



Journal of Business & Industrial Marketing

How brand-oriented strategy affects the financial performance of B2B SMEs
Muhammad Anees-ur-Rehman, Ho Yin Wong, Parves Sultan, Bill Merrilees,

Article information:

To cite this document:

Muhammad Anees-ur-Rehman, Ho Yin Wong, Parves Sultan, Bill Merrilees, "How brand-oriented strategy affects the financial performance of B2B SMEs", Journal of Business & Industrial Marketing, <https://doi.org/10.1108/JBIM-10-2016-0237>

Permanent link to this document:

<https://doi.org/10.1108/JBIM-10-2016-0237>

Downloaded on: 04 March 2018, At: 10:41 (PT)

References: this document contains references to 0 other documents.

To copy this document: permissions@emeraldinsight.com

The fulltext of this document has been downloaded 38 times since 2018*

Users who downloaded this article also downloaded:

(2016), "How brand orientation impacts B2B service brand equity? An empirical study among Chinese firms", Journal of Business & Industrial Marketing, Vol. 31 Iss 1 pp. 83-98 <<https://doi.org/10.1108/JBIM-02-2014-0041>><https://doi.org/10.1108/JBIM-02-2014-0041>

(2017), "Unpacking brand management superiority: Examining the interplay of brand management capability, brand orientation and formalisation", European Journal of Marketing, Vol. 51 Iss 1 pp. 177-199 <<https://doi.org/10.1108/EJM-09-2015-0698>><https://doi.org/10.1108/EJM-09-2015-0698>

Access to this document was granted through an Emerald subscription provided by emerald-srm:296687 []

For Authors

If you would like to write for this, or any other Emerald publication, then please use our Emerald for Authors service information about how to choose which publication to write for and submission guidelines are available for all. Please visit www.emeraldinsight.com/authors for more information.

About Emerald www.emeraldinsight.com

Emerald is a global publisher linking research and practice to the benefit of society. The company manages a portfolio of more than 290 journals and over 2,350 books and book series volumes, as well as providing an extensive range of online products and additional customer resources and services.

Emerald is both COUNTER 4 and TRANSFER compliant. The organization is a partner of the Committee on Publication Ethics (COPE) and also works with Portico and the LOCKSS initiative for digital archive preservation.

*Related content and download information correct at time of download.

How brand-oriented strategy affects the financial performance of B2B SMEs

Abstract

Purpose: This study aims to examine the relationship between brand orientation and financial performance in business-to-business (B2B) small- and medium-sized enterprises (SMEs). It examines the impact of brand-oriented strategy on financial performance through four branding constructs, namely internal branding, brand communication, brand awareness, and brand credibility.

Design/methodology/approach: A questionnaire-based survey was conducted to collect data from 250 Finnish B2B SMEs. Confirmatory factor analysis is performed to examine the validity of the constructs, while structural equation modeling is used to test proposed hypotheses of the study.

Findings: The results suggest that brand orientation improves the effectiveness of brand communication and internal branding in building brand awareness and credibility. Brand awareness emphasizes an external route through brand communication, while brand credibility emphasizes an internal route through internal branding. Brand awareness positively impacts on brand credibility, and brand credibility positively impacts on financial performance— highlighting the importance of both brand performance components for financial performance.

Originality/value: This study addresses the research gap in the B2B branding literature regarding the role of branding in enhancing financial performance. The results suggest that brand-oriented strategy can contribute to financial performance through brand awareness and brand credibility in the context of B2B SMEs.

Keywords: Brand orientation; brand awareness; brand credibility; B2B branding; financial performance.

Paper Type: Research paper

1. Introduction

Branding is one of the successful concepts of marketing science. Business-to-business (B2B) branding research shows that a strong brand provides several strategic benefits for industrial suppliers, including brand extension, referrals, distribution power, premium prices, and stronger buyer–supplier relationship (Leek and Christodoulides, 2011; Glynn et al., 2007; Gupta et al., 2010). However, “*limited empirical attention has been paid to investigate the role of B2B branding in enhancing market share, as well as financial and economic performance*” (Seyedghorban et al., 2016, p. 2674). Financial performance is important for B2B firms because they are concerned whether their brand-building investments will reward them financially (Leek and Christodoulides, 2011). The B2B small- and medium-sized enterprises (SMEs) are particularly skeptical because of limited financial and operational resources (Hirvonen et al., 2016; Merrilees et al., 2011).

Brand orientation is a brand-building strategy (Urde, 1999), but it can also improve other measures of corporate performance, including financial performance (Urde et al., 2013; Anees-ur-Rehman et al., 2016). Current literature has described the indirect effect of brand orientation on financial performance. For example, Wong and Merrilees (2007b; 2008) found an indirect effect of brand orientation on financial performance via brand performance. Similarly, Baumgarth (2010) has shown that brand orientation can enhance economic performance via market performance in a B2B firm. These findings are parallel with the argument that a firm’s strategic orientation could only improve financial performance through an operational performance (e.g., brand performance) (Homburg and Pflesser, 2000; Lee et al., 2008; Venkatraman and Ramanujam, 1986; Baumgarth, 2010).

In the context of B2B SMEs, Hirvonen et al., (2016) and Reijonen et al., (2015) adopted this approach to evaluate the effect of brand orientation on business growth but their findings do not match. The results of Hirvonen et al., (2016) indicate the presence of a significant but small positive effect of brand orientation on business growth via brand performance, while Reijonen et al., (2015) have reported an insignificant effect of brand orientation on business growth via brand performance. Both studies have conceptualized business growth as a measure of firm’s financial performance. Therefore, the relevance of brand-oriented strategy for financial performance remains unclear, and accordingly, the research question of this study is, *How does a brand-oriented strategy affect the financial performance of B2B SMEs?*

2. Positioning of the current paper

In contrast to previous studies, where the performance of B2B brand has been conceptualized as a unidimensional construct (e.g., brand equity; covered by Seyedghorban et al., 2016; Kim and Cavusgil, 2009), this study theorizes and empirically validates that two components of B2B brand performance (brand awareness and brand credibility) are antecedent to achieving financial performance with brand-oriented strategy in B2B SMEs. Together, brand awareness and brand credibility, through external and internal paths, generate more insight for managers to leverage their brands for maximum financial performance in a B2B context. This approach is atypical in the consumer sector, where one stronger aspect of brand performance (e.g., brand equity) may be sufficient because of the dominant role of external marketing communication in improving financial performance (Kim et al., 2003).

Internal path is important in a B2B context because salespersons can use their organizational brand during one-on-one negotiations and contracts to increase marketing effectiveness (Lynch and De Chernatony, 2007; Elsässer and Wirtz, 2017). The internal path requires that all employees, including salespersons, are fully informed about the essential features of corporate brand to help them represent and reinforce brand credibility (Baumgarth and Schmidt, 2010). Similarly, while the early literature might suggest that advertising and other marketing communication is less relevant in B2B firms because there are more one-on-one negotiations (Williams, 1998), recent studies show that external path is equally relevant and beneficial for improving B2B brand awareness (Lynch and De Chernatony, 2004; Lipiäinen and Karjaluoto, 2015). External marketing communication is important in a B2B context to generate the leads for B2B salespersons and enhancing cold-calling. Additionally, talking with several B2B SMEs in the consulting, engineering, and construction trades suggests that getting brand awareness is one of the most critical marketing challenges they face, especially when tendering for contracts. In short, creating brand awareness and brand credibility are two distinct tasks, requiring two distinct mechanisms using an external and an internal route respectively.

The conceptual model of this study (shown in Figure 1) formalizes these two routes to outline a mechanism through which brand orientation affects financial performance. The conceptual model consists of six constructs and seven hypotheses. The model predicts that brand orientation improves the effectiveness of brand communication and internal branding when

building brand awareness and brand credibility (Baumgarth and Schmidt, 2010; Zhang et al., 2016). Brand awareness also builds the credible image of brand because a well-known brand is viewed trustworthy in B2B markets. Brand credibility can reduce the risk and information cost of industrial buyers, which are the primary objectives of a B2B brand, to positively impact on financial performance (Seyedghorban et al., 2016; Herbst and Merz, 2011; Backhaus et al., 2011).

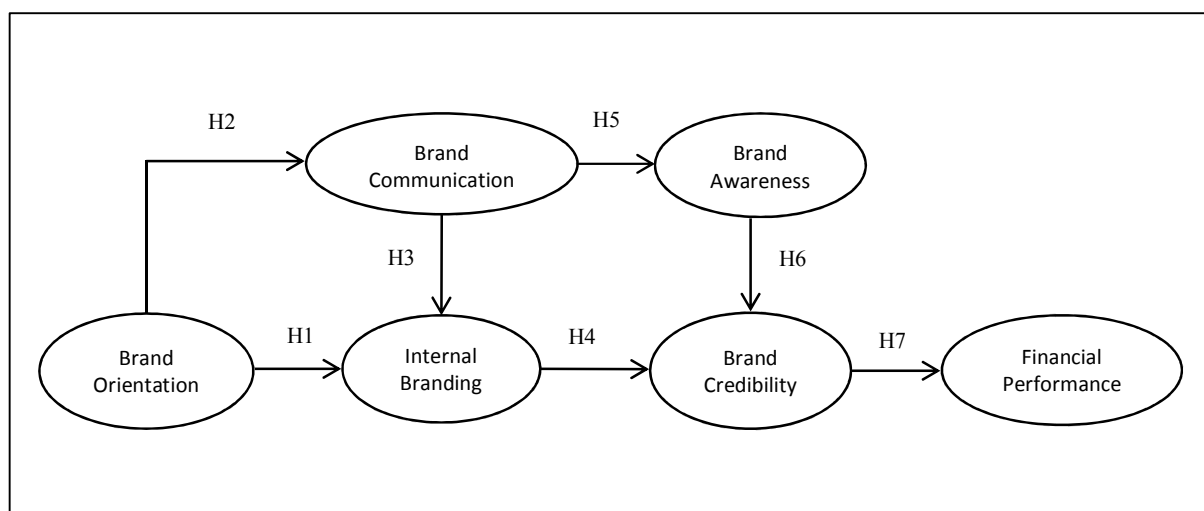


Figure 1: The conceptual model

Data collected from 250 Finnish B2B SMEs was used to validate the conceptual model. This study contributes to B2B branding literature by describing and validating the mechanism between brand orientation and financial performance. Following sections of the paper are literature review, conceptual model and research hypotheses, measurements and data collection, data analysis and results, and discussion and conclusion.

3. Literature review

3.1. Brand orientation

Brand orientation was coined by Urde (1994) in his case study. He argues that there are three main drivers forcing firms to be brand-oriented. These are decreasing product divergence, increasing media costs, and the integration of markets. In order to become brand-oriented, firms need to focus their efforts on creating added value for their brands by coordinating their

branding activities and placing higher priority on the agenda of top management (Anees-ur-Rehman et al., 2016). Brand orientation is defined as “*an approach in which the processes of the organization revolve around the creation, development, and protection of brand identity in an ongoing interaction with target customers with the aim of achieving lasting competitive advantages in the form of brands*” (Urde, 1999, pp. 117–8). This definition emphasizes the priority of a brand in the firm’s strategic choices and organizational culture. Brand-oriented organizational culture integrates the branding into organizational vision, values, and beliefs (Wong and Merrilees, 2008; Hirvonen and Laukkanen, 2014; Anees-ur-Rehman et al., 2016). It is also called an inside-out approach because it provides a firm with a clear direction in terms of what the firm can do to thrive (Urde et al., 2013). From the B2B perspective, empirical studies have found that brand orientation plays a significant role in improving brand performance (Huang and Tsai, 2013; Zhang et al., 2016) and market performance (Baumgarth, 2010; Reijonen et al., 2015). It shows that brand orientation is important not only in consumer market but also in B2B markets.

3.2. Internal branding

Firms have to rely on their employees to achieve branding objectives (Merrilees and Frazer, 2013). To ensure that the employees and the firm act consistently about firm’s brand values, all organization members need to be in consensus about the brand-building objectives (Aurand et al., 2005; Santos-Vijande et al., 2013). This approach requires firm’s coordinated effort to ensure that everyone, from top management to frontline staff, maintains and enhances the brand integrity. This coordinated effort involves a complete understanding within the whole firm as to what branding is and what it means for a firm’s success (Wong and Merrilees, 2007). Hence, firms must communicate and train all their staff so they know and support the brand values perfectly. This whole process is referred to internal branding.

Internal branding is defined as “*internal management processes by which employees understand the brand concept, commit to the brand and thus live the brand*” (Merrilees and Frazer, 2013, p. 159). Internal branding can be used as an important tool to align firm’s brand values with those of employees (Anisimova and Mavondo, 2010; Urde, 1999). Firms need to take initiative and create systems that can facilitate internal communication of brand values. With such a system in place, internal branding can help the employees to articulate their firm’s objectives effectively and deliver the brand values to customers (Matanda and Ndubisi,

2013). If internal branding is implemented successfully, a high level of compatibility between the firms' and employees' values occurs, which in turn can enhance brand credibility (Anisimova and Mavondo, 2010).

3.3. Brand communication

Almost all the brand communication we experience contains two senses of sight and hearing (Lindstrom, 2005). Brand communication is not just advertising, rather it can be transmitted through a combination of vehicles through planned and unplanned activities (Lindstrom, 2005; Madhavaram et al., 2005). Brand communication has two major aspects. First, it communicates brand values to the external stakeholders—such as customers, shareholders and market intermediaries—with the aim of creating brand awareness. Second, it communicates internally to the employees through written messages, verbal and non-verbal cues with the aim of better brand understanding. Therefore, brand communication is a more consolidated and synchronized approach of internal and external brand communications. In short, brand communication is essentially a communicative interaction process between employees, customers and stakeholders in the co-creation of brand experience (Baek et al., 2010; Ballantyne and Aitken, 2007).

The traditional view of brand communication is that it is purely an external activity (e.g., creating brand awareness, promoting sales, and alike) and has limited practical relevance in a B2B context (Baumgarth, 2010; Lynch and De Chernatony, 2004). Current studies, however, indicate that successful internal brand communication is indispensable if an organization wishes to create strong brand relationships with all of its external stakeholders (Lynch and De Chernatony, 2004; Schultz and Schultz, 2000). Thus, it is vital that a company's external and internal brand communications are consistent across all relevant stakeholders, employees, and customers. Accordingly, it is important that the message of a brand should be interpreted by relevant stakeholders in the desired way, with the consequence of strengthening and sustaining a long-term B2B relationship (Leek and Christodoulides, 2011).

3.4. Brand awareness

Brand awareness in the B2B sector has been defined as “*the ability of the decision-makers in organizational buying centers to recognize or recall a brand*” (Homburg et al., 2010, p. 202). The attributes of the brand that are communicated to industrial customers or the members of a

buying center are usually embedded in their memory (Biedenbach and Marell, 2010). Such brand knowledge and associated benefits are what industrial buyers recall during purchase evaluation and the decision-making process. Industrial buyers are prone to rely on their past experiences or learn from peer experiences in order to draw on expectations about a suppliers' brand and predict outcomes (Davis et al., 2008).

From the supplier's perspective, the goal here is to improve the perception (or remove any misperceptions) and understanding of brand meaning and values, and to show the capability of brand to deliver industrial value propositions in order to tip the scales in your favor. However, the development of brand awareness may not be immediate; consistency in communicating brand values followed by the fulfillment of brand promises in the long term are normally required to influence buyer's decision-making process (Yoon and Kijewski, 1996; Lee and Kim, 2008). The concept of brand awareness is based on information-economic theoretical framework (Erdem et al., 2006), which argues that high levels of brand awareness reduce the personal risk and information cost of industrial buyers and positively impact on the market performance of a B2B supplier (Hawes and Barnhouse, 1987; Homburg et al., 2010).

3.5. Brand credibility

Syedghorban et al., (2016) argued that B2B brand should be used as a cue to signal the credibility of supplier's products and services. A brand's credibility thus shows the ability and willingness of supplier to deliver its promises, which increases the confidence and lowers the perceived risk of industrial buyer (Erdem and Swait, 2004). Brand credibility has been scarcely researched in industrial marketing literature but its relevance is quite high because it is related to the fundamental objectives of a B2B brand: to reduce the risk and information cost for a buyer (Backhaus et al., 2011; Herbst and Merz, 2011). According to Baek et al., (2010), high brand credibility requires clarity in the brand's offering, consistently delivering brand promises, and deployment of relevant and adequate resources.

3.6. Financial performance

The financial performance of a firm reflects its monetary situation. For profit-seeking organizations, the stability and improvement in economic situation ensures their commercial viability. Marketing research studies have mainly used three parameters to assess the financial performance of a firm. These are return over investment or profitability, market share, and sales growth (Merrilees et al., 2011; Wong and Merrilees, 2008). The profitability or the return over investment indicates the percentage of capital gain. Sales growth indicates the increase in the revenue or turnover due to larger sales volume. And market share indicates the share of sales volume a firm has in any given market segment.

In summary, branding plays an important role in B2B firms. Brand orientation is considered a driving factor for various branding issues—such as brand communication, internal branding, brand awareness, and brand credibility—all of which ultimately impact on a firm's performance. The definitions of all six constructs are given in Table A1 in the appendix.

4. The conceptual model and research hypotheses

4.1. Brand orientation and internal branding

Brand orientation aims to achieve a strong brand through maintaining brand identity during the interaction of internal and external stakeholders (Gromark and Melin, 2011; Urde et al., 2013). A brand-oriented corporate culture actively seeks employee participation and engagement in developing and protecting its brands. A comprehensive brand management process, including internal branding, implements the corporate branding strategy by enhancing employees' understanding of the brand values (M'zungu et al., 2017). Thus, employees can 'live' the brand when they start appreciating branding concept and pledge commitment towards it as a result of strong internal branding process (Merrilees and Frazer, 2013). Stronger the brand-oriented culture of a B2B firm the more effective its internal branding will be (Baumgarth and Schmidt, 2010). The results of Zhang et al., (2016) have also shown that brand orientation has a positive and significant relationship with internal branding in B2B sector. Thus, our first hypothesis is as follows:

H1: Brand orientation positively affects internal branding.

4.2. Brand orientation and brand communication

Brand orientation empowers an organization to create, develop, and protect its brand identity with the aim of achieving lasting competitive advantages in the form of brands (Gromark and Melin, 2011; Urde, 1999). A brand-oriented company will actively promote its brand to employees and customers with an aim to facilitate pre- and post-purchase communication between the two (Rutter et al., 2016; Zhang et al., 2016; Lipiäinen and Karjaluoto, 2015). Thus, brand orientation involves the functional level focus on brands, used to maintain the relationship with stakeholders through appropriate communication strategies. In this approach, a brand-oriented company invests resources to ensure that its brand is well defined and communicates its promises coherently. Thus, our second hypothesis is as follows:

H2: Brand orientation positively affects brand communication.

4.3. Brand communication and internal branding

A strong corporate brand communicates through internal and external branding activities, such as wearing uniforms, employee training, customer services, commercial campaigns, and word-of-mouth. Successful brand communication thus improves brand awareness among stakeholders by describing brand values and identity. Brand communication has a special role in internal branding process as well because it educates and motivates employees to keep brand promises (Kang, 2016). Three core elements of internal branding are: effective brand communication to all employees, making employees aware of brand values and its importance, and making each job position responsible for their respective role in delivering brand promises (Bergstrom et al., 2002). Internal branding requires an extensive and continuous employee training (Dean et al., 2016; Punjaisri and Wilson, 2007). In a B2B context, for example, all employees need to be trained for brand knowledge, brand commitment, and brand involvement as they are responsible for delivering brand values and promises to customer (Lynch and De Chernatony, 2004; Baumgarth and Schmidt, 2010). Thus, an effective internal branding is contingent upon a strategic design of brand communication strategies. Therefore, our third hypothesis is as follows:

H3: Brand communication positively affects internal branding.

4.4. Internal branding and brand credibility

Internal branding delivers training programs to inspire employees to become brand promoters (Baumgarth, 2010; Punjaisri et al., 2009). The brand credibility is assumed high when customers believe that an organization is trustworthy and reliable in delivering brand promises (Bougoure et al., 2016). Internal branding activities require service personnel to be willing to provide skillful and excellent customer experience (Zhang et al., 2016), which in turn can lead to developing a credible brand image in the marketplace through delivering brand promises, positive word-of-mouth, and referrals.

Internal branding is one of the most powerful tools for building a credible brand over time. According to Punjaisri and Wilson (2007, p. 60) “*the objective of internal branding is to ensure that employees transform espoused brand messages into brand reality for customers and other stakeholders.*” Internal branding activities promote brand values among employees through appropriate training programs, recruitment, and appraisal. An effective and thorough internal branding program produces competent employees and a trustworthy brand. Thus, our fourth hypothesis is as follows:

H4: Internal branding positively affects brand credibility.

4.5. Brand communication and brand awareness

Communication accelerates customers’ learning and enhances their knowledge about a product or a brand (Sultan and Wong, 2014). This highlights the importance of brand communications in creating brand imagery that ultimately arouse feelings and thoughts in consumers and form the basis for their brand attitudes (Grace and O’cass, 2005). Brand communication strategies not only aim to sell the products in target market but also create awareness about product features, values, price, and availability. Highly adaptive and enterprising brand communication is often employed to raise brand awareness and loyalty (Liu et al., 2016). A consistent and clear brand communication strategy, conducted through internal and external marketing activities, can make industrial customers aware of a brand,

reinforce its associated values, and it can play a significant role in industrial buying decisions, particularly in the homogenous markets in which B2B SMEs often operate (Homburg et al., 2010). Thus, our fifth hypothesis is as follows:

H5: Brand communication positively affects brand awareness.

4.6. Brand awareness and brand credibility

Brand awareness has two major components: brand recognition and brand recall (Keller, 1993). Brand awareness can be seen as the ability of consumer to recognize, memorize, and recall the brand in various situations. Literature defines brand awareness as brand node strength in memory and how easily the brand name comes to mind (Theurer et al., 2016). However, brand credibility requires customers to perceive that brand is trustworthy and has the ability to perform (Erdem and Swait, 2004; Theurer et al., 2016; Wang and Yang, 2010).

Brand credibility is higher for brands with better marketing mix consistency over time (Theurer et al., 2016). While brand awareness depends on promotional activities and word-of-mouth in a B2B context, brand credibility often depends on how effective corporate marketing communications have been at creating brand awareness in the market. Hence, a brand is perceived to be credible when customers in a B2B sector thinks that the brand is quite popular in the market. Thus, our sixth hypothesis is as follows:

H6: Brand awareness positively affects brand credibility.

4.7. Brand credibility and financial performance

Research to date is relatively scarce in explaining the relationship between brand credibility and financial performance. But the importance of credible brand image cannot be overlooked as it can significantly influence customer buying behavior. Customers see a credible brand as truthful and reliable (Bougoure et al., 2016). Hence, a credible brand image can reduce risk, signals product positioning, and customers gather less information for their purchase decisions (Christodoulides et al., 2015). The trustworthiness, expertise, and attractiveness of a

brand reflect the cumulative effects of past and current marketing investments (Wang and Yang, 2010).

Brand credibility is intangible and this cannot be imitated or substituted (Hur et al., 2014). A company's strategic focus on its brand and subsequent internal and external marketing activities aimed at developing, protecting and strengthening its brand will make the brand identifiable, distinctive, and cognizant. Therefore, a credible brand would exert a larger impact on financial performance in terms of growth in sales, profitability, and market share because it can reduce the risk and marketing communication expenses of industrial buyers (Backhaus et al., 2011). Thus, our seventh hypothesis is as follows:

H7: Brand credibility positively affects financial performance.

5. Measurements and data collection

5.1. Measurements development

Six items were sourced from Baumgarth and Schmidt (2010) to measure the *brand orientation* construct. *Internal branding* was measured with six items obtained from the study of Hirvonen and Laukkanen (2014). The *brand communication* construct was measured by the three-item scale used in Hankinson (2012). A suitable scale was not found in the extent of the B2B literature for *brand credibility*. Therefore, to measure brand credibility, this study adopted the four-item scale used by Erdem and Swait (2004) in the consumer market. However, relevant changes were made to scale items after consultation with pertinent academic scholars in order to adapt it to the context of this study. *Brand awareness* was measured with the four items used in the study of Homburg et al., (2010). Lastly, the *financial performance* was operationalized with the four items used in Wong and Merrilees' (2008) work. A seven-point Likert scale was used for recording the responses to all six constructs of the study. The items for all six constructs are provided in Table 1.

The questionnaire was translated into Finnish because respondents can easily understand and respond to statements in their native language. A professional language service provider was used for translation purposes. To ensure correctness, the translated questionnaire was further cross-checked by Finnish academic scholars. For the purpose of face validation, the translated questionnaire was also evaluated during interviews with two marketing managers of Finnish

B2B SMEs, as well as being tested in the pilot survey. No major problem was reported in terms of understanding the questionnaire in interviews and pilot study.

5.2. Data collection

This study is based on B2B SMEs operating in Finland. The sample was drawn from a company database maintained by a reputed commercial entity offering accounting and financial services in Finland. Through random sampling, a total of 4720 firms were shortlisted which represent various B2B industries and they also satisfied the criteria of SMEs outlined by the European Commission.¹ The website of each firm was visited to obtain the email address of a person from top management or otherwise a primary company email address. Preference was given to senior managers because they are primarily responsible for policy making and strategic planning. Thus, responses from managers were deemed to be more accurate and less biased for the constructs of the study.

Emails were sent to 4720 firms with a cover letter explaining about the study and a hyperlink for an online questionnaire. Two reminders generated a response from 260 firms. It appears that the response rate was low because the respondents, particularly top managers, were hesitant to respond to emails from an unknown source. Nevertheless, our response rate is similar to the 8.6% reported in Reijonen et al., (2015) for Finnish B2B SMEs. Ten responses were removed from the study because they came from firms that exceed the criteria of a SME. Then non-response bias was examined by comparing responses before the first reminder and after a second reminder (Armstrong and Overton, 1977). The results suggest that no scale item is significantly different (at $p < 0.05$), which confirms that non-response bias is not a major concern. The missing values in the remaining 250 responses were replaced using an expectation maximization algorithm. Hence, 250 responses were used for analysis.

The sampled firms covered five industries: manufacturing (42%), construction (5.2%), information technology (21.6%), accounting and audit services (5.6%), advertising and market research (7.6%), and others (17.6%). Nearly all the respondents held senior managerial positions: managing directors (40.4%), members of the board of directors (10%), marketing/sales managers (30.8%), regional managers (11.6%), CEOs/owners (1.6%) and other positions (or the information was missing) (5.6%). Most firms (51.6%) had an annual

¹ An SME has less than 250 employees and annual turnover equal or less than €50 million.

turnover of less than €2 million, 33.5% the firms had a turnover between €2 million and €10 million and only about 15% of the firms had a turnover between €10 million and €50 million. The sample included both younger and older firms. About 49% of the firms were less than 20 years old, about 42% were more than 20 years old but less than 50 years old, and about 9% of the firms were more than 50 years old but less than 142 years old. With respect to size, about 35% of the firms had less than 10 employees, about 42% of the firms had from 10 to 49 employees, and about 22% of the firms had from 50 to 249 employees.

6. Data analysis and results

6.1. Constructs validation

Confirmatory factor analysis (CFA) was performed to examine construct validity and determine model-data fitness. First, a 27-item measurement model with six latent constructs was estimated. Four items (bo1, ib6, ba4, and fp2) in this model had low factor loadings, due to which the model fit indices were poor. Subsequently, these items were removed resulting in a revised measurement model with 23 items that has excellent model-data fit according to the indices suggested by Hu and Bentler (1999). Table 1 reports the results of CFA. These remaining 23 items were retained for further analysis.

-----insert Table 1 about here-----

Table 2 shows the descriptive statistics, correlations, composite reliabilities, and average variance extracted (AVE) of each construct. The composite reliability of each construct is well above the recommended cut-off value of 0.7, which supported the internal consistency of constructs (Hair et al., 2010). Furthermore, the discriminant validity of constructs was also supported because the square root of AVE (shown in the diagonal of Table 2) is higher than the correlation of constructs (Fornell and Larcker, 1981).

-----insert Table 2 about here-----

The presence of common method bias has been examined on the basis of three methods. First, according to Harman's single-factor test, exploratory factor analysis was performed with the 23 scale items that were retained. Unrotated five-factor solution was produced, in

which the highest variance explained by any factor was 38.862%. Second, all 23 items were loaded on single common factor in a measurement model. The results of CFA show the poor fit of this model ($\chi^2 = 2436.186$, $df = 230$, $p < 0.001$, $CFI = 0.491$, $RMSEA = 0.196$). Third, marker variable was used. Firms' age is both uncorrelated (see Table 2) and theoretically unrelated to the financial performance. Therefore, a partial correlation was performed where firms' age was used as a marker variable (Lindell and Whitney, 2001; Homburg et al., 2010). The statistical significance of the correlation between constructs did not change. Together, these results suggest that common method bias is not a major concern of this study (Podsakoff et al., 2003).

6.2. The results of research hypotheses

Factor-based structural equation modeling (SEM) was used to test the hypotheses of the study (the results are reported in Table 3). The SEM results support all seven hypotheses proposed in this study and validate the conceptual model. These results thus support the argument based on five of the hypotheses (H1–H5) that brand orientation improves the effectiveness of brand communication and internal branding, required to build brand awareness and brand credibility. Furthermore, brand awareness has a higher effect ($\beta = 0.418$) on brand credibility than internal branding ($\beta = 0.286$), indicating the importance of brand awareness for building brand credibility. The brand credibility then has a positive effect on the financial performance of B2B SMEs. Therefore, validation of hypotheses H6 and H7 provide the basis of the argument that brand awareness translates into brand credibility, and brand credibility can then reduce the risk for industrial buyers related to rebuying and referrals with the result of better financial outcomes.

-----insert Table 3 about here-----

6.3. Mediation tests

The conceptual model of this study also implicitly predicts two mediating relationships. First, brand communication appears to partially mediate the effect of brand orientation on internal branding (herein called Model A); and second, brand awareness and internal branding appear to completely mediate the effect of brand communication on brand credibility (herein called Model B). We followed studies of Spreng et al., (2009) and Singh and Das (2013) to outline these implicit mediating relationships without hypotheses, and examined in SEM with

bootstrapping approach (Zhao et al., 2010). In Model A, brand communication has partially mediated the effect of brand orientation on internal branding because both direct (std. $\beta = 0.50$, $p < 0.05$) and indirect effects (std. $\beta = 0.27$, $p < 0.05$) of brand orientation on internal branding are significant. In Model B, however, brand communication has insignificant direct effect (std. $\beta = 0.02$, $p > 0.05$) but significant indirect effect (std. $\beta = 0.32$, $p < 0.05$) on brand credibility. It shows that brand awareness and internal branding have fully mediated the effect of brand communication on brand credibility.

7. Discussion and conclusion

7.1. Research-related discussion

Seyedghorban et al., (2016) analyzed B2B branding literature and found limited empirical evidence regarding the role of B2B branding in a firm's financial performance. Even though financial performance is extremely important for B2B SMEs, the current literature is not only limited but also presents inconsistent results regarding how financial performance can be achieved from a brand-oriented strategy (Hirvonen et al., 2016; Reijonen et al., 2015). Therefore, the current study responds to this challenge by examining the impact of brand-oriented strategy on financial performance through four branding constructs, namely internal branding, brand communication, brand awareness, and brand credibility.

The novelty of this study lies in the demonstration of the mechanism that translates a brand-focused approach into financial performance. All paths in the theoretical model are statistically significant at the one percent level. The stronger positive findings vindicate the usefulness of two components of brand performance (brand awareness and brand credibility) and two associated paths (external and internal) in improving financial performance. Hence, this study makes two major theoretical contributions. First, two brand performance components are specified for financial performance, which have previously been neglected by the majority of B2B branding literature (Seyedghorban et al., 2016; Glynn, 2012). Second, the conceptual model specifies two routes by which brand orientation flows into financial benefits: an internal route through internal branding and an external route through brand communication (Lynch and De Chernatony, 2004; Lipiäinen and Karjaluoto, 2015; Punjaisri and Wilson, 2011).

In contrast to two previous studies in the context of B2B SMEs that conceptualize brand performance as a unidimensional construct (Hirvonen et al., 2016; Reijonen et al., 2015), the current study argues the importance of two components of brand performance in regard to improving financial performance. Specifically, the present study theorized and found the effect of brand awareness on brand credibility, and the effect of brand credibility on financial performance. This approach can be explained in the following way. Industrial customers perceive risk when making purchase decisions. Their risk increases when buying particularly from SMEs because of the uncertainty regarding the ability and willingness of SMEs to fulfill their commitments (Zablah et al., 2010). Our findings thus ratify claims made in the literature and extend to the context of B2B SMEs that together brand awareness and brand credibility are likely to make firm more reliable, with the consequence of better financial performance (Brown et al., 2011; Homburg et al., 2010; Backhaus et al., 2011; Yoon and Kijewski, 1996; Herbst and Merz, 2011). The brand credibility emphasizes an internal route through internal branding, brand awareness emphasizes an external route through brand communication.

The internal route through internal branding is very much in line with the way the literature has formulated the brand orientation model. In particular, see the studies by Baumgarth (2010), Baumgarth and Schmidt (2010), Merrilees and Frazer (2013), Wong and Merrilees (2015), and Zhang et al., (2016). However, the present study extends this perspective by showing that brand communication not only has a positive effect on internal branding but also partially mediates the relationship between brand orientation and internal branding—something which is not explicitly suggested in previous studies (Zhang et al., 2016; Baumgarth and Schmidt, 2010). Hence, the internal route can also be supported with better brand communication. Overall, this approach endorses the need to get strong staff participation and engagement in delivering the brand. It matters for B2B SMEs because, with one-on-one interaction, the sales personnel (who are well-informed regarding the branding philosophy) would achieve greater brand consistency and brand credibility (Williams, 1998). Internal branding is thus a critical business process in the overall brand management system.

This study has found the role of external route to be more profound than what described in current literature. Previous studies mainly argued that the primary role of brand communication is to improve the awareness and image of a brand (Sultan and Wong, 2014; Grace and O'cass, 2005; Elsässer and Wirtz, 2017). This narrative is supported by our results as well. However, our results extend this narrative by showing that brand communication,

due to its emphasis on both external and internal audiences, is capable of strengthening internal branding and brand credibility as well. The results of the mediation test indicate that brand communication has a positive effect on brand credibility but this effect is completely mediated through internal branding and brand awareness. Therefore, the external route, led by comprehensive brand communication, is extremely important and it should not be marginalized.

Some previous studies on B2B sector found higher brand performance due to brand-oriented strategy, but they did not go further to examine the role of brand in financial outcomes (Baumgarth and Schmidt 2010; Huang and Tsai, 2013; Zhang et al., 2016). Accordingly, this study has built on this set of studies and has extended their discussion with regards to financial performance. Moreover, our findings also resonate with the studies of Reijonen et al., (2012) and Laukkanen et al., (2013) who found that SMEs have grown under brand-oriented strategy. When our new findings are added to both sets of literatures, it is clear that the business case for brand orientation is substantially stronger. There are real strategic benefits to SMEs being more focused on differentiating brand values and offering. This allows SME to optimize resource management and customers to have more confidence on what to expect from SMEs. It is very much a win-win situation for both the SMEs and the customers. Overall, this study strengthens the case for marketing strategies (e.g., brand orientation and market orientation) for both operational and financial performances of B2B firms (Green Jr et al., 2005; Merrilees et al., 2011; Hirvonen et al., 2016; Anees-ur-Rehman et al., 2017).

7.2. Managerial implications

The results provide empirical evidence that B2B SMEs can gain considerable brand performance and financial benefits by investing in becoming more brand-oriented. The brand can become stronger and similarly there can also be financial benefits. The study also sheds light on how to implement such a program in SMEs because the relevant mechanisms for going down this path are articulated by the model. In particular, brand communication and internal branding are identified as practical suggestions for complementing the brand orientation strategy.

The internal branding program should be comprehensive in order to transform and align the behaviors of employees. The ultimate objective here is to thoroughly train staff members so they can start living the brand (Baumgarth, 2010). Managers can periodically organize brand workshops and exercises for employees to make them aware about brand values and realize the importance of honoring brand commitments. This practice would assist in delivering the promises made by a brand, thus uplifting the credible image of the brand. Similarly, when developing the communication program, the managers can integrate communication channels in order to facilitate communication between the firm and customers, the firm and staff, and even between customers (Madhavaram et al., 2005; Bruhn et al., 2014; Zhang et al., 2016). Hence, a more aggressive and comprehensive brand communication program is recommended in order to engage with both internal and external stakeholders (Lipiäinen and Karjaluoto, 2015).

The mediation results suggest that it is not sufficient for managers to simply aim to be brand-oriented, because other mediating variables have a major role to play. That is, mediation results of this study encourage managers not to see internal branding and brand communication as completely independent of each other or from brand orientation. These activities appear to be intertwined to some extent. Brand communication streamlines the process to convey brand-oriented objectives to employees of the firm. Moreover, brand communication can also improve the credibility of a brand but only through developing a better internal branding process and improving brand awareness. Therefore, managers are advised to strengthen internal branding and brand communication processes in order to improve brand awareness and brand credibility for higher financial returns.

7.3. Limitations and future research recommendations

This study inherits some limitations, even though the data provides solid support for the model. First, the response rate, although on a par with some similar B2B studies, was relatively low. This low response rate may lead to non-response errors, which in turn may potentially bias the estimation of parameters. Second, this study only drew sample from Finnish B2B SMEs, making the findings generalizable to this specific section of companies. Future research is recommended to examine the model in other contexts; for example, in other countries or in non-B2B sectors. By testing the model in these contexts will shed lights on how well the model performs in broader contexts. Moreover, a longitudinal study tracking the changes of the impact of brand-oriented strategy on firm performance is recommended. Finally, future studies could also examine and compare how other strategic orientations (for example: technology orientation, customer orientation) affect the financial performance in B2B SMEs.

References

- Anees-ur-Rehman, M., Wong, H. Y. and Hossain, M. (2016), "The progression of brand orientation literature in twenty years: a systematic literature review", *Journal of Brand Management*, Vol. 23 No. 6, pp. 612-630.
- Anees-ur-Rehman, Saraniemi, S., Ulkuniemi, P. and Hurmelinna-laukkanen, P. (2017), "The strategic hybrid orientation and brand performance of B2B SMEs", *Journal of Small Business and Enterprise Development*, <https://doi.org/10.1108/JSBED-11-2016-0171>.
- Anisimova, T. and Mavondo, F. T. (2010), "The performance implications of company-salesperson corporate brand misalignment", *European Journal of Marketing*, Vol. 44 No. 6, pp. 771-795.
- Armstrong, J. S. and Overton, T. S. (1977), "Estimating nonresponse bias in mail surveys", *Journal of Marketing Research*, Vol. 14 No. 3, pp. 396-402.
- Aurand, T. W., Gorchels, L. and Bishop, T. R. (2005), "Human resource management's role in internal branding: an opportunity for cross-functional brand message synergy", *Journal of Product & Brand Management*, Vol. 14 No. 3, pp. 163-169.
- Backhaus, K., Steiner, M. and Lügger, K. (2011), "To invest, or not to invest, in brands? Drivers of brand relevance in B2B markets", *Industrial Marketing Management*, Vol. 40 No. 7, pp. 1082-1092.
- Baek, T. H., Kim, J. and Yu, J. H. (2010), "The differential roles of brand credibility and brand prestige in consumer brand choice", *Psychology & Marketing*, Vol. 27 No. 7, pp. 662-678.
- Ballantyne, D. and Aitken, R. (2007), "Branding in B2B markets: insights from the service-dominant logic of marketing", *Journal of Business & Industrial Marketing*, Vol. 22 No. 6, pp. 363-371.
- Baumgarth, C. (2010), "Living the brand: brand orientation in the business-to-business sector", *European Journal of Marketing*, Vol. 44 No. 5, pp. 653-671.
- Baumgarth, C. and Schmidt, M. (2010), "How strong is the business-to-business brand in the workforce? An empirically-tested model of 'internal brand equity' in a business-to-business setting", *Industrial Marketing Management*, Vol. 39 No. 8, pp. 1250-1260.
- Bergstrom, A., Blumenthal, D. and Crothers, S. (2002), "Why internal branding matters: The case of Saab", *Corporate Reputation Review*, Vol. 5 No. 2-3, pp. 133-142.
- Biedenbach, G. and Marell, A. (2010), "The impact of customer experience on brand equity in a business-to-business services setting", *Journal of Brand Management*, Vol. 17 No. 6, pp. 446-458.

- Bougoure, U. S., Russell-Bennett, R., Fazal-E-Hasan, S. and Mortimer, G. (2016), "The impact of service failure on brand credibility", *Journal of Retailing and Consumer Services*, Vol. 31, pp. 62-71.
- Brown, B. P., Zablah, A. R., Bellenger, D. N. and Johnston, W. J. (2011), "When do B2B brands influence the decision making of organizational buyers? An examination of the relationship between purchase risk and brand sensitivity", *International Journal of Research in Marketing*, Vol. 28 No. 3, pp. 194-204.
- Bruhn, M., Schnebelen, S. and Schäfer, D. (2014), "Antecedents and consequences of the quality of e-customer-to-customer interactions in B2B brand communities", *Industrial Marketing Management*, Vol. 43 No. 1, pp. 164-176.
- Christodoulides, G., de Chernatony, L. and Furrer, O. (2015), "Moving away from short-term performance measurement online: a new metric of brand equity", in *Proceedings of the 2007 Academy of Marketing Science (AMS) Annual Conference in Coral Gables, U.S.A., 2007*, Springer International Publishing, pp. 300-304.
- Davis, D. F., Golicic, S. L. and Marquardt, A. J. (2008), "Branding a B2B service: Does a brand differentiate a logistics service provider?", *Industrial Marketing Management*, Vol. 37 No. 2, pp. 218-227.
- Dean, D., Arroyo-Gamez, R. E., Punjaisri, K. and Pich, C. (2016), "Internal brand co-creation: The experiential brand meaning cycle in higher education", *Journal of Business Research*, Vol. 69 No. 8, pp. 3041-3048.
- Elsäßer, M. and Wirtz, B. W. (2017), "Rational and emotional factors of customer satisfaction and brand loyalty in a business-to-business setting", *Journal of Business & Industrial Marketing*, Vol. 32 No. 1, pp. 138-152.
- Erdem, T. and Swait, J. (2004), "Brand credibility, brand consideration, and choice", *Journal of Consumer Research*, Vol. 31 No. 1, pp. 191-198.
- Erdem, T., Swait, J. and Valenzuela, A. (2006), "Brands as signals: A cross-country validation study", *Journal of Marketing*, Vol. 70 No. 1, pp. 34-49.
- Fornell, C. and Larcker, D. F. (1981), "Evaluating structural equation models with unobservable variables and measurement error", *Journal of Marketing Research*, Vol. 18 No. 1, pp. 39-50.
- Glynn, M. S. (2012), "Primer in B2B brand-building strategies with a reader practicum", *Journal of Business Research*, Vol. 65 No. 5, pp. 666-675.
- Glynn, M. S., Motion, J. and Brodie, R. J. (2007). "Sources of brand benefits in manufacturer-reseller B2B relationships", *Journal of Business & Industrial Marketing*, Vol. 22 No. 6, pp. 400-409.
- Grace, D. and O'cass, A. (2005), "Examining the effects of service brand communications on brand evaluation", *Journal of Product & Brand Management*, Vol. 14 No. 2, 106-116.

- Green Jr, K. W., Inman, R. A., Brown, G. and Hillman Willis, T. (2005), "Market orientation: relation to structure and performance", *Journal of Business & Industrial Marketing*, Vol. 20 No. 6, pp. 276-284.
- Gromark, J. and Melin, F. (2011), "The underlying dimensions of brand orientation and its impact on financial performance", *Journal of Brand Management*, Vol. 18 No. 6, pp. 394-410.
- Gupta, S., Melewar, T. C. and Bournakis, M. (2010), "Transfer of brand knowledge in business-to-business markets: a qualitative study", *Journal of Business & Industrial Marketing*, Vol. 25 No. 5, pp. 395-403.
- Hair, J. F., Anderson, R. E., Babin, B. J. and Black, W. C. (2010), *Multivariate data analysis: A global perspective*, (Vol. 7). Upper Saddle River, NJ: Pearson.
- Hankinson, G. (2012), "The measurement of brand orientation, its performance impact, and the role of leadership in the context of destination branding: An exploratory study", *Journal of Marketing Management*, Vol. 28 No. 7-8, pp. 974-999.
- Hawes, J. M. and Barnhouse, S. H. (1987), "How purchasing agents handle personal risk", *Industrial Marketing Management*, Vol. 16 No. 4, pp. 287-293.
- Herbst, U. and Merz, M. A. (2011), "The industrial brand personality scale: Building strong business-to-business brands", *Industrial Marketing Management*, Vol. 40 No. 7, pp. 1072-1081
- Hirvonen, S. and Laukkanen, T. (2014), "Brand orientation in small firms: an empirical test of the impact on brand performance", *Journal of Strategic Marketing*, Vol. 22 No. 1, pp. 41-58.
- Hirvonen, S., Laukkanen, T. and Salo, J. (2016), "Does brand orientation help B2B SMEs in gaining business growth?", *Journal of Business & Industrial Marketing*, Vol. 31 No. 4, pp. 472 - 487.
- Homburg, C. and Pflesser, C. (2000), "A multiple-layer model of market-oriented organizational culture: Measurement issues and performance outcomes", *Journal of Marketing Research*, Vol. 37 No. 4, pp. 449-462.
- Homburg, C., Klarmann, M. and Schmitt, J. (2010), "Brand awareness in business markets: When is it related to firm performance?", *International Journal of Research in Marketing*, Vol. 27 No. 3, pp. 201-212.
- Hu, L. T. and Bentler, P. M. (1999), "Cutoff criteria for fit indexes in covariance structure analysis: Conventional criteria versus new alternatives", *Structural Equation Modeling: A Multidisciplinary Journal*, Vol. 6 No. 1, pp. 1-55
- Huang, Y. T. and Tsai, Y. T. (2013), "Antecedents and consequences of brand-oriented companies", *European Journal of Marketing*, Vol. 47 No. 11/12, pp. 2020-2041.

- Hur, W.-M., Kim, H. and Woo, J. (2014), "How CSR leads to corporate brand equity: Mediating mechanisms of corporate brand credibility and reputation", *Journal of Business Ethics*, Vol. 125 No. 1, pp. 75-86.
- Kang, D. S. (2016), "Turning inside out: perceived internal branding in customer-firm relationship building", *Journal of Services Marketing*, Vol. 30 No. 4, pp. 462-475
- Keller, K. L. (1993), "Conceptualizing, measuring, and managing customer-based brand equity", *Journal of Marketing*, Vol. 57 No. 1, pp. 1-22.
- Kim, D. and Cavusgil, E. (2009), "The impact of supply chain integration on brand equity", *Journal of Business & Industrial Marketing*, Vol. 24 No. 7, pp. 496-505.
- Kim, H. B., Gon Kim, W. and An, J. A. (2003), "The effect of consumer-based brand equity on firms' financial performance", *Journal of Consumer Marketing*, Vol. 20 No. 4, pp. 335-351.
- Laukkanen, T., Nagy, G., Hirvonen, S., Reijonen, H. and Pasanen, M. (2013), "The effect of strategic orientations on business performance in SMEs: A multigroup analysis comparing Hungary and Finland", *International Marketing Review*, Vol. 30 No. 6, pp. 510-535.
- Lee, C. H. and Kim, S. Y. (2008), "Differential effects of determinants on multi-dimensions of trade show performance: By three stages of pre-show, at-show, and post-show activities", *Industrial Marketing Management*, Vol. 37 No. 7, pp. 784-796.
- Lee, J., Park, S. Y., Baek, I. and Lee, C. S. (2008), "The impact of the brand management system on brand performance in B-B and B-C environments", *Industrial Marketing Management*, Vol. 37 No. 7, pp. 848-855.
- Leek, S. and Christodoulides, G. (2011), "A literature review and future agenda for B2B branding: Challenges of branding in a B2B context", *Industrial Marketing Management*, Vol. 40 No. 6, pp. 830-837.
- Lindell, M. K. and Whitney, D. J. (2001), "Accounting for common method variance in cross-sectional research designs", *Journal of Applied Psychology*, Vol. 86 No. 1, pp. 114-121.
- Lindstrom, M. (2005), "Broad sensory branding", *Journal of Product & Brand Management*, Vol. 14 No. 2, pp. 84-87.
- Lipiäinen, H. S. M. and Karjaluoto, H. (2015), "Industrial branding in the digital age", *Journal of Business & Industrial Marketing*, Vol. 30 No. 6, pp. 733-741.
- Liu, S., Perry, P., Moore, C. and Warnaby, G. (2016), "The standardization-localization dilemma of brand communications for luxury fashion retailers' internationalization into China", *Journal of Business Research*, Vol. 69 No. 1, pp. 357-364.
- Lynch, J. and De Chernatony, L. (2004), "The power of emotion: Brand communication in business-to-business markets", *Journal of Brand Management*, Vol. 11 No. 5, pp. 403-419.

- Lynch, J. and De Chernatony, L. (2007), "Winning hearts and minds: business-to-business branding and the role of the salesperson", *Journal of Marketing Management*, Vol. 23 No. 1-2, pp. 123-135.
- M'zungu, S., Merrilees, B. and Miller, D. (2017), "Strategic hybrid orientation between market orientation and brand orientation: guiding principles", *Journal of Strategic Marketing*, Vol. 25 No. 4, pp. 275-288.
- Madhavaram, S., Badrinarayanan, V. and McDonald, R. E. (2005), "Integrated marketing communication (IMC) and brand identity as critical components of brand equity strategy: A conceptual framework and research propositions", *Journal of Advertising*, Vol. 34 No. 4, pp. 69-80.
- Matanda, M. J. and Ndubisi, N. O. (2013), "Internal marketing, internal branding, and organisational outcomes: The moderating role of perceived goal congruence", *Journal of Marketing Management*, Vol. 29 No. 9-10, pp. 1030-1055.
- Merrilees, B. and Frazer, L. (2013), "Internal branding: Franchisor leadership as a critical determinant", *Journal of Business Research*, Vol. 66 No. 2, pp. 158-164.
- Merrilees, B., Rundle-Thiele, S. and Lye, A. (2011), "Marketing capabilities: Antecedents and implications for B2B SME performance", *Industrial Marketing Management*, Vol. 40, pp. 368-375
- Podsakoff, P. M., MacKenzie, S. B., Lee, J. Y. and Podsakoff, N. P. (2003), "Common method biases in behavioral research: a critical review of the literature and recommended remedies", *Journal of Applied Psychology*, Vol. 88 No. 5, pp. 879-903.
- Punjaisri, K. and Wilson, A. (2007), "The role of internal branding in the delivery of employee brand promise", *Journal of Brand Management*, Vol. 15 No. 1, pp. 57-70.
- Punjaisri, K. and Wilson, A. (2011), "Internal branding process: Key mechanisms, outcomes and moderating factors", *European Journal of Marketing*, Vol. 45 No. 9/10, pp. 1521-1537.
- Punjaisri, K., Evanschitzky, H. and Wilson, A. (2009), "Internal branding: an enabler of employees' brand-supporting behaviours", *Journal of Service Management*, Vol. 20 No. 2, pp. 209-226.
- Reijonen, H., Hirvonen, S., Nagy, G., Laukkanen, T. and Gabrielsson, M. (2015), "The impact of entrepreneurial orientation on B2B branding and business growth in emerging markets", *Industrial Marketing Management*, Vol. 51, pp. 35-46.
- Reijonen, H., Laukkanen, T., Komppula, R. and Tuominen, S. (2012), "Are Growing SMEs More Market-Oriented and Brand-Oriented?", *Journal of Small Business Management*, Vol. 50 No. 4, pp. 699-716.
- Rutter, R., Roper, S. and Lettice, F. (2016), "Social media interaction, the university brand and recruitment performance", *Journal of Business Research*, Vol. 69 No. 8, pp. 3096-3104.

- Santos-Vijande, M. L., del Río-Lanza, A. B., Suárez-Álvarez, L. and Díaz-Martín, A. M. (2013), “The brand management system and service firm competitiveness”, *Journal of Business Research*, Vol. 66 No. 2, pp. 148-157.
- Schultz, D. E. and Schultz, H. F. (2000), “How to build a billion dollar business-to-business brand”, *Marketing Management*, Vol. 9 No. 2, pp. 22-28.
- Seyedghorban, Z., Matanda, M. J. and LaPlaca, P. (2016), “Advancing theory and knowledge in the business-to-business branding literature”, *Journal of Business Research*, Vol. 69 No. 8, pp. 2664-2677.
- Singh, R. and Das, G. (2013), “The impact of job satisfaction, adaptive selling behaviors and customer orientation on salesperson's performance: exploring the moderating role of selling experience”, *Journal of Business & Industrial Marketing*, Vol. 28 No. 7, pp. 554-564.
- Spreng, R. A., Hui Shi, L. and Page, T. J. (2009), “Service quality and satisfaction in business-to-business services”, *Journal of Business & Industrial Marketing*, Vol. 24 No. 8, pp. 537-548.
- Sultan, P. and Wong, H.Y. (2014), “An integrated-process model of service quality, institutional brand and behavioural intentions: The case of a University”, *Managing Service Quality*, Vol. 24 No. 5, pp. 487-521.
- Theurer, C. P., Tumasjan, A., Welp, I. M. and Lievens, F. (2016), “Employer Branding: A Brand Equity-based Literature Review and Research Agenda”. *International Journal of Management Reviews*. doi:10.1111/ijmr.12121
- Urde, M. (1994), “Brand orientation—a strategy for survival”, *Journal of Consumer Marketing*, Vol. 11 No. 3, pp. 18-32.
- Urde, M. (1999), “Brand orientation: A mindset for building brands into strategic resources”, *Journal of Marketing Management*, Vol. 15 No. 1-3, pp. 117-133.
- Urde, M., Baumgarth, C. and Merrilees, B. (2013), “Brand orientation and market orientation—From alternatives to synergy” *Journal of Business Research*, Vol. 66 No. 1, pp. 13-20.
- Venkatraman, N. and Ramanujam, V. (1986), “Measurement of business performance in strategy research: A comparison of approaches”, *Academy of Management Review*, Vol. 11 No. 4, pp. 801-814.
- Wang, X. and Yang, Z. (2010), “The effect of brand credibility on consumers' brand purchase intention in emerging economies: The moderating role of brand awareness and brand image”, *Journal of Global Marketing*, Vol. 23 No. 3, pp. 177-188.
- Williams, M. R. (1998), “The influence of salespersons' customer orientation on buyer-seller relationship development”, *Journal of Business & Industrial Marketing*, Vol. 13 No. 3, pp. 271-287.

- Wong, H. Y. and Merrilees, B. (2007a), "Closing the marketing strategy to performance gap: the role of brand orientation", *Journal of Strategic Marketing*, Vol. 15 No. 5, pp. 387-402.
- Wong, H. Y. and Merrilees, B. (2015), "An empirical study of the antecedents and consequences of brand engagement", *Marketing Intelligence and Planning*, Vol. 33 No. 4, pp. 575-591.
- Wong, H.Y. and Merrilees, B. (2007b), "Multiple roles for branding in international marketing", *International Marketing Review*, Vol. 24 No. 4, pp. 384-408.
- Wong, H.Y. and Merrilees, B. (2008), "The performance benefits of being brand-orientated", *Journal of Product & Brand Management*, Vol. 17 No. 6, pp. 372-383.
- Yoon, E. and Kijewski, V. (1996), "The brand awareness-to-preference link in business markets: a study of the semiconductor manufacturing industry", *Journal of Business-to-Business Marketing*, Vol. 2 No. 4, pp. 7-36.
- Zablah, A. R., Brown, B. P. and Donthu, N. (2010), "The relative importance of brands in modified rebuy purchase situations", *International Journal of Research in Marketing*, Vol. 27 No. 3, pp. 248-260.
- Zhang, J., Jiang, Y., Shabbir, R. and Zhu, M. (2016), "How brand orientation impacts B2B service brand equity? an empirical study among Chinese firms", *Journal of Business & Industrial Marketing*, Vol. 31 No. 1, pp. 83-98.
- Zhao, X., Lynch Jr, J. G., & Chen, Q. (2010), "Reconsidering Baron and Kenny: Myths and truths about mediation analysis", *Journal of Consumer Research*, Vol. 37 No. 2, pp. 197-206.

Appendix

-----insert Table A1 here-----

Table 1: The results of CFA

Research constructs / measurement items		std. factor loadings
<i>Brand orientation</i>		
bo 1	In our company, we have a clear idea of what our brand stands for; brand identity and brand promise are well defined	-- ^a
bo 2	We recognize our brand as a valuable asset and strategic resource, which we continually develop and protect in the best possible way	0.795
bo 3	Brand equity (or brand strength) is a control factor in our company	0.781
bo 4	The development of our brand is not the responsibility of a small group within the company, but also the business of top management	0.695
bo 5	All business decisions are evaluated with respect to their impact on the brand	0.746
bo 6	The great majority of our company's employees understands and lives the brand values	0.739
<i>Internal branding</i>		
ib 1	Our employees are informed of our brand values	0.864
ib 2	We counsel our employees in branding issues	0.920
ib 3	We encourage our employees to improve the brand consistency of their behavior	0.897
ib 4	Brand values influence staffing and recruitment decisions	0.836
ib 5	We review our employees' behavior as a part of our branding process	0.794
ib 6	We are confident that our employees support the brand message when dealing with our customers	-- ^a
<i>Brand communication</i>		
bcm 1	The company integrates various communication channels for brand communication aimed at a wide range of audiences, not just customers	0.655
bcm 2	We ensure that the meaning of the brand is represented consistently in all internal and external marketing communication activities	0.851
bcm 3	A lot of our branding effort focuses on raising brand awareness and values amongst our target customers	0.720
<i>Brand credibility</i>		
bcr 1	Our brand reminds our customer of someone who is competent and knows what we are doing	0.869
bcr 2	Our brand delivers what it promises	0.896
bcr 3	Over time, our customer's experience with our brand have led them to expect it to keep its promises, no more no less	0.853
bcr 4	Our brand has a name our customers can trust	0.824
<i>Brand awareness</i>		
ba 1	The decision-makers of our potential customers have heard of our brand	0.886
ba 2	The decision-makers among our potential customers recall our brand name immediately when they think of our product category	0.968
ba 3	Our brand is often at the top of the minds of the decision-makers in potential customer firms when they think of our product category	0.904
ba4	The decision-makers can clearly relate our brand to a certain product category	-- ^a
<i>Financial performance</i>		
fp 1	Growth rate of sales in the last 12 months	0.674
fp 2	Market share in the last 12 months	-- ^a
fp 3	Profitability of your firm in the last 12 months	0.958
fp 4	Overall financial performance in the last 12 months	0.906
Model Fit indices: $\chi^2 = 377.477$, $df = 214$, $p < .001$, $CFI = 0.962$, $RMSEA = 0.055$, $SRMR = 0.0434$. ^a Items were removed from CFA analysis due to low factor loadings (less than 0.6).		

Table 2: The descriptive statistics, correlations, reliabilities, and discriminant validities of measurements

	1	2	3	4	5	6	7	8
1 Brand orientation	0.752							
2 Internal branding	0.707**	0.863						
3 Brand communication	0.616**	0.647**	0.746					
4 Brand awareness	0.320**	0.135*	0.300**	0.919				
5 Brand credibility	0.440**	0.333**	0.326**	0.449**	0.860			
6 Financial performance	0.290**	0.319**	0.288**	0.104	0.185**	0.854		
7 Firm size (log)	-0.135*	-0.177**	0.048	0.254**	0.026	0.004	--	
8 Firm age (log)	-0.005	-0.087	0.042	0.295**	0.167**	-0.100	0.362**	--
Mean (SD)	5.02 (1.21)	4.79 (1.50)	4.87 (1.30)	4.52 (1.57)	5.81 (0.93)	4.37 (1.35)	1.17 (0.56)	1.24 (0.38)
Composite reliability	0.867	0.936	0.789	0.943	0.920	0.889	--	--
AVE	0.566	0.745	0.557	0.846	0.741	0.731	--	--

Notes: Significant (two-tailed): ** p < 0.01, * p < 0.05. Square root of AVE is provided in diagonal. SD = standard deviation.

Table 3: SEM results

Hypothesis	Path	Std. estimates	t-value	Supported?
H1	Brand orientation → internal branding	0.524**	6.042	Supported
H2	Brand orientation → brand communication	0.757**	9.122	Supported
H3	Brand communication → internal branding	0.339**	3.874	Supported
H4	Internal branding → brand credibility	0.286**	4.743	Supported
H5	Brand communication → brand awareness	0.335**	4.738	Supported
H6	Brand awareness → brand credibility	0.418**	6.773	Supported
H7	Brand credibility → financial performance	0.204**	3.031	Supported

Note: Significance: ** p < 0.01. Model Fit Indices: $\chi^2 = 370.18$, $df = 219$, $\chi^2/df = 1.69$, $p < 0.001$, CFI = 0.96, RMSEA = 0.05, NFI = 0.92, TLI = 0.96.

Table A1: Definitions of the constructs

<i>Construct</i>	<i>Definition/Description</i>	<i>Source</i>
Brand orientation	<i>“An approach in which the processes of the organization revolve around the creation, development, and protection of brand identity in an ongoing interaction with target customers with the aim of achieving lasting competitive advantages in the form of brands”.</i>	Urde (1999, pp. 117–118)
Brand communication	A communicative interaction process that includes employees, customers, and stakeholders in order to co-create the brand experience.	Ballantyne and Aitken (2007)
Internal branding	<i>“Internal management processes by which employees understand the brand concept, commit to the brand and thus live the brand”.</i>	Merrilees and Frazer (2013, p. 159)
Brand awareness	<i>“The ability of the decision-makers in organizational buying centers to recognize or recall a brand”.</i>	Homburg et al., (2010, p. 202).
Brand credibility	The belief that a brand has the ability and willingness to deliver what it has promised.	Erdem and Swait (2004)
Financial performance	The reflection of the economic/monetary situation of the firm.	Wong and Merrilees (2008)