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**THE IMPLEMENTATION OF SUSTAINABLE BRANDING IN THE CONTEXT OF
INDUSTRIAL COMPANIES**

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Abstract			
<p>This master's thesis focuses on the implementation of sustainable branding in the industrial sector. Sustainable branding has received attention increasingly in the prior academic research, especially in the consumer sector. However, studies regarding the topic from the industrial companies' perspective is scant, even though industrial companies are intensive users of natural resources, and they have observable impacts on the environment. Therefore, studying how industrial companies implement sustainable branding is important, and for that research gap, this thesis aims to contribute to. Recognizing general guidelines to conduct sustainable branding will be beneficial not only to the industrial companies themselves, but also to societies and the environment.</p> <p>Regarding the industrial companies and their branding, industrial branding exists as a concept, but it has not a connection to sustainability. Furthermore, from the companies' buyer-supplier relationship, this study emphasizes the role of the supplier since the prior literature of industrial branding focuses mainly on the buyers' perspective. This selection of perspective appears also in the empirical study of this research, in which three publicly listed industrial companies' representatives are interviewed. The semi-structured theme interviews include experts from both fields – sustainability and branding. Hence this study is a qualitative research, utilizing abductive research method. The findings of the empirical study are being reflected to the theoretical framework, which is created at first by studying the existing literature regarding industrial companies' sustainability and branding, and sustainable branding in general.</p> <p>The findings of this study suggest that industrial companies implement sustainable branding by combining their sustainability practices and branding activities. These are connected because the messages need to be aligned with the actions. Further, the practices need to be genuinely sustainable for the branding to also be sustainable. Another key finding is that sustainable branding is not concerned to be necessarily different from other types of branding, it just utilizes sustainability as a core value in the branding. However, sustainable branding is seen to be a source of competitive advantage, and for its achievement, it requires a common effort from the whole value chain. From the managerial perspective, the key findings include that the initiative of sustainability starts at the top, internal branding in terms of how the employees perceive sustainability is crucial for the success of the sustainability efforts, and customers attitudes towards sustainability have a significant role in how sustainable branding will succeed. Overall, this thesis presents guidelines on how sustainable branding is implemented in the context of industrial companies and offers tools to industrial companies if their aspiration is to differentiate in the competitive industrial sector with sustainable branding.</p>			
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Additional information			

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1 INTRODUCTION

Sustainability is a topic that has been discussed especially in B2C sector recently. Customers are making purchase decisions increasingly based on products' and services' environmental sustainability. The aim of this research is to focus on this theme from industrial companies' perspective. Industrial companies have been chosen to be the focus of this research paper, because current literature has studies relating to industrial branding and B2B branding (e.g., Chang, Wang, & Arnett, 2018, Österle, Kuhn, & Henseler, 2018), but it has not a straight connection to sustainability. Furthermore, research in B2B markets focusing on the relation between environmental sustainability and branding is scant (Vesal, Siahtiri, & O'Cass, 2020), and therefore this research aims to contribute to this research gap. Sustainable branding has been however studied in general (e.g., Ottman, 2011), which allows to connect the themes of industrial companies and sustainable branding together. Regarding industrial branding and supplier-buyer relationship, the focus in this research is on the suppliers' perspective, because prior literature has studies from the buyers' perspective (e.g., Bendixen, Bukasa, & Abratt, 2004, Zablah, Brown, & Donthu, 2010), but the suppliers' perspective has received less attention in the academic research (Leek & Christodoulides, 2012).

The introduction chapter is divided into four subchapters, the significance of the topic and motivation for the study, research objectives and questions, definition of key concepts, and the structure of the research. The purpose of the chapter is to introduce the reader to the topic, describe the importance of it, and define the structure of the research including objectives and key concepts.

1.1 Significance of the Topic and Motivation for the Study

A point of interest in this research is how industrial companies see environmental sustainability in their own operations, and how sustainability related elements are being valued and communicated through branding. In addition, the study focuses on what concrete practices relating to sustainability industrial companies have and what are the branding activities to support these practices in seeking a competitive

advantage. In general, the meaning of the study is to increase knowledge of how industrial companies understand and conduct sustainable branding.

From managerial perspective, this study focuses on how the performance of the conducted sustainable branding could be improved and what aspects need to be considered in efficient communication of sustainability. The study examines also what are the roles of emotional and functional components of a brand in the industrial sector. Traditionally, industrial companies' purchasing decisions rely on competitive tendering, in which functional components such as functionality, price, benefits, service, and quality are the main determining elements (Aaker & Joachimsthaler, 2000: 22 via Kotler & Pfoertsch, 2007).

By going green, companies can reduce their energy consumption, lessen risks, enhance brands, and increase revenues (Bonini & Oppenheim, 2008). Further, Kumar and Christodouloupoulou (2014) suggest that while the number of consumers caring about sustainability is increasing in B2C sector, simultaneously the pressure from customers and distributors towards sustainability is expected to increase also in B2B sector. Examining whether this applies to industrial sector is important also to society because it can open a novel strategy for industrial companies to pursue competitive advantage, let alone having a positive impact on the climate and environment.

Companies, especially industrial companies need nowadays to focus increasingly on environmental issues because of their intensive use of natural resources and observable impacts on the environment. Furthermore, the scarcity of those resources in addition to potential high pollution levels force B2B companies to consider environmentally sustainable ways to operate. (Vesal et al., 2020.) Eventually in the future, it will not be a choice of companies anymore to choose sustainability as a differentiation strategy, but it will be more or less a must to take these issues into considerations. Therefore, studying what is the current situation of the issue and how industrial companies perceive the importance of sustainability in their actions is very important. Identifying how sustainable branding is implemented by industrial companies will be beneficial in shaping the organisations towards the future, where sustainability is no more a choice, but a necessity.

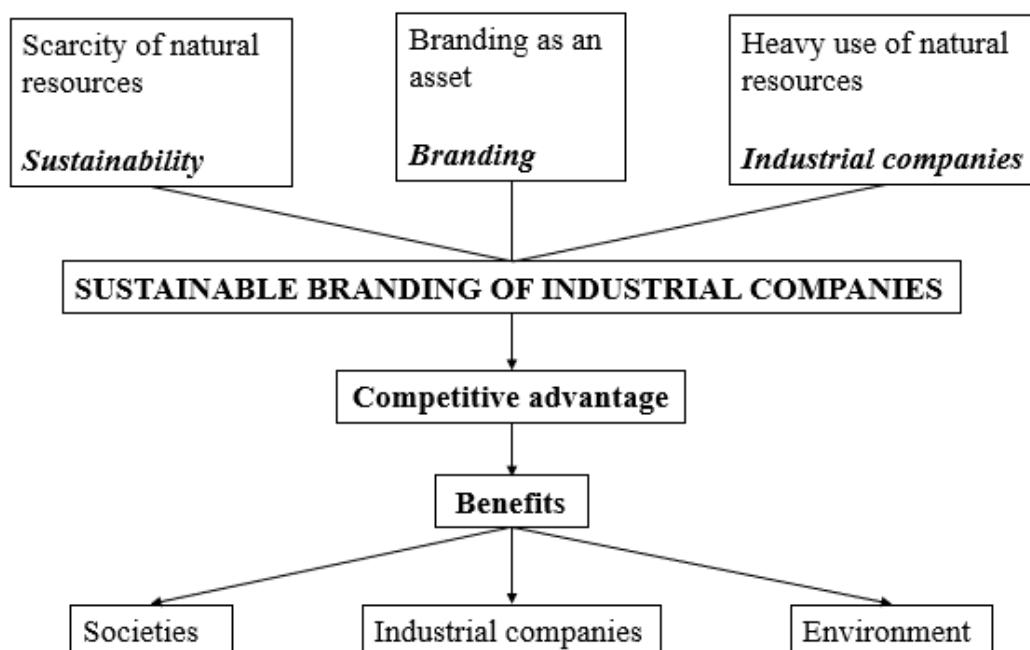


Figure 1. Illustration of the significance of the topic

Sustainability itself is generally defined as development that “meets the needs of the present without compromising the ability of future generations to meet their own needs” (World Commission on Environment and Development, 1987: 8). The world is continuously surpassing the yearly sustainability levels and that is already affecting the ability of future generations to meet their own needs. As stated earlier, industrial companies are the heavy users of natural resources, and therefore their impact on the issue is huge. Thus, a research is needed to study how industrial companies’ non-burden activities towards the globe can be turned into a competitive advantage by creating guidelines of how these companies implement sustainable branding. Branding has been chosen as an asset in gaining the competitive advantage for several reasons, one of the reasons being that a powerful brand supported by smooth operations in the dynamic environment of industrial markets can drive success in competitive markets (Kumar & Christodouloupoulou, 2014). In the scenario described, the implementation of sustainable branding would benefit all the actors involved, industrial companies, societies, and the environment. The situation is illustrated as a figure above.

1.2 Research Objectives and Questions

The purpose of the research is to study how industrial companies conduct sustainable branding and what aspects are important in its successful implementation. According to Ohnemus (2009), “branding may represent one of the last remaining means by which a company operating in the industrial field can achieve a sustainable competitive advantage”. In this research sustainability is added to the equation to respond better to present-day standards and to future requirements regarding the environment and climate. Therefore, the main research question of the study is as follows:

How sustainable branding is implemented by industrial companies?

To be more comprehensive and to be able to answer to the question, identifying also industrial companies’ sustainability practices and branding activities is required. Therefore, the research presents two sub-questions:

SQ1: How sustainability practices appear in industrial companies?

SQ2: How branding activities appear in industrial companies?

To answer the questions, a theoretical framework as well as empirical study is needed. In the theoretical framework the elements of the research questions are divided into their own sections and prior literature related to them is studied in order to create a more comprehensive understanding of the topic. The separate elements that are later combined in this research are industrial companies’ sustainability, industrial companies’ branding, and sustainable branding. Connecting the theoretical framework with the empirical study enables answering to the research questions.

1.3 Definition of Key Concepts

Branding

According to Kotler, Keller, Brady, Goodman, and Hansen (2013: 466), “branding is all about creating value for the customer through all aspects of marketing, which reflects the image that the brand wishes to convey”. Webster and Keller (2004) suggest that branding is managing the brand as a strategic asset to shape customers’ thoughts, feelings, perceptions, beliefs, attitudes, and behaviour towards the brand. Branding is used to differentiate own products and services from the others’ (Kotler et al., 2013) and it includes both functional as well as emotional components (Leek & Christodoulides, 2012). In this research, branding in general is used as a starting point to later examine sustainable and industrial branding.

Sustainable branding

Sustainable branding focuses on broader perspectives of sustainability and corporate social responsibility (CSR) and to the question of how the three elements, environmental, social, and economic issues can be applied to brand management in practice (Foroudi & Palazzo, 2020). Moreover, sustainable branding is about communicating the environmental and social benefits while engaging the customers. This communication requires knowing your customers, appealing to consumers’ self-interest, educating, and empowering, reassurance on the performance, engaging the community, and having credibility. (Ottman, 2011: 111.)

Industrial companies

In this research industrial companies represent companies that operate in business-to-business markets in the industrial sector. Industry is defined as “economic activity concerned with the processing of raw materials and manufacture of goods in factories” (Lexico, 2021). Until the beginning of the 21st century, branding was not seen very important, or completely irrelevant for B2B companies because it was thought to be relevant only for B2C companies (e.g., Kotler & Pfoertsch, 2007). However, this

thought has developed a lot and nowadays branding can be said to be as important to B2B and industrial companies as it is to B2C companies.

Industrial branding

Industrial branding consists of the actions that industrial companies make to support their brand. Consumer branding strategies cannot be applied straight to industrial branding because of organizational buying, buyer-supplier relationships, and industrial segmentation (Mudambi, Doyle, & Wong, 1997). What also separates industrial branding for example from B2C branding is the nature of the target customers. Within the B2C sector, customers are mainly individual consumers whereas in the industrial sector, customers are usually other organisations, which sets its own characteristics also to the branding. Another distinctive feature of industrial branding are the products. Industrial products are defined as “products used in manufacturing that are not marketed to the general consuming public” (Mudambi et al., 1997). For these reasons, industrial branding has received its own segment in the branding related literature.

According to Lipiäinen and Karjaluoto (2015), who have studied industrial branding in the digital age, branding requires a strategy that is able to achieve and maintain coherent and unique image of the company even in the fragmented media environment without a constant control over it. This thought is highlighted also in the article by Vesal et al. (2020) in which they suggest that environmental sustainability practices, which are one this research’s main themes, provide positive benefits to B2B manufacturers’ brand image. It can be said that the brand image is one of the most important factors in industrial branding and therefore industrial companies should focus on developing the image which they communicate to external as well as internal parties.

1.4 Research Structure

The research’s structure consists of the introduction chapter, in which the topic is introduced, research questions and objectives presented, and key concepts defined. The second, third, and fourth chapters focus on creating the theoretical framework. In

the theoretical framework the main elements of this research, industrial companies' sustainability, industrial companies' branding, and sustainable branding are being studied to create a holistic comprehension of the topic. The empirical study has been divided similarly into sustainability, branding, and sustainable branding, which aims to increase the coherence of the research.

The fifth chapter focuses on the methodology of this research, in which the empirical study process is being described and defined. The methodology chapter also discusses how the theme interviews have been conducted. In the sixth chapter, results and findings of the empirical study are presented with initial analysis of the results utilizing the conducted data analysis. Finally, the seventh chapter introduces the conclusions of the research, including answers to research questions, theoretical contribution, and managerial implications. In the end of the chapter, evaluation of the study and limitations as well as avenues for future research are presented.

2 INDUSTRIAL COMPANIES' SUSTAINABILITY

The theoretical background of this research has been divided into three chapters. The goal is to create a theoretical framework to gain a comprehensive understanding of the topic and to illustrate the current state of the literature regarding industrial companies' sustainability, industrial companies' branding, and sustainable branding in general. In this first chapter, industrial companies' sustainability related issues are being studied and introduced. The chapter focuses on industrial companies' sustainability practices, customers' attitudes towards sustainability, and managing the customers' attitudes.

2.1 Industrial companies' sustainability practices

Sustainability practices as well as branding activities are in the core of this research because they represent the concrete actions that companies conduct in order to increase their sustainability and to communicate those efforts to stakeholders. Discussing what those practices and activities are, and what can be achieved with their combination, is important in painting a comprehensive picture regarding the industrial companies' implementation of sustainable branding. The specific execution of most of the sustainability practices is quite dependent on the industry, but general guidelines regarding the big picture of sustainability practices can be depicted.

Industrial companies' sustainability practices include for example adopting a green supply chain (Zhu & Sarkis, 2004), collaborative efforts for optimum usage of resources (Gold, Seuring, & Beske, 2010), resource-constrained product development (Sharma & Iyer, 2012), green product innovation (Dangelico & Pujari, 2010), remanufacturing and recycling (Sharma, Iyer, Mehrotra, & Krishnan, 2010), and green logistics and eco-friendly transportation (Dekker, Bloemhof, & Mallidis, 2012). Next, a closer look into these sustainability practices is being taken and their impact is being discussed.

The concept of the green supply chain is very broad and its view regarding environmental sustainability is holistic. Green supply chain consists of the network of suppliers, distributors, and customers, and its aim is to have all the actions within the

network as environmentally sustainable as possible while simultaneously increasing economic and environmental performance (Zhu & Sarkis, 2004). According to Hojmosse, Brammer, and Millington (2012), developing trust with supply chain partners coupled with having top management support are the main drivers in adopting green supply chain in practice.

The actions of green supply chain can be divided into four different categories: internal environmental management, external GSCM practices, investment recovery, and eco-design. The internal environmental management includes for example commitment, support, and cross-functional cooperation for environmental improvements inside the organisation. External GSCM practices focus on cooperation with suppliers and customers to meet environmental objectives in terms of cleaner production for example and requiring environmental certifications from the network partners. Investment recovery relates to having a healthy and sustainable balance in inventories, materials, and capital equipment. Eco-design, which arguably has the biggest impact on sustainability includes design of products with reduced consumption of materials and energy, possibility to recycle and reuse products, and avoiding the use of hazardous materials and chemicals in the production. (Zhu & Sarkis, 2004.)

Collaborative efforts for optimum usage of resources emphasize the importance of collaboration between the network partners in seeking environmental sustainability (Gold et al., 2010). This may include for example joint environmental planning and cooperative problem-solving of environmental challenges (Vachon & Klassen, 2008). Perhaps the most important note about the collaborative efforts is that according to Gold et al. (2010) this kind of collaboration and inter-firm resources can provide competitive advantage that is hard to imitate, because the source of the advantage is socially complex, developed by time, and causally ambiguous.

Regarding sustainable production, there usually exists a trade-off between environmentally sustainable objectives and price. Customers may feel that recycled products are lower quality or that hype around sustainability increases the price for no reason. Resource-constrained product development aims to produce environmentally sustainable products with minimal resources while being affordable to end-customers.

(Sharma & Iyer, 2012.) According to Porter and Van der Linde (1995) companies should identify their own and their customers' dischargers, scrap, emissions, and disposal activities in order to produce sustainable products more efficiently. The concept of resource-constrained production development is closely related to optimum usage of resources (Gold et al., 2010), even though it does not highlight the collaborative efforts as much and focuses solely on the product development. One thing that is common for both concepts is the desire to create a competitive advantage. Resource-constrained product development focusing on fewer materials and fewer features will provide not only sustainability and supply chain benefits but also competitive advantage due to the ability of providing environmentally sustainable products at a reasonable price (Sharma & Iyer, 2012).

Green product innovation is a product-based approach to improve companies' environmental sustainability. Compared to resource-constrained product development (Sharma & Iyer, 2012), green product innovation is more comprehensive and more like a paradigm, whereas RCPD's focus on sustainability is somewhat narrower. The model highlights energy minimization, materials reduction, and pollution prevention as the main actions in conducting green product innovation. Motivations to implement green product innovation include for example expectations of green market growth, increasing profits, and improvement of reputation and corporate image. (Dangelico & Pujari, 2010.) These motivations are also in line also with the other sustainability practices discussed above and therefore it can be argued that environmental sustainability efforts are expected to have a great impact on companies' performance. For the green product innovation, company's sustainability plans and ethical codes are important guidelines that determine general instructions to reduce products' environmental impact (Dangelico & Pujari, 2010).

Remanufacturing and recycling relate closely to the paradigm of closed-loop supply chain, in which the amount of waste is being minimized by utilizing it in the form of raw material for reuse (Sarkis, 2001). Sharma et al. (2010) argue that remanufacturing and recycling have a key position in increasing companies' environmental sustainability. According to their article, recycling reduces companies' energy consumption and solid waste and enables to meet environmental regulations.

Remanufacturing in turn extends the life of a product, provides substantial cost savings, and enables to sell the product at an affordable price (Sharma et al., 2010). Both of the actions can be considered to be tools in the big picture of sustainability practices.

Green logistics focus on how physical drivers in supply chains such as transportation, inventory, and facilities can be developed to increase environmental performance (Dekker et al., 2012). Since there is a trade-off between environmental and business concerns, one of green logistics' main objectives is to balance between these dimensions and identify the preferred solutions (Quariguasi, Walther, Bloemhof, van Nunen, & Spengler, 2009). This initiative is similar to sustainable production (Sharma & Ieyer, 2012) in which the trade-off of environmentally sustainable objectives and products' price is being considered, even though sustainable production concentrates on production whereas green logistics deal with the main operations around the production. Therefore, it could be argued that green logistics complement sustainable production to make a company's environmental sustainability more comprehensive.

Regarding green logistics' physical drivers, transportation includes for example mode choice, fuel choice and carbon intensity, and equipment choice and efficiency. Inventory related issues focus on storage of products, products' life cycle impact, and packaging. Facilities include warehouses, ports, and terminals, and their optimization of environmental sustainability. Building a zero-emission warehouse is an example of a facilities related sustainability action. Common for all the actions related to the physical drivers is the desire of increasing these actions' environmental sustainability, which are not at the core of companies' operations, but rather seen as supporting actions. (Dekker et al., 2012.)

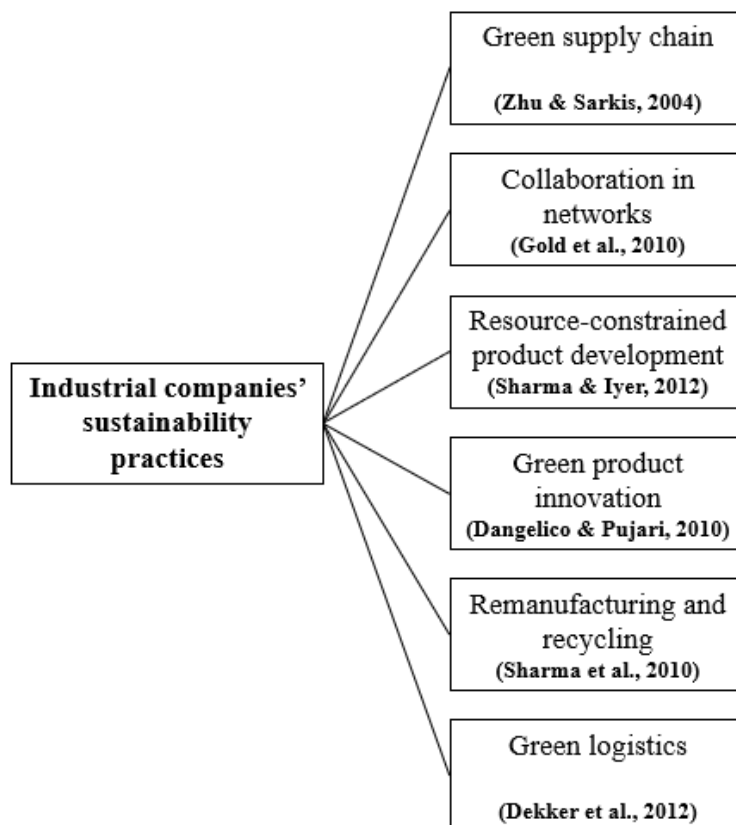


Figure 2. Industrial companies' sustainability practices

As stated in the beginning, it is notable that there might be other sustainability practices as well because of the specific nature of different industries. Furthermore, the sustainability practices presented in the figure above act more as titles to different groups of sustainability practices, which include in themselves more concrete actions in terms of sustainability. However, for the purposes of this research, the illustration regarding the big picture of the sustainability practices is sufficient.

2.2 Customers' attitudes towards sustainability

Companies have increasingly started to understand the importance of sustainability, but there still remains consumers who are not interested in the issue. Consumers might signal an interest towards environment, but those issues are not necessarily considered regarding the purchase behaviour. (Bonini & Oppenheim, 2008, Stafford & Hartman, 2013.) According to Kumar and Christodouloupoulou (2014) this notion applies also to industrial customers in terms of their possible feeling that suppliers' sustainability

practices do not benefit them or their own sustainability efforts enough for it to be important. However, it seems evident that customers' attitudes towards sustainability have an impact on how sustainable brands will succeed in the market. To reveal the true potential of sustainability, companies need to help and encourage consumers and customers to act sustainably through buying behaviour and to support environmental sustainability (Bonini & Oppenheim, 2008).

If customers have a positive attitude towards sustainability in terms of making decisions considering environmental issues as a part of the purchasing process, then also sustainable brand has a better possibility to serve the customers' needs and validate itself. This puts sustainable brand a step closer of being a competitive advantage for an organisation. Moreover, it can be argued that sustainable brand is unlikely to be a competitive advantage by itself because it is desired to have a suitable environment (positive attitudes towards sustainability) for it to have the ability to positively impact on organisations' performance and through that, become a competitive advantage (Vesal et al., 2020).

Other side of the coin is that how customers perceive organisation's sustainability actions and its sustainable brand in general. Arbouw, Ballantine, and Ozanne (2019) point out that customers might be suspicious towards the company's initial sustainable actions if the brand has not previously communicated such values and if the previous actions have not been in line with sustainability. This notion emphasizes the importance of having messages and actions aligned. Obviously, there is nothing wrong in changing the values to be more sustainable, but after communicating those values, the actions need to be aligned. Otherwise, sustainability actions can be perceived as greenwashing, which most likely will cause the loss of meaning of the whole change towards sustainability. (Bonini & Oppenheim, 2008.)

The bright side in B2B context is that the possibility of having incongruence between the message and actions is lower than in B2C context. This is because usually the relationship between the customer and the manufacturing firm is close, and therefore the customer is able to see when or if the manufacturer actually conducts those sustainability actions which it has communicated (Vesal et al., 2020). Therefore, the

customer can evaluate itself whether the message has been conducted in reality in a satisfactory manner. Furthermore, these close business relationships enable customers to detect suppliers' environmental practices and thereby create a positive connection to the company's brand image. This connection is extremely important because it increases customers' trust and loyalty towards the supplier and increases the possibility of having a long-term business relationship. (Gupta et al., 2013.)

The message of conducting environmentally sustainable practices needs also to be efficient in order attract customers that have a positive attitude towards sustainability. The knowledge about sustainability of different stakeholders has increased drastically and therefore companies need to effectively communicate their commitment to implementing environmental sustainability practices. This effective, reputation-increasing communication includes for example goal setting versus showing the results, having a credible, independent third party involved in evaluating the sustainability results, and possibly utilizing sustainability related awards from independent parties in the communication. (Blenkhorn & MacKenzie, 2017.) Eco-labeling is also a convenient way to address sustainably produced products and to create credibility for company's sustainability messages (Dangelico & Pujari, 2010).

Goal setting versus showing the results will have a positive impact on customers' attitudes, if the former set goals have been proven to be fulfilled in terms of concrete results. Having independent third parties in evaluating the sustainability practices will increase the credibility of the results, and therefore affect positively to customers' attitudes. Sustainability related awards from independent third parties are the icing on the cake, which illustrate company's actual achievements regarding sustainability and are a great tool in communicating company's genuine interest towards sustainability. (Blenkhorn & MacKenzie, 2017.)

Continuing the consideration of customers' attitudes towards sustainability from the company's actions' perspective, it can be said that sustainability concerns all the different levels of an organisation from brand management point of view (Sheth & Sinha, 2015). If the top management does not have an intent to conduct sustainability practices, then also middle management may feel the lack of willingness to conduct

such actions. This ultimately leads to customers, which affects negatively to their motivation of sustainability. (Gupta et al., 2013.)

This chain of unfortunate events from sustainability's point of view will have a negative impact on customers' attitudes and brand image (Gupta et al., 2013). Thus, when seeking a competitive advantage through sustainability, the effort needs to be collective, coherent, and consistent. Any signals suggesting a lack of motivation to sustainability, greenwashing, or incongruences between messages and actions are extremely dangerous for the image of a sustainable brand and may make the sustainability practices worthless. Customers' attitudes towards sustainability are one of the key elements to determine, whether company's sustainability practices are likely to be successful and whether the sustainable brand image is likely to improve market performance (Vesal et al., 2020).

2.2.1 Managing the customers' attitudes

An important issue is also how customers' attitudes towards sustainability can be improved. Stafford and Hartman (2013) suggest that to increase customers' appeal of sustainable production, companies need to identify values that are important to the customer and align green attributes with those values and customer benefits. Further, sustainable values are expected to result in more sustainable behaviour when the green actions are in line with customers' subjective interests. Therefore, knowing what values are important for the customer and connecting sustainable values to those in a way that embrace the customer's values and demonstrate win-win situations is an efficient way to promote and shape customers' attitudes towards sustainability. (Pickett-Baker & Ozaki, 2008.) The green attributes that are desired to be aligned with customers' values may include for example cost and energy savings, health and safety, better performance, status and prestige, convenience, and added customer value (Stafford & Hartman, 2013).

Bonini and Oppenheim (2008) have identified five barriers that slow down the process of consumers going green. Those are lack of awareness, negative perceptions, distrust, high prices, and low availability. Lack of awareness relates to the issue of consumers'

willingness to act sustainably, but not knowing exactly how to act so. Negative perceptions have risen and stayed from the early sustainable production when environmentally sustainable products might have performed worse than conventional products. Pickett-Baker and Ozaki (2008) also raise the concern of green products' ability to perform as a major barrier to green purchasing behaviour. Distrust is usually caused by greenwashing or companies' misleading communication about the sustainability. Products' high price is the biggest barrier to consumers' sustainable purchasing behaviour, because the benefits of buying green alternatives are not perceived to be worth the price. Low availability addresses the issue of the lack of companies that offer environmentally sustainable products. (Bonini & Oppenheim, 2008.)

Since there are barriers between sustainability and the end-users, there should also be solutions how to overcome the obstacles. Pickett-Baker and Ozaki (2008) suggest that marketing and branding can influence consumers' preference regarding environmentally sustainable products. Bonini and Oppenheim (2008) also present five solutions in counter to the barriers – educating consumers, honesty, building better products, offering more, and bringing products to the people. Educating consumers goes beyond promoting company's own products. It is about raising the awareness of environmental issues and offering solutions on how one can contribute to the issue and what benefits it can provide. (Bonini & Oppenheim, 2008.) Effective market communication, which could be seen as a part of educating consumers, will also drive consumers towards green purchasing behaviour (Pickett-Baker & Ozaki, 2008).

Companies need to report their real impact on the environment and present plans how the impact will be decreased. This requires honesty because greenwashing will only increase customers' negative perceptions towards sustainability. Building better green products focuses on achieving at least the same, or preferably higher performance level than conventional products. In most cases, environmentally sustainable products must outperform conventional alternatives to overcome negative perceptions. (Bonini & Oppenheim, 2008.) For this, earlier discussed initiatives, resource-constrained product development (Sharma & Iyer, 2012) and green product innovation (Dangelico &

Pujari, 2010) could offer help, since they concentrate on environmentally sustainable product development without trade-offs regarding the performance nor the price.

Offering more does not relate to increasing the available selection of environmentally sustainable products, but to offering more information and knowledge about the benefits of choosing sustainable alternative and engaging customer to the process (Bonini & Oppenheim, 2008), which could be labelled as a green attribute of added customer value (Stafford & Hartman, 2013). When customers understand both environmental and economic returns on their investment and can track their savings and concrete positive impacts on the environment, their trust and confidence towards sustainable purchasing increases, and they are willing to try new green products including ones that are more expensive (Bonini & Oppenheim, 2008). In other words, engaging customers to the process and enabling them to see the benefits on their own will affect positively to their attitudes towards sustainability.

Bringing products to the people relates to the issue of consumers not finding green products, because they are not widely available (Bonini & Oppenheim, 2008), but this issue is more relevant and applicable in B2C markets than in B2B markets. Overall, marketing and the use of brands have a crucial role in selling green products and simultaneously in shaping customers' attitudes towards sustainability, when companies communicate genuine sustainability and the products perform effectively (Pickett-Biker & Ozaki, 2008).

3 INDUSTRIAL COMPANIES' BRANDING

The second part of the theoretical background focuses on industrial companies' branding. This chapter introduces the characteristics of industrial branding, including its benefits from both buyers' and suppliers' perspective, and functional and emotional components regarding brand value. Even though this research concentrates mainly to the suppliers' perspective from the supplier-buyer relationship, it is important to also understand the buyers' standpoint to industrial branding in order to make valid management decisions from the suppliers' branding perspective. Furthermore, the chapter identifies the branding activities related to industrial companies, which have a significant role in the later created theoretical framework.

3.1 Industrial branding

Industrial branding focuses on branding from industrial companies' point of view. The traditional belief has been for a long time that organisational decision-making process is rational in which only functional qualities have a significant role and emotional aspects are not similarly important as they are in B2C context. (Leek & Christodoulides, 2011.) Studies however show that branding benefits industrial companies in several ways, including raising the quality perceptions of their offerings (Michell, King, & Reast, 2001), enabling premium pricing strategies (Michell et al., 2001), and improving market performance (Homburg, Klarmann, & Schmitt, 2010, Chang et al., 2018). It has been noticed also from the financial perspective that many companies need to invest more in their branding strategies if they want to remain competitive and provide superior value to their shareholders in B2B environment. Effective branding of industrial companies ensures informational efficiency, provides customers with risk reduction, and prevents products and services from becoming commoditized. (Ohnemus, 2009.)

Based on prior literature, Leek and Christodoulides (2011) have identified benefits of B2B branding for both suppliers and buyers. Benefits for suppliers include for example quality, differentiation, higher demand, premium price, distribution power, goodwill, loyal customers, and customer satisfaction. Buyers' benefits involve higher

confidence, risk/uncertainty reduction, increased satisfaction, greater comfort, and identification with a strong brand. Moreover, Kumar and Christodouloupoulou (2014) suggest that suppliers' strong brands are important for industrial buyers to reduce the information costs and risks associated with the purchase especially in highly important occasions, which leads to a willingness to pay a premium for the purchase.

From industrial buyers' perspective, according to Mudambi (2002) there are differences in how industrial buyers perceive the importance of branding in their purchasing behaviour. Identifying the characteristics of different buyers is important from supplier's perspective to make the right decisions regarding the management of a particular type of a buyer. The buyers have been divided into three clusters: highly tangible, branding receptive, and low interest. Highly tangible buyers are very product-oriented, who value especially the tangible aspects and functionality of a product. (Mudambi, 2002.)

The functional components of a brand include quality, technology, capacity, infrastructure, after sales service, capabilities, reliability, innovation, and price (Leek & Christodoulides, 2012). Branding considering the buyer cluster of highly tangible should focus on addressing the quantifiable and objective benefits of the product and match the physical features to the benefits to the customer. Intangible benefits of a brand such as reduction of perceived risk and uncertainty need to be communicated more objectively to appeal to the cluster of highly tangible. (Mudambi, 2002.) From the other B2B buyer categorization introduced by Lynch and De Chernatony (2007), the buyer profiles of 'analytics' and 'drivers' fit in to this cluster because they seek detailed product information and precise information on costs, performance, and delivery (Leek & Chernatony, 2007).

Low interest industrial buyers are mainly routine buyers, and the purchase does not usually involve a significant risk. Low interest buyers appreciate convenience and low involvement to the buying process. A branding strategy regarding this cluster of buyers should emphasize the potential importance of the purchase and try to make the offering as attractive and appealing as possible. Putting additional resources to the development of the physical product may not be sensible considering low interest buyers, but instead

those resources could be allocated to improve the ease of ordering and to make the offering more desirable in general. (Mudambi, 2002.)

Branding receptive industrial buyers, who are arguably the most rewarding buyer group from supplier's branding perspective, are usually sophisticated, large volume buyers. These buyers' purchases are highly important for themselves and include a lot of risk. Branding regarding this buyer group should highlight the unique nature of each purchase and also the supplier's own role as an objective advisor and supporter disclosing for example the perks of flexibility and good reputation in the purchasing process. In addition to communicating the high-quality physical product with services around it, emotional and self-expressive benefits of a brand, appeal to branding receptive buyers and those elements should be utilized in the branding. (Mudambi, 2002). From the Leek and De Chernatony's (2007) categorization, 'amiables' and 'expressives' represent the cluster of branding receptive as they seek emotional brand values that offer assurance and trust, and support in achieving the objectives and goals (Leek & De Chernatony, 2007).

Continuing the theme of emotional aspect, it is important to understand what the role of emotional components is compared to functional components regarding brand value in B2B markets. Emotional aspects of branding are extremely important in B2C markets (Lynch & De Chernatony, 2007), but are those similarly important in the context of industrial branding? Even though functional elements of a brand have found to be more important than less tangible emotional elements in delivering value for an industrial customer (Bendixen et al., 2004), emotional elements still have a significant role in industrial branding (Leek & Christodoulides, 2012).

Emotional components include risk reduction, reassurance, trust, and credibility. These components become important especially in situations when the product itself does not have differentiative attributes, the product is a commodity, or there is a lot of competition/alternatives available, meaning that environmental and situational factors affect to the importance of emotional components. Furthermore, it can be seen that emotional components complement functional components. Suppliers need to identify whether the product lacks in some functional areas and address this through emotional

components in the branding strategy to mitigate the buyer's perceived risk. (Leek & Christodoulides, 2012.)

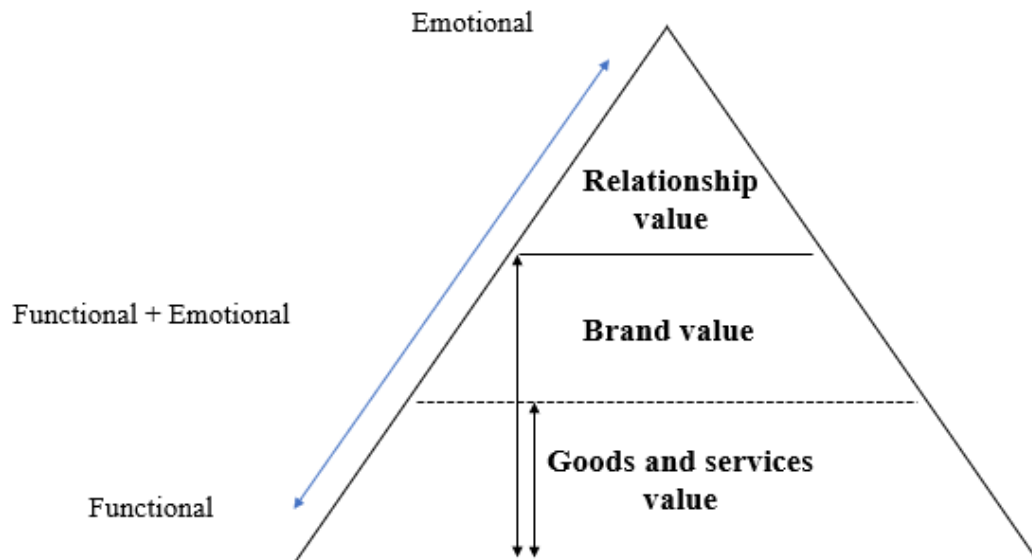


Figure 3. The brand value hierarchy (adapted from Leek & Christodoulides, 2012)

As the figure above illustrates, goods and services provide value mainly through the functional components. Brand value, however, incorporates also delivering emotional qualities in addition to functional qualities. That may come in question for example in the complementary situation mentioned before. In this model, brand value and relationship value are considered as two theoretically distinct concepts. The model proposes that the functional and emotional qualities attached to the brand value may encourage to develop a relationship, in which the emotional values and interactions between the parties are emphasized. (Leek & Christodoulides, 2012.)

Interestingly, as the relationship develops by time, the brand may lose its importance in that specific relationship, because trust, commitment, and relationships between individuals within the companies develop. In this case, the relationships between individuals may become more important than the brand. However, in a new or short-term relationship, the brand remains important as the relationship and trust have not developed yet. (Leek & Christodoulides, 2012.) Industrial brands that have been built solely on the functional values will be vulnerable to competition and they may face

challenges to differentiate from the others. Brands that can provide emotional qualities in addition to functional qualities are more likely to attract and retain customers, differentiate from the others, and pursue a competitive advantage through branding. (Lynch & De Chernatony, 2007.)

3.2 Branding activities

Branding activities can be considered to be actions that enforce the relationship between supplier and buyer (Webster & Keller, 2004). Branding activities have also a lot to do with communications. B2B communication tools include for example the sales force, trade shows, trade magazines, sales materials, promotional techniques, public relations, lobbying, and personal selling. All of these are tools to deliver the key attributes of a business brand to customers and other stakeholders. (Brown, Bellenger, & Johnston, 2007.) Aspara and Tikkanen (2008) have identified management practices of corporate branding that B2B managers are motivated to adopt. The management practices include managing the brand hierarchy of the brand portfolio, having corporate name dominance in association to product brands, and defining and communicating aspirational corporate brand image values. These practices are aiming to serve not only customers, but also other stakeholders such as investors, investment analysts, potential employees, and own employees. (Aspara & Tikkanen, 2008.)

Managing the brand hierarchy of the brand portfolio and having corporate name dominance in association to product brands relate to creating brand families around certain products, adding coherency to branding by putting same products manufactured in different mills under the same brand, and having core business units under the corporate brand. The objectives of these corporate branding practices include emphasizing the wide product range, developing strong product brands, and communicating clear and focused portfolio of core products. Defining and communicating aspirational corporate brand image values mean defining values for the corporate brand, introducing those with slogans and visual identity, and communicating the defined values internally to employees as well as externally to other stakeholders. These branding activities from customers' perspective aim to emphasize the corporation's offering of solution rather than just the product. From

employees and other stakeholders' perspective the aim is to have employees adopting the values to the way of working, increase potential employee awareness of the corporation, and communicate environmentally and socially responsible image of the corporation. (Aspara & Tikkanen, 2008.)

In addition to the branding activities which focus more on externally visible actions, internal communication of the brand to employees is extremely important from the suppliers' perspective, because it determines in the end how the brand is communicated externally to the buyers (Baumgarth & Schmidt, 2010). Furthermore, this applies especially when considering the implementation of sustainability to companies' operations, since internal branding is one of the main determinants of how sustainability efforts will succeed (Biedenbach & Manzhynski, 2016). Therefore, internal branding can be said to have a connection to sustainability.

Biedenbach and Manzhynski (2016) have studied internal branding and sustainability and identified three alternative clusters of employees and their impact on communicating the brand. The clusters of employees are presented in this research because they simultaneously illustrate the actions that the internal communication of a brand includes. The role of the employees is increasingly important in B2B setting, because of the special characteristics of industrial products and services, which require personal interaction between employees and customers (Baumgarth & Schmidt, 2010). The employee clusters are uncommitted sustainability laggards, committed sustainability followers, and committed sustainability leaders (Biedenbach & Manzhynski, 2016).

The cluster of uncommitted sustainability laggards, which is the most challenging cluster, has a low level of internal brand commitment and sustainability importance, and is not necessarily motivated to implement organizational strategies (Biedenbach & Manzhynski, 2016). The referred internal brand commitment is at the individual level the combination of internal brand knowledge, which indicates the employees' knowledge about the brand, and internal brand involvement, which indicates how relevant the brand is for the employees (Baumgarth & Schmidt, 2010). Internal branding activities for this cluster of employees include activities which support their

organizational identification, and raise awareness about sustainability's importance and brand orientation, which is the driver of internal brand commitment (Biedenbach & Manzhynski, 2016).

The group of committed sustainability followers already has awareness regarding the corporate brand and the importance of sustainability, but they are not yet actively supporting the organizational initiatives and policies. Internal branding activities should focus on enhancing their knowledge and beliefs about the corporate brand and the importance of sustainability to the company through convincing arguments and detailed information. These actions will guide the employees to become committed sustainability leaders. This cluster of employees has the most positive perceptions about the corporate brand and sustainability, and they strongly identify themselves with the company. Their positive beliefs should be supported by internal communication, and by confirming those beliefs with the operations of the company that are aligned with the perceptions. Internal branding through the clusters of employees has an impact on how well the sustainability strategies are being implemented and how the brand is communicated externally. (Biedenbach & Manzhynski, 2016.)

4 SUSTAINABLE BRANDING

The third and final theoretical background chapter concentrates on sustainable branding. The chapter includes integration of sustainability and branding, description of the characteristics of sustainable branding in general, and stakeholder orientation and customer relationship management, which have an important role in attaching sustainability values into the branding. At the end of the chapter, the theoretical framework is presented, which connects industrial companies' sustainability, industrial companies' branding, and sustainable branding.

4.1 Integration of sustainability and branding

According to Sheth and Sinha (2015) B2B companies often feel pressure from the public and end users to show their contribution to societal well-being and environmental sustainability and therefore sustainability related issues can become more of a burden rather than an opportunity to turn them into a competitive advantage. Furthermore, marketers are also pressured to address sustainability issues to attract, satisfy, and retain customers (Dangelico & Pujari, 2010). Since there exists high demand for sustainability, one could argue that sustainability can be harnessed to be a competitive advantage. This research focuses on identifying how industrial companies implement sustainable branding and therefore proposes that branding is the key between industrial companies and sustainability, which enables these companies to turn this burden into an advantage.

When considering what is the significance of sustainable branding to industrial companies and how firms can enhance their performance through sustainability, at first, a description is needed to depict what is the relation between sustainability and branding. Later, the focus is on sustainable branding and therefore determining these elements' characteristics and connection is needed. The integration of sustainability and branding gives an insight into why branding is a considerable tool to promote organisations' sustainability. Addressing the integration of these elements also justifies the decision and importance of choosing branding as an asset to study industrial companies' state of sustainability and ways how to improve it.

The framework created by Kumar and Christodouloupoulou (2014) proposes that branding is the key to integrate companies' marketing and operations towards sustainability. The framework is presented in the figure below.

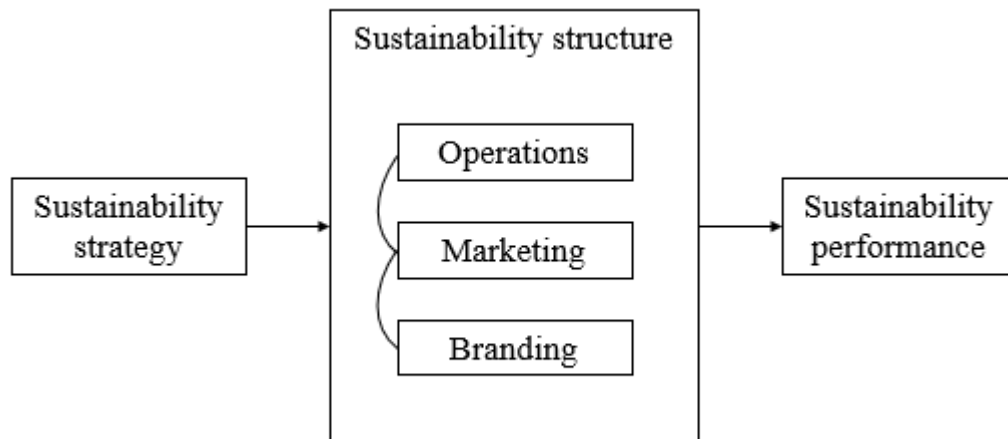


Figure 4. Integration for sustainability (adapted from Kumar & Christodouloupoulou, 2014)

The framework suggests that in the first place of integrating sustainability practices, companies' need a sustainability strategy. This strategy is a part of companies' overall strategy, and it should concentrate on how a company will conduct its sustainability in terms of practices and objectives. Sustainability strategy acts as a map to illustrate how the desired outcomes will be achieved.

Strategy needs a structure which will support the strategy. Sustainability structure presents the key elements which work as tools in seeking sustainability. Operations, marketing, and branding represent the structure which guides the strategy towards sustainability performance. As can be seen from the figure 4, marketing acts as an intermediate between operations and branding. This means that when sustainability is associated to a brand, marketing can support and promote sustainability-oriented activities in operations. Marketing in this context represents the communication of sustainability efforts and their results in the form of advertisement, product packaging and other promotional material. (Kumar & Christodouloupoulou, 2014.) Therefore, branding is the key in integrating marketing and operations for becoming sustainable.

Especially, the associations have a salient role in using branding as a tool for sustainability.

Associations relate to brands in terms of how the brand is perceived by customers and other stakeholders. Values such as responsibility, social and environmental stewardship, and morality can be implemented into associations of a brand through social and environmental practices. Therefore, the route to successful sustainability performance includes implementing sustainability practices into operations, communicating these practices to customers through marketing, and transforming these messages into associations through branding, which become part of the brand image. (Kumar & Christodoulopoulou, 2014.) This model applies especially to customers that are sustainability-oriented. It means that this kind of customers value sustainability and responsibility, and these values have a significant role in their decision making.

Based on the discussion above, it can be said that branding has a crucial role in integrating sustainability into companies' operations and a great possibility to turn operations and practices into associations, which in turn affect positively to sustainability performance and in this way, take the first steps towards competitive advantage in terms of serving the needs of sustainability-oriented customers. Branding can also be considered to be a relevant form of addressing sustainability, if the aim is to shape customers' brand preferences in a turbulent market environment (Gupta, Czinkota & Melewar, 2013). Moreover, branding could be seen as a binding element between companies' sustainability practices and customers' desire of sustainability, in which branding facilitates the meeting of these two crucial actors.

4.2 Moving from branding to sustainable branding

Sustainable branding is one of this research's most important concepts. Examining the characteristics of sustainable branding in general is important in order to draw implications in the context of industrial companies later in the research. Ultimately, the goal is to create a framework that illustrates industrial companies' implementation of sustainable branding, and therefore sustainable branding requires consideration.

However, the introduction of sustainable branding is done to relatively narrow extent because the literature focuses on sustainable branding mostly from B2C perspective. Sustainable branding as a concept in the context of industrial companies will receive more attention in the empirical study of this research. At first a description of branding in general is needed to understand the basics of the phenomenon.

According to Bengtsson and Servais (2005) “branding gives an image of what the customers can expect when doing business with the firm and depicts the competencies of the firm”. Branding relates also to giving a meaning to the brand and attracting customers to choose the brand over the others continuously (Webster & Keller, 2004). Sustainable branding is however more complex. Based on the book by Ottman (2011), sustainable branding requires two strategies. At first, it requires developing products that take into account quality, performance, and affordability, which are functional components (Leek & Christodoulides, 2012), while maintaining the lowest impact possible on the environment. The second strategy relates to creating demand for the sustainable brand that addresses environmental and social issues and simultaneously empowers and engages customers with the brand. This is done through credible communication which focuses especially on environment-related benefits. (Ottman, 2011: 43-44.)

Ottman (2011) presents five strategies to improve and establish credibility for sustainable branding, including commitment to communication, transparency, honesty, utilizing third parties, and promoting responsible consumption. Commitment to communication relates to acting accordingly to the messages that have been communicated. It also emphasizes the need to adopt green values deep into corporate culture and empowerment of employees to sustainability issues. Sharma and Iyer (2012) also highlight the need of intra-organisational skills regarding sustainability efforts, because sustainability requires coordinated and coherent actions across all functional departments. Transparency is all about providing information to the customers and stakeholders, depicting what have been done, what are the objectives, and how environmental impact could still be improved. It requires access to details regarding products and corporate practices, and active reporting on the progress. (Ottman, 2011: 135-139.)

Honesty relates to avoiding misleading. Communication about environmental sustainability needs to be precise, specific, and complete. Utilizing third parties means supporting own sustainability efforts with eco-labels and green certifications that governments, environmental groups, and trade associations for example provide. These labels and certifications are extremely efficient in promoting environmental sustainability practices and in improving the credibility of own sustainability efforts. There are hundreds of different endorsements, and companies need to identify which ones add the most value for their own purposes. Lastly, promoting responsible consumption relates to creating a sustainable society, which is relevant especially in B2C context. (Ottman, 2011: 139-156.)

4.3 Stakeholder orientation and customer relationship management

According to Sheth and Sinha (2015), moving from a short-term quarterly profit orientation to a stakeholder orientation is one of the most important actions that can be done in seeking a competitive advantage through environmentally sustainable B2B brand building. Thus, the stakeholder orientation can be considered to be an essential element when the focus is on how sustainable brand can be utilized in pursuing a competitive advantage.

The stakeholder orientation differs from traditional instrumental marketing concept, which suggests that satisfying customers is the most important thing for companies to be profitable (Svendsen, 1998: 24), by arguing that all stakeholders are equally important, and their prioritization is context dependent (Ferrell, Gonzalez-Padron, Hult, & Maignan, 2010). The stakeholder orientation is more comprehensive, and it concentrates not only on the company itself, but on several actors and parties around it, which play their own part in enabling the organisation's possibility to be successful. Sustainability in general and the sustainability practices are also a lot more about than a particular company itself. They focus on social, economic, and environmental aspects, and especially to the thinking of doing good for own and others sake. Therefore, the stakeholder orientation in general suits well to the sustainable brand agenda, and its impact on sustainable brand's success is considerable.

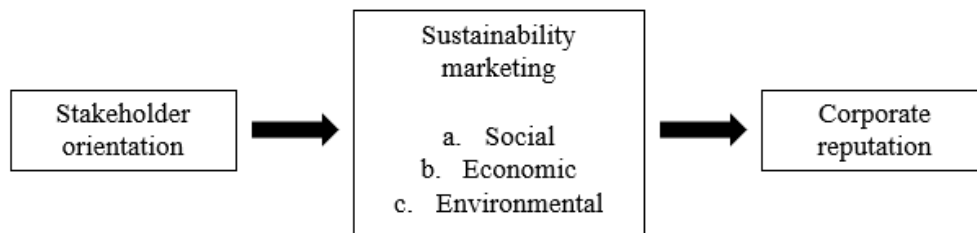


Figure 5. The role of stakeholder orientation regarding sustainability (adapted from Sheth & Sinha, 2015)

As can be seen from the figure above, stakeholder orientation has an influence on sustainability marketing, which again has an impact on corporate reputation. According to Bonini and Oppenheim (2008) through desirable corporate reputation, companies can attract more talented employees, inspire loyalty in their customers, and charge more for their products. Sustainability marketing in this context is quite parallel sustainable branding because sustainability marketing actions, including social, economic, and environmental aspects, are contrasted with sustainable branding actions. These two concepts are used in different contexts, but the main idea in both is the same. The same thing occurs regarding the corporate reputation. Brand image is very much connected to corporate reputation, or corporate reputation is rather a part of the brand image (Mudambi, 2002). Therefore, the figure can be interpreted that the stakeholder orientation affects positively to a sustainable brand, which improves the brand image.

An important question is obviously, who are the stakeholders, and what are the concrete social, economic, and environmental benefits that the stakeholder orientation model aims to or can achieve? Due to extended networks of B2B companies, there are several different stakeholders that require attention from B2B companies. The most common examples of B2B companies' stakeholders include customers, regulators, advocacy groups, employees, suppliers, investors, governments, and society (Sheth & Sinha, 2015). This variety of different stakeholders urges the need for a comprehensive understanding of the extension of sustainability, in which social, economic, and environmental dimensions play crucial roles in trying to satisfy all parties' expectations. This is also a part of why sustainability and a sustainable brand have the

possibility to be a competitive advantage in the context of industrial companies – their characteristics consider the needs of variety of stakeholders in a holistic manner.

There are several ways how companies can benefit stakeholders through stakeholder orientation, and while some of them are quite context dependent, one thing that is common for all the actions is the desire to have a positive impact on the stakeholders. Environmental related activities include for example environmental management programs, developing new technologies to protect the environment, following generally accepted environment standards, reducing emissions, and education regarding the environment. Economic and social benefits relate to improving these aspects regarding stakeholders in terms of for example employment, training, partnerships, and financing. (Sheth & Sinha, 2015.) Therefore, it could be argued that sustainability practices through stakeholder orientation improve companies' brand image and puts the companies to a better position in their industries.

Customer relationship management (CRM) is another important aspect in attaching environmentally sustainable values to be a part of B2B companies' brand value. The concept can be considered to be relevant especially from the suppliers' perspective when identifying tools to foster industrial suppliers' sustainable branding, because it concentrates comprehensively on the supplier-buyer relationship (Morgan, Slotegraaf, & Vorhies, 2009). According to Vesal et al. (2020), a strong CRM capability strengthens the relationship between environmental sustainability practices and brand image. CRM capabilities refer to "a firm's ability to identify attractive customers and prospects, initiate and maintain relationships with attractive customers, and leverage these relationships into customer level profits" (Morgan et al., 2009: 286). The concrete and typical examples of CRM databases include providing support for prospecting, customer qualification, proposal development, objection-handling, closure, and follow-up (Stein, Smith, & Lancioni, 2013).

Whereas the discussion on customers' attitudes towards sustainability focused mainly on how those attitudes could be improved, the CRM focuses more on how to deal with customers that are already interested in and concerned about environmental issues. Efficient CRM enables companies to communicate their engagement to environmental

sustainability practices more clearly and consistently to customers that seek environmental values and actions from their business partners (Vesal et al., 2020). CRM can also be utilized in identifying attractive customers, who may show interest towards sustainability, and to create an open dialogue with the potential customer to reduce the possible perceived risk and uncertainty regarding supplier's environmental sustainability practices (Stein et al., 2013).

Vesal et al. (2020) suggest that companies' environmental sustainability practices and effective CRM capabilities are complementary. CRM enables suppliers to signal and communicate environmental values to customers more effectively. This will increase the customer's trust, and the supplier's reputation about their commitment to environmental sustainability practices. Utilizing CRM in promoting sustainability enables companies to develop brand associations that enhance the brand image in the eyes of both current and potential customers. (Vesal et al., 2020.)

4.4 Industrial companies' implementation of sustainable branding – a theoretical framework

The theoretical framework of this research has been created by studying the existing literature regarding industrial companies' sustainability and branding, and sustainable branding in general. The theoretical framework is presented as a figure below. The figure illustrates the components of the implementation of sustainable branding in the context of industrial companies.

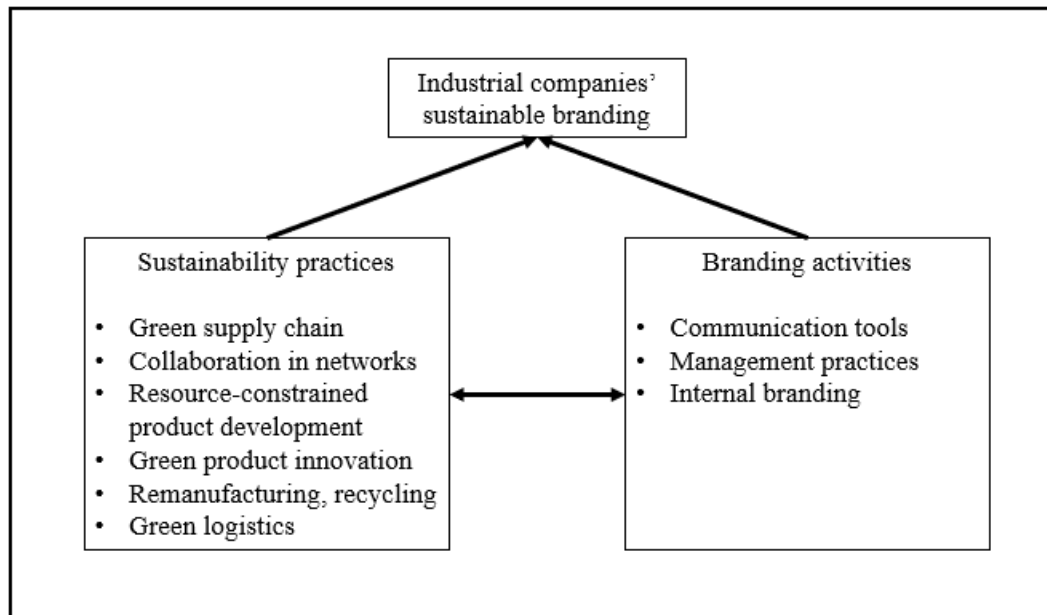


Figure 6. Theoretical framework – the implementation of sustainable branding

According to the theoretical framework, sustainable branding of industrial companies consists of combining sustainability practices and branding activities. The sustainability practices include adopting a green supply chain (Zhu & Sarkis, 2004), collaborative efforts for optimum usage of resources (Gold, Seuring, & Beske, 2010), resource-constrained product development (Sharma & Iyer, 2012), green product innovation (Dangelico & Pujari, 2010), remanufacturing and recycling (Sharma, Iyer, Mehrotra, & Krishnan, 2010), and green logistics and eco-friendly transportation (Dekker, Bloemhof, & Mallidis, 2012).

Branding activities include communication tools, management practices, and internal branding. Communication tools consist of the sales force, trade shows, trade magazines, sales materials, promotional techniques, public relations, lobbying, and personal selling (Brown et al., 2007). The management practices include managing the brand hierarchy of the brand portfolio, having corporate name dominance in association to product brands, and defining and communicating aspirational corporate brand image values (Aspara & Tikkanen, 2008). Finally, internal branding relates to how the employees perceive the brand, and by which actions the perceptions can be improved. These include for example support in organizational identification, enhancing employees' knowledge and beliefs about the corporate brand, and

supporting the positive beliefs by internal communication (Biedenbach & Manzhynski, 2016).

The one headed arrows from sustainability practices and brandings activities to industrial companies' sustainable branding illustrate that sustainable branding requires both of the aspects, and the implementation consists of them. The two headed arrow between sustainability practices and branding activities illustrate the importance of having the messages aligned with the actions. Branding activities cannot focus on sustainability if there are not sustainability practices. On the other hand, sustainable branding does not exist if the sustainability practices are not supported by the branding activities. Later in the research, an empirical grounded model is presented, which reflects the findings of the empirical study to the theoretical framework. The empirical study is needed to provide a more detailed depiction regarding sustainable branding in the context of industrial companies, and to experiment the theoretical framework's applicability with the industrial sector's experiences. The empirical study is conducted also to possibly find some new features or aspects regarding the sustainability practices and the branding activities, which the theory has not addressed.

5 METHODOLOGY

This chapter introduces the methodology used in this research. The chapter includes research strategy, description of the companies involved in the interviews, and illustration of the characteristics of the conducted theme interviews.

5.1 Research Strategy

The study is conducted as a qualitative research because the aim is to increase understanding of industrial companies' implementation of sustainable branding, which the prior literature has not addressed. The qualitative research enables to get new insights and perspectives to the topic of the study. More specifically, the research method is abductive because the results will be later drawn based on the qualitative research as well as the theoretical framework. Also, the formatting of the research questions is guided by the theoretical framework, which is characteristic to the abductive research method. Semi-structured theme interviews for the selected companies were conducted to get relevant and practical insight regarding the topic of the research from the experts on the field. Later, the data was analysed after it was transcribed.

5.2 Description of the companies

The companies from which the interviews were conducted, represent different areas of industries. All the companies are Finnish and publicly listed. Most of them operate only on B2B markets, but some have also B2C customers. The main criterion of choosing a company to be part of the interviews was their success in Corporate Knights' Global 100 ranking, which gathers and ranks yearly the world's 100 most sustainable corporations. Two out of the three companies chosen to the interviews, have at least once placed on this ranking between 2018-2021. Having achieved a place in this ranking shows these companies' serious attitude towards sustainability and they could be seen as the forerunners of sustainability within their own industries. The third company has showed a significant interest and will to conduct environmental sustainability in its operations and has addressed these issues in its communications.

Further, the brands of these companies are well-known in general, which stresses their expertise regarding branding and marketing. Overall, these companies based on their merits, can be considered to offer the best possible information available about sustainable branding in the context of industrial companies.

5.3 Theme Interviews

The questions of the theme interviews were based on the theoretical framework. The interview questions were divided into three main categories: sustainability, branding, and sustainable branding. This was done in order to move from the wider issues of the topic to the more specific ones, and to follow the same division that was done in the theoretical part of the research. From each company, two experts from different departments were interviewed. The other's expertise focused on marketing and branding, while the other was an expert of sustainability and responsibility issues in the interviewed company. This division enabled to get insightful information from both sustainability and branding. Branding related questions were presented also to the experts of sustainability, but they were modified slightly to concern their own experiences regarding the brand of their own represented company, and not focusing on communicating the brand. Sustainability issues with the marketing experts came up in the section of sustainable branding in the interviews. The interview questions are shown in the Appendix 1.

The titles of the interviewees in the marketing side included for example Head of Brand Management and Marketing, and in the sustainability side, Sustainability Development Manager. For all the participants in the interviews, an information regarding the nature of the questions were sent beforehand, and few received the actual questions beforehand from their request. For one company, the interviews were conducted separately one on one via telephone or Microsoft Teams application. For the other two companies, the interviews included both of the company representatives at the same time and were conducted via Microsoft Teams and Google Meet. Having both company representatives in the same interview enabled the experts to complement each other and through that, possibly bring issues to the discussion that would have not come up otherwise. The interviews lasted approximately 30-60

minutes each and were recorded. Later, the records were transcribed, which enabled to analyse and present the results in a written form. The interviews were conducted in Finnish and later translated into English for the purposes of the research. From each interview, the transcribed data was categorized according to the interview questions from which it had derived from. The categorized data, which included answers to the same questions from each company, was then interpreted by finding similarities and differences between the answers and by making conclusions from the combined data related to the interview questions. The table below shows additional information regarding the interviews. The results of the empirical study are presented in the following chapter.

INTERVIEWEE	INDUSTRY	EXPERIENCE	METHOD	DATE	DURATION (h:mm:ss)
Head of Environmental Compliance	Oil and gas	30 years	Telephone	28.4.2021	0:28:04
Director, Production Support	Forest	15 years	Microsoft Teams	4.5.2021	0:42:38
Manager, Product Stewardship	Forest	30 years	Microsoft Teams	4.5.2021	0:42:38
Sustainability Development Manager	Metal	5 years	Google Meet	6.5.2021	0:57:22
Brand & Digital Communications Manager	Metal	10 years	Google Meet	6.5.2021	0:57:22
Head of Brand Management and Marketing	Oil and gas	30 years	Microsoft Teams	10.5.2021	0:52:13

Table 1. Interview information

6 EMPIRICAL STUDY: FINDINGS

This chapter presents the findings of the semi-structured theme interviews. The chapter has been divided into three subchapters: sustainability, branding, and sustainable branding, similarly as the interview questions were divided. The citations used in the chapter are direct citations from the interviews, however, they are translated into English and extra support words are either removed or added. At the end of the chapter, an empirical grounded model is presented, which adds the main findings to the theoretical framework.

6.1 Sustainability

The theme of sustainability in the interviews included for example a description of sustainable business in general, companies' sustainability practices, and sustainability in the supplier-buyer relationship. Regarding the description of sustainable business in general, the company representatives emphasized a comprehensive stance towards sustainability.

“In our company, we have determined sustainability and responsibility through three different divisions: environment, people & society, and governance, using ESG approach, in which we seek balance between these factors [...] this acts as a starting point for our sustainability.” (Sustainability Development Manager)

All representatives agreed that sustainability includes environmental, social, and economic aspects, and those are equally important. The environmental aspect appears in the companies for example in the form of climate issues and procurement of renewable materials, the social aspect regarding health and safety, and human rights, and the economic aspect in the form of code of conduct. Regarding the actions conducted related to environmental impact in general, the analysis shows that the companies have at first identified the areas in which they have an environmental impact on. That is followed by constant monitoring of the impact and analysing ways how to minimize the negative impact and maximize the positive impact towards the

environment. The examples of the actions in general include sustainability policies, environmental permits, and carbon footprint of the whole value chain.

6.1.1 Sustainability practices and the pressure to conduct sustainability

According to the analysis, sustainability practices related to production can be divided into two areas: reducing emissions of own production and reducing products' environmental footprint. All the companies had their own environmental objectives for a specific year in the future. The objectives included for example a certain target for the use of renewable energy and having own production completely carbon neutral. The concrete examples of sustainability practices included removing hazardous chemicals, implementing certain raw materials to the products to improve the state of climate, developing products from renewable materials, considering the use of water, the use of nutrients, and organic load.

In the theoretical part of the research, Sheth and Sinha (2015) noted that B2B companies often feel pressure from the public and end users to show their contribution to societal well-being and environmental sustainability. The interviewed companies mainly agreed with the pressure but did not necessarily thought that as an issue:

“Yes, it could be said so [about feeling pressure] [...] and all kinds of, not so active, but existing expectations, I'm not sure whether it is pressure, but expectations from customers, stakeholders, and also investors that the business is sustainable.” (Head of Environmental Compliance)

“Yes, external pressure as it stands, but that is actually pretty positive pressure, and not a negative thing at all.” (Director, Production Support)

“From the investor relations point of view, there has not come pressure, even though we sort of hope that there would come some pressure or bigger interest as investors and analysts are one of our most important target groups [...] but it is important to set the standards high and show example, rather than come late, because the change is happening all the time [towards sustainability] and it is

better to be a forerunner than one that starts to feel the pressure.” (Brand & Digital Communications Manager)

6.1.2 Customers’ attitudes towards sustainability

The companies had examined their customers’ perceptions and appreciation towards sustainability in several ways, including stakeholder questionnaires, interviews and customer satisfaction questionnaires in which customers have been asked about their perceptions and opinions. Most of the customers have seemed to relate positively to sustainability and the trend is going towards customers putting increasingly emphasis on sustainability issues. Also, the willingness to pay a premium for sustainably produced products has come up recently:

“About ten years ago, and before that, if customers or stakeholders were asked whether products’ environmental friendliness and sustainability are important issues, the answer was yes, but there was not willingness to pay more for it, and this has changed during the recent years [...] now these products sell well even though they are a bit more expensive.” (Head of Environmental Compliance)

Another important aspect that came up from the analysis is the ‘chain thought’ around sustainability, which emphasizes that a company cannot be sustainable alone and the demand for sustainability may come all the way from the consumers.

“[...] we are not in this chain alone; we have our own suppliers and customers [...] and we cannot express noble principles, or even operate sustainably alone [...] the commitment of the whole chain is eventually what is decisive.” (Director, Production Support)

“Some of our customers have very ambitious climate objectives of their own [...] it could be that the pressure comes from our customers’ own customers, sort of billows from the consumers towards us.” (Sustainability Development Manager) “Yes, it is like a continuum that consumers demand responsibility from their service providers, which then demand from their own suppliers [...]

which eventually comes to our customers and by that to us.” (Brand & Digital Communications Manager)

Based on the analysis, influencing on customers’ attitudes towards sustainability happens mostly through corporate strategies, which highlight the sustainability objectives that companies have set to the future. Achieving these objectives, which include for example to halve own value chain’s emissions, requires also changes to customers’ way of operating. Therefore, these objectives can be seen as drivers to influence on customers attitudes towards sustainability, because without customers’ active participation to the sustainability initiative, the companies most likely will not reach their sustainability targets. From the theory (e.g., Bonini & Oppenheim, 2008, Pickett-Baker & Ozaki, 2008; Blenkhorn & MacKenzie, 2017), which suggested several different actions and attributes to influence on customers’ attitudes towards sustainability, goal setting versus showing the results, education, honesty and transparency, and clear communication received the most emphasis in the interviews.

“We see that transparency is the starting point [...] and we want to avoid the possibility of greenwashing, or that our message could be misunderstood. Its [communications] intention is not to tell anything embellished, but we want to be honest and tell also about the challenges, and what we are going to do about them.” (Sustainability Development Manager)

“We have held presentations about responsibility for analysts in which these themes are opened in a genuinely interesting way for them, so they can learn from it [...] we actively strive for bringing these themes to the audience.” (Brand & Digital Communications Manager)

6.1.3 The benefits derived from sustainability

The data analysis reveals that the companies see benefits derived from sustainability practices in a large scale. The benefits include growth possibilities, increased profitability, possibility to differentiate, increased brand value and equity, and an image as a more attractive employer. Sustainability was seen in the interviewed

companies almost as a vital condition, which has a crucial importance for their success in their industries.

“Sustainable and responsible business is good and the only possible way to do business, which has a future. [...] Fast bucks can be got in some other ways, but we see that this [sustainable business] is the only way, which clearly has continuance in the future.” (Director, Production Support)

It could be said also that the way how environmental sustainability is being seen in the industrial sector has changed drastically during the last few decades:

“Our former CEO back in 1987 said in his speech that “environmental issues do not have to be only a financial burden, but they can be a competitive instrument especially in the future”, and this is pretty much exactly what has happened.” (Head of Environmental Compliance)

In general, sustainability was seen to be having a crucial role in these industrial companies' operations. The empirical study revealed new aspects regarding sustainability in terms of sustainability practices, the pressure that industrial companies face, customers' attitudes towards sustainability, and the benefits derived from sustainability. Further discussion and comparison to the theory are presented in the conclusion chapter of the research.

6.2 Branding

Branding related questions in the interviews focused inter alia on branding in general in the industrial sector, companies' branding activities, internal branding, and the role of brands' emotional and functional components in the industrial sector. According to the data analysis, branding or strategic brand development can be depicted to be an external image of what the company actually is, combining its culture and reality with the brand, which addresses the company's values and tells the story in an interesting way to external target groups. It was noted that the brand image is different for

different people, an image of a brand for a certain person is the real image of the company for that person.

The analysis shows that branding is seen to be extremely important for the companies in the industrial sector. Branding has not always been considered to be important for B2B companies (Kotler & Pfoertsch, 2007), but the change in this thought arose also during the interviews:

“Branding is always important, whether it is consumer or industrial environment [...] with the brand, you can open doors, win hearts and minds and make things possible [...] I think it is sometimes thought wrongly that the brand would not be as significant in B2B sector [as in B2C]. (Head of Brand Management and Marketing)

“Whether you do branding consciously or not, some sort of brand will be formed inevitably anyway, so in that sense it is very important. [...] Maybe it [branding] has not traditionally been considered to be as important in B2B sector than in B2C, but I think it is increasingly becoming an important issue. (Brand & Digital Communications Manager)

6.2.1 Branding activities

The identified branding activities from the analysis divided as widely as the theory also suggested and determined (e.g., Webster & Keller, 2004). The companies' branding activities included communications, public relations, local stakeholder cooperation, advertisement, creating strong visual identity, improving brand image and identity including tone of voice and behaviour, customer events, campaigns, contents, and webinars. Looking at the bigger picture, branding activities were conducted to execute the brand strategy. The ambitions of these strategies were to communicate values that are important to the companies, tell why the company exists and how it differentiates from the others and to create a context for the company's operations. In general, branding and branding activities were seen and interpreted very widely, and containment of the activities is very challenging due to their diversity. Regarding the

brand strategies, the interviewed companies had also defined their ‘purpose’, a deeper meaning of their brand and business:

“Yes, we have this purpose statement [...] its ambition is to summarise that we want to do business smarter, making it more digitalized, and by causing less emissions [...] and the reason why we want to do that is to sort of enable better choices in people’s everyday life.” (Brand & Digital Communications Manager)

“[...] the purpose was determined less than five years ago, but after that, it has really found its place, and now if we look at our all brand assets, the purpose is very central [...] it really is the ‘why we exist’ and what it is the bigger purpose of what we are doing.” (Head of Brand Management and Marketing)

6.2.2 Internal branding

Internal branding, which is one of the main determinants of how sustainability efforts will succeed (Biedenbach & Manzhynski, 2016), was considered in the interviews through asking how employees become aware of the brand’s values in general and regarding sustainability, and how employees perceive the themes of sustainability. The analysis shows different ways how the employees become aware of the values, including for example internal communications, education regarding code of conduct, and conversations about the values and the culture in all organisation levels. However, the one that received the most emphasis was how the top management communicates the values and shows example. This finding is well aligned with the theory, which suggested that the sustainability initiative of a company starts from the top, and if the top management is not eager to foster the values of sustainability, it may ultimately appear as customers’ lack of motivation to sustainability (Gupta et al., 2013).

“We believe that the desired culture and the way of acting builds largely by the way how the managers manage their teams and sort of communicate the message forward by their example. [...] and then on the other hand, how the top management is present in our internal communication channels, how and in what

words they show an example of what values are important to our company.”
(Brand & Digital Communications Manager)

According to the analysis, the employees in the interviewed companies perceive the themes of sustainability very positively, which is also a crucial condition for the success of the sustainability efforts (Biedenbach & Manzhynski, 2016). The themes of sustainability were seen also as an attraction factor in a company’s position as an employer, and as a binding element regarding employees’ belongingness in an organisation:

“We have noticed that these responsibility programs are also those factors, which have an influence on especially younger workforce in choosing their possible workplace, so it is also sort of an attraction factor in that regard. [...] our responsible way to operate and that we provide sustainable solutions are the criterions on which we believe we will succeed in the labour market also in the future.” (Director, Production Support)

“Our former theme of [...] as a connective factor within the employees was not perhaps as inspiring thing inside the organisation as we thought it would be, whereas now these sustainability and responsibility aspects have clearly been ones that people have bought, and they are genuinely proud of what the company is doing.” (Brand & Digital Communications Manager) “I also think it is very positive [employees’ stance to sustainability], many people ask very challenging questions about responsibility aspects for example, which shows that they perceive it as an important thing, and they use time for it by thinking about even the small details regarding it.” (Sustainability Development Manager)

6.2.3 The role of emotional and functional components of a brand

Sustainability came up also as an important factor among others when considering what aspects, the interviewed companies’ customers appreciate and value from their suppliers. Other aspects included reliability, quality, innovation, level of service, expertise, and long-lasting solutions, which enhance the customers’ own businesses.

The question of important aspects to customers acted as a preface to the consideration about the role of emotional and functional components of a brand in the industrial sector.

“We have conducted a global brand research, and from its results six aspects clearly stood out. They were reliability, quality, responsibility, a perception of being a forerunner, future-orientation, and growth seeking.” (Manager, Product Stewardship)

Even though the emotional components, which are risk reduction, reassurance, trust, and credibility (Leek & Christodoulides, 2012), did not stand out from the data regarding the important aspects to customers, the analysis shows that the emotional components of a brand are still important similarly to the functional components in the industrial sector. Emotional components would have received a better chance to stand out straight if the interviews were conducted to the buyers' side instead of asking the suppliers as intermediates about their perceptions of the issue. The analysis indicates that the role of the emotional and functional components is customer-dependent – some customers value different aspects than the others. However, the functional components e.g., quality and price (Leek & Christodoulides, 2021) are seemingly and understandably important for all customers. The general consensus is that both emotional and functional components of a brand are needed. The emotional components appear mainly in stakeholder relationships, support in customers' purchasing decisions, and in long customer relationships. They were also seen to play a part in changing the brand strategy, and thereby increasing a brand value, which illustrates the importance of the emotional components in the industrial sector:

“A decade ago, our brand was very rational, and our score in categories such as quality and reliability was really high, but aspects such as ‘close to me’ and other emotional components were not as much associated with us. We decided that we want to start to build our brand to be more meaningful, which does not communicate only about the products and services, but about the whole philosophy and the spirit of the company, and from that thought we started to conduct a new way of telling the story. [...] that can be seen also to be partly the

reason why our brand value has increased greatly.” (Head of Brand Management and Marketing)

The findings of the empirical study regarding branding are in line with the theory. Branding was perceived to be important, internal branding has salient role in terms of conducting sustainability, and emotional components are similarly important to functional components in the industrial sector. An interesting finding was that sustainability was seen as a binding element regarding internal branding, which facilitates a great opportunity for implementing sustainable branding.

6.3 Sustainable branding

Regarding the interviews, sustainable branding related questions focused for example on how the sustainability practices appear in the companies’ branding, how sustainability results and certificates from third parties are utilized in branding, and what issues are important in communicating a sustainable brand. The purpose of these questions was to increase knowledge of how industrial companies understand sustainable branding, how it is determined, and what is important regarding it, which the prior literature has not addressed.

According to the analysis, sustainable branding’s foundation is in the sustainability practices that a company conducts, and sustainability needs to be at the core of the corporate strategy in order to execute sustainable branding successfully. It is worthy of note that the company representatives did not necessarily distinguish sustainable branding from other types of branding or branding in general. Sustainability was rather seen as an important cornerstone, which has a crucial role in these companies’ branding. This is most likely caused by the fact that sustainability is such an important aspect for the companies, which the data analysis as well as the placements in the Corporate Knights Global 100 ranking show, that sustainable branding comes naturally for the interviewed companies and is almost self-evident for them. Another more concrete aspect is how sustainability appears in the companies’ branding, which will be discussed next.

6.3.1 Sustainability's presence in the branding

Sustainability can be seen in several different ways in the companies' brand communications. A thing to be noticed is that sustainability is integrated into all the interviewed companies' vision in some sort of form, which in itself indicates that the role of sustainability is big in the companies' communications. Brand communications were depicted to focus on the sustainable business that a company has, and thereby communicating about the practices, objectives, and results regarding the sustainable business. It was also seen to be important, that the creation of the content relating to sustainability includes expertise from both fields, branding and sustainability, for it to be genuine and authentic.

“For some companies the approach [to communicate about sustainability] might be kind of ‘with best intentions’, to tell about the company’s own good practices, even without necessarily knowing what the influence [of their sustainability practices] really is. I think it is important to have a substance expertise along with the communications, and that everything is based on science, facts, and things that genuinely have been done.” (Brand & Digital Communications Manager)

The data analysis shows that reporting about the sustainability results occurs in the form of responsibility reports, annual reports, following the progress of sustainability objectives, different units reporting about their own social and environmental impact, practical examples in websites and social media, global sustainability frameworks, and in comparing own results against certain indexes. Further, the analysis reveals that the results are being utilized in the companies' branding. It was not particularly specified how the results were being utilized in branding but the objectives and benefits of that were clear – to create reassurance among the customers, and to evoke positive impressions among investors and other stakeholders.

Regarding the certifications from thirds parties and other endorsements, which are extremely efficient in promoting environmental sustainability practices and in improving the credibility of companies own sustainability efforts (Ottman, 2011: 139-

156), the interviewed companies had several different ones, and they were also utilized in the companies' branding. To illustrate a few examples, different environment related certifications, environmental badges, certified systems, and validated environmental objectives were brought up in the interviews. The certifications and validations were seen to be very important in signalling environmental sustainability. Utilizing the certifications in branding, of which receiving requires high environmental standards, were seen to enforce the communication about the products' environmental performance and to help customers in making responsible decisions.

6.3.2 Sustainable branding in general and as a source of competitive advantage

According to the analysis, sustainable branding in general offers a competitive advantage for all the interviewed companies.

“It [sustainable branding] does provide a competitive advantage. With our brand communications, we differentiate as a forerunner, and as a responsible and reliable partner. Our brand has also a strong and long history, with imagery value, for which the stakeholders want to engage with.” (Manager, Product Stewardship)

Considering what aspects are important regarding communicating a sustainable brand externally and sustainable branding in general, the analysis indicates that openness, transparency, and active dialogue with different stakeholders are the keys for success. Furthermore, the brand communication needs to be clear, visible, brave, credible, and authentic. Another important aspect that was brought up during the interviews, is that the messages and the actions need to be aligned, which also the theory (e.g., Bonini & Oppenheim, 2008) suggested. Overall, when asked the company representatives to define sustainable branding in the industrial sector, the main aspect that arose from the analysis, was that all the actions and practices need to be genuinely sustainable to position oneself as a sustainable corporation, and those create the foundation also for the branding to be sustainable or to focus on sustainability.

“When considering the nature of branding versus sustainable branding [...] they both are brand building in a same way, but in sustainable branding, the core of the building comes from the sustainability and responsibility, whereas the spearhead in other branding might be for example price, experimentalism, or some other aspect.” (Head of Brand Management and Marketing)

“It is essential to have concreteness behind the branding. [...] I think the most important thing is that there is genuine decision and desire to be a sustainable, responsible corporation, and the actions are based on that. The role of branding is then to add a layer of storytelling, and strive to ensure that the target audience know, understand, and are interested in what the company is doing. [...] it cannot be attached to it [sustainability into branding] if there is not real actions behind it, and that is a certain type of challenge now when most of the world’s companies try to differentiate around the themes of sustainability and responsibility, the standard of the sustainability actions needs to be quite high to use it as a way to differentiate.” (Brand & Digital Communications Manager)

The key findings of the empirical study regarding sustainable branding suggest that the actions and practices need to be genuinely sustainable in order to the branding to be sustainable and focus on themes around sustainability. Sustainable branding utilizes sustainability as a core value in the branding but does not necessarily differ in other ways from other types of branding. An important note is also that the communication regarding sustainable branding should utilize expertise from both fields, sustainability and branding, for it to be credible and justified. It also prevents from the possibility of not having the messages and actions aligned.

6.3.3 Empirical grounded model

The empirical grounded model below presents the main findings that can be added to the theoretical framework in terms of the implementation of sustainable branding in the context of industrial companies. Regarding the sustainability practices, reducing emissions of own production and reducing products’ environmental footprint are aspects that the theory did not brought up, but which the empirical study highlighted.

From the branding activities' perspective, local stakeholder co-operation, creation of strong visual identity, and improvement of brand image and identity were found to be aspects that enforce the implementation of sustainable branding.

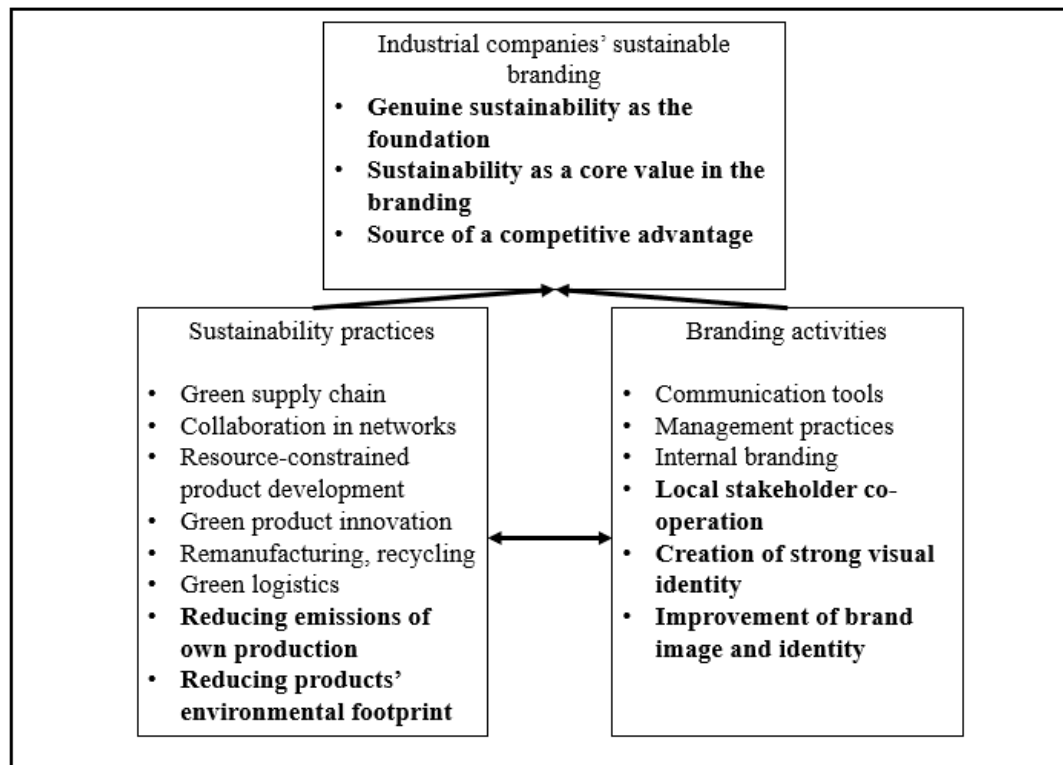


Figure 7. Empirical grounded model

The findings of the empirical study also emphasize three important aspects that should be added to the framework regarding industrial companies' sustainable branding in general. Sustainable branding does provide a competitive advantage to industrial companies, and it can be added to the empirical grounded model since the empirical study confirmed it. One of the key findings suggest that genuine sustainability creates the foundation of sustainable branding. Lastly, an important finding is that sustainable branding does not differ significantly from other types of branding, but it uses sustainability as a core value in the branding.

7 CONCLUSIONS

This chapter presents the conclusions of the research and answers to the research questions. Theoretical contribution as well as managerial implications are being discussed. At the end of the chapter, evaluation of the study and limitations are considered, and avenues for the future research are identified.

7.1 Answers to the research questions

The main research question this study presented was: *How sustainable branding is implemented by industrial companies?* In order to answer to the main research question, two sub-questions were formed: *How sustainability practices appear in industrial companies?* and *How branding activities appear in industrial companies?*

The theory suggests that the sustainability practices appear in the form of adopting a green supply chain (Zhu & Sarkis, 2004), collaborative efforts for optimum usage of resources (Gold, Seuring, & Beske, 2010), resource-constrained product development (Sharma & Iyer, 2012), green product innovation (Dangelico & Pujari, 2010), remanufacturing and recycling (Sharma, Iyer, Mehrotra, & Krishnan, 2010), and green logistics and eco-friendly transportation (Dekker, Bloemhof, & Mallidis, 2012).

The empirical study adds reducing emissions of own production and reducing products' environmental footprint to the mix. The empirical study also highlighted the role of environmental objectives as the main driver of the sustainability practices. Therefore, it can be concluded that industrial companies' sustainability practices appear by obeying the following order: evaluating and identifying what is the company's environmental impact, setting environmental objectives and targets at the corporate's strategy level, conducting the sustainability practices mentioned above, with the set objectives in mind, and finally evaluating the results of the sustainability practices. The process of industrial companies' sustainability practices is illustrated as a figure below.

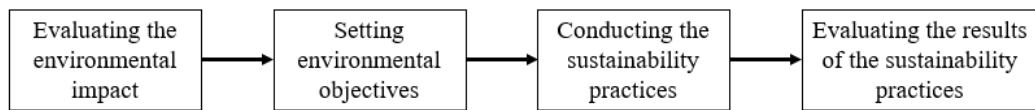


Figure 8. The process of industrial companies' sustainability practices

Industrial companies' branding activities appear in the form of utilizing different communication tools (Brown et al., 2007), management practices (Aspara & Tikkanen, 2008), and by internal branding (Biedenbach & Manzhynski, 2016). As stated in the theory, branding activities can be considered to be actions that enforce the relationship between the supplier and buyer (Webster & Keller, 2004). Therefore, branding activities' appearance is hard to define unequivocally since there are so many touchpoints in the companies' operations which could be counted as branding activities.

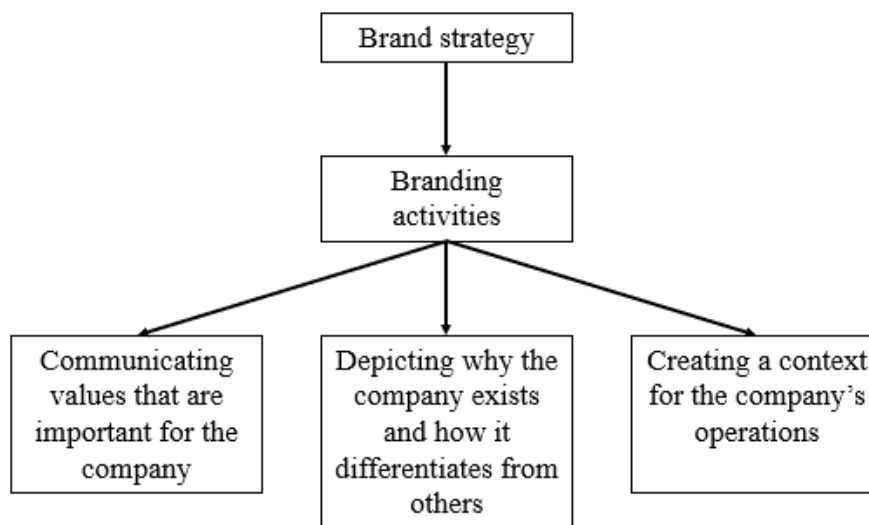


Figure 9. The role of industrial companies' branding activities

However, the empirical study presented a couple of activities that were not present in the theory and gave a reinforcement on how the branding activities appear in industrial companies. The branding activities that did not arise in the theory were local stakeholder co-operation, creation of strong brand identity, and improvement of brand

image and identity. Furthermore, the empirical study suggests that branding activities are conducted to execute the brand strategy. The purpose of the brand strategy is to communicate values that are important to the company, depict why the company exists and how it differentiates from others, and to create a context for the company's operations. In this process, the branding activities act as intermediates or tools between the brand strategy and the objectives, as illustrated in the figure above.

Finally, to answer to the main research question, it can be stated that industrial companies implement sustainable branding by combining the sustainability practices and the branding activities. The theory underlined the connection between the sustainability practices and the branding activities by acknowledging the need of having messages and actions aligned. This study adds two aspects to that connection. First, the practices need to be genuinely sustainable to enable the branding to be called sustainable branding, and to focus on the themes of sustainability. In addition, implementing sustainable branding requires understanding and competence from both fields, sustainability and branding, for it to have a possibility to succeed. The implications of the answers as well as the theoretical contribution are being discussed next.

7.2 Theoretical contribution

This research's most important theoretical contribution is the creation of the guidelines of how industrial companies implement sustainable branding. The prior literature has considered industrial companies' branding in terms of industrial branding, industrial companies' sustainability, and sustainable branding in general, focusing especially on the B2C sector, but there are no studies regarding industrial companies sustainable branding.

From industrial companies' sustainability perspective, the study adds reducing emissions of own production and reducing products' environmental footprint to the sustainability practices addressed by the prior literature. This study also identified the process of industrial companies' sustainability practices, which was presented in the previous sub-chapter. Therefore, the research did not just add new sustainability

practices, but illustrated the role of the sustainability practices in the industrial companies as a process. Relating to the process, this study highlights the importance of evaluating the environmental impact and setting environmental objectives as prefaces to determine, which sustainability practices are needed to be conducted. Another theoretical contribution regarding sustainability is the importance of the 'chain thought' indicating that industrial companies cannot be sustainable alone, but the comprehensive sustainability requires an active participation to the sustainability initiative from the whole value chain. In general, the study emphasizes that sustainability is a crucial condition for industrial companies' success and confirms the theory's view that industrial companies feel pressure to conduct sustainability practices. However, the experienced pressure was not perceived to be a negative thing.

As a theoretical contribution regarding industrial companies' branding, this study identifies local stakeholder co-operation, creation of strong visual identity, and improvement of brand image and identity to be part of the branding activities. Furthermore, the study presented the industrial companies' branding activities to be tools in achieving the objectives that have been set in the brand strategy. In conclusion regarding the industrial companies' sustainability practices and branding activities, the research contributed to the practices and activities by increasing the list of them, and by depicting what is their role in the industrial companies' operations. The notices derived from the theory that the research validated in terms of branding, were that industrial companies experience branding to be very important, and the emotional components of a brand are similarly important to the functional components.

The empirical study was also needed to depict more thoroughly the nature of sustainable branding in the context of industrial companies. The study contributes to the research gap in question by suggesting that the foundation of sustainable branding comes from genuine sustainability. It means that the conducted sustainability practices need to be genuinely sustainable to enable the branding to be called sustainable branding, and to focus on sustainability. Other characteristic aspect for sustainable branding was found to be that sustainable branding does not differ notably from other types of branding, but it utilizes sustainability as a core value in the branding. The research also highlights that sustainable branding can provide a competitive advantage,

even though achieving it is becoming harder due to sustainability's increasing adaptation in the industrial sector.

7.3 Managerial Implications

The managerial implications focus on what aspects the industrial companies should consider and emphasize when conducting the identified implementation of sustainable branding. First and foremost, it is recommended for industrial companies to implement sustainable branding, because it can provide a competitive advantage and a way to differentiate in the competitive industrial sector. However, it is advisable to set the sustainability standards high to truly differentiate as a forerunner, that has an edge regarding sustainability.

Other reason to conduct sustainable branding is that the importance of sustainability in the industrial sector is increasing all the time, and therefore industrial companies should put more effort into their sustainability. Otherwise, the positive pressure that industrial companies' experience might turn into a negative pressure. It is important to note that achieving many of the environmental objectives requires actions also from the customers, and for that reason, industrial companies should aim to affect positively to the customers' attitudes towards sustainability. The means to do that, which received the most emphasis in the research were goal setting versus showing the results, education, honesty and transparency, and clear communication.

Regarding industrial companies' branding, or rather internal branding, important managerial implications are that sustainability starts at the top, and employees' perceptions of sustainability have a significant role of how the sustainability efforts will succeed. Sustainability starts at the top means that the top management needs to be at the forefront of the sustainability initiative, and it has a crucial impact of how the top management communicates the values that are important to the company. Regarding the employees' perceptions, the theoretical part of the research presented the different clusters of employees, and actions allocated to each of the clusters. In terms of industrial companies' branding in general, the most important managerial implications relate to utilizing the emotional components of a brand. In practice, this

means that industrial companies should not communicate only about their products and services but open the big picture for customers and other stakeholders in terms of communicating about the whole philosophy and the purpose of the company. This may well lead to increase in brand value for example, as the research illustrated.

Finally, in terms of communicating the sustainable brand, it is important that the official communication externally includes experts from sustainability as well as branding. This enables the communication to be credible, having the messages and actions to be aligned. As a managerial implication in general, this research provides industrial companies with guidelines on how to implement sustainable branding, how to improve its efficiency, and what are the benefits of its implementation.

7.4 Evaluation of the study and limitations

Considering the theoretical part of the research, the chosen journal articles have been obtained from the likes of *Industrial Marketing Management*, *Journal of Brand Management*, and *Journal of Business & Industrial Marketing*, which have been generally accepted to be relevant and reliable sources. The author has selected the articles based on their relevancy to the research, and some other author may have included some different aspects to the study process, but it would not have a significant difference to the created theoretical framework.

The data for the research was acquired by conducting semi-structured theme interviews to three industrial companies, including in total six company representatives from the fields of sustainability and branding. The sample size is relatively small, but at the same time it is notable that many companies do not fulfil the criteria that were set to the interviews. The interviewed companies represent the highest standards of sustainability in the industrial sector, validated by an external third party, which increases the validity of the research. The interviewees were experts with a long experience from their industries, and they represent the core competence of these companies' sustainability and branding.

In addition, the purpose of the study was to examine how sustainable branding is implemented by industrial companies, which the prior literature had not addressed, and for that the sample size provided an extensive contribution. The findings obeyed largely the same principles, and additional interviews would have most likely started to repeat themselves.

7.5 Future research

The avenues for future research mainly arise from the results of the research. However, suggestions for studying sustainable branding in the context of industrial companies from other perspectives and with different methods are also presented. The consideration of sustainable branding in the context of industrial companies could be expanded in two different directions. The first one concentrates on how sustainable an industrial company can be or can become. There are certain given limitations to the initiative because of the industrial companies' extensive use of natural resources and observable impacts on the environment, and it would be beneficial to study, whether there is a possibility for conscientious brand elements to appear in the industrial sector. Conscientious brands take the goodwill of a brand a step further compared to sustainable brands.

The other direction would focus on industrial companies that are not necessarily so sustainable, or sustainability is not their branding's core value. The future research could study, how these companies implement branding in general, why sustainability does not have a significant role in their branding, and how it differs from the implementation of sustainable branding presented in this research.

This study highlighted the importance of the 'chain thought' in terms of conducting sustainability. The chain requires all the parties involved to participate to the initiative of sustainability. Therefore, quantitative study on industrial customers' attitudes towards sustainability would expand the sample and understanding regarding the interest in sustainability among customers in the industrial sector. This study focused on the suppliers' perspective, and even though the buyers' perspective has been studied, further study regarding it would be beneficial in sense of what aspects they

value as customers. That would complement the implementation of sustainable branding proposed in this research, and potentially reveal aspects and ways how to enforce the implementation.

This study's finding regarding the theme of sustainability as a binding element between employees is significant. Further research whether this applies in a wider context would be beneficial from the managerial perspective as it would enforce the role of sustainability outside its primary objective, relating to employees' performance and satisfaction. Lastly, future research could focus on how responsible branding differs from sustainable branding. These concepts are conceptually very close to each other, and responsible branding has its own literature. Responsibility came up a lot also in this research's empirical study, even though it was not considered in the theoretical part of the study. Combining the theme of responsibility to the sustainable branding could provide some new features to the phenomenon, making it even more comprehensive.

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APPENDICES

Appendix 1. Interview questions

Position/title, work tasks in the company, experience from the industry

Sustainability

- Describe, what sustainable business means in your opinion.
- What actions your company has conducted regarding environmental impact in general?
- What sustainability practices your company has related to production?
- Sustainability is typically divided into environmental, social, and economic aspects. What do you think about these and how those appear and are emphasized in your company's operations?
- Does your company feel external pressure from different stakeholders to conduct sustainability practices? Why?
- Have you examined your customers' perceptions/appreciation towards sustainability? How has this been done?
- How your customers perceive sustainability issues?
- How sustainability related issues appear in the customer relationships? Does your company aim to influence customers' attitudes towards sustainability? How?
- What are the benefits that sustainability provides to your company?

Branding

- Describe, what branding means in your opinion.
- How important do you perceive branding to be to your company in the industrial sector?
- What branding activities your company has?
- How (by which factors) your company differentiates from its competitors?
- Has your company determined its 'purpose', a brand's and business' deeper meaning? If yes, what kind of process this has been?
- How your employees become aware of the brand's values in general and regarding sustainability? Are those values determined and how? What those values are?
- How your employees perceive the themes of sustainability?
- What factors in your company are important to your customers? (What factors your customers value in your company?)

- What is the role of emotional components of a brand versus functional components in the industrial sector? Where the role of these components can be seen (with an example)?

Sustainable branding

- How sustainability practices appear in your company's branding?
- How would you define sustainable branding in general in the industrial sector?
- How does your company report about the results of the sustainability practices? Are these results utilized in the branding, how?
- Does your company have sustainability related certifications or other endorsements from independent third parties? Are these utilized in the branding, how?
- Do you feel that sustainable branding provides or can provide competitive advantage to your company?
- In which kind of actions sustainable branding can be taken to a desired direction?
- What factors are important when communicating a sustainable brand externally?
- What are your company's future objectives regarding sustainable branding?
- Is there anything else that has come up to mind from the topics of the interview that you want to bring up?