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RESEARCH ARTICLE

B2B BRANDING: EMPIRICAL EVIDENCE AMONG INDIAN CONSTRUCTION CHEMICAL STARTUPS

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ABSTRACT

Background: Brand recognition is one of the key components for the development and growth of a startup venture. This research paper aims at creating brand recognition for a startup venture of construction chemicals and its related new products for developing sustainable building protection solutions. Further, this research aims to recognize a brand establishment strategy for start-ups that can promote brand awareness and loyalty in Indian market. **Method:** The samples are collected from the set of 30 start-ups from the B2B sector. The study uses both qualitative and quantitative research technique. **Results:** The study gives insights into various aspects of brand establishment arrays such as customer's psychology, emotional intelligence, customer preferences, engaging the customers, market connections and dynamics, following company's vision, etc. **Conclusion:** According to the study, emotional quotient of the company is the most important ingredient for all the start-up companies. This includes company's vision, commitment, and relationship with customer, etc. which a crucial factor affecting a buying decision for the new product line in construction chemical industries.

INTRODUCTION

In the last decade, branding has developed as the top management priority. Brands are the effective intangible assets, especially for the startup organizations. Brands are always more powerful in building a strong relationship with clients which is viable and lucrative as compared to the non-branded products (De Chernatony *et al.*, 2010). Whether you are a start-up or a multinational company, building brand is the very basic fabric of the business and using it to drive strategic organizational and operational domain will surely deliver long-term success. The construction chemical market of India reveals different aspects of the market (State of branding report, 2018). This industry is continuously growing at an average growth rate of approximately 15 % per annum. As observed in one report, the construction chemicals is one of the important segments in Indian specialty chemical sectors (CHEMICALS IN INDIA Report). The survey conducted in 2012, observes that established brands outperformed the new ones by 20%. The powerful global brands like Dupont and IBM have adopted the strategy of injecting emotions and humanity to their brand image to capture the B2B domain. It has been observed that in order to create brand recognition it is always important to find out the new ways and maintain an emotional appeal. The main goal of this paper is to identify the high market demand and the need for advanced eco-friendly construction related products in India.

Currently, very limited research is made in the field of branding a construction chemical company and the related new products of start-ups. This research activity is of exploratory nature that aims to look at branding with a different view and create an attitude to get the brand recognized towards developing a strong brand in the market by effective branding activities for the start-ups.

Indian Startups and Their Role in the Economy: Last year can be considered as a start-up year for India, as it witnessed the emergence of many start-ups. It led India on a path of economic advancement. In every sector like education, retail, hotel industry, transportation, medicine, etc., start-ups developed like a boom. The 'Start-up India' campaign is much appreciated, much desired and an innovative step was taken by the Government of India for encouraging people and thus invite them in country's mainstream economy in a quest to form a better and strong economy. Around 3.61 crore MSMEs were established, contributing 38% to the nation's GDP, they have an important role to play in advancing industrial growth and confirming the success of the 'Make in India' programme. The best part is the sector contributes to 45% of India's manufacturing output, 40% of India's total exports and India's workforce (MSME sector: epitomising vitality Report, 2017). The current report of industry body NASSCOM and Zinnov (Report on Start-Up, 2015), evaluates the scenario along with the emergent trends across all the dimensions, which define the

Indian start-up ecology, and scale India's position as a start-up hub that is attracting global investors, corporates, and start-ups. As observed in one of the statistics, the number of active start-up investors has grown from 220 to 490 in then timespan of one year (2014 to 2015), showing a 2.3X growth. The fact that makes it even more interesting is, in India eight out of every ten top VC/PE are foreign firms, and this global investment is resulting in an increased FDI. After the US and UK, India stands at a third step in the field of technology-driven product start-ups. Apparently, it proves to be the fast-paced start-up-base worldwide. The Indian start-up boom has made a visible impact on many crucial areas like, agriculture, education, employment, healthcare etc. On the larger scale, this start-up ecosystem has contributed on a major scale to the Indian economy, enhanced people lives, built innovative solutions and increased the number for opportunities for the stakeholders.

Construction Chemical Industry in India and the Start-ups: According to many reports, the construction chemical industry is still at a budding stage as the level of use is much lower when compared to other markets. The reason behind is the limited awareness about the chemical products and its benefits as well as the price for the conscious customers. Yet, this industry has shown significant growth in the previous 5 years. There was an immense development in the construction chemical industry through enhancing properties of molecules such as reduced water requirement, strength, corrosion, increased abrasion resistance etc. Indian markets further sees the introduction of global construction chemical companies that have further heaped the competition and enhanced the market growth.

As per the report on chemical industries (Chemicals and Petrochemicals, 2019) by one of the studies states that,

- India is sixth leading chemical manufacturer globally and the third in Asia.
- The market size of Indian chemicals segment for the year 2015-16 was approximated to USD 142 billion.
- Production of total key chemicals and basic petrochemicals stood at 12816 thousand MT, whereas major chemicals was 5307 thousand MT for first two quarters of FY 2017-18.
- April-Sep'2017 raised USD 15 billion of the total export of Chemicals and its Products (excluding Pharmaceutical products and fertilizers).
- Chemicals sector is a key enabling industry and provides support for other sectors like agriculture, construction, leather etc.
- In India, specialty chemicals expected growth by 2020 accounts to 5% of Global Specialty Chemicals.

This overall market is fairly collective, but the studies shows that there is substantial fragmentation of specific products and their application areas. There are several global construction companies who have set up their manufacturing operations in India. The top 7 players account for ~50% of the market, next 20 players being ~25% and the rest 25% involves small and start-ups. Based on returns, India accounts to only 3 to 4 companies on top. Not only this, there are various other small and regional players as well. In India approximately 300 companies are estimated in this segment of construction chemicals. Looking at the fair scope for this industry in India, lots of MNC's as well as individual players have entered this business. However, many of the startups are finding it difficult

to establish themselves because of the challenges involved in this industry. Looking at the market's competitiveness and dynamisms, creating a brand recognition for start-ups is a big challenge in this business. Considering all these real-world difficulties and challenges met by the various companies of this construction chemicals, it is essential to put down the realistic view for a start-up venture. Although all of small ventures are concentrating on conventional range of products, our main aim is to position their brand recognition activity in some unique method. This study emphasizes and explores through many strategic approaches and theories of branding that will positively help new comers to establish themselves amongst the big player community.

Importance of Branding for Construction Chemical Start-Ups: As many start-ups hit the marketplace with their unique USPs at a regular interval, we can say this is a start-up era. But this it is not a smooth sailing experience for every one of them. This is an ultra-competitive environment and every player is trying to stay and grow. According to an Oxford Economics study and IBM Institute for Business Value, 90% of Indian start-ups fail within their first five operative years. To give an example, on-demand home service, Taskbob was a hyperlocal, started in 2015 announced their shutdown on their FaceBook page on Jan 19, 2017. In addition, Roomstonite – the last-minute hotel-booking app launched in 2015 at Bengaluru, seems to have closed in just two years in 2017. Moreover, start-ups are always experimental by nature and don't follow predefined path of progress, as they are innovative. As they toil in unexplored territory, they often change directions and even their products/services according to market trends. Often-a-times their business model too can change. Today the construction chemical industry is on the verge of complete changeover in terms of innovative powerful materials. But to become a central player, today's chemical start-up companies will need specific vital prerequisites like restructuring of product portfolios, successful use of digital technologies and reframing of business models that enhances ROI. Hence, to remain in this competitive industry, start-up should take those extra efforts to brand themselves. The past studies notes the various changes in the business environment, which led to an increase in the interest in B2B branding, like the rising similarity in the product quality and decreasing amount of personal touch due to digital communications (Jeremiah Gardner, Brant Cooper, 2014). Authors Steve Blank (Blank, 2015) and Eric Ries (Ries, 2011) focused on the notion of the Lean Start-up model. Conventionally, start-ups follow a pre-design setup. To start with, they develop a business idea, and then search for investors, as a third step they hire a team of professionals and finally introduce a product and sell it. Creating a profound brand identity improves the potential success rate of the company (Rode, 2005). There are different incentives that can be adopted for creating strong brand recognition in the market, which are discussed through various literature. Various techniques introduced in the process are, the introduction of the exclusive product, a combination of multiple products as a bunch, reduction in the price to create an edge over the competition, usage of an established brand network of the existing product line to introduce new product, offering extra services. Various techniques are discussed during last few years through different branding theories and related literature. They may focus on different aspects of branding related to pre-establishment stages of the brand, but their major focus lies on learning and knowledge in order to reduce the decision time and allows flexibility and

adaptability. Gruber (Gruber *et al.*, 2014) in his study, highlights that gaining market knowledge is a very important activity in a branding process.

Branding Theories for Start-Ups: Considering building brand recognition for a start-up venture in construction chemicals and its related new product systems, there are many theories which we need to cogitate in aspect to branding and its benefit to the new venture. It is important to link various theories from the marketer's and customer's point of view and while doing so it is also a need of an hour to consider the changing market forces, market realities, competition forces etc., for creating a brand image. Through this, one has to consider types of customers available in the market, customer preferences, study customer's psychology, product innovation, types of product offerings, and new product systems approach in the market. It is also essential to do entrepreneurial thinking for any startup operation, study theory of entrepreneurial marketing and also find ways to get synchronized with conventional marketing theories for better results. Apart from the above-said theories, we also have to analyze corporate brand, lean branding, brand equity, service logic, brand orientation index, brand popularity measures, a theory of brand building, etc.

Study and analysis of past literature on branding theories can be represented in tabular form as follows:

Theory	Variables	Coding Items /units
Entrepreneurship	Personal traits	Leadership, risk taking, analytical thinking, creativity, innovation
Marketing	Seller and buyer synchronization	Product, price, place, promotion, cost, customer convenience, communication
Branding	Brand development	Brand attributes, image, logo, symbol, slogan, special message, appeal
Brand equity	Brand power	Sellable brand attributes
Corporate Branding	Brand image	Customer and stakeholder requirements and benefits
Service Logic	Customer service	Effectiveness, ease, technical support
Lean Branding	Brand Synchronization	Fluid relational approach, innovation, brand, people
Systems theory	Competition, technology, supplier's authority, buyer behavior, market demands, customer needs and wants	Winning edge, buyer preferences, psychological attributes, demand patterns and customer priorities
Key Success Path	New products, technology, innovation, competition	Product mix, advancement, product features, attributes
Product life cycle management	Sustainability, product development	Different product stages /combinations
Diffusion of Innovation	Buyer behavior	Buyers types/inclinations
Theory of constraints	Efficient manufacturing, operations, zero bottlenecks	Operational efficiency and administration
Building Envelope Concept	Sustainable and comprehensive product systems solutions	Product combinations, durability, value addition, protection, customized solutions
Unique selling proposition	Price, quality, technical attributes, eco-environment friendly	Techno commercial feasibility, cost, less co 2 emission
Consumer demand	Ease of use, availability, price, packing, product attributes	Quality, extra features, Cost effectiveness, aesthetic value, special attributes
Technology acceptance	Efficiency, speed	Productivity, cost effectiveness, ease of use
Backward and forward product positioning	Product systems	Product combinations, solutions
Disruptive Innovation	Packing, innovation	enhanced product attributes

The theories shown in Table 1, guides and also aims to give high-performance enhancement to the new start-ups by introducing new product features which will give extra convenience and ease to the customers. This also helps in creating a new market all the time by proper administration of all the available resources.

METHODS

Data is collected using online survey tool. The questionnaire with different sections was floated to different customer groups

in order to know their feedback and inclinations towards branding new product and buyer preferences scaling parameter in B2B segment of construction chemicals like construction infra companies, contractors, builders, developers, consultants, small manufacturers' from B2B segment. Services from different companies were analyzed depending on different parameters to know their product expectations and market experiences from the new brand. The study identifies the parameters which every buyer prefers in B2B model. And survey questions were based on these factors. Relevant 30 samples were analyzed and using statistical techniques, results were established. 6-point Likert scale was used with following convention: 1: Least important, 6: Most important.

RESULTS AND DISCUSSION

Sampling: With the support of company's representatives, an invitation for participating in the survey was sent to different customer groups of leading cities of India like Delhi, Calcutta, Mumbai, Ahmedabad and Chennai. There were in all 50 responses, with highest of 18 from Ahmedabad followed by 13 from Mumbai, next was Delhi contributing to 10, from Chennai there were 6 and the lowest were 3 from Calcutta. The survey data showed 12 responses which were not completed and 8 responses were from other sector of industry. For making the study more relevant, valid sample of 30 ($n=30$) were analyzed for further study.

Around 10 of the respondents from the sample collected were "small manufactures" nearly start-ups having 2 to 5 years of establishment in construction chemical sector, while 7 were the contractors of the construction companies. The builders/ developers and Consultants were 5 respectively. And 3 were the large infra companies of construction chemical industry in India. The Table 1, shows the detail of the respondent's categories used as a sample response for the analysis in this research project.

Branding parameters: In B2B models there are various factors which are required to be considered from an internal

and external environment point of view. To effectively position the brand, it is necessary to understand the buyers, organizations and also product awareness for branding and its market share. We asked the respondents to estimate the most important parameter from the organization point-of-view for branding (Table 2). Among all parameters from organization's awareness section, most of them agreed with the vision statement ($M = 3.44$, $SD = 0.810$) to be the most important for strengthening the brand, at second place respondents choose commitment ($M = 3.38$, $SD = 0.923$) to the product overall service, while at third position is the business strategies professionally ($M = 3.31$, $SD = 0.957$) implemented for branding the new product, followed by the next important parameter as giving the best after sales service ($M = 3.29$, $SD = 0.973$) which help build brand recognition in the market. The next one respondents agreed on is the giving importance to the innovation ($M = 3.13$, $SD = 1.04$) in product line development to keep pace with the market competition. Lastly, respondents also choose responsiveness ($M = 2.85$, $SD = 1.16$) as the most important factor of connecting brand with the customer.

Table 1. Sample Categories

Respondent Category	Sample Size
Infra companies	3
Contractors	7
Consultants	5
Small manufacturers	10
Builder/ Developers	5

Table 2. Organization's awareness

Organization's awareness	M	S.D
Company's 'Vision' important for branding the product	3.44	0.810
Importance of 'Commitment' for supplying product at right time	3.38	0.923
Importance of 'After Sales Service' of the product for the brand	3.29	0.973
'Responsiveness' by company, an important aspect for building a brand	2.85	1.16
Product knowledge and 'Innovation' a main aspect for branding	3.13	1.04
A 'Professional' business strategy for branding	3.31	0.957

Notes M –mean, S.D –Standard Deviation. N =30.

Among the buyer's awareness statements (Table 3), the parameter that was most agreed upon was the reputation of the supplier ($M = 4.18$, $SD = 0.979$) in the market. As seen from the data, next respondents chose is the relationship ($M = 4.06$, $SD = 0.983$) with the supplier for buying the product, at third position lies the brand image ($M = 3.87$, $SD = 1.023$) of the product in current market, the next important parameter for buying the product is the reliability ($M = 3.66$, $SD = 1.131$) factor of the company that is identified by respondents. Respondents also choose communication ($M = 3.45$, $SD = 1.293$) as the important factor that impacts their buying decision.

Table 3. Buyer's awareness

Buyer's awareness	M	S.D
'Reputation' of supplier is important for buying the product	4.18	0.979
Importance of 'Relationship' with supplier for buying product	4.06	0.983
Importance of 'Brand Image'	3.87	1.023
'Reliability' of company, an important aspect for buying a product	3.66	1.131
'Communication' a main aspect for buying	3.45	1.293

Notes M –mean, S.D –Standard Deviation. N =30.

It is not surprising that respondents pay due attention to the product's awareness (Table 4) while making buying decision in this competitive market of construction chemicals. Participants strongly agreed on the product quality first ($M = 4.28$, $SD = 0.759$) and that the cost ($M = 4.26$, $SD = 0.789$) also must be appropriate to the market rate. The 'easy to use' factor

($M = 4.18$, $SD = 0.803$) also plays an important role while selecting the product for buying, next nominated factor is the maintenance ($M = 3.94$, $SD = 1.035$) of the product, followed by performance ($M = 3.76$, $SD = 1.104$) of the product that was rated by respondents. Packaging ($M = 3.62$, $SD = 1.269$) is too an important factor that impacts the buying decision of the customers.

Table 4. Product's awareness

Product's awareness	M	S.D
'Quality' of product is important	4.28	0.759
Importance of 'Cost' for buying product	4.26	0.789
Importance of 'Ease of operation' of the product	4.18	0.803
'Ease of maintenance' of product, an important aspect	3.94	1.035
'Performance' a main aspect while analysing the product	3.76	1.104
Importance of 'Packaging' of the product	3.62	1.269

Notes M –mean, S.D –Standard Deviation. N =30.

Conclusion

B2B refers to the business that is done between two companies rather than a company and an individual customer. With the big corporate entries in the construction arena, things will surely change better in near future. This empirical study seem to convey that emotional and human touch factors play vital role in establishing a brand and is a critical factor that affect client's buying decisions in the B2B marketing practice (Sarin, 2010). The research study result underlies parameters that determine the buying decision of a B2B customer in the field of construction chemical and related new product systems. According to the study, emotional quotient of the company is the most important ingredient for all the start-up companies. This includes company's vision, commitment, and relationship with customer, etc. which a crucial factor affecting a buying decision for the new product line in construction chemical industries. This is in line with the fact that supports competitive price and product quality (Sheena Leek, 2011). Even for standard and regular products, the 'buyers' develop an emotional relationship with brands. For these, they are ready to pay any amount looking at the brand image in the market. B2B marketers would gain by investing in building a positive and strong brand-image in the market (Sheena Leek, 2011). A strong brand recognition would be an advantage, even when the marketer may fail to cover, in their selling efforts. If the psychological factors mentioned in the study are addressed strategically, the start-up can establish a brand name, which gives superior performance in terms of market share and profitability. There are a lot of key contributions which can be expected from this study. This study will align the concept of conventional selling along with product system selling and will also try to explore the conceptual model in brand development for creating brand recognition. It can give insight and in-depth knowledge of the brand building process of startup ventures by giving a prime focus on the B2B segment in the chosen domain. This research study explore a lot of theories for branding new products and related systems which can be seen as a strong force in upcoming years. This study also gives lots of insights into the buying process from a different perspective which would give different dimensions to the branding process as a whole. There is no previous benchmarking as far as research topic is concerned, so findings cannot be considered as thumb rules. The research study is conducted in particular segment /industry so results may not have relevance to other industries however some guidelines may have a common

message which may be useful for future studies in other sectors.

Abbreviations

GDP - Gross Domestic Product

MSME - Ministry of Micro, Small and Medium Enterprises

NASSCOM - National Association of Software and Services Companies

B2B - Business To Business

FDI - Foreign Direct Investment

MT - Metric Tonne

USD - United States Dollar

FY - Fiscal Year

MNC - Multi National Corporation

USP - Unique Selling Proposition

ROI - Return on Investment

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