

Why Brands Rule

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B2B BRAND MANAGEMENT

By Philip Kotler and Waldemar Pfoertsch

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When it comes to marketing, there's no name bigger than Philip Kotler. The Kellogg School professor has a formidable reputation, built on the fact that an entire generation of marketers has grown up reading his books on the subject at various B-schools. So, is it possible that Kotler still has something to say about marketing that he already hasn't? It turns out, he has. In this book, co-authored with Germany's Pforzheim University professor, Waldemar Pfoertsch, Kotler makes a case for brand management in business-to-business (b2b) marketing as well. Those who've read Kotler's textbook *Marketing Management* will recall that his revisions over the year have included b2b marketing, but this is his first book devoted entirely to the topic.

The core proposition in the book is that in the new globalized world "being known" rather than "being one of many" is the need of the hour. "Customers for everything from specialty steel to software now face an overwhelming number of potential suppliers. Too many to know them all, let alone to check them out thoroughly..." The authors say that companies that once measured their worth in terms of tangibles such as factories, inventory and cash have to revise their point of view and embrace branding.

How does branding help in overcoming these challenges? The authors offer a huge list—it helps with differentiation (and, hence, premium) in product categories that are highly undifferentiated; creates brand loyalty, as it helps companies transition from a transaction-based selling model to one that is

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*Prof. Philip Kotler
from Walter Ujary*

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Marketing guru Philip Kotler makes a case for branding in business-to-business marketing. ARCHNA SHUKLA

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How does branding help in overcoming these challenges? The authors offer a huge list—it helps with differentiation (and, hence, premium) in product categories that are highly undifferentiated; creates brand loyalty,

relationship-based; and assures future business. And all this, ultimately, leads to increased sales. There are enough examples in the b2c space of companies with strong brands benefiting not only from higher margins but also from higher sales volumes. Toyota, Nokia, Starbucks and Nike are just some of them. But there aren't too many examples that come to mind from the b2b space. Sure, there are marketers like Intel, GE, and Caterpillar that realised the advantages of b2b branding early on in their lives. For most other b2b marketers, though, branding is a superfluous exercise. After all, the argument goes, the business buyer is much more sophisticated than the retail consumer. The former is more eager to look at your costing, product performance and service than the badge on the box.

That, however, is changing, say the authors. Proliferation of similar products, increasing complexity of customer needs (moving from stand-alone products to solutions), and high price pressures will force b2b marketers to focus on brand building. If you are a b2b marketer already thinking along those lines, then this book is the weightiest corroboration you could have asked for.

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