B2B Brand Architecture

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This article, based on work with dozens of Business-to-Business firms, extracts general principles of brand architecture design based on specific examples, and then tests these principles by applying them more broadly to a wide sample of brand architectures. B2B brand architecture is a function of two key dimensions: the organizational structure, in particular, the extent to which a firm is centralized or decentralized (in terms of its product range, sales, and marketing); and the extent to which the firm's market offerings are standardized versus customized. This framework and the axiom of risk alleviation through the sales process together capture the principal elements of B2B brand architecture design. (Business to business (B2B), Brand management, Case Study)

Millad NX8000 is not exactly the kind of brand name that rolls off the tongue, nor does it have the easy brand recognition of a Nike Air, Apple iPad, or Diet Coke. Yet Millad NX8000, a chemical additive from Milliken Chemical, a division of privately held Milliken & Company, refers to a product that is present in more households than any of these better known consumer brands: it is the clarifier that gives polypropylene plastics such as Tupperware products their transparency. Business-to-business (B2B) brands may not have the widespread recognition or glamor associated with many consumer brands, but they are important assets that serve to connect the company on a platform of trust with its customers. Leading B2B firms, including Accenture, DuPont, GE, and IBM, spend significant amounts of money and effort building and managing their brands, and those brands account for a significant portion of their market capitalization.

Still, among the vast majority of B2B firms, conventional wisdom appears to be that building brands makes sense in a consumer setting, where a firm needs to reach large numbers of consumers simultaneously with a consistent and simple message. In B2B markets where smaller numbers of customers with more specialized knowledge and complex needs are to be served, managers tend to believe that personal selling trumps brand building. Success is thought to reside in the ability of firms to deliver on technical specifications to hard-nosed customers through a well-defined selling process in which brands have no role. So while attention and resources are directed toward recruiting, training, deploying, and managing an effective sales force, the planning and building of a sound brand architecture gets relatively short shrift from management, except during major upheavals such as mergers or acquisitions.

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Branding and personal selling should not be seen as substitutes, but rather as complements. Managers tend to underestimate how powerful brands can be in non-mass markets. Our goal in this article is to demonstrate how sound brand architecture for B2B firms is not just a means of differentiating from competitors, but also how it supports the sales process, underpins customer relationships, and sustains trust with customers.

What's in a Name?

It is by now a truism in business that firms survive and thrive thanks to their networks of relationships, built on mutual trust. Trust is won through repeated interactions in which promises are made, and reliably fulfilled. What is sometimes overlooked, however, is that relationships built on trust are so vital because they alleviate transactional risk. Brand labels in and of themselves do not reduce the customers' perceived risk, but if promises made under the brand are consistently fulfilled, the brand comes to connote dependability, the converse of risk. What makes brands truly valuable is that their reputation precedes them, and they can rely on a track record of promises fulfilled even when trying to win over new customers. IBM does not need to work as hard as competitors with lesser brands to reduce its customers' perceived risk, nor does it need to prove itself every time it competes for new business—that would be very costly and time consuming. Instead, it can count on the accumulated reputation embedded in its brand. This "build once, apply many times" character undergirds the value of brands: they reduce the costs of doing business, they represent a formidable competitive advantage, and they act as a barrier to entry against upstart competitors. Firms that can deploy a collection of well-positioned brands in a coherently designed brand architecture gain most from the risk-reducing benefits of brands.

A firm's brand architecture is its collection of brands and their interrelationships, and typically consists of umbrella, line, and modifier brands.[1] While an umbrella brand is used across multiple product and service categories, a line brand is confined to only one category, and modifier brands designate specific versions within a category.[2] For example, HP, the umbrella brand that overarches the firm's various products and services, communicates the benefits of its advanced laser printing technology for business customers through its "Color Laser Jet" line brand, and further captures the technical features such as power consumption, paper handling, and dimensions in its modifier brands such as the 5550dtn.

Brand architecture is shaped by and subject to numerous forces including: market segmentation and targeting imperatives; mergers and acquisitions; competitive positioning; and cost-driven consolidation or rationalization of brands. To make brand architecture responsive to these forces, it is important to identify constant principles that can guide brand architecture design. There are two such underlying principles. First, the organization's degree of centralization is reflected in its brand architecture; and second, whether the offering is standardized or customized influences brand architecture. However, even more fundamental than these design principles is an axiom that should guide all B2B brand architecture design: brand architecture reduces customers' risk and supports the sales process.

Customer Risks and Brand Architecture

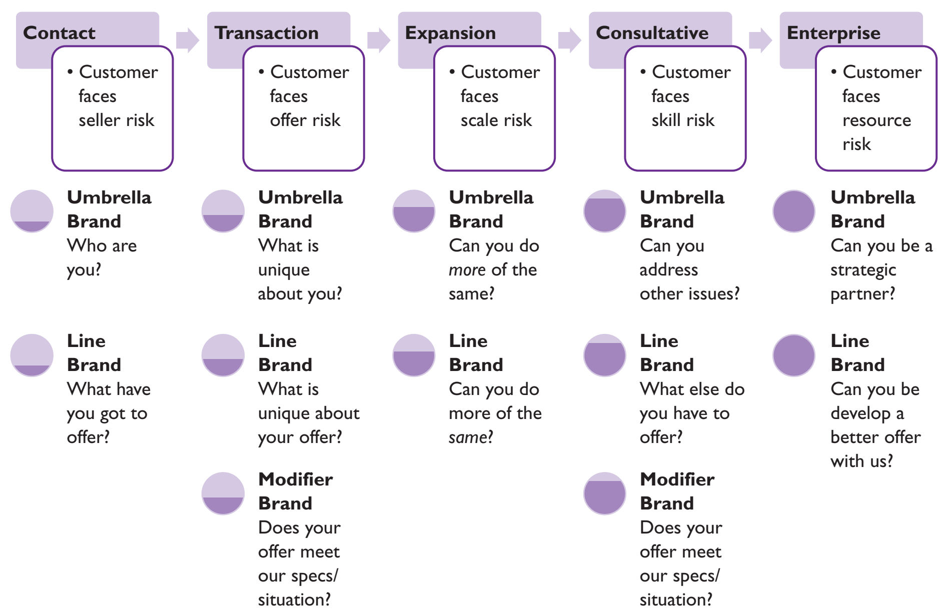
Behind every successful B2B customer-seller relationship is a large amount of effort and resources expended by both parties to build mutual trust. Seminal work on customer-seller relationships[3] suggests that trust is built over time as a relationship is formed within and across different phases. There are five different phases in a B2B customer-seller relationship:

- *Contact Phase*: This phase is characterized by the customer recognizing a need and considering potential suppliers, and the seller demonstrating its ability to satisfy that specific customer need.
- *Transaction Phase*: If the seller is able to convince the customer about its offer, the customer places a trial order to verify claims made by the seller.
- *Expansion Phase*: Upon satisfactory delivery of the initial transaction by the seller, the customer decides to entrust the seller with more orders similar in nature to the initial transaction.
- *Consultative Phase*: Systematically delivering on promises enhances customer confidence towards the seller and results in the customer's increased willingness to work together with the seller to address customer needs in other areas (outside of the initial transaction area).
- *Enterprise Phase*: Depending on the outcomes and the success of the consultative phase, the customer now increases its levels of commitment and resources to working with the seller on joint strategic initiatives.

While this evolution describes a gradual escalation of the customer-seller relationship in five phases, it is important to keep in mind that not all relationships progress through all five phases despite both parties being satisfied with the outcomes. In certain instances, the customer's requirements from the seller might not necessitate a consultative relationship and so the relationship is likely to continue at the expansion phase. Nor does the progression from one phase in the relationship to the next occur within a fixed time frame. Moreover, the relationship building process tends to be demarcated along five phases although these phases do not necessarily follow the sequential order in that certain relationships may skip through phases. Finally, it is worth keeping in mind that the risk perceived by the customer depends on their experience and ability to handle the risk, which in turn is affected by their prior experience in dealing with suppliers, the seller's financial resources, organizational culture, and expertise. For example, a customer used to dealing frequently with external suppliers is likely to have more expertise in mitigating or spreading its risks when compared to organizations that have little experience. Similarly a big customer with more financial resources is likely to perceive and deal with risks quite differently than a smaller customer.

For the customer-seller relationship to develop, mutual trust from both parties is critical. Without accretion of trust, the evolution of the relationship stalls at one of the intermediate phases. However, in order to gain the trust of the customers, the seller must understand that the customer's perceived risks change or evolve as the relationship progresses. Sellers must take into account a different type of risk in each phase in the evolution of the relationship. The framework in Exhibit 1 presents the five phases of evolution of the customer-seller relationship, the corresponding customer risks the seller needs to address in each phase, and the specific customer questions the seller's brand architecture must answer.

EXHIBIT 1. B2B Brand Architecture



Brands offer a language and vehicle to capture and represent the accreted trust. The selling organization's brand architecture can be designed for customers' risk alleviation in each phase. In the Contact phase, the customer seeks to assess *seller risk*: whether to invest time and effort working with an unknown and unproven supplier. In addressing seller risk, the customer is simply asking, "Who are you?" The answer to this question must unequivocally demonstrate the credibility of the seller. So sellers point to aspects of their business such as expertise (e.g., "DuPont: The Miracles of Science"), longevity (since 1888), or third-party endorsements and testimonials (citations among the World's Most Ethical Companies, and Fortune's Best Companies to Work For). Each of these is strongly associated with the umbrella brand, whose key role is to address seller risk.

Next, in the Transaction phase, the customer decides to tentatively engage with the supplier. The customer may place a "test order" to make sure that the supplier is able to deliver on promises. Specifics of reliability, timeliness, product quality, and billing accuracy are scrutinized. In effect, the buyer is assessing the *offer risk*. Customers will no doubt attempt to manage this risk by obtaining negotiated commitments from the supplier in the form of service level agreements and other governance mechanisms. Ultimately, the proof will reside in the ability to deliver on those negotiated promises. The brand captures other customers' accumulated experience with the seller's ability to deliver on these promises. Over time, it is the umbrella brand that develops a reputation (e.g., "IBM delivers").

Based on the supplier's ability to overcome offer risk, the customer considers entrusting the supplier with more sizeable buys. This is the beginning of the Expansion phase, where the customer will work with the supplier as long as basic functional supply requirements are met, and test whether the supplier has the necessary capabilities to scale up and continue to deliver on commitments. We refer to risk perceived in this phase as *scale risk*. The brand mitigates this risk by addressing questions of size and capability. The umbrella brand conveys corporate size, scale, and capability, while the importance of the line brand begins to kick in: it denotes capability in the specific field of application, and differentiation from competitors.

If trust grows, increased interaction with the customer helps the supplier better understand and adapt to customer needs. The seller can now bring a wide range of experience and knowledge to bear on the customers' longer-term problems.[4] The customer begins to see the seller in a consultative role, and we refer to this phase as the Consultative phase. However, the customer is still evaluating the supplier, no longer on its credibility, product quality, or ability to deliver reliably (which are all established by now), but on skills and knowledge to meet long-term requirements. We refer to this risk as *skill risk*. Skill risk is alleviated through a combination of the roles of the umbrella, line, and modifier brands.

Once the supplier has successfully alleviated the buyer's perceived skill risk, the relationship may stall there (not such a bad thing if it means the seller enjoys incumbent status on new bids), or, depending on market opportunities, may evolve into a deeper partnership in the form of an alliance or co-creation aimed at exploiting specific market needs. Referred to as the Enterprise relationship phase, this phase sees significant investments of resources by both parties into the joint development of longer-term opportunities for increased revenues or costs savings. Here the customer is likely to incur *resource risk*, which refers to the extent to which the customer is willing to commit resources to collaborate with the supplier in the absence of certainty of outcomes. Both the umbrella and line brand serve to reduce resource risk. In the ultimate collaboration, once all sources of risk have been addressed, firms may even consider fusing their brand architectures through co-branding (e.g., Sony-Ericsson; Nokia Siemens Networks), ingredient branding (e.g., Intel; Teflon; Dolby), or dual-branding (e.g., IBM and Linux).

B2B Brand Architecture in Action

Let us look at a concrete example of brand architecture at work in the chemicals industry and follow a company's product from launch to partnership, as illustrated in Exhibit 2.

Contact: Who are you?

Consider the story of Millad 3988, the precursor to the NX8000 product we introduced earlier. Milliken sells Millad 3988 to polypropylene manufacturers. Milliken launched its first generation of Millad (Millad 3905) in the early 1980s in North America, where no more than 25 manufacturers of polypropylene were operating. Today there are about 150 manufacturers of polypropylene worldwide, as the industry has expanded globally. However, even with the expanded market, mass communication for the brand is not necessary.

At the time of launch, Milliken was virtually unknown to the polypropylene producers (PPP). So the company found itself addressing two primary customer questions: who are you, and what have you got to offer? The answers were painstakingly delivered through personal presentations to the buyers, users, and senior managers at each prospective client company: Milliken is a well-established player in the chemicals industry, family-owned since its inception in 1865, and focused on quality and innovation. The purpose of these presentations was clear from the start: they were not intended to sell the new product, but rather to establish the Milliken umbrella brand as credible and trustworthy in this new target market. The company's track record and client list helped allay customer concerns about the company's ability to deliver on its promises and support its products with service and knowledge.

Over time, it became evident that it would be far more efficient for the sales force if all of this background information were encapsulated in the umbrella brand. Indeed, in product-markets where Milliken was well known, such as in textiles, the Milliken brand already served as shorthand for this information. So when Milliken introduced a new product to these longstanding customers, they never asked, and the sales force did not need to address, why Milliken was a credible supplier. Only when the customer was more secure about the identity of the supplier would a conversation about the product even begin. In this phase, Milliken assigned a technically skilled sales representative backed up by technical experts for formulation, dosing, and support services to every single PPP. When needed, Milliken R&D specialists met with their counterparts at the customer. As the line brand was unknown to the customer, the goal of every sales conversation was to explain and demonstrate the benefits of using clarifier additives, showing what Milliken Millad 3988 could do for the customer.

Transaction: What Makes you Unique?

Only once the primary questions had been dealt with could the Milliken sales team move on to selling the benefits for the customer of working with Milliken and buying Millad 3988. The question that Milliken needed to address for its customers in this phase was: what will this product do for us? The sales force highlighted what makes both Milliken and Millad unique: spelling out the product's benefits and differentiation. Why is it better than the competitors' products? Initially, the customers were not enthusiastic, preferring to stick with what they knew best. After all, they had no specific end customer requests for clarified plastic. So Milliken set out to address its customers' customers, those buying from the PPPs, including plastics converters such as Rubbermaid and Tupperware, specifiers such as L'Oréal and P&G, and retailers such as Carrefour and Wal-Mart. These reach-out efforts were intended to convince downstream players of the value of clarified plastic. They led to initial transactions creating pull for Millad 3988 through the value chain. Over time, the answers to the questions on what makes the clarifier unique became well-known to customers, and strongly associated with the Millad 3988 brand. Eventually, the Millad 3988 brand became synonymous with its benefits, a form of short hand for "the plastic clarifier solution." So much so, that when plastic makers needed a clarifier for new products, they automatically turned to Millad 3988. This automaticity made the Millad 3988 the market leader, by far, in its space. So when it came time to introduce the next generation of the product a few years later, it was essential to retain the Millad name, but find a way to signal the technological upgrade. The Millad NX8000 was introduced. Now, when sales teams presented the new product, the questions they addressed from customers were no longer about company credibility (that information was now embedded in the Milliken name), nor about the product benefits (that information was embedded in the Millad name), but about what was different about the NX8000 relative to the 3988 (superior performance on clarity without odor, meeting the specifications of highly demanding end customers in the cosmetics, food, and packaging industries). Building on existing awareness of the Milliken and Millad brands was key to the successful launch of the NX8000. Today, the company recognizes that the brand architecture serves as a foundation for the relationship of trust with customers, a barrier to entry for competitors, and a strong competitive advantage for Milliken.

Expansion: Can you do More of the Same?

As Millad 3988 gained acceptance, Milliken needed to satisfy customer requests for larger volumes. Although it was new to the PPP market, Milliken was a significant player in the chemicals industry, so its umbrella brand helped alleviate customer concerns about scaling up. At the same time, the global market for plastics packaging was changing in favor of Millad 3988 clarified polypropylene, as demand for food packaging and plastic storage and household products grew exponentially. Furthermore, Millad 3988 addressed environmental concerns, as manufacturers saw clarified polypropylene as a safer substitute for PolyVynilChloride (PVC) in disposable packaging. As a result, new customers were flocking to Milliken, and the Milliken and Millad 3988 brands ensured that the seller's and product's reputation smoothed the way for the sales force.

Consultative: What Else can you do?

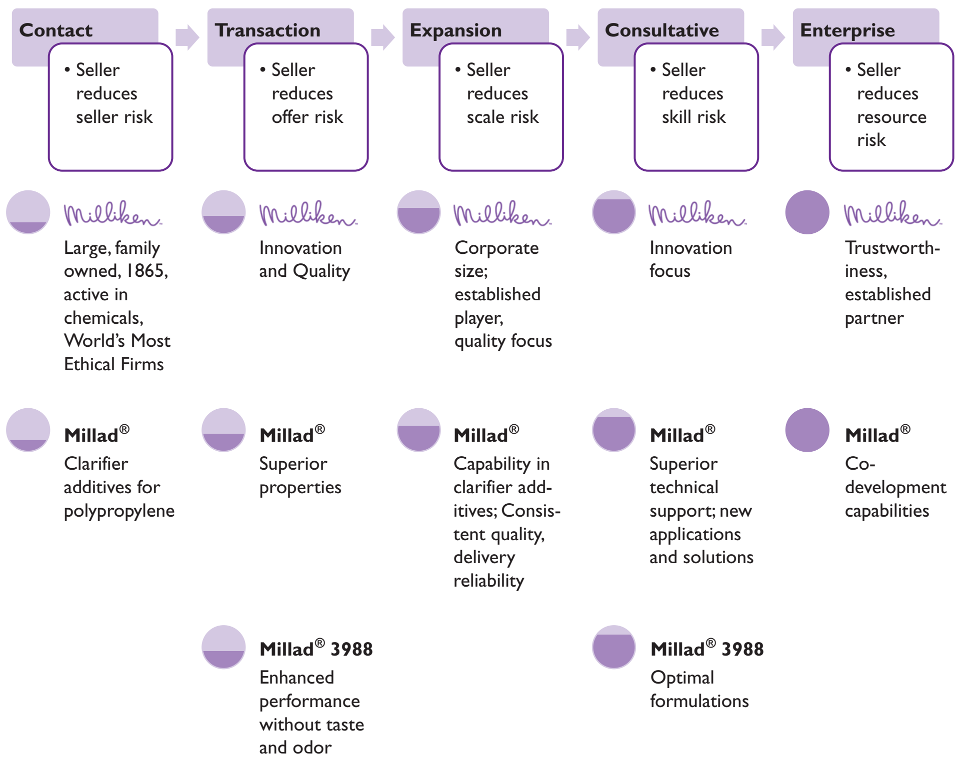
Milliken grasped the importance of its hierarchical brand architecture in reducing customer risks through the buying process, and in each phase of the selling cycle. Managers at Milliken credit its brand architecture for better-positioned products, a smoother sales process, and more satisfied customers. Once the company gained customer confidence in large volume transactions, it mobilized its technical support professionals to help both the PPPs and their customers in formulating their products. The strategic intent was to associate its brands with superior technical support, quality, and innovation. As a case in point, Milliken assisted downstream converters in using Millad 3988 in injection molding applications for houseware plastics. Traditionally, converters used a previous generation of clarifiers, known as MDBS, which offered adequate temperature stability and transparency in injection molding applications. However, odor remained a persistent issue. Millad 3988 solved that issue and also enhanced temperature stability and transparency, while using the same injection molding equipment. Milliken's technical specialists visited machine operators at converters to offer information and advice on how to polish molds and adjust temperature to produce clarified plastic houseware with Millad 3988, referring the converters to PPPs for orders. As a result of these consultative initiatives, the market began to view the Milliken and Millad 3988 brands as standing for innovative solutions, rather than merely as providers of bulk chemicals.

Enterprise: What can We do Together?

Having built strong umbrella, line, and modifier brands, Millad 3988 explored opportunities to expand its scope by co-developing new applications with key customers. A successful instance is the partnership that Milliken forged with a major polypropylene supplier to L'Oréal, the cosmetics giant. The effort involved the co-development of new plastic bottles to help L'Oréal win in the fastidious consumer markets in which it competes. L'Oréal had very stringent requirements on important market, technology, and cost criteria and was looking for innovative packaging solutions to meet these criteria. For example, the company was very careful about the look, touch, and feel of the packaging of its products because of what these communicated to the consumer. However, consumer expectations were constantly evolving. Conventional solutions such as PVC, high-density polyethylene (HDPE), or polyethylene terephthalate (PET) no longer met the look, touch, and feel test. While PVC was being phased out because of its adverse environmental impact, HDPE was not capable of reaching the new transparency requirements. The tactile properties of PET no longer matched L'Oréal's requirements, as it was hard to the touch, and brittle. The company was wary that switching to new forms of packaging would require re-tooling and expensive new machinery. Through a partnership, Milliken co-developed a solution with a packaging supplier to convert HDPE machines to produce polypropylene, making it possible to cost-effectively produce transparent bottles in polypropylene that have a warmer touch than PET and are more transparent than HDPE, based on Millad 3988. L'Oréal could expand its use of polypropylene and introduce better consumer cosmetics and grooming products with unique packaging in terms of transparency, aesthetics, and smell properties. Today, similar co-development partnerships are in progress for Millad NX 8000.

Milliken's brand architecture has allowed it to mitigate customer risks in each phase of the customer-seller relationship, contributing to the price premiums its products command in the global marketplace. The company believes that conservatively its brand commands a 10% price premium. The full brand architecture for Milliken Millad 3988 is depicted in Exhibit 2.

EXHIBIT 2. B2B Brand Architecture at Milliken



B2B Brand Architecture Design Principles

The framework in Exhibit 1 and the Milliken example provide a relatively complete brand architecture including umbrella, line, and modifier brands. However, it is a specific case of more general brand architecture design principles.

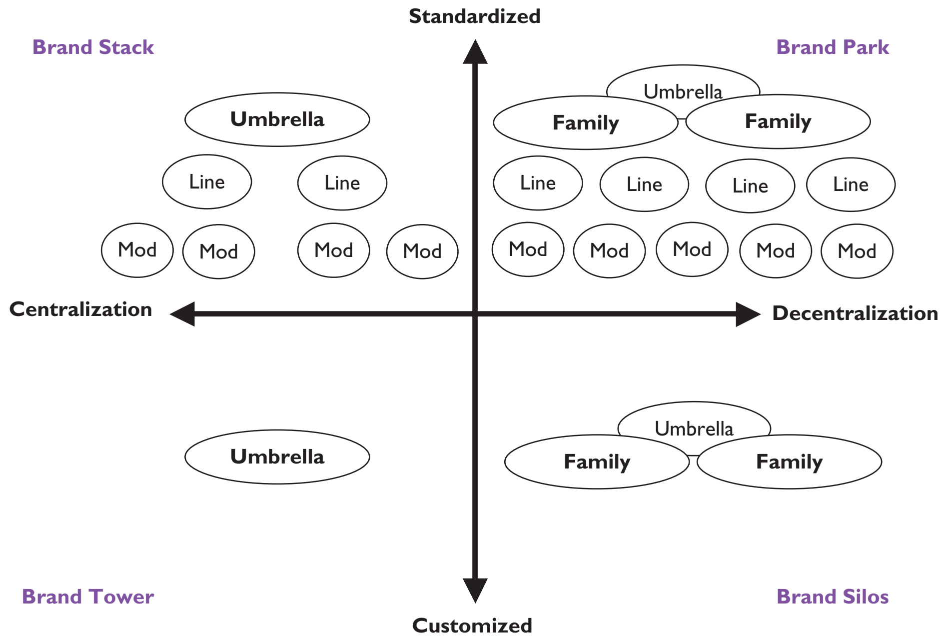
To examine the full range of possibilities, we show how B2B brand architecture is a function of two key dimensions: the organizational structure, in particular, the extent to which a firm is centralized or decentralized (in terms of its product range, sales, and marketing); and the extent to which the firm's market offerings are standardized versus customized. Firms such as Milliken adopt a centralized branding approach because of conditions that are exogenous to its brand architecture. What is key is that the company's global customers expect a common language and terminology for products they buy as input to their production processes around the world. Consequently, Milliken centralizes its brand by presenting a common architecture and names across geographies. Other companies build individual product brands or brands for specific target markets that are typically connected to a single umbrella brand. For example, Johnson & Johnson is organized as a group of independent organizations dealing with different customer segments and hence deploys a decentralized brand architecture. Here, we call these targeted brands *family brands*. A family brand potentially includes line and modifier brands, derived from the standardized nature of the market offering. 3M, for instance, consists of various family brands for industrial adhesives and tapes, including Scotch® and VHB™, which in turn include line brands such as the RP line brand, which refers to a line of pressure sensitive acrylic foam tape for bonding a variety of substrates including many metal, plastic, and painted materials. This line brand is made even more specific by including a modifier brand, such as the RP62, which refers to the thickest double-sided version of the tape.

In addition, firms tend to centralize their brand architecture when: the umbrella brand is a dominant, well-known, and well-regarded name in the market (e.g., GE, HP, IBM, and Siemens); they want to consolidate their brand position in the market and to avoid brand dilution (e.g., Milliken); and they want to develop economies of scale from business opportunities that can be transferred (e.g., Cognizant—elaborated below). On the other hand, firms tend to decentralize when they: acquire brands in new regions of the world where they lack brand equity; acquire new brands specifically targeted towards strategically different segments; and the acquired brand has a strong reputation in the market (e.g., Johnson and Johnson—elaborated below).

The second dimension that contributes to the design of brand architecture is the nature of the firm's market offerings. B2B firms can exploit what we label the *B2B branding paradox*: the more standardized a B2B firm's market offering, the more complex its brand architecture; and conversely, the more customized a B2B firm's market offering, the less complex its brand architecture. Firms that primarily sell standardized offerings tend to have a multi-layered brand architecture to address customer risks in varying phases of the buying process, just as Milliken does. Firms that provide more customized offerings tend to have a simpler architecture, with their umbrella brand supporting the sales force and bearing the burden of addressing the various types of customer risk. This branding paradox occurs because a standardized offering can be positioned and labeled, whereas it is more difficult to do each of these with a customized offering whose boundaries are defined in collaboration with the customer.

Exhibit 3 illustrates how a B2B firm's position on a two-dimensional map, created by juxtaposing the firm's centralization-decentralization and the nature of its offerings, impacts its brand architecture. We describe the four resulting designs. Drawing from the vocabulary of conventional architecture, we label the four designs as: Brand Stack, Brand Park, Brand Tower, and Brand Silos.

EXHIBIT 3. B2B Brand Architecture Design Map



Brand Stack

This is the design that we examined in Exhibits 1 and 2. This design fits centralized organizations that market standardized offerings. It may also benefit companies that market standardized offerings and are in the process of developing a centralized branding approach. A case in point is Evonik, a large German conglomerate that is active in real estate, energy, and chemicals. One of the most prominent family brands in Evonik's portfolio is the specialty chemicals brand Degussa, which in turn is well known for its innovative line brands such as Plexiglas, Aerosil, and Degaroute. Given that Evonik, a newly developed brand without any specific meaning, is positioned as the umbrella brand for the whole organization, the company has decided that the Degussa brand will eventually be phased out, resulting in a Brand Stack architecture, with Evonik as the umbrella brand, overseeing the various line brands (e.g., Plexiglas) and the modifier brands (e.g., Soundstop, Heatstop).

Brand Park

Companies that market standardized offerings, while operating a decentralized branding approach find that a Brand Park design works best. This design is capable of dealing with high levels of complexity such as when acquiring brands that have an established reputation in the market. Consider Johnson & Johnson Medical Devices, for instance. The Johnson & Johnson company has a history of acquiring reputed brands in the medical devices industry and retaining the brand in the marketplace to ensure continuity with their customers, the doctors and patients who use the devices. The acquired companies act as individual subsidiaries and retain their respective brands, as family brands within the Johnson & Johnson umbrella brand. When Johnson & Johnson acquired Cordis, a market leader in endo and cardio vascular medical devices, the Cordis brand was maintained to ensure continuity in the marketplace. Cordis followed a brand strategy where the family brand equity is leveraged across a portfolio of line and modifier brands such as CYPHER Sirolimus-eluting Coronary Stent, and VISTA BRITE TIP Guiding Catheter addressing specific customer risks, in line with the framework in Exhibit 1. For the less-innovative products, the Cordis family brand leads, whereas for breakthrough concepts the line and family brand assume equal roles with the Cordis brand. This approach has the benefit of leveraging the equity of the family brand to the whole portfolio, while retaining the equity in the line brands.

Brand Tower

B2B firms that sell customized offerings, including professional services, face unique challenges. What these firms sell defies discrete definition, and falls along a continuum of possibilities that is often tailored to specific customer requirements. An accounting firm, for example, may sell a discrete product such as an audit; but even such a standard and commoditized product can vary dramatically in complexity and time required so that it is essentially tailored to the requirements of specific customers. Fluidity in the definition of the deliverable implies that customers' perceptions of risks tend to be elevated, as they are unable to judge the quality of the offer, and face potential variability.

Consider the case of Cognizant, a U.S.-based Information Technology (IT) services provider. Initially conceived in 1994 as the technology arm of information services giant Dun & Bradstreet, Cognizant was spun off as an independent entity two years later. It had valuable IT expertise in domains such as Y2K, but it was a small company relative to its established competitors, and a relative unknown in a field dominated by U.S. and Indian giants such as Accenture, Tata Consultancy Services, and Wipro. Its major breakthrough came in 1999, when it landed its first national account in the U.S.—a major Tier 1 bank that thus far had not dealt with any IT offshoring company. The account relationship began as a trial when one of the executives at the bank decided to give Cognizant a chance on a small project that involved two professionals from Cognizant. With a successful completion of this project, Cognizant gained the trust of the bank and was asked to work on a new project deploying 20 professionals. This helped ensure that Cognizant was now included in the list of specified vendors during future Requests For Proposals (RFP) issued by the bank. That was the first big break for the company that now has a market capitalization in excess of $22 billion. Based on the experience with this customer, Cognizant realized that it was not necessarily its range of services or even its deep technical expertise that attracted the customer. Instead, everything hinged on the trust it had won by delivering on the projects for which it was hired. This reputation was critical for customers who had a wide array of suppliers to choose from. Based on this understanding of the critical success factor in winning business, the firm took a deliberate decision to use the Cognizant name as a stand-alone brand and make it synonymous with the company's ability to deliver.

The intent was to be seen as having general capabilities to meet a broad range of customer requirements in the area of IT, and to address questions of credibility and trust through the umbrella brand, leaving the flexibility of positioning and selling customized services to the sales force. Being positioned as a trusted IT services provider with a proven track record, with specific capabilities to meet every customer requirement, irrespective of the size and scope, the Cognizant brand helped the sales force mitigate seller, offer, scale, skill, and resource risks for the customer.

Brand Silos

The more customized a firm's offering, the more difficult it becomes to articulate the brand promise, and to make the benefits "real" to the customer. This problem is further compounded when a firm markets a variety of unique and distinct customized offerings to different customer segments, in a decentralized manner. USG People, for instance, is a decentralized company that provides specialized employment services through its independent operating companies in 10 countries in Europe, and it distinguishes itself through its detailed multi-brand strategy consisting of a collection of family brands. Its approach includes 24 family brands, each of which targets a specific market, and each is visibly part of USG People through its visual identity, including logo design. While each of these operating companies could function under an isolated brand, the USG People umbrella brand helps ensure that the corporate entity is seen to be capable of providing a wide variety of services to business customers interested in a "one-stop-shop solution" in employment services, while the family brands help establish specific domain expertise that customers seek. Secretary Plus, for instance, is a line brand that concentrates on service provisioning for staffing multilingual personal assistants. Other brands such as USG Energy, USG Financial Services, and USG Innotiv focus on recruiting and seconding high-grade specialists in specialized vertical sectors. Every family brand is specific to one of its operating companies, addressing specific customer needs while mitigating risks specific to that company and market. At the centralized group level, however, the single USG People umbrella brand backs up all family brands either directly by joining elements of the umbrella and family brand (e.g., USG Energy) or indirectly by highlighting the family brand and connecting it to the umbrella brand (e.g., Secretary Plus, member of USG People). As a B2B firm creates a balance of centralization and decentralization, the umbrella brand addresses corporate customer needs, whereas the family brand can tackle specific customer concerns.

Conclusion

B2B firms tend to neglect their brand architecture in favor of investments in the sales force, when in fact brands may be the best support platform their sales force could hope for. In designing brands for B2B markets, managers need to keep three things in mind. First, brands are long-term assets that accumulate meaning for customers over time. In other words, do not expect immediate results after a brand launch, or rebranding exercise, and manage sales force expectations—they are the ones that will be imputing the brand with meaning by delivering on the firm's promises, and they will eventually benefit from the brand building efforts when customers begin to trust it. Second, no brand stands alone. The collection of brands needs to be designed as a team, where the umbrella brand quarterbacks the efforts of the line and modifier brands. Each brand serves a different role, allaying different risks in different phases of the buying process, but together the brand architecture delivers a coordinated set of answers to key customer questions. In other words, the inter-relationships between the brands in the portfolio matter as much as the individual positioning of each brand. The starting point for developing a hierarchy of brands is to determine the customer risks in various phases of the buying process. Brand architecture (the inter-relationships between the brands) is a systematic way of addressing those risks. The two dimensions of centralization-decentralization and standardized-customized offerings allow firms to locate themselves on a brand architecture map that suggests optimal design for different B2B contexts. Finally, it is worth remembering that a coherent collection of well-positioned brands serves as a powerful competitive advantage in the field. Several competitors and imitators have, over the years, attempted to dislodge Millad 3988 from its position as the leading clarifier solution, but Milliken credits the strength of its brands in its brand architecture for the successful defense of its position.

In this article we have proposed a brand architecture framework that is applicable to the B2B context. Specific to this context are the phases of evolution of the relationship between the buyer and the seller, the customers' perceived risks in each phase, and the complementary roles of the sales force and brand architecture in reducing those risks. Models of brand architecture developed for consumer markets, such as those proposed by Kapferer and by Aaker and Joachimsthaler,[5] are designed to organize and target a portfolio of brands to specific consumer and benefit segments. By contrast, driven by the B2B context, our model emphasizes the phases of customer-seller relationship building and demonstrates how each level of the brand architecture addresses the different customer risks in each phase.

Notes

1. David A. Aaker and E.A. Joachimsthaler, "The Brand Relationship Spectrum: The Key to the Brand Architecture Challenge," *California Management Review* 42 no. 4 (Summer 2000): 8-23.
2. This is a simplified version of Kapferer's Branding system as described in Jean-Noel Kapferer (1992) *Strategic Brand Management*, London Koogan-Page.
3. Robert F. Dwyer, Paul H. Schurr, and Sejo Oh, "Developing Buyer-Seller Relationships," *Journal of Marketing* 51 (April 1987): 11-27; John R. DeVincentis and Neil Rackham, "Breadth of a Salesman," *McKinsey Quarterly* 4 (1998): 32-43.
4. Niraj Dawar and Mark Vandenbosch, "The Seller's Hidden Advantage," *MIT Sloan Management Review* 45 no. 2 (Winter 2004): 83-88.
5. Kapferer, op. cit.; Aaker and Joachimsthaler, op. cit.

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