B2B Service Brand Identity and Brand Performance: An Empirical Investigation

1. INTRODUCTION

The literature claims that organizations which build a distinctive and cohesive brand identity can benefit from a number of favorable brand performance outcomes. These outcomes include superior brand preference (Bengtsson and Servais, 2005), increased levels of trust (Ghodeswar, 2008), greater brand differentiation (Aaker and Joachimsthaler, 2000) and stronger customer identification with the brand (Baumgarth and Schmidt, 2010).

Understanding how brands can benefit from such outcomes is an area of increasing brand management interest (Farris et al., 2008). This development stems from the need for greater marketing accountability (Rust et al., 2004) and a greater appreciation that business performance is, amongst other factors, influenced by brand performance (Hoeffler and Keller, 2003, Ittner and Larcker, 2003). Consequently, empirical research that investigates brand management activities that drive brand performance has the potential to be of considerable academic and management interest.

Whilst a number of conceptually informed brand identity frameworks appear in the literature (Aaker, 1996a, Aaker and Joachimsthaler, 2000, Kapferer, 2012, de Chernatony, 2006), the empirical relationship between brand identity and brand performance is less clear. Until recently the lack of a valid, reliable and parsimonious scale to measure brand identity has prevented scholars from empirically exploring its relationship with brand performance. To the best of our knowledge, Coleman et al.’s (2011) work represents the only empirical brand identity scale. This paper seeks to extend the previous scale development work and assess the influence that B2B Service Brand Identity (SBI) has on brand performance. Addressing this
gap in the literature represents the primary contribution of this paper. The findings in this paper show that in the context of brand performance: brand personality and human resources initiatives have a significant and positive effect; corporate visual identity and an employee and client focus have an insignificant effect; consistent communications have a significant and negative effect.

The next section draws on the literature to develop five theoretically grounded hypotheses to highlight how the five dimensions of B2B SBI drive brand performance. The quantitative methodology employed to test the hypotheses is then outlined. The following section presents the data analysis which is then discussed in the context of the literature. The paper continues with the theoretical and managerial contributions and concludes by identifying limitations and opportunities for future research.

2. LITERATURE REVIEW

The B2B Service Brand Identity Scale (Coleman et al., 2011) consists of five dimensions. These are: brand personality, consistent communications, visual identity, human resource initiatives, plus an employee and client focus. This section draws on the literature to hypothesize the positive effect these constructs have on brand performance (Error! Reference source not found.).
2.1. Brand Personality

The brand personality dimension within the B2B SBI scale focuses on measuring the positive, unique and favorable associations which brand personality can generate (cf; Keller, 2003).

A variety of authors outline how brand personality helps build brand equity (Keller, 2008, Freling and Forbes, 2005b). The literature also outlines the influence that brand personality has on specific dimensions of brand equity. For example, personality engenders a greater willingness to pay premium prices (Freling and Forbes, 2005b), fosters greater brand loyalty (Lin, 2010), positively influences brand preference (Sirgy et al., 1997) and raises brand awareness (Aaker and Joachimsthaler, 2000).

A number of scholars highlight the influential role that brand personality plays in facilitating differentiation (Aaker, 1997, Freling and Forbes, 2005b, Freling and Forbes, 2005a, Herbst and Merz, 2011) in addition to increasing purchase likelihood (Swaminathan et al., 2009) or purchase in intentions.

In the context of B2B markets, Backhaus et al’s (2011) empirical research highlights how emotion does not drive brand relevance but this is contrary to other studies which point to the importance of emotional drivers such as brand personality in B2B markets (Blomback and Axelsson, 2007, Glynn, 2011).

The literature outlines how a range of performance-related outcomes are positively influenced by brand personality. These include differentiation, facilitating relationships and building brand equity. This leads to:

H1: Brand Personality has a positive influence on brand performance
2.2. Human Resource Initiatives

The human resource initiatives dimension of the B2B SBI scale focuses on monitoring employee performance and providing training that enables employees to deepen relationships with clients. This is crucial given the pivotal role that employees play in service brand delivery (Berry and Seltman, 2007).

An extensive body of empirical knowledge highlights the positive effect that informed human resource management initiatives, such as recruitment, induction, training and reward, can have on a range of performance-related outcomes (Stavrou et al., 2010, Katou, 2012). More specifically, a number of scholars highlight the influence that training programs have on firm performance (Tan and Lim, 2012, Tung-Shan et al., 2011, Chi et al., 2008)

The second part of the human resources initiative dimension focused on monitoring employees’ performance. A notable paucity of literature explores the direct relationship between performance appraisals and organizational performance. The literature focuses on how appraisals influence antecedents of performance, such as job satisfaction (Brown et al., 2010, Youngcourt et al., 2007) and pay satisfaction (Ducharme et al., 2005); the logic being that during performance appraisals managers would have the opportunity to proactively manage these antecedents.

This section of the paper has outlined how specific human resource activities have a positive influence on a range of performance outcomes. This leads to:

H2: Human Resource Initiatives have a positive influence on brand performance.

2.3. Corporate Visual Identity
The corporate visual identity dimension of the B2B SBI scale measures specific aspects of corporate visual identity systems. These relate to brand font, logo and the extent to which the visual identity helps make the organization recognizable.

The empirical work of Henderson and Cote (1998) supports the views of other scholars who postulate how brand name and logo drive brand awareness (Hoeffler and Keller, 2003) and recognition (Carter, 1982). Acknowledging the influence that brand name and logo have on brand awareness is important because awareness is a salient dimension of brand equity (Keller, 2003, Aaker, 1996b) which has a positive influence on business performance (Oliveira-Castro et al., 2008). In addition to increasing brand awareness, a number of empirical studies highlight how corporate visual identity has a positive influence on customer satisfaction (Bitner, 1990), brand selection (Henderson and Cote, 1998) and sales (Melewar and Saunders, 1998).

A number of B2B scholars’ research demonstrates how brand name can favorably influence brand choice (Bendixen et al., 2004), facilitate premium pricing (Bendixen et al., 2004), enhance loyalty (van Riel et al., 2005) and positively influence brand equity (Bendixen et al., 2004, Kotler and Pfoertsch, 2006, Leek and Christodoulides, 2011).

This section has outlined how corporate visual identity positively influences a range of performance outcomes such as brand awareness, sales and brand equity. This leads to:

\[ H_3: \text{Corporate visual identity has a positive influence on brand performance.} \]

2.4. Employee and Client Focus

The employee and client focus dimension of the B2B Serviced Brand Identity Scale measures brand engagement with these stakeholder groups.
Scholars such as Wood and Wall (2004) outline how employee involvement lies at the heart of the HR-performance link. This is consistent with authors who highlight how employee involvement or engagement drives performance (Jones et al., 2010, Trahant, 2009, Coco et al., 2011).

In terms of a customer focus, Cross (2007) outlines how a sales force customer orientation drives sales person performance whilst Siddiqi (2009) notes how customer orientation influences both customer service quality perception and satisfaction. This is consistent with Jaramillo (2009) and Zhen (2007) who outlines how customer orientation contributes to sales and business performance respectively. The literature however, reveals that the customer orientation-performance hypothesis does not always hold (Liaw et al., 2009, Perry and Shao, 2005).

This section of the paper has outlined how engaging employees and focusing on customers can result in positive performance outcomes. Whilst some (albeit limited) literature highlights the negative influence that a customer orientation can have on performance, a larger body of research supports the contention that a customer orientation positively influences brand performance.

This leads to:

H₄: An employee and client focus has a positive and significant influence on brand performance.

2.5. Consistent Communications

The consistent communications dimension of the B2B SBI scale measures the organization’s understanding of marketing communication tools and its ability to utilize these tools to present a consistent brand identity.
A number of B2C authors postulate that integrated marketing communications drive a spectrum of performance-related outcomes (Mumel et al., 2011, Low, 2000, Ambler et al., 2002) whilst the B2B literature suggests a number of benefits stem from marketing communications such as increased trust (Lynch and de Chernatony, 2004), brand preference (Blomback and Axelsson, 2007) and reduced perceived risk (Bendixen et al., 2004).

A limited number of empirical studies have explored the marketing communications integration and performance link such as Low (2000), Reid et al. (2001) and Reid (2003). Whilst making a formative contribution to the corporate communications literature, these empirical studies are not without limitations. Low (2000) employs a three item IMC scale whose psychometric properties were not assessed. Similarly, the psychometric properties of Reid et al. (2001) and Reid’s (2003) scale are not established. These scholars also utilized correlation to analyze their data to provide associative, and not predictive, insights. Collectively, these points have the potential to limit our ability to draw conclusions about the direction of the communications-performance relationship.

Although the communications-performance literature tends to be theoretically and anecdotally informed, the general consensus points to the positive effect that consistent communications can have on a range of performance outcomes. This leads to:

H5: Consistent marketing communications have a positive influence on brand performance

3. METHODOLOGY: SAMPLING AND MEASURES

To test the hypotheses we collected data through a postal survey which was administered to a random sample of 2200 executives working in the UK’s IT Services sector. The sample comprised 75.7% males and 21.1% females (3.1% missing values), who had a
mean age and marketing experience of 45 and 12 years respectively. The organizations had a mean of 277 employees and were on average 13 years old. Tables 1 and 2 provide details on the sample organizations’ primary activity and respondents’ position within their organization.

**INSERT TABLES 1 AND 2 HERE**

This sector was chosen due to its highly competitive nature and B2B focus (Datamonitor, 2007). The relatively undifferentiated nature of most organizations’ propositions places more importance on branding in a market, which is largely driven by standards based protocols. 421 surveys were returned, which equated to a 19% response rate.

B2B Service Brand Identity was measured through the relevant scale (Coleman et al., 2011), which was informed by extant scale development procedures (Anderson and Gerbing, 1988, Churchill, 1979). The scale represented B2B SBI as a five dimension, fourteen item construct and demonstrated adequate psychometric properties (Fornell and Larcker, 1981, Gerbing and Anderson, 1988).

The literature advocates taking a balanced approach to service brand measurement, given that no single measure fully captures the depth of brand performance (Farris et al., 2008). The resulting service brand performance index included customer, financial and employee based measures that were drawn from the literature (Table 3):

**INSERT TABLE 3 HERE**

Customer measures were selected due to a customer orientation lying at the heart of marketing (Jaworski and Kohli, 1993). Employee measures were used due to the pivotal role
that employees play in service brands (Brodie et al., 2009), whilst financial measures were selected due to the increasing pressure on marketing to deliver financial returns (Farris et al., 2008).

The eight brand performance item scores were summed to provide an overall brand performance index which has been used in marketing literature by authors such as Walsh and Beatty (2007) and Reid (2005).

4. ANALYSIS

To estimate the relationships between brand identity and brand performance (see Error! Reference source not found.), LISREL V8.5 and the Maximum Likelihood Method were used. Before the standardized coefficients could be reviewed to assess the relative influence of each B2B SBI dimension on brand performance, overall model fit was assessed (Anderson and Gerbing, 1988).

The measurement model showed satisfactory levels of fit (Browne and Cudeck, 1992, Hu and Bentler, 1999). The model’s Satorra-Bentler Scaled Chi-Square was 155.50 (p=0.000) ($\chi^2$/df=1.73) and the relative chi-square was lower than two. GFI and AGFI were 0.94 and 0.91 respectively. IFI, TLI / NNFI, CFI were 0.96, 0.95 and 0.96, whilst the RMSEA was 0.04 (90% confidence interval of 0.03-0.05).

With satisfactory model fit established, the standardized coefficients, representing the influence of each dimension of B2B SBI on brand performance, were reviewed (Table 4):

INSERT TABLE 4 HERE
As Table 4 indicates, brand personality and human resource initiatives had a positive and significant impact on brand performance. Consistent communications had a negative and significant impact on brand performance. An employee and client focus had a positive but insignificant impact on brand performance, whilst corporate visual identity had a negative but insignificant impact on brand performance. Thus, $H1$ and $H2$ received support while $H3$, $H4$ and $H5$ had to be rejected.

5. DISCUSSION

The Analysis section highlights how brand personality and human resource initiatives had a positive and significant influence on brand performance. Consistent communications had a negative and significant influence on brand performance. Corporate visual identity, in addition to an employee and client focus, had an insignificant impact on performance. These findings provide mixed support for the existing literature.

The findings support scholars who outline how brand personality has a positive influence on a range of performance outcomes such as brand equity (Aaker 1991; Keller 2008) or dimensions of brand equity such as loyalty (Lin 2010; ) or awareness (Aaker and Joachimsthaler; 2000). This finding highlights how brands which anthropomorphize their brands to deepen emotional connections (Smothers, 1993, Landon, 1974, Belk, 1988) can expect this activity to have a positive influence on brand performance.

The analysis revealed that developing human resource initiatives, such as training and monitoring employee performance, has a positive and significant impact on brand performance. This finding supports a body of knowledge that outlines how human resource initiatives can
have a positive effect on a range of performance-related outcomes (Stavrou et al., 2010, Katou, 2012). More specifically, the analysis is consistent with authors who found that training drives performance (Chi et al. 2008; Tan and Lin, 2012; Tung-Shan et al. 2011; ). This finding is of particular relevance given the central role that employees play in delivering the service brand experience.

The literature review highlighted a paucity of research supporting the positive effect of employee monitoring on brand performance. The employee monitoring and performance literature focused on antecedents of performance such as job (Brown, Hyatt and Benson 2010) and pay (Ducharme, Singh and Podolsky 2005) satisfaction. Based on the logic that managers would have the opportunity to proactively manage such antecedents during appraisal and monitoring sessions, the analysis provides indirect support for these scholars’ research.


Corporate visual identity is a subset of corporate visual identity systems. This means a direct comparison between our data and the literature is not being made. This finding may also be a function of corporate visual identity being an antecedent of constructs such as brand personality and human resource initiatives, which have a direct impact on brand performance.

The employee and client focus dimension had an insignificant effect on brand performance. This challenges a range of empirical studies which highlight how focusing on the employee (Coco et al., 2011, Jones et al., 2010, Trahant, 2009) and customer (Cross, 2007; Siddiqi, 2009; Jaramillo, 2009, Zhen; 2007) can drive performance. However, the findings of
this study do support a smaller number of empirical studies which outline how the customer orientation-performance hypothesis does not always hold (Liaw et al., 2009, Perry and Shao, 2005). This somewhat counter-intuitive finding may be a function of the result of the sector from which the data was gathered. It could be argued that product development and innovation may be the primary concern of those managing IT services brands, in comparison to focusing on employees’ and clients’ needs.

Consistent communications had a negative and significant influence on brand performance. This unexpected finding is contrary to a number of scholars who postulate that communications drive performance in both the B2C (Mumel et al., 2011, Low, 2000, Ambler et al., 2002) and B2B (Lynch and de Chernatony, 2004, Blomback and Axelsson, 2007, Bendixen et al., 2004) literature. The findings also counter empirical research that highlights the positive influence that communications have on a range of performance outcomes (Low, 2000, Reid et al., 2001, Reid, 2003).

This finding may be a function of several factors. Respondents of the questionnaire were often the same people in charge of communications within their organizations. These respondents may have consistently over-rated their understanding and abilities, particularly in cases where performance was relatively poor. Considering consistent communications as an antecedent of other B2B SBI dimensions may also provide another justification for this unexpected finding. Rather than being direct, the relationship between consistent communications and brand performance may be mediated by other B2B SBI dimensions, such as brand personality (Aaker, 1997) and visual identity (Aaker and Joachimsthaler 2000). In a similar manner to corporate visual identity and corporate visual identity systems, the data may not concur with the literature due to the comparison of related, but different, constructs being compared. Finally, with the exception of Reid (2005), the other empirical studies have notable
scale issues (see section 2.3) which potentially raises questions about the empirical insight they deliver.

6. CONCLUSIONS

Building on previous empirical research (Coleman, de Chernatony and Christodoulides 2011), this paper has assessed the relative influence that the five dimensions of B2B service brand identity have on brand performance. This addresses a gap in the literature with regards to understanding whether brand identity drives brand performance. Based on the data, brand personality and human resource initiatives drive brand performance. Corporate visual identity, in addition to an employee and client focus, has an insignificant influence on brand performance. The data also revealed that consistent communications have a negative and significant influence on performance. These findings add an important explanation to the drivers of B2B brand performance and give rise to a number of theoretical and managerial contributions, in addition to limitations and avenues for future research.

This is the first study to apply a parsimonious, valid and reliable service brand identity scale in the context of brand performance. This research has empirically shown that, in the UK’s B2B IT service sector, brand personality and human resource initiatives drive brand performance. As a direct result of our findings, this research challenges and advances the existing brand identity research paradigm (Kuhn, 1996), in so far as it has gone beyond conceptually orientated knowledge through empirical research (Aaker and Joachimsthaler, 2000; de Chernatony, 2006). This finding represents an original contribution to knowledge.

The findings also revealed that consistent communications have a significant and negative direct influence on brand performance. Notwithstanding the previous point regarding
consistent and integrated communications being related but distinct constructs, this potentially challenges the notion that consistent or integrated marketing communications have a direct influence on brand performance. Subsequent theoretical development may wish to consider communications as an antecedent of other B2B SBI constructs in the context of a wider nomological net that drives brand performance.

The findings raise a number of important implications for those who manage brands. Managers are under increasing pressure to allocate diminishing budgets across a broad range of brand marketing activities. The results offer guidance to managers with regards to focusing resources on specific branding activities that will drive brand performance. The findings show, in the context of B2B service brand identity, that brand personality and human resource initiatives have a direct, positive and significant influence on brand performance. Whilst acknowledging some scholars’ research that questions the value of emotion in B2B markets, such as Backhaus (2011), our research is consistent with a burgeoning body of B2B literature which highlights the increased importance of emotion in B2B branding (Glynn, 2011, Lynch and de Chernatony, 2004). Consequently, B2B brand marketers would be wise to move beyond functionalism and infuse their service brands with emotionally orientated values via brand personality. The human resource initiatives dimension encourages service brand managers to build strong cross-functional relationships with their human resource colleagues. Developing brand consistent HR policies and procedures will help employees to understand the role they play in delivering service brand promise and a consistent service brand experience.

All research is not without limitations and so they should not be ignored (DeVellis, 1991). Such limitations provide opportunities for future research. This research focused on the UK’s B2B IT services market, so caution should be exercised when generalizing our findings to other countries, industries or service contexts. This limitation provides an opportunity to
extend the scope of our research to other industries to assess the consistency of the results presented here. Such studies could then be extended to incorporate moderating variables such as organizational size or structure. These research findings imply that B2B SBI drives performance causality. As longitudinal data was not collected, this can only be inferred and not unequivocally stated. Subsequent research could re-apply the B2B SBI scale in the same research context to establish causality and the relative influence that each dimension has on brand performance. As part of subsequent studies, a deductively informed exploration of B2B SBI’s nomological net would be welcome. This may reveal why certain dimensions did not have a positive, significant and direct effect on brand performance. The statistical nature of the results provided here still prevents managers from addressing pressing board level issues that plague marketing professionals. For example, what level of return will be delivered from a given level of service brand identity investment? This research provides a research agenda for broader econometric modeling that could provide answers to such questions. In line with the literature, this research advocates a balanced approach to performance measurement. Subsequent research could develop a valid, reliable and parsimonious service brand performance scale (de Chernatony et al., 2004). In a similar manner to service brand identity, the causality of brand performance dimensions could also be explored. For example, do employee measures drive both brand and financial performance, with brand also driving financial measures? Error! Reference source not found. conceptualizes this approach, which Ittner and Larcker (2003) refer to as Value Driver Maps.

**INSERT FIGURE 2 ABOUT HERE**
References


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