

Chapter 85

Customer-Based Corporate Brand Equity (CBCBE) in Business-to-Business Firms: An Emerging Market Perspective

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ABSTRACT

Performance of corporate brands is turning out to be a very significant metric in gauging the degree of firm performance. In a B2B setting, corporate brands are of larger importance and greater relevance. From a strategic marketing perspective, this chapter looks at market orientation as a crucial antecedent to corporate brand performance, which is measured through a new construct: Customer-Based Corporate Brand Equity (CBCBE). In the backdrop of Indian B2B firms, a dyadic analysis is performed to eke out the relationship in order to fill the spaces glaring in this domain of marketing literature. The presence of innovativeness as a strategic marketing mediator positively influences this association between market orientation and corporate brand performance focusing on the individualities of emerging markets.

INTRODUCTION

Economic liberalization in emerging markets like India since the 1990s has led to proliferation of brands in both the consumer and business markets. Research conducted during this time has also indicated a growing brand consciousness amongst the consumers in these markets, courtesy branding and marketing efforts (Krishna Chaitanya, 2005).

The availability of options in terms of style, price, and technology has made the consumer very evolved in terms of brand choices (Rao, 2008). Intense competition has created a new challenge for firms who need to revisit their brand strategies to ensure improved marketing effectiveness and greater customer connect. This challenge is more evident in markets like India which emerged from the shackles of a controlled economy. The

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resources and capabilities of firms operating in controlled economy came under severe stress in the new competitive environment. There is ample support in literature that higher brand equity leads to better firm performance. In the context of business markets, corporate brands have always been important differentiators and drivers of value for the firms. They carry more meaning and relevance than product brands. Strong B2B brands provide extraordinary intangible benefits to the consumer other than risk reduction and saving on search costs and act as signaling tools to the stakeholders regarding the quality of the inputs in the processes. The vast expanse of research that has been generated on the performance aspect of assimilating market orientation is largely silent on the use of brand-related indicators.

This transformed environment has seen increased competition with the entry of multinationals and ensured a sustained power shift towards consumers due to proliferation of choices. It was a matter of necessity for the business marketing firms to quickly move towards the adoption of market orientation. However, in emerging markets, the academic research on the linkages of market orientation and corporate brand performance has almost been non-existent, especially the controlled economies which shifted to market-driven economic regime in the nineties.

The intent of this chapter is to establish that corporate brand performance is augmented by the adoption of market orientation. We selected market orientation as the prime mover for influencing corporate brand performance because out of all its consequences, research is almost absent on brand performance. Similarly, dearth of structured research has led to absence of theoretical models exclusive for business marketing and marketers. Branding in business-to-business marketing has been affected due to this lack of focus (Saeed, 2011). As the West stares at stagnation with respect to industrial and service economy growth, the multinational corporations are getting all the more interested in emerging economies. The

dual mode of interest in emerging economies has seen research output to grow, especially through comparison of B2B marketing practices with the West. On a similar note, focus on Indian firms and managers is growing as researchers try to fathom the business practices here. Studies on B2B marketing in India are the need of the hour and the research community seems to be taking baby steps in that direction.

Objectives

Our prime focus behind conceptualizing this book chapter is to contribute to this fledgling body of knowledge. Given the limited knowledge of Indian customers, even in B2B contexts, we can surmise that brand focus has always been an important parameter for choice. The ramifications of liberalization have not passed by business buyers for the same reasons as those of individual consumers. By studying Indian B2B firms, we empirically test the existence of relationship between market orientation and corporate brand performance. We aim to address the issues hovering above the research community circumscribing B2B research in emerging markets: -

- To uphold corporate brand performance as an important market-based metric for gauging firm performance
- To establish that corporate brand performance is enhanced by the assimilation of market orientation by B2B firms in an Indian context
- To ascertain the effect of innovativeness on improving the precision in the market orientation - corporate brand performance association
- To employ and test the effectiveness of customer-based brand equity (CBCBE) in a B2B context

The most important contribution of this chapter is in the methodological front. The use of dyadic

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