

B2B BRANDING IN MALAYSIA

A GUIDE TO BUILDING SUCCESSFUL
BUSINESS-TO-BUSINESS BRANDS



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Cleon Technology Sdn. Bhd.	Ng Wai Kee	Group Managing Director
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Fujiaire (M) Sdn. Bhd.	Tan Boon Eng	Executive Director
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Paul Temporal
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THE RISE OF B2B AND B2B2C BRANDING

B2B branding is concerned with the branding and marketing of products and services to other companies and businesses which use them as elements or inputs in the building of their own. The demand for business to business products and services is a derived demand, related back to the demand from end consumer markets. Consequently, the variety of B2B companies is huge, and the products can range from complex technology to commodities.

Traditionally, B2B buyers have looked to many sources to satisfy their wants and needs but now the emphasis is much more on reducing the number of suppliers to as few as possible, and building strong relationships with them.

Also the main factors involved in the buying decision have tended to be price, quality and delivery but trust and the relationship itself are now key drivers. B2B branding is now becoming extremely important, offering a more profitable approach, as even commodities can be transformed into differentiated products that do not have to rely on price as a key determinant of success.

Interestingly, the line between B2C and B2B company activities is becoming increasingly blurred. Whilst some major brands have departed from the world of B2C marketing altogether (Ericsson is a good example), many other major brands have succeeded in creating B2B2C relationships. Well known names such as Intel, FedEx, HP, Dell, Rolls Royce, 3M and Shell have made the link from B2B to B2B2C; double-sided branding if you like. They have built great relationships with both their business clients and the end consumers of their products.

The companies mentioned above, plus others such as DHL, Motorola, and Virgin, have won awards and are respected just as much for their B2B brand efforts as their B2C efforts. Many of the brands from Malaysia mentioned in this book also cross the line from strict B2B to B2B2C and like their international counterparts operate in both business areas. This is a clear indication that even the powerful consumer brands of this world depend on their own B2B relationships and suppliers to be successful.

Some depend entirely on these relationships – Nike and OSIM are good examples. They are sophisticated marketing machines that depend on others to design and manufacture their products. OSIM has become a very well-known and successful brand in Asia for healthy lifestyle products but it actually produces nothing on its own and owns little in the way of physical assets. Even the building it owned has been sold and leased back, but Ron Sim – the Founder and Chief Executive – knows that his most valuable asset, and the one most worth investing in, is the OSIM brand name itself.

Nike has some physical assets but outsources manufacturing. With both of these companies, their primary competencies lie in branding and marketing. Those that are good B2C brand companies do well because they get premium margins from customers who will pay more for purchasing the 'brand image.' They also get the best out of their B2B relationships, and a B2B company can travel far if it brands itself to the liking of its B2C customers.

Branding is often associated with business-to-consumer (B2C) companies such as Nike and Colgate and deemed unsuitable for B2B (business-to-business) companies; yet the best global B2B companies treat branding as essential for success. This book is written specifically for B2B companies to remind them that business brands can be just as successful as consumer brands.

But what is branding? There is often confusion between branding, marketing and advertising, with many companies even equating a brand with a logo. This very readable book makes clear all the steps a company needs to go through in building and managing a strong brand.

It is often thought and said that branding is only for big companies, and not for local companies with small budgets, which is far from the truth. This book is a handy guide and reminder for small and medium sized businesses, that branding is relevant even for entrepreneurs and start-up entities. Case studies of many small and medium Malaysian B2B companies that have followed tried and tested branding techniques are featured, demonstrating that branding is for all those who have the ambition to learn, survive and prosper.

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