Brand meaning and equity in b-to-b markets: A brand co-creation view

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Brand meaning and equity in b-to-b markets: A brand co-creation view

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Introduction

Major industrial companies have started to rely on co-creation as an intrinsic element for successful brand building and management. In order to support the opening of a new production plant in China, the manufacturer of industrial robots and solutions for factory automation *KUKA* released a video showing a robot playing table tennis against the table tennis legend and former number one in the world Timo Boll. Instead of just presenting pure information on the robot's attributes, *KUKA* engaged an outsider to jointly promote and create value for the brand. To strengthen its market leadership and overcome an existence-threatening crisis, the largest global manufacturer of printing presses *Heidelberger Druckmaschinen* increased the amount and the intensity of offered services. Particularly, co-creation with various stakeholders is regarded as essential to generate value and meaning for the brand. To establish a sustainable competitive advantage, the medical devices corporation *Coloplast* operates diverse brand communities in which primarily nurses connect with each other and also with the company. The underlying idea is that nurses not only influence buying decisions of a hospital, but also that the ongoing discussions lead to the creation of brand value.

The importance of Brand Co-Creation (BCC) in the B-to-B-field remains relatively unattended because a distinct majority of research focuses on B2C-settings and end consumers as dominating stakeholders. This seems surprising due to the following reasons. First, the integration of customers has been a more prevalent topic in B-to-B than in B-to-C (Eichentopf, Kleinaltenkamp, and van Stiphout, 2011). Second, branding literature continuously emphasizes that there are also further stakeholders that are important to co-creational processes besides solely end consumers in B2C (e.g. Jones, 2005; Iglesias, Ind, and Alfaro, 2013). Third, looking at existent research on (value) co-creation in B-to-B-markets (e.g. Grönroos, 2011; Grönroos & Ravald, 2011; Lambert & Enz, 2012), it can be seen that scholars unanimously highlight that value originates through interactions and co-creation between the integrated parties. However, most of these papers relate to services and neglect the topic of branding. Fourth, an increasing complexity and various changes in industrial markets such as the increasing homogeneity of product quality, the rising importance of services or the decreasing amount of personal relations have led to a strengthened interest in B-to-B branding in general and have increased the need to re-think existent concepts discussed in B-to-B brand theory and practice in specific (Baumgarth, 2010; Leek & Christodoulides, 2011).

The purpose of this paper is to explore the importance and the antecedents of BCC for the B-to-B-field. This will be done by (1) introducing the general idea of BCC, (2) outlining its relevance to the B-to-B-field and building an own model referring to the B-to-B-brand, (3) discussing its antecedents and their relations to industrial markets.

How brand value is co-created in B-to-B-settings

The concept of BCC is founded upon the proposition that a brand can no longer be defined simply as a representation of a product or service but must rather be understood as the vision and all the interests that unite a disparate group of stakeholders in the pursuit of common cause (Hatch & Schultz, 2009). The branding literature has simultaneously progressed from the perspective of brands as markers of identification and means of product differentiation to defining a brand as a complex social process that allows for the co-creation of brand value and brand meaning by multiple stakeholders (Ind, 2014). Hence, brand building is a multilateral activity which not only is exclusively performed inside the company by the legal brand owner, but becomes a joint and collaborative "project" between the legal

brand owner and various stakeholders. This view challenges some of the most dominant pillars of branding theory and brand management, such as the idea of 'brand orientation' (Urde, Baumgarth, and Merrilees, 2013) or the identity-based approach (Burmann, Jost-Benz, and Riley, 2009), which have clearly dominated brand research in the past. The notion of BCC posits that, instead of following a company's own idea of what its brand is, consumers and other stakeholders act as joint creators of its identity and meaning (Hatch & Schultz, 2010). Due to the "organic" and "fluid" nature of the brand, stakeholders can divert a brand's identity in a new direction and thus, the distinction between internal and external perspective is not so clear anymore (Iglesias et al. 2013).

Transferring all these thoughts to the field of B-toB-branding, it can be stated that the idea of BCC is relevant and equally valid in B-to-B. The multi-stakeholder approach that is often taken in B-to-B-marketing (e.g. Vallaster & Lindgreen, 2011) seems to be a suitable basis to further explore the emergence of BCC in industrial markets. A B-to-B-brand is surrounded by internal and external stakeholders, as for instance employees, customers, investors, suppliers, resellers, partners or lawmakers. Following the paradigm of BCC, these stakeholders can be regarded as partners or co-creators rather than targets (Gregory, 2007). Instead of rigidly following a company's idea of what its brand is, these groups can be active carriers of brand meaning and identity. Brand identity does not emerge through communicational campaigns based on internal decisions made by a company, but identity and meaning are rather created through highly interactive and dynamic social processes between the different brand participants and also between the brand participants and the legal owner of the brand. Besides, also brand value is not a factor determined by a company. Just as pointed out by the general discussion on value (co-)creation in B-to-B, also value for the brand is co-created and negotiated between the integrated parties (Ballantyne & Aitken, 2007). These negotiations with each other and with the legal brand owner take place far beyond corporate walls. A pre-condition to enable BCC in B-to-B is a fluid and agile style of managing the brand as well as a conscious loss of control (Salomonson, Åberg, and Allwood, 2012). In comparison to B-to-B, in B-to-C the legal brand owner co-creates with a vast number of participants, in most cases consumers. However, in B-to-B-settings a company usually knows its stakeholders better and thus, can also organise the processes of co-creation more extensive and personal (Aarikka-Stenroos & Jaakkola, 2012). The processes itself take place in multiple networks in which all integrated parties are interconnected. In these networks both functional and emotional aspects of the brand are collaboratively developed and identity is created (Mäläskä, Saraniemi, and Tähtinen, 2011). It can be distinguished between direct and indirect networks. Direct networks comprise all relations between the legal brand owner and exchange partners like customers (co-creators I) or retailers and consultants (co-creators II). Indirect networks are characterized by no exchange of money, products or ideas between the legal brand owner and the co-creator (III). These networks are difficult to access for the company as they are beyond its reach. Such an instance can be brand communities or socio-cultural contexts in which customers co-create value and meaning for the brand. Hence, brand identity and brand value can be understood as dynamic constructs that unite distinct thoughts of various stakeholders and that are subject to permanent negotiations taking place in the above-mentioned networks. Figure 1 clarifies the idea of BCC. It can be seen that a company is "only" one participant among many different integrated parties. The stronger stakeholders are interconnected with each other and the company, the stronger is also the intensity of co-creation. In B-to-B, it is personal face-to-face communication that often enables interconnections. In addition, social media and other virtual environments (e.g. websites, communities, blogs) enhance interaction(s) and increase transparency by distributing brand-related content and thereby attracting potential new brand-participants. Stakeholders can obtain information and step into contact to other stakeholders or the company and co-

determine value and meaning for the brand. Therefore, it is essential for B-to-B-companies to fully exploit the potential of different networks in order to secure a successful brand management (Mäläskä et al. 2011). Taking a one-dimensional perspective when talking about brand development cannot be the right approach for future discussions on B-to-B-branding.

Figure 1: BCC in B-to-B
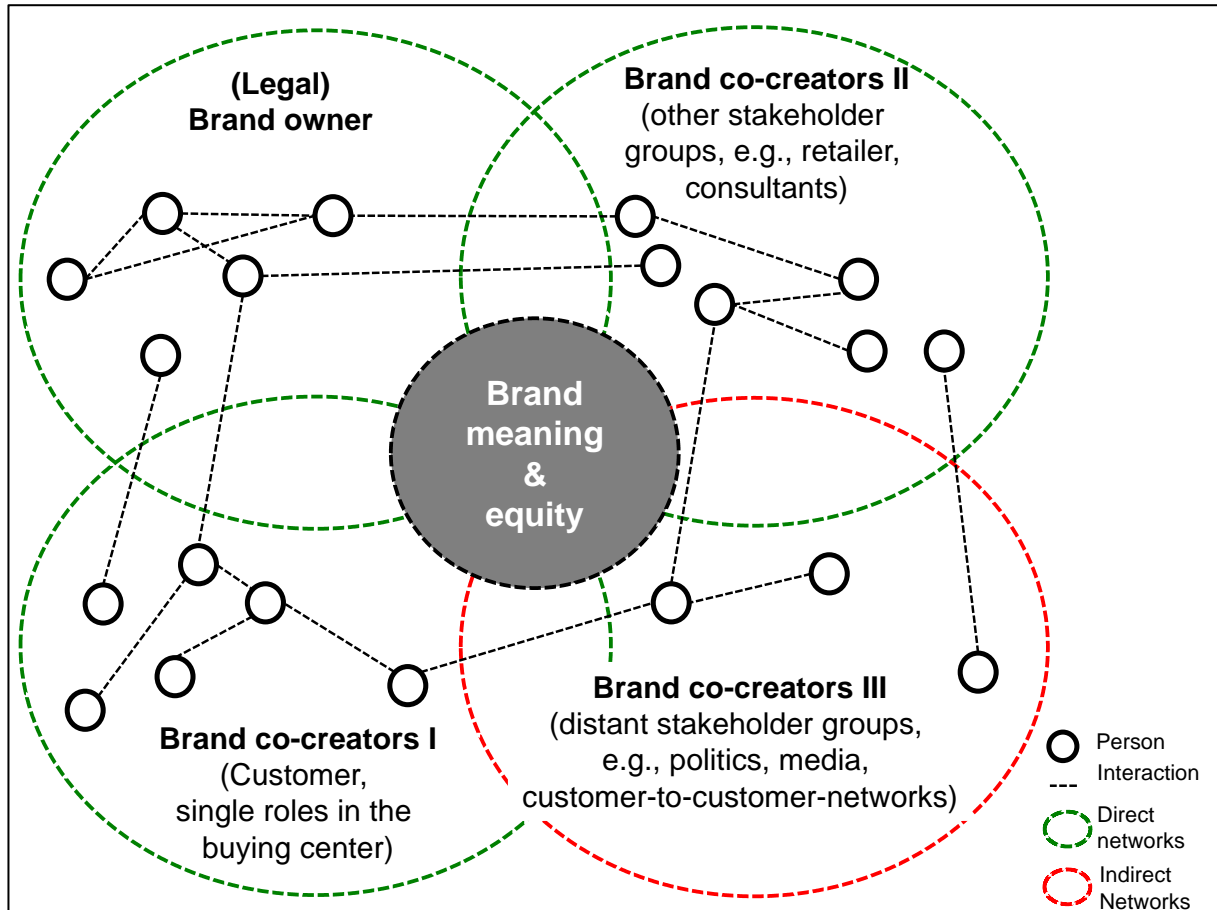
Antecedents of BCC in B-to-B-branding

The idea of co-creation has wide and diverse roots within different fields, for instance psychotherapy, management science, innovation and open innovation, design, literary theory and creativity practice. Many marketing subfields reinterpret their meaning by using the co-creation label. Besides branding these fields can comprise experiential marketing, communication or relationship marketing. All this leads to an increased amount of publications on the co-creation theme. To develop a theoretical basis that helps to understand the emergence and antecedents of BCC in B-to-B, a systematic approach with the overall field of co-creation is fruitful. Four recent publications (Payne, Storbacka, Frow, and Knox, 2009; Ind & Coates, 2013; Ind, Iglesias and Schultz, 2013; Galvagno & Dalli, 2014) discuss the decisive spotlights of co-creation. Based on those domains, three clusters can be recognized that serve as pillars for the exploration of BCC in the B-to-B-field. As can be seen in Figure 2 those three pillars are (1) innovation management, (2) service marketing and the service-dominant logic (SDL) and (3) customer behaviour.

Figure 2: Three-pillar model of BCC in B-to-B

Pillars of the BCC research

| Innovation management | Service marketing and SDL | Customer behavior |
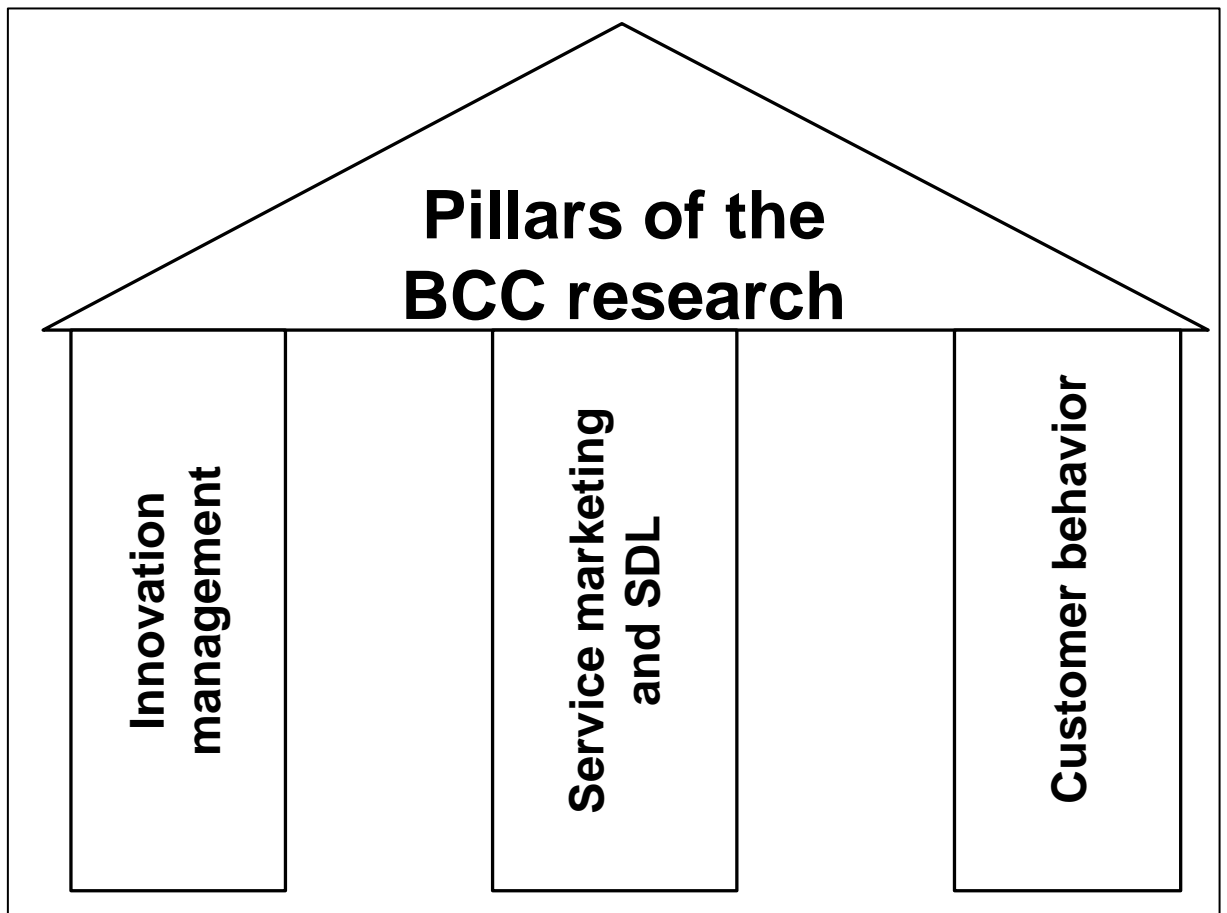
In the next step, each of the three pillars will be briefly discussed in closer detail. To better understand the antecedents of BCC in B-to-B, it is also reflected upon the respective relevance of every pillar for the B-to-B-field.

(1) Innovation management

The traditional innovation paradigm views consumers as passive entities who are largely dependent upon firms. This perspective is increasingly being challenged by academics and practitioners and the importance of two research streams is highlighted: (1) collaboration with consumers in the new product development (e.g. von Hippel, 1988) and (2) open innovations (e.g. Chesbrough, 2003). Co-Creation refines both of these two streams as they also break with a unilateral understanding of innovation and focus on the value creation through interaction(s).

Various scholars increasingly highlight the need to integrate stakeholders in innovation processes relating to industrial companies (e.g. Swink, 2006; Owen, Goldwasser, Choate, and Blitz, 2008; Roser, DeFillippi, and Samson, 2013). In B-to-B the idea of collaboration in innovation is often discussed from two distinct perspectives. On the one hand, research on strategic alliances considers co-creation as an approach to foster co-innovation between different firms that collaborate with each other in order to jointly co-create value (e.g. Doz & Hamel, 1998). On the other hand, there is the idea of vertical partnerships along the value chain between companies and their customers that work together to develop innovations (e.g. Hoecht & Trott, 2006). However, there are also further perspectives on co-creation in B-to-B innovation that usually correspond the B2C. For instance, open innovation or building online communities as well as web-based engagement

platforms on which organisations may integrate outstanding stakeholders (Vallaster & von Wallpach, 2013).

(2) Service marketing and SDL

A further antecedent of BCC can be found in the rising importance of services and the paradigm-shift from a goods-dominant orientation to the SDL (Vargo & Lusch, 2004). Central to the SDL is the foundational proposition relating to co-creation that involves customers' and further stakeholders' active involvement and interaction.

Numerous publications can be found in B-to-B-field that refer to the SDL and to service science (e.g. Grönroos, 2011; Aarikka-Stenroos & Jaakkola, 2012). The bottom line is that value and meaning are confirmed (or disconfirmed) in-use. A company remains certainly responsible for the production process and for further administrative processes. However, only direct service interactions and co-creation lead to judgments on the value of a good. The customer is regarded as creator of value.

(3) Customer behaviour
This rather general pillar outlines four independent streams of research under one roof:
1. User communities

User communities in general and brand communities in specific represent an important field for developing the idea of BCC in B-to-B. A brand community is characterized by ongoing interactions that could be understood as member-member-brand triad (e.g. Muniz & O'Guinn, 2001). In a community members always share co-creation and negotiation of meaning.

So far, there is only a very limited amount of studies on user communities (e.g. Dholakia, Blazevic, Wiertz, and Algesheimer, 2009; Snow, Fjeldstad, Lettl, and Miles, 2010) and on brand communities in B-to-B (e.g. Andersen, 2005; Bruhn, Schnebelen, and Schäfer, 2014). Overall, also in B-to-B communities are an important platform to enable and enhance interconnections between stakeholders and a company. Possibly, the effect for the brand could be even more positive in B-to-B than in B-to-C as business clients might be more interested in interconnecting than end consumers.

2. User Generated Content

User Generated Content (UGC) is one of the focal aspects when talking about co-creation in modern times. The internet and digital technologies have upset the asymmetry of information that for many years worked in favour of marketing managers (Christodoulides, 2009).

Also in the B-to-2B-field UGC is a relevant topic (e.g. Michaelidou, Siamagka, and Christodoulides, 2011; Ind, 2014). Particularly, digital channels serve as basis for stakeholders to create (brand-)related content that further develops the brand and ultimately leads to meaning and value. Without UGC the above described networks would be empty and an agile style of managing a brand would not be possible.

3. Consumer Culture Theory

The Consumer Culture Theory (CCT) refers to a family of theoretical perspectives that address the dynamic relationships between consumer actions, the marketplace and cultural meanings (Arnould & Thompson, 2005). Its fundamental argument is that meanings that are attached to products and services are negotiated and co-created.

In B-to-B the CCT is rarely discussed. However, still a few publications emphasize the co-creational processes between corporations, stakeholders and their environment that lead to the creation of value and meaning (Cova & Salle, 2007; Vargo & Lusch, 2011; Mencarelli & Riviere, 2015).

(4) Relationship marketing

A classical theoretical framework for analysing and explaining customer behaviour in b-to-b markets is the relationship marketing (e.g., Möller 2013; Lindgreen, Hingley, Grant & Morgan 2012). The fundamental idea of this field interprets the relationship between the company and the customer as an ongoing interaction and exchange process. Two aspects of the relationship literature could be fruitful for the BCC: (1) types of relationships and (2) formation of trust and commitment.

The relationship literature differentiates several types of relationships. For example, Morgan and Hunt (1990) distinguish ten different forms of relationships. Another research stream analyses the quality and the stability of relationships (e.g., Athanasoupoulo 2009).

The second relevant facet of the relationship marketing literature is the deep theoretical and empirical analysis of constructs like trust and commitment in relationships (e.g., Morgan & Hunt 1994). The relationship literature discusses antecedents of these focal constructs like communication, shared values or bonding (e.g., Morgan & Hunt 1994; Gounaris 2005). These two constructs – trust and commitment – are also main facets of the b-to-b brand literature. Hence, the (behavioural) relationship marketing literature can offer explanations for the formation of strong b-to-b brands via exchange and interaction.

4. Conclusion

There is a huge amount of research on co-creation in B-to-C. However, academic literature fails to provide sufficient evidence for its importance in B-to-B. Despite various scholars point on the tendency of forgetting industrial markets when talking about co-creation, still there is very little knowledge about how the paradigm of BCC influences branding in B-to-2B. This paper approaches this gap in knowledge by providing the, to the best our knowledge, first conceptualization that presents the emergence and antecedents of BCC in the B-to-B-field.

It has been shown that discussing the idea of co-creation with relation to a brand is as important in B-to-B as it is in B-to-C. Also in B-to-B, brand management cannot be regarded as unilateral activity anymore. Instead, this paper outlines a first attempt to vote for a stronger democratisation of the brand building processes taking place in B-to-B. Meaning and value for the brand should be understood as constructs that are permanently co-created and negotiated between a company and various stakeholders. The three-pillar model of BCC makes clear that co-creation has very strong and diverse antecedents in several streams of B-to-B-research. Hence, further neglecting the topic of BCC could lead to the loss of important potential for industrial companies and scholars in the field. At the same time, this paper paves the way for future research and should motivate scholars to enrich the discussion on BCC in industrial settings.

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