

# **The Importance of Client Relationships and Service Brand Personification Dimensions in a Short-Term Business Insurance Market**

Pieter Steenkamp  
Cape Peninsula University of Technology

Frikkie Herbst  
University of the Western Cape

Kosie de Villiers  
Enterprise Dynamics

Marlize Terblanche-Smit  
University of Stellenbosch Business School

## **Abstract**

Some of the most valuable brands are business-to-business (B2B) service brands, for example IBM, Cisco and SAP (Glynn 2012; Kalafatis, Remizova, Riley & Singh 2012). The Brand Resonance model was developed to guide brand building within a consumer product or individual brand context, though the model is proposed to be applicable to any context, including business-to-business (B2B) and service contexts. There is doubt regarding the validity of the claim that the Brand Resonance model is applicable, as is, to the B2B sector. Using an interpretivist qualitative approach and an exploratory research strategy, an amended framework was developed empirically by applying the Brand Resonance model to a B2B services context. Results prompted the inclusion of a people dimension and elevated the importance of relationships in an amended framework, called the ServBrand framework. The framework proposes that people are at the centre of service brand building and sees Relationships as the ultimate aim of the framework. The findings support core principals of the interaction approach, which is a major school of thought within B2B marketing research. (Turnbull, Ford & Cunningham, 1996).

**Keywords:** interaction approach, brand equity, services, business-to-business

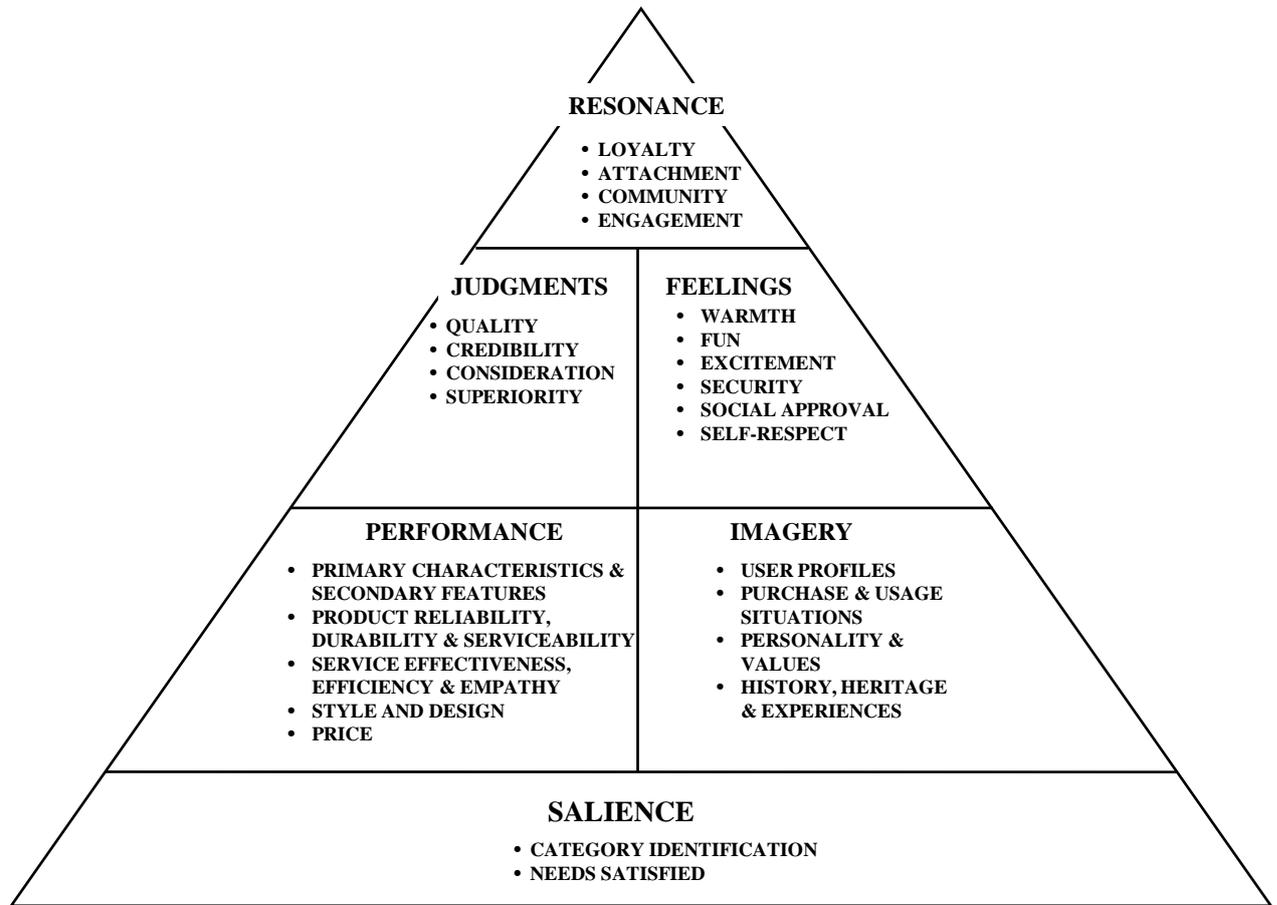
## **Introduction**

The interaction approach focuses on long-term relationships between B2B partners rather than individual transaction (Axellson & Easton, 1992; Hakansson & Snehota, 1995). For the study reported on, organisations were not involved in once-off transactions. The objectives of the study were to identify the brand-building blocks and sub-dimensions of the Brand Resonance model that are confirmed; those that are not confirmed; and to establish what other brand-building blocks and sub-dimensions may be relevant to the selected B2B services.

The Brand Resonance model is introduced next, followed by the methodology used to apply the model to the selected context. The resultant ServBrand framework is then presented and the importance of the Service Brand Personification and Client Relationships brand-building blocks related to the interaction approach.

## **Keller's brand resonance model**

The Brand Resonance model (Figure 1) presents brand building as six building blocks. Each of the six brand-building blocks has various sub-dimensions. The relevance of the building blocks and sub-dimensions were tested empirically in the study presented on here.



**Figure 1: Brand resonance building blocks**  
 Source: Keller, 2001: 17; 2008: 61; 2013: 108

### Design and methods

A qualitative research approach was appropriate because the brand equity phenomenon is complex and multifaceted with many dimensions (Zikmund & Babin, 2010: 61). The study was a cross-sectional study and open-ended questions were used to elicit participants' perceptions of the Brand Resonance model's current and potential sub-dimensions. Non-probability sampling is the norm for qualitative research, while the number of cases that is selected is limited. The focus is on selecting cases to study that are information-rich, rather than a large sample (Bailey, 2007: 63-64). Judgemental selection was used for the present study to obtain appropriate information from participants, which had some influence over which insurance brand that was selected for the hotels.

#### Data collection

Hotels in Cape Town were targeted as the demand-side client organisations of short-term business insurance. Selection of participants was based on inclusion on the Cape Town Tourism and www.booking.com databases, and location (within Cape Town, South Africa area). A total of 84 hotels were included in the selection frame. 17 Interviews were conducted of which 14 were useable. Even though 17 interviews were conducted, the study represented more than 17 hotels. The 14 interviews covered about 30 of the 89 hotels on the selection frame.

Bailey (2007: 64) highlights the dilemma of determining a sample size for non-probability sampling and suggests a sample size of 20. Seidman (2006: 55) reports on a suggested maximum sample size of

25, based on the notion that exceeding this number would not lead to new or additional information; the so-called saturation point. Leedy and Ormrod (2010: 141) suggest a typical sample size of 5 to 25. Mason (2010) evaluated 560 PhD studies of some of the world's foremost institutions and found that for this type of qualitative research the minimum number of interviews accepted was 7 and the mode 20. For the study reported on in this article, saturation was reached after about 10 interviews. Given the focused nature of the study and the homogeneity of the participants, the sample size was in line with that suggested in the literature.

### **Data analysis**

Following the interviews, the audio recordings were transcribed. Each interview transcription was compared to the actual audio recording by following the typed text, while listening to the recording. Data manipulation was done by coding the transcriptions and categorising the codes into themes (Leedy & Ormrod, 2010: 142) with the aid of the computer-assisted qualitative data analysis software (CAQDAS) programme, Atlas.ti7.

### **Code of conduct and ethics**

The research did not include vulnerable members of the community. In addition to the requirements of the institution that the researcher is affiliated to, the researcher abided by the code of marketing and social research of the Southern African Research Association (SAMRA). The code includes explicit guidelines about informed consent and confidentiality.

### **Limitations**

The present study continued the quest to adapt a major branding model for B2B services and only considered B2B short-term insurance for hotels, so the results may be sector-specific and may not be representative of all B2B services markets. As a result of the delineation, the results may also be area-specific.

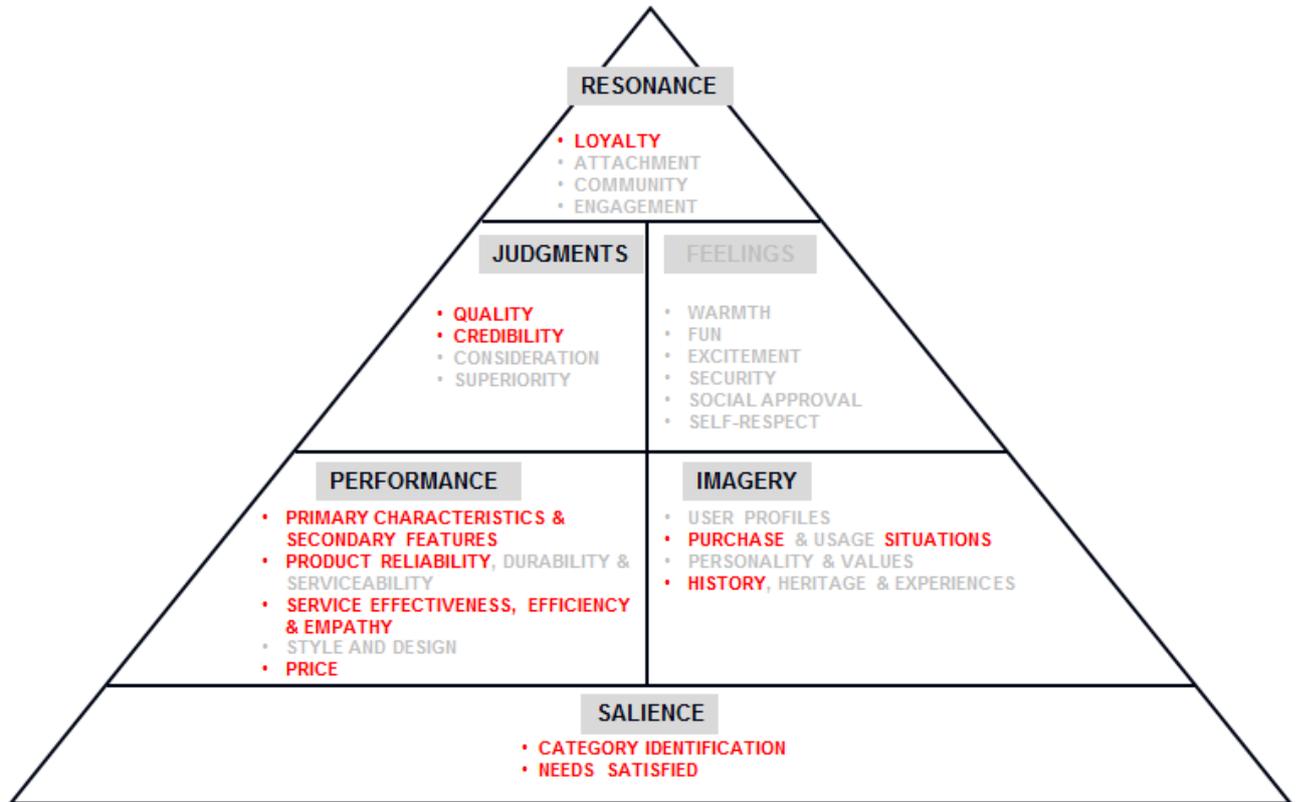
## **Findings and interpretive discussion**

It was found that the broker brand and not the individual insurance/ offering brand is of importance, which is contrary to the case in B2C markets. In consumer markets the relationship is mostly directly between the individual brand and the end consumer (Webster & Keller, 2004: 397). All participants reported that they worked via a broker. None of the participants dealt directly with the insurer. Intermediaries are not referred to in the Brand Resonance model (Figure 2). Kuhn et al. (2008: 50-51) suggest the inclusion of a 'Sales force' building block, which speaks to the importance of the human element. The present study's findings differ, since the broker dimension cannot simply be included in an amended framework because there are two branding frameworks involved – one to build insurance brand equity and one to build broker brand equity. The broker is not a dimension that should be added to the existing Brand Resonance model; rather, the broker has a brand equity framework of its own. The human element involved from the broker's side is a dimension that should be included in the broker brand equity framework.

Even though the Salience brand-building block and the sub-dimensions were confirmed for insurer brand equity it was found that it did not matter whether the client was aware of the insurer brand. Participants referred to their relationship with the broker and not to their relationship with the insurance house, even though they are aware of the insurance house.

## Research Objectives 1 and 2

Figure 2 below indicates all sub-dimensions of broker brand equity that were confirmed (in bold text) and those that were not confirmed (in faded text) by the study. This met the first two research objectives stated in the Introduction.



**Figure 2: Confirmed sub-dimensions of broker brand equity**

## Research Objective 3

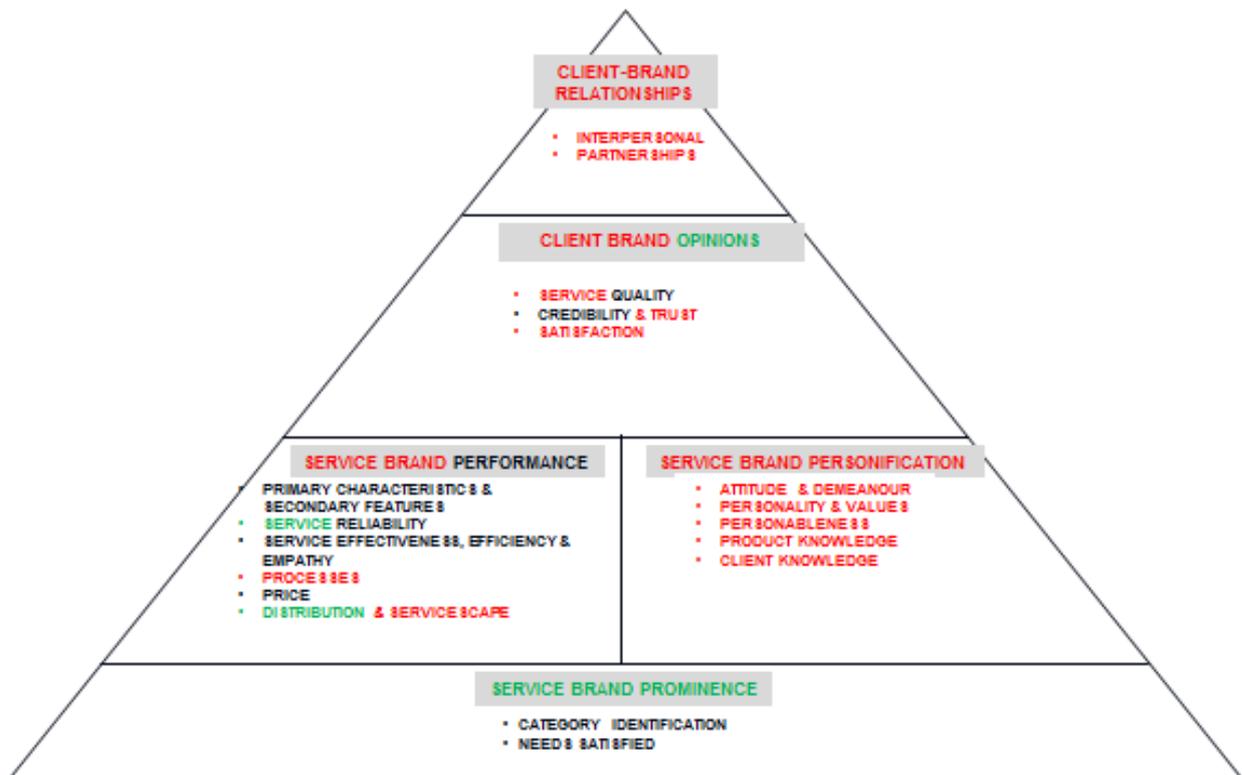
Additional dimensions of broker brand equity emerged from the study. Therefore, the broker brand equity framework (Figure 2) was amended further. The result of combining the confirmed brand-building blocks and sub-dimension of broker brand equity with the additional sub-dimensions and building blocks uncovered by the study is shown below as Figure 3. As stated before, this is an amended Brand Resonance framework for the selected B2B services and is called the ServBrand framework for selected business-to-business services. This met the third research objective stated in the Introduction.

### **Servbrand framework for selected business-to-business services**

The brand-building blocks and sub-dimensions in black (bold) text are those that were confirmed and retained from the Brand Resonance model (Figure 1), while those in red (lighter tone) are additional building blocks and sub-dimensions that have been identified by the study. The sub-dimension ‘Distribution’ is merely a name change from that used in the Brand resonance model.

The ServBrand framework introduces two new brand-building blocks and a number of sub-dimensions. The focus of this paper is the two brand-building blocks that were added to the amended

framework, namely Service Brand Personification and Client-Brand Relationships. The interaction approach, among other things, highlights the importance of inter-organisational person contact and the resulting relationships (Turnbull, Ford & Cunningham, 1996: 45). These will now be discussed in more detail.



**Figure 3: ServBrand framework for selected business-to-business services**

### Service brand personification

Based on the findings of the study reported on, a ‘people’ or Service Brand Personification brand-building block was added to the ServBrand framework in Figure 3, together with the following sub-dimensions:

- attitude: the service providers’ internalised way of thinking and feeling, which informs their behaviour towards the client. For example, a conscious decision and commitment to deliver professional service, while remaining approachable. The participant below mentioned the broker’s professionalism:
- demeanour: is the outward behaviour of the service providers towards the client. For example, the broker referred to below did not display a friendly demeanour:
- personality: the characteristics and qualities of the service providers’ character. For example, having an engaging personality. Aaker (1997) identified brand personality scale measures, but Kuhn and Alpert (2004) and Kuhn et al. (2008:47) found that the B2B brands that were studied did not possess any personality traits. This necessitated testing for this dimension. Throughout the analysis of the interview data, the importance of the human element became evident. Baumgarth and Binckebanck (2011: 487-498) mention the salesperson’s personality as opposed to the brand’s personality.

- values: the service providers' principles or standards of behaviour. This refers to a way of doing business; of what is acceptable and what is not.
- personableness: having a pleasant personal appearance and manner.
- product knowledge: brokers having an understanding of the insurance policy that includes what should be covered, exclusions, special precautions/ requirements and so on were important to participants.
- client knowledge: being familiar with the client as an individual and their business needs were considered valuable.

### **Client-brand relationships**

A second additional brand-building block was added to the ServBrand framework (Figure 3), namely Client-brand Relationships. This is supported by Kuhn et al. (2008: 40-58) who found that sales force relationships was an important dimension that should be included in an amended brand equity framework. The ServBrand framework extends this finding to include relationships with all representatives of the organisation who are involved with rendering the service. The two sub-dimensions of the 'Relationships' building block are:

- interpersonal: the personal relationship between the client and the broker's representatives based on business interaction.
- partnerships: between a broker and client working together towards achieving a common goal.
- meaningful and beneficial interpersonal relationships will enable the formation of longer-term partnerships.

More important than the fact that relationships are important in a B2B context is the nature of the relationship (Turnbull, Ford & Cunningham, 1996: 44-46). As reported above, it was found that relationships are important and are based on interpersonal interaction between representatives of the organisation and the client. These relationships turn into partnerships if both parties share a common goal. In addition the type of interaction desired is stipulated in terms of attitude, personality, demeanor, values and so on. The relationships in the specific context of the study reported on, short-term business insurance, is interesting. It was found that there is a definite relationship between the client (hotel) and their broker. The client trusts their broker to such an extent that they accept the brand that the broker suggests. This indicates high levels of trust. But this relationship is not based on feelings of closeness. Even though the clients are aware of the business insurance brands, there is no relationship whatsoever between the client and the insurance house. In this network it was found that the broker needs to be aware and have a working relationship with the insurer and that the client is aware and has a relationship with their broker.

The pinnacle of the Brand Resonance model is the Resonance brand-building block (Figure 1). Of the four sub-dimensions of the Resonance building block, only Loyalty towards the broker was confirmed by the study. The study supports Aaker's (1991: 15-18) view that brand loyalty can be considered both as a dimension of brand equity and an outcome of brand equity, hence the decision to omit the Resonance building block from the ServBrand framework. The outcome or result of the ServBrand framework is brand loyalty. Taylor et al. (2004: 218) also found brand equity and trust to be antecedents of 'loyalty'. Even though there were only an individual, two or at most three people involved with the purchase decision the study indeed supports the view that customers are "often reluctant to change their sources of supply and that there was a surprising degree of stability and durability in their dealings with many of their suppliers" (Turnbull, Ford & Cunningham, 1996: 44).

In addition it was evident that the clients were aware of the interdependence of their broker and the insurance house. The insurance house supplied the cover, contributed largely to the price and affected the overall experience through the processes involved and the honouring of claims. Also the broker's

product knowledge was deemed important. This relate to the network position and technologies aspects of the interaction approach (Turnbull, Ford & Cunningham (1996: 47-48). The clients trusted their brokers to ensure that they had the right cover, which was probable due to the complexity (difficulty to understand and compare) of the various insurance policies. The relationships seem to be brittle and do not evolve over time.

The study continued the process of assessing and adapting a major brand equity model for the B2B services context, but it is by no means conclusive.

### **Conclusion**

Brand marketing researchers and practitioners generally agree that creating brand equity is critical to long-term business success. There is no consensus about the applicability of the Brand Resonance model, one of the most prominent brand equity models (Figure 1), to services and to business-to-business contexts. This model was tested in a selected B2B services setting that included an intermediary. The findings of the study reported on suggest that an adapted ServBrand framework, as illustrated in Figure 3, is more appropriate for selected B2B services. The study reported on investigated real brands with real B2B services clients and provided insights into how B2B services brand equity should be conceptualised and measured.

The ServBrand framework incorporates a 'People' dimension as a core aspect of B2B services brand equity, with sub-dimensions of attitude and demeanour, personality and values, personableness, product knowledge and client knowledge. Relationships, both interpersonal and as partnerships, are at the pinnacle of the framework. The study reported on confirmed the rational route to brand building - of building Salience, Service Performance, Judgements and Relationships. The emotional route that included Feelings was not confirmed.

### **References**

- Aaker, D.A. (1991). *Managing brand equity: Capitalizing on the value of a brand name*. New York: Free Press.
- Aaker, J. (1997). Dimensions of brand personality. *Journal of Marketing Research*, XXXIV(August), 347-356.
- Axelsson, B. & Easton, G. (1992), *Industrial Networks – A New View of Reality*, London: Routledge.
- Bailey, C.A. (2007). *A Guide to Qualitative Field Research* London: Pine Forge.
- Baumgarth, C. & Binckebanck, L. (2011). Sales force impact on B-to-B brand equity: conceptual framework and empirical test. *Journal of Product and Brand Management*, 20(6), 487-498.
- Baumgarth, C. (2010). Living the brand: brand orientation in the business-to-business sector. *European Journal of Marketing*, 44(5), 653-671.
- Glynn, M.S. (2012). Primer in B2B brand-building strategies with a reader practicum. *Journal of Business Research*, 65, 666–675.
- Hakansson H. & Snehota I. (1995), *Developing Relationships in Business Networks*, London: Routledge.
- Kalafatis, S.P., Remizova, N., Riley, D. & Singh, F. (2012). The differential impact of brand equity on B2B co-branding. *Journal of Business & Industrial Marketing*, 27(8), 623-634. [Online] Available: DOI 10.1108/08858621211273574 Accessed: 15 September 2015.

Keller, K.L. (2013). *Strategic brand management: Building, measuring, and managing brand equity*. 4<sup>th</sup> edition. New Jersey: Pearson Education.

Kuhn, K.L., Alpert, F. & Pope, N.K.L. (2008). An application of Keller's brand equity model in a B2B context. *Qualitative Market Research: An International Journal* 11(1), 40–58.

Kuhn, K.L. & Alpert, F. (2004). Applying Keller's Brand Equity Model in a B2B Context: Limitations and an Empirical Test. In Jim Wiley and Peter Thirkell (eds). *Proceedings of the 2004 Australian and New Zealand Marketing Academy Conference*. Wellington, New Zealand: Victoria University.

Leedy, P.D. & Ormrod, J.E., (2010). *Practical research: Planning and design*. 9th edition. New Jersey: Pearson Education.

Mason, M. (2010). Sample Size and Saturation in PhD Studies Using Qualitative Interviews. *Forum Qualitative Sozialforschung / Forum: Qualitative Social Research*, 11(3), Art. 8, <http://nbn-resolving.de/urn:nbn:de:0114-fqs100387>. [Accessed: 14 September 2015].

Ryan, J. & Silvanta, S. (2013). The critical role of corporate brand equity in B2B marketing: An example and analysis. *Marketing Review*, 13(1), 39-50. [Online] Available: <http://dx.doi.org/10.1362/146934713X13590250137745> Accessed: 10 September 2015.

Seidman, I. (2006). *Interviewing as qualitative research: a guide for researchers in education and social sciences*. 3<sup>rd</sup> edition. New York: Teachers College Press.

Taylor, S.A., Celuch, K. & Goodwin, S. (2004). The importance of brand equity to customer loyalty. *Journal of Product & Brand Management* 13(4), 217-227.

Turnbull, P., Ford, D. & Cunningham, M. (1996). Interaction, relationships and networks in business markets: an evolving perspective. *Journal of Business & Industrial Marketing*, 11(3/4), 44 – 62. <http://dx.doi.org/10.1108/08858629610125469>

Webster, F.W. & Keller, K.L. (2004). A roadmap for branding in industrial markets. *Journal of Brand Management*, 11(5), 388-402.

Zikmund, W.G & Babin, B.J. (2010). *Exploring marketing research*. 10th edition. n.p.: South-Western, Cengage Learning.