibility and thus to Purchase Decision for that product in the B2B market. These activities are dynamic. Repeated Purchase decisions will lead to Brand Loyalty.

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