

Marketing trend (importance of brand identity) 2

[Business](#), [Marketing](#)



Marketing Trend (Importance of Brand Identity) Marketing Trend (Importance of Brand Identity) The importance of brand identity has an impact on the external factors of business purchasing decision making. In summary, external factors that affect business purchasing include economic conditions, political and social environments, regulatory changes and competition (Aaker & Joachimsthaler, 2000). Brand may refer to people, commodities and ideas. It could also mean the process of positioning, targeting, and communicating an offer. Within a business setting, it includes the product characteristics, brand image, support and company reputation (Stern, 2006). This paper will discuss how a brand impacts on these elements.

. Brands exert their influence the most in high risk purchase situations. Studies have shown that a buyer's choice of brand is a reflection of confidence the buyer has in the seller, thus it will receive more consideration in the decision process, as the risk associated with it grows (Dowling & Staelin, 1994). Once an organization has confidence in a brand from a certain vendor, they might also buy other products associated with that vendor. For lower risk projects, most organizations will base their decisions on other aspects like price and convenience, rather than brand name. The price factor diminishes in high risk projects while the brand notably influences decisions to buy. Organizations need to be sure that they are buying from reputable and reliable companies and a brand name will best identify such companies (Dowling & Staelin, 1994).

The worth of a strong brand stems from the positive message it communicates about an offer. In a business surrounding, the interpretations of these messages are based on risk reduction terms. Brand cues are,

therefore, significant in high risk situations (Mudambi, (2002). It has been determined that risk reduction is a brand's most prominent function in business markets, and brand knowledge is strongly associated to performance in buying conditions (Homburg, Klarmann & Schmitt 2010). In an organization's buying team, one member's experience with a brand and the vendor's repute will lead to a more outstanding role for brand knowledge. In this perspective, a brand does influence decision making in high risk situations. An organization will opt for a superior brand of a renowned quality to have an edge over the competition.

Among the internal factors that influence business purchase processes are organizational goals and objectives, organizational structure, policies and procedures and technological levels (Dowling & Staelin, 1994). The functions of these factors are so interwoven that a brand's influence is likely to affect all of them, albeit in different degrees. For example, an organization's goals and objectives will determine what, and how, the organization will buy. If the organization is bent towards capturing a larger market share through selling cheap products in large quantities, it will more likely go for a supplier who will deliver the quantities at a low price. Brand, therefore, will not impact significantly on their buying decision. On the other hand, an organization whose intention is to sell quality products will focus more on buying known and trusted quality brand names, regardless of the price disadvantage associated with such brands (Dowling & Staelin, 1994).

In conclusion, a brand's identity influences both the external factors affecting business purchases, and the internal processes of decision making. The trust in a brand is highly related to the risk levels involved in the purchase.

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