



Developing Insights on Branding in the B2B Context

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Chapter 8

Understanding Emotions in B2B Branding

Stella Andersson, Anette Vierimaa and Mirjam Sundkvist

Abstract

This chapter focuses on the importance of emotions, as a notable part of corporate branding in a business-to-business (B2B) context. Since the issue of emotions has often been neglected in B2B branding research, the chapter focuses on ascertaining what kind of emotional differences exist in B2B, compared to B2C context. It also explores how rational versus emotional impressions affect decision-making processes in business environment, and whether the B2B sector can turn emotions into an advantage in corporate branding. The qualitative case study is conducted, focusing on the Suomen Henkilöstötaalo Company. The case offers interesting findings and managerial contributions by highlighting both emotional decision making and the importance of business relationships for strengthening the position of the company in its business market.

Keywords: Business-to-business; corporate branding; emotions; decision making; individuals

8.1. Introduction

Apart from the foundations presented in previous chapters, one other important part of B2B branding remains to be explained. This element

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concerns emotions and its relevance for companies and for the development of its corporate branding. Emotions and how to define them have been the subject of studies for a considerable amount of time. However, there are still difficulties when trying to explain them, and depending on the viewpoint, the explanations are also different. As many academics argue, emotions are the crucial characteristic of human being and these two components, emotions and human beings, cannot be separated from each other (Koporcic, Tolusic, & Resetar, 2017; Solomon, 2007; Tähtinen & Blois, 2011). In addition, emotions motivate and manipulate our acts and the way we understand and see others. However, people cannot blame their emotions when making decisions, as an excuse for irrational behavior. Moreover, from a psychological point of view, Salmela (2014) argues that emotions are components of subjective experiences, facial expressions, appraisal processes, which make the wholeness of us. Emotions play an essential role in our lives, which makes us seek an understanding of our own and other's people behavior (Solomon, 2007).

This chapter will focus on the importance and influence of emotions on B2B branding, more specifically on corporate branding. Since the selection of studies about emotions in B2B branding is sparse, the chapter will also include findings from organizational and social psychology research and will compare B2B and B2C contexts. The aim of this study is to discover what kind of differences there are in B2B and B2C contexts, how rational versus emotional impressions affect the decision-making process in B2B markets, and whether the companies can use emotions in corporate branding as an advantage in B2B markets.

First, this exploratory study provides a theoretical base, and then describes the process of data collection and findings, in order to develop a deeper understanding of emotions in B2B branding. The study will use interview data from a Finnish HR and temporary work company, *Suomen Henkilöstöotalo*, active in both the B2B and the B2C markets. Finally, this chapter will discuss the results and managerial implications.

8.2. Emotions in B2B Branding

Emotion in its entirety is a mode of behavior which is purposive, or has an intellectual content, and which also reflects itself into feeling or affects, as the subjective valuation of that which is objectively expressed in the idea or purpose. (Dewey, 1894)

While emotions have been previously well researched within management research, consumer behavior, and service marketing (Tähtinen & Blois, 2011), they have been largely ignored within B2B branding (Lynch & De Chernatony, 2004). Since the focus of this chapter is on corporate branding in a B2B context, we use inspiration from cognitive theory and empirical psychology, in order to study social-functional aspect of emotions and to gain a wider explanation of the theme. The social-functional aspect of emotions describe how emotion-related changes and stimulations in our environment affect our actions. In other words, this aspect concentrates on the way people are concretely affected by emotions, individually and on a group level, and furthermore, how emotions appear in social interactions through our learnt behavior. Based on these social-functional studies of emotions, emotions on an individual level create data in the form of memory, social perception, and judgment, all of which help us measure individual behavior.

Emotions, when positive, can have an influence on communal identity between B2B partners, can promote the trustworthiness of a corporate brand, create stronger relationships, and affect a firm's decision-making processes (Keltner & Haidt, 1999). From the perspective of decision-making processes, the emotions of business customers are often as influenced by corporate brands as the emotions of end customers. As Kaporcic et al. (2017, p. 434) argue: "Emotions are embedded in and are results of every decision-making process, no matter if it is on a business or consumer level." In other words, if we observe brands as clusters, consisting of both emotional and rational elements, emotions can be seen as relevant to all customers (Lynch & De Chernatony, 2004). The rational elements consist of the product specification, delivery, price, supplier reliability, quality, and customer service. The emotional criteria, which has received far less attention, include elements such as career security, friendship, prestige, social needs, and trust. In some cases, emotional buying criteria have been found to rank above the tangible criteria (Lynch & De Chernatony, 2004). However, the effect of rational and emotional aspects on a buying decision is not straightforward; emotions affect the decision to various extents depending on organizational and individual factors. The organizational factors may include the purchasing situation and product type, while the individual factors involve the influence of the buying center, personal characteristics, and level of the buyer's involvement (Lynch & De Chernatony, 2004). In summary, it can be said that the rational elements consist of the tangible assets or aspects of a brand, while the emotional elements

correspond to the intangible aspects. In addition, positive emotions have an influence on perceived trustworthiness, which can strengthen the corporate brand, as well as the relationship between business partners (Keltner & Haidt, 1999).

According to Konečný and Kolouchová (2014), companies tend to build stable and long-term relationships with other companies in order to strengthen their corporate brands. When connecting with the “right business partners,” the companies will, through their corporate brands, be perceived as outstanding by its customers, which will attract new and potential partners. Additionally, managers involved in decision-making processes will experience a variety of emotions, where strong emotions can sometimes overrule rationality (Tähtinen & Blois, 2011). Thus, actions and human decision making are connected to emotions, which can influence individual behavior. Moreover, emotional wisdom is another essential concept of branding in B2B companies. It presents a way to self-regulate displaying inappropriate feelings in social interaction. People with high-emotional wisdom tend to achieve better results in socially challenging situations. The importance of high emotional wisdom has a crucial role, especially in salesperson–customer relationships (Bagozzi, 2006). The characteristics of a salesperson, their relationships with customers, and their overall influence on B2B branding is discussed further in Chapter 7.

8.2.1. Some Differences between B2C and B2B Branding and Emotions in Decision-making Processes

As mentioned previously, the research on B2B branding is sparse, and attention has mostly been given to branding in consumer markets (Lynch & De Chernatony, 2004). However, it is important to understand one of the main assumptions of the power of branding in a B2B context, which demonstrates that branding is not equally important for all business customers, but for some, it is crucial (Mudambi, 2002). Moreover, academic research on emotional aspects have been limited in B2B marketing research (Tähtinen & Blois, 2011). One of the reasons for this can be found in the premises of B2C markets that organizations are the ones who should actively engage in attracting customers, while customers are regarded as more passive, waiting for the supplier’s actions. B2B markets, as such, are more complex regarding the buying process and the length of the decision-making process. This is because B2B organizations tend to build stable and long-term relationships with

other organizations in order to strengthen their corporate brands. In contrast, in the B2C market, the relationship between the customer and the organization is often rather weak and transactional. What makes the B2B environment even more complex is that the goal is not to reach a large customer audience as in the B2C market but to reach the “right ones” (Konečný & Kolouchová, 2014). Thus, the main difference between B2B and B2C markets is mostly in the nature and complexity of their products and services, the nature and diversity of their demand, the number of customers, the volume of sales per customer, as well as the types of relationships (Kotler & Pfoertsch, 2006).

Nowadays, when companies compete in making their brand the best possible in the market, one of the solutions seems to be the establishment of the corporate brand on an emotional level. By using emotions in branding, the marketers aim at developing deeper, longer-lasting, and stronger brand attachments to the customers (Akgun, Kocoglu, & Imamoglu, 2013). Furthermore, as Watzlawick, Bavelas, and Jackson (1967) suggested many years ago, the emotional content that creates and communicates brand values aids the development of strong brand relationships. Kotler and Pfoertsch (2006) highlight the fact that while rational reasons lead to conclusions, emotions are the ones that lead customers to action — both in B2C and B2B contexts. A true corporate brand has to be perceived as distinctive by its customers, offering both rational and emotional benefits. However, the emotional benefits are of major importance when trying to keep the customer interested and loyal.

In terms of decision making in B2C market, emotions nearly always play the main role in achieving persuasion. It has been argued, especially as regards sales, that people buy emotionally and justify rationally (Lakhani, 2008). Moreover, in B2B markets, it is a generally common belief that decisions are made rationally. However, the rational factors are usually used only to legitimate the decision (Kotler & Pfoertsch, 2006). Nevertheless, in order to understand how organizations make buying decisions, it is necessary to know the structure, process, and content of decision making. These can be defined in the following ways: the structure indicates the roles the actors have as regards influencing the process; the process itself refers to the different stages of the decision making; while the content refers to the criteria for purchase, which is evaluated both rationally and emotionally (Lynch & De Chernatony, 2004).

According to research conducted by Lynch and De Chernatony (2004), organizational buyers are influenced by both rational and emotional brand values. In B2B markets, purchases are usually not small and may therefore also include personal risk apart from organizational

or financial failure (Hutton, 1997). This personal risk (e.g. a risk of losing a job) creates fear for the individual and therefore is of an emotional nature. Furthermore, this emotion might affect the decision making, because B2B buyers are looking for clarity when conducting significant decisions (Lynch & De Chernatony, 2004). In line with this, Bagozzi (2006) argues that if business would only be concerned with physical or monetary objects and services for exchange, companies could computerize most of their transactions and avoid human elements. However, as business relationships involve humans, and humans have feelings, it is impossible to avoid having feelings included in the actions and decisions individuals make (Keltner & Haidt, 1999).

8.3. The Process of Conducting the Study

For the purpose of this study, members of staff from a small HR and temporary work company in Turku (Finland), *Suomen Henkilöstö* (personal interview, April 20, 2017), were interviewed. The company has been operating for almost 10 years and focuses on both B2B and B2C customers. Throughout the interview, we focused on finding out what kind of similarities there are in B2B and B2C contexts, how rational versus emotional impressions affect the decision making in B2B contexts, as well as whether B2B market can turn emotions to an advantage in corporate branding. Because of Suomen Henkilöstö's strong B2C customer bases and its long-term relationships with B2B customers, the company was undoubtedly suitable and relevant for the study. Furthermore, the company has hired a marketing agency to help in their brand development — creating an example of a long-term, B2B relationship. Together with the CEO and part-time marketing assistant, two representative of the agency also participated in the interview.

As a research method, we decided to use semi-structured interviews. In order to prepare for the interview, the main themes and questions were defined beforehand, but otherwise the questions were kept rather open, allowing the interview situation to flow naturally. This lowered the pressure on the informant and allowed new ideas to arise spontaneously during the conversation. The interview questions were not revealed to the informants before the interview situation in order to obtain more realistic and relevant answers from the four participants (the CEO, the marketing assistant, and the two marketing agency representatives). If the informants had known or seen the interview questions in advance, their answers could have been planned in advance and out

of the context. Thus, the exact theme of the interview, emotions in B2B branding, was not presented to the informants until the actual interview situation.

First, we started with general questions about branding, what it meant for them, and then later coming to the main content — emotions. The fact that there were four informants, all working with marketing and branding-related issues in their daily work, gave us a wider range of answers and allowed a deeper understanding of the topic. At the same time, it was felt that because there were four participants, it was more trustworthy than an interview with one informant. In addition, the interview was recorded, allowing us to go through the conversation as many times as necessary and for discussion between the authors of those parts that were not initially clear. Moreover, we were fortunate not to have any major issues when interpreting our data, since one of the informants led the conversation and the progress of our discussion.

We conducted the analysis of our data first by identifying the central themes of the discussion. After grouping the results into three main themes, we continued examining and interpreting the main points and patterns from the recorded data. Ultimately, it was crucial to understand how these themes, points, and patterns helped in understanding the topic of our research. Since the interview was conducted in Finnish, not in English, the linguistic differences might have had a small effect on the presentation of the findings.

8.4. Findings of the Study

As a result of the interview, we made several crucial findings. First, we discovered how the company defines its B2B and B2C customers and how it focuses its branding activities. Concerning definitions, Suomen Henkilöstö­tälo sees its customers and business partners as a part of a B2B context, while the B2C customers are individuals who are looking for temporary work or those already being hired through the company. Concerning its branding activities and approach toward customers, according to [Konečný and Kolouchová \(2014\)](#), in B2C markets the companies are the ones who actively engage in marketing activities toward their customers. In this sense, companies target their potential and current customers and try to attract and keep them, while the customers are more passive, that is waiting for the companies to make the first move. However, B2B markets are more complex, which results in mutual branding activities that attract both buyers and desirable

suppliers. In addition, B2B markets differ from B2C regarding the length of the buying processes and the longevity of relationships.

In our case, Suomen Henkilöstö­tälö focuses on development of both B2B and B2C relationships. In order to do this, the company is building a strong corporate brand, which will ultimately influence customers' emotions. As the company mentioned, in the long run, its mission is to develop its corporate brand further and increase the recognition of the company in its market, that is, its reputation — both within B2C and B2B contexts. This supports the fact that branding, in fact, is very relevant and important for many companies (Mudambi, 2002). However, at the moment, Suomen Henkilöstö­tälö is outsourcing its marketing activities. It is through cooperation with a marketing agency that the company is branding itself by using sales, communications, and public relations. Its aim is to be associated with values such as honesty, authenticity, quality, professionalism, briskness, and "good vibes." For the company, these all produce positive emotions, as well as emphasize the fact that they see people as individual human beings. In addition to these, for B2B customers and business partners, the company wants the brand itself to be considered as trustworthy, effective, and fast in delivering its value. As Akgun et al. (2013) argue, companies are competing today by focusing on making their brand the best possible in the market. One of the ways for achieving this can be through building a strong corporate brand that will evoke positive emotional responses from its current and potential customers. By using emotions in branding, the marketers can develop deeper, longer-lasting, and stronger brand attachments with their customers, both in B2C and B2B markets. In addition, according to Watzlawick et al. (1967), it is the emotional content that creates and communicates brand values through the development of strong brand relationships. Finally, according to Suomen Henkilöstö­tälö, there are no significant differences between B2B and B2C contexts. As its CEO said: "I would say that we haven't really thought about separating B2B and B2C customers. We aim to develop our brand on the same basis for everyone."

After discovering that there are no differences between B2B and B2C customers for Suomen Henkilöstö­tälö, our next aim was to understand how rational decision making versus emotional decision making, that is how do brand-influenced reactions affect the customers' decision-making process. As pointed out before, rational attributes have previously been linked to buying decisions in the B2B context. In addition, it has been argued that emotions are only of relevance if there are shortcomings in the buyer's knowledge (Lynch & De Chernatony, 2004).

Suomen Henkilöstö­tälö argued to the contrary on this point, stating that emotions are a relevant matter when doing business: “Decisions cannot be made without emotions.” This supports Bagozzi’s (2006) statement that if this was not true, then businesses would be computerized to avoid human elements as well as Lynch and De Chernatony’s (2004) research, which proves that buyers are influenced by both rational and emotional brand values.

As a response to the assumption that organizational buyers are rational, that is not affected by emotional elements, representatives of Suomen Henkilöstö­tälö argue that 80% of their decisions are made on a rational basis, often because of economic reasons, while 20% are emotional. “Most of the decisions are made on rational basis, but emotions are always present, which is a clear sign of caring.” However, as Hutton (1997) pointed out, even if a decision is rationally based, the purchases within B2B context are usually not small, which therefore includes personal risk for the buyer. The personal risk therefore is of an emotional nature. As Koporcic et al. (2017) argue, when individuals, as human actors make decisions, emotions are inherent part of their actions and as such cannot be separated. Moreover, according to Lynch and De Chernatony (2004), a buying decision consists of both rational and emotional values, but the extent of these values can vary depending on organizational and individual factors. In our case, the company estimated that one-fifth of its decisions are made on emotional basis — which should be treated as significant. The informants mentioned during the interview that emotions usually emerge because of interpersonal reasons, which is, according to Lynch and De Chernatony (2004), one of the important influences on the decision-making process.

In addition, Suomen Henkilöstö­tälö wants its customers to experience some personality attributes, for example flexibility, humanity, and compassion, when dealing with its corporate brand. They also want to emphasize the fact that they are domestic and local, and furthermore, a small company with entrepreneurial basis. All of these attributes are aimed at bonding with the emotional responses of the customers, which can, as Solomon clarifies (2007), motivate and direct human beings’ acts and thoughts. Kotler and Pfoertsch (2006) confirm that emotions lead to action and that emotional benefits are of major importance when keeping the customer interested and loyal. Furthermore, according to Keltner and Haidt (1999), the communal identity between business partners makes the relationship stronger. From the social-functional viewpoint, the emotions triggered through interactions between business partners (B2B context) or a company and its customer (B2C context)

affect individual behavior and also have an effect on their future, in form of memory and judgment. These facts create a strong background for understanding the positive aspects of a brand's attributes.

Finally, Suomen Henkilöstö­tälö wishes to be seen as professional as well as casual and easy-going: "We want to entertain the ones following us, as well as awaken emotions." While [Salmela \(2014\)](#) argues that emotions are a combination of several components, like subjective experiences and appraisal processes, it is essential to understand how customers experience corporate branding. However, as [Salmela](#) continues, it is not easy to understand the reasons for emotional responses in interaction. However, as [Bagozzi \(2006\)](#) explains, emotional wisdom has an important role in business contexts and interactions, and personnel with high emotional wisdom can find solutions easier in challenging situations — which again can be understood as an advantage in corporate branding activities.

8.4.1. Managerial Implications

In this section, we present some managerial implications for practitioners and suggest helpful actions that could improve the business activity of Suomen Henkilöstö­tälö but also other small companies.

According to [Mudambi \(2002\)](#), branding is very relevant for some but not all business customers. However, we greatly believe that Suomen Henkilöstö­tälö is one of the companies that would definitely profit from branding itself, not only currently but also in the future, both in terms of B2B and B2C customers. In the HR and temporary work industry, there is considerable competition, so it could be beneficial to invest time and money in building and developing a strong corporate brand. If the company succeeds, its corporate brand will attract future business partners and customers, who are willing to invest in the development of the relationship. Moreover, this will result in the creation of long-term relationships, which is an important aspect of a firm's future business endeavors. According to [Keltner and Haidt \(1999\)](#), strong relationships can influence positive emotions, which then create a communal identity between B2B partners and trust in the corporate brand.

Suomen Henkilöstö­tälö has clearly defined how they want to be perceived by others, but in order to clarify the goals even more, a detailed plan for the future is needed. As mentioned during the interview, separating B2B and B2C customers has not been in their plans yet, so their

corporate brand is communicated on the same basis to both B2B and B2C customers. As the next step, the company could start looking at B2B and B2C customers as different target groups, with different needs and demands. For instance, B2C customers are more passive and the relationship between customers and the company is not very stable. The company could therefore focus more on corporate brand attributes that will attract customers, provoke emotions, and create loyalty. At the same time, B2B customers often aim to build stable and long-term relationships with other companies in order to strengthen their corporate brands (Konečný & Kolouchová, 2014). In this case, the focus could be more on creating a corporate brand that promotes the company as a reliable supplier. B2B buyers will often initiate a relationship with a well-known supplier, as a way to reduce perceived organizational and personal risks (Koporčić et al., 2017). Therefore, by being aware and acknowledging the different needs of these two groups of customers, the company can provide customized brand messages to each targeted group; this will influence their customers' emotions and potentially create trust, commitment, and loyalty.

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