

BRANDBANK

StrategiCom's Journal of Brand Strategy



A Strong Corporate Brand Is Necessary For B2B Companies: **In Conversation with Goldbell's Chairman William Chua**

By Dr Wilson Chew - Group Principal Consultant & CEO StrategiCom

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September 2010

THE CORPORATE BRAND IDENTIFIES AND PERSONIFIES

Type "what is a brand?" in Google search and the search engine produces 587,000,000 hits (as at July 2010). Compare this to 263,000,000 hits on "what is a relationship". This tells us something about the importance of the topic in today's fast moving business environment. One of the earliest publications on this topic was in the 20th century, "Brand Loyalty: Measurement and Management" by Jacoby & Chestnut (1978), a Wiley piece. In it, both authors expound that the outcomes of a brand must be one form of loyalty or another. Jim Collins talked about this to some extent in "Good-to-Great" and goes on to provide an elegant elaboration in "Built to Last" when he too shed light on winning "hearts and minds" rather than depending on machines as engines of growth for the 21st century enterprise.

How can an image in the mind¹ drive behaviour? According to my learned colleague Jacky Tai², it dates back to the early years of 2000 BC when cattle and

meat were traded through the mark hot-stamped on the rump. Here we see that the brand is the physical symbol which uniquely identifies. 4000 years on and most recently, communicating the symbol (trademark – according to lawyers) by associating it to its differentiation through many forms³, but in an integrated way⁴ has been widely accepted as good management practice. This drives people within an organisation and it has been shown to contribute to growth⁵. In such cases, more often it is the corporate brand that is deployed to do the job and long-term benefits can accrue if the branding process is handled properly.

The corporate brand of a firm is a very powerful tool. It not only identifies the unique selling proposition of the firm, but it also personifies its reputation, implants an image, boasts prestige, generates goodwill, builds the esteem of its people and hence on an overall basis, gives the firm the needed standing in the marketplace⁶.

¹ KAPFERER, J.-N. (2007) "Competition of Brands - Or of Business Models?" Advertising Age, Vol. 78 16-16, 4/5p, 2c

² CHEW, J. T. A. W. (2007) "Transforming Your Business into A Brand", Singapore, Marshall Cavendish Business.

³ LIM, S. (2010). "Brand Communications - Inside Out; Through Your People", BrandBank - StrategiCom Journal of Brand Strategy.

⁴ BLAKEMAN (2007) "Integrated Marketing Communication: Creative Strategy from Idea to Implementation". 46p. Rowman & Littlefield Publishers

⁵ MOSLEY, R. W. (2007) "Customer Experience, Organisational Culture And The Employer Brand". Journal of Brand Management, 15, 123-134.

⁶ AAKER, D. (2004) "Brand Portfolio Strategy: Creating Relevance, Differentiation, Energy, Leverage, and Clarity". 17p. New York, Free Press, Simon & Schuster.



In this edition of BrandBank, Dr. Wilson Chew talks to William Chua, Chairman of Goldbell Group; a trusted brand name in Singapore in the field of commercial vehicles and industrial equipment. Goldbell distributes brands such as Mitsubishi Fuso trucks and buses, IVECO heavy duty trucks, Fiat commercial vehicles, Komatsu and STILL forklifts, Kato and XCMG

cranes among others. It also has a leasing division that specialises in the operating lease of industrial vehicles. This article will address the relevance, implication and operationalisation of the corporate brand to a business-to-business (B2B) company operating in South East Asia.

THE SIGNIFICANCE OF THE CORPORATE BRAND IN BRINGING IT ALL TOGETHER FOR GOLDBELL

There are not many who would dispute that in the industrial vehicles category, Mitsubishi Fuso is one of the leading brands in the world. But the reality is that there are other leading brands too. So how would a buyer who needs an industrial vehicle decide which one to buy? Do brand rankings or vehicle features influence buying? Some argue that

fuel consumption is a major influencing factor. Could the relationship between the buyer and the distributor be an influencer? Perhaps it is the reputation of the distributor's brand. The corporate brand is therefore used as a tool to **drive** many components of the company.

The Driver of Trust

While there are many arguments about how corporate brands should be built, there is unison in the view that a strong one is needed for an organisation's sustainability. This is regardless of whether it is a start-up, an emerging company or a mature enterprise. But not many business owners understand that building a brand is a long term investment with no immediate returns. While finding and fighting for the next customer every day and ensuring that there is business for tomorrow may sound like

the same things, with closer scrutiny, these are in essence very different. Within the context of this case, in a principal-distributor relationship, both their brands (whether corporate or product) must be strong because both parties are inter-dependent for success. While the principal supplies the products, it is the distributor that bears delivery and after-sales responsibilities. As such, it is fair to say that in most cases where the company represents product brands which are not their own, the corporate brand matters more.

BrandBank: Goldbell's been around for many years, what kept it alive for so long?

Mr Chua: It is the simple trust that our customers had with us... this principle was embedded in the early days when my late father honoured a gentlemen's agreement with his competitors. When the latter agreed to buy trucks from us, my father deliberately reduced the size and capacity of his

transportation and haulage business. He was highly respected for his actions. That principle is embedded into how I and my team conduct business today. When we make a promise to a client (or anyone for that matter), we keep to it. I constantly preach this in the company.

The Driver of Growth

Chua is at the third stage of his strategic intent. To him, it is now time to move up in terms of customer perception and deepen relationships with both customers and principals while doing so. The organisation that Chua has formed is founded on the simple principle of trust. Over the years, Goldbell has expanded to other countries within the region. It is now operating in Singapore, Indonesia, Vietnam and China.

The company has taken a very prudent approach to its regional expansion as it believes that expanding too quickly may not necessarily be beneficial. Now that the company has had 30 years of experience and expertise in marketing, distributing and servicing commercial vehicles and industrial equipment, it is ready for the next phase of development and expansion.

Brandbank: Goldbell has a strong track record, what is its next level of achievement?

Mr Chua: Goldbell intends to strengthen its brand for internationalisation, as the company is well-aware of the hypercompetitive nature of the foreign markets that it is planning to expand into. In order for the company to move to its next greater level,

Goldbell and its customers must know what its brand stands for in the market. That said, there is no denying that the principal brands which it represents i.e. Mitsubishi Fuso, Kato and Komatsu, are also globally recognised.

The Driver of Operational Excellence

In his years with the company, Chua has delivered sturdy growth while expanding Goldbell's range of products to cater to the different commercial and industrial segments. He has beefed up the servicing capabilities par global best practice; making

Goldbell a strong and leading distributor brand. Chua has in the last 10 years taken significant measures in increasing Goldbell's service levels in an effort to reduce non-regular servicing faults by increasing service checks capabilities.



BrandBank: As Goldbell expands towards its next level of achievement, what would be some of your key areas of focus?

Mr Chua: As a distribution and leasing company of industrial vehicles, it is important to understand the simple concept that as long as the vehicle is on the move, our customers will be profitable. So our vehicles cannot break down because it would result in simple loss of revenue. As the representing agency for Mitsubishi Fuso, Kato and Komatsu, we need to ensure that from a process perspective, we have to be operationally excellent. As opposed to being reactive to breakdowns, we are moving into the space of being

proactive in customer engagement to prevent their vehicles from breaking down. This requires us to organise ourselves in terms of our tracking system which is technology based on the skills of our mechanics. With a 24/7 after-sales service support, highly-trained people, close working relationships with principals, genuine parts, sophisticated diagnostics equipment and a 192-square metre Drivers' Hub for clients to relax while waiting for their trucks to be serviced.

The People Driver

As competition in the industrial vehicle space escalates in the region, companies such as Goldbell cannot afford to disassociate brand communications merits. In order to build a strong brand successfully from inside out, companies must work towards ensuring the complementary presence of a brand champion and an army of brand ambassadors. As the ultimate brand

champion, business owners must stand at the forefront of the company and take charge of developing and executing the brand communications strategy. Besides developing a "good story", the brand champion needs to convince employees that as brand ambassadors, they need to play their part in repeating this same "story" to all the company's external stakeholders.

BrandBank: As Goldbell's Chairman, what do you do to ensure people excellence?

Mr Chua: Goldbell Engineering has undergone decades of development since its inception in 1980. Today, Goldbell Engineering is differentiated as being one of the local leaders in Industrial Vehicles - in Singapore. No Corporate Vision can be achieved without the attainment of a Corporate Mission. With staff's

commitment to relationships with customers and principals; and their competency in delivering required solutions, Goldbell Engineering is able to realise its Mission of "Anticipating needs. Surpassing expectations. With the Goldbell touch." Make no mistake that it's the people that make it all happen.

The Marketing Driver

It makes sense to understand that branding is not about getting the target market to make a choice over the competition; but more so, it is about getting prospects to see the brand as the only solution to their specific need. To succeed in this, requires an integrated effort in marketing. Put simply, it is the brand that

drives the marketing efforts and in reverse, it is marketing efforts which strengthen the brand in the marketplace. But which comes first? The brand position and differentiation, which essentially is strategic in nature, comes first because strategy goes before execution.

BrandBank: How do you ensure that the business remains sustainable?

Mr Chua: One of the many things brand strategy showed us was what our customers truly perceived of the Goldbell Engineering brand vis-à-vis the product brands which we represent. It allows us to take stock of the corporate brand and we used what we found in the perception audit to position the corporate brand going forward. Our customers know that we have been serving

them for a long time and it is this long lasting relationship which has brought them back time and again. We needed to operationalise this into marketing messages and hence the tagline, "Industrial Vehicles - 20,000 Served & Counting". Today, every single marketing effort of the company magnifies this fact regardless of the kind of marketing activity.

EMBRACING CORPORATE BRANDING – ASIA COMPANIES NEED IT MORE THAN EVER

Asia is today experiencing current account surpluses. This has been derived mainly from the exceptional success of developing Asia's outward-looking export-oriented growth strategy. The rapid growth from this strategy has raised living standards and reduced poverty faster than any other region of the world over the last two decades⁷. As this momentum continues, competition is set to rise as more companies compete for a tighter United States and Europe markets. The temptation over time will be to move production capabilities to low cost economies such as China, India and Vietnam. However, many postulate that these are the same economies which will

create new global demand in a new world order. So the competition will not only be between burgeoning domestic enterprises but also with the entry of global ones from developed countries setting a stage for an almost perfect battle. This set against an economic background where some quarters believe that given the sheer severity of the global crisis, much uncertainty surrounds the prospects for global recovery. Customers in the new world will be spoilt for choice. Choices will indeed have a great influence over sellers' pricing and hence, the question of market position is now more paramount than ever.

⁷ "Asian Development Outlook 2009: Rebalancing Asia's Growth". Published by The Asian Development Bank. ISSN: 0117-0481. Publication Date: March 2009



As more companies look to external markets for new growth, competition in the Asian environment is set to be even more competitive. Achieving a unique position can be complex with a high cost. This is the same for innovation-driven differentiation. As such, enterprises are becoming more aware of the value a strong corporate brand can provide. Expanding companies may also choose to grow in quickened ways through

acquisition activities. In the event of a merger and acquisition (M&A), joint venture (JV) and strategic alliance, the post-deal corporate brand can be deployed as a bridging tool to bring diverse cultures together⁸. In such circumstances, the brand values of the corporate brand can be the common “adhesive” which binds new people and further forges new sense of identities within newly merged entities.

A STRONG CORPORATE BRAND – HOW TO BUILD IT

Going back to basic management theories, it is about two things: Strategy and Execution. Building a corporate brand is a strategic activity and it requires the mandate and support of the people right at the very top of the company. Management/Owners first need to define the corporate brand’s values and then ensure that every activity which the organisation undertakes is consistent with them. The coalition creation⁹ starts at the very top because it is fundamentally about creating a change in the organisation which has to be managed. Once support is rallied at the top, the first thing to do is to establish a clear strategic direction for the company. Someone needs to ask, “Where do we go from here?” A straight answer is needed.

If the strategy is clear, the second stage is to get down within the enterprise and out

with customers; to determine the simple information, “What is it that’s causing customers to buy from the enterprise?” List the influencing factors and then determine the corporate position. Managers also need to examine the corporate brand’s reputation among stakeholders to ensure that whatever is communicated, is done successfully and valued outcomes are consistently delivered. The corporate position now will set straight the path of the enterprise. This is the juncture where the differentiation of the corporation is determined. This can come in various forms from “sales leadership” to “design”¹⁰. Once the differentiation of the corporation is established, move quickly to craft out the communication messages of the corporation and do so with the intent of magnifying the differentiation. Establish a stakeholder’s map and craft the messages for each.

⁸ BASU, K. (2006) “Merging Brands after Mergers”. California Management Review, 48, 28-40.

⁹ KOTTER, J. (1996) “Leading Change”. 52p. Harvard Business School Press.

¹⁰ CHEW, W. & TAI, J. (2008) “Killer Differentiators - 13 Strategies to Grow Your Brand”, Singapore, Marshall Cavendish.



Dr. Wilson Chew is a business strategist who has amassed more than 10 years of valuable experience in the areas of corporate strategy and brand strategy. Armed with a Doctorate in Business at the University of South Australia, Wilson's clientele include reputable organisations such as 3M, Amtek Engineering, Oberthur Technologies, Crimson Logic, Rotary Engineering, OpenAxces, InfoTech and Petrobras.

Singled out in *The Edge Weekly* as a Thought-leader in the field of business marketing and brand strategy, Wilson is also a regular guest on "Connecting Business", a business programme on Channel News Asia (television) and "Positive Business Minutes" on 938live (radio). Wilson is Group Principal Consultant and CEO of StrategiCom, a global business-to-business branding specialist firm with 11 offices globally and 110 full-time consultants.

Outside of work, he is also active in community service. He is the co-author of 2 acclaimed books on Brand Strategy namely "Transforming a Business into a Brand (2007)" and "Killer Differentiators (2008)". He is married with a daughter and he enjoys golf and scuba diving.

In the B2B sector, where differentiation via product or service superiority alone is increasingly hard, enterprises are strongly advised to invest in trust-building activities in their customer relationships. Studies have indicated that trust is more important for the behavioural intentions of customers¹¹. The relationship with a customer should be viewed as an asset that should not be lost by betraying a consumer's trust. A large component of a strong corporate brand lies with its trustworthiness.

Secondly, invest in communicating the differentiation because the complexity of building a corporate brand lies in the many people involved, both on

the company side and in terms of the many different market segments the company should be targeting. Central to communication, powerful design is critical to any corporate branding programme — but it can be powerful only if it reflects and expands on an honest and tangible brand differentiation¹². Communicate whenever; start with the website, and at any other given opportunity¹³, because corporate branding requires increased emphasis on internal brand resources to present a coherent brand identity to stakeholders. It is everyone's duty to do so; especially the Chairman/Chief Executive Officer. William Chua, Goldbell's Chairman is a shining example.

¹¹ SICHTMANN, C. (2007) "An analysis of antecedents and consequences of trust in a corporate brand". *European Journal of Marketing*, 41, 999-1015.

¹² INSKIP, I. (2004) "Corporate branding for small to medium-sized businesses -- A missed opportunity or an indulgence?" *Journal of Brand Management*, 11, 358-365.

¹³ LYNCH, J. (2004) "The power of emotion: Brand communication in business-to-business markets". *Journal of Brand Management*, 11, 403-419.

ABOUT STRATEGICOM

StrategiCom is a global B2B brand strategy consulting firm headquartered in Singapore with 11 offices and 110 consultants & researchers around the world. The industries it serves include Information Technology, Oil & Gas, Petrochemicals, Commodities Trading, Business Services, Pharmaceutical, Medical & Healthcare, Transport & Logistics, Construction & Real Estate, Precision Engineering and Electronics Manufacturing. StrategiCom's consultants, researchers and proprietary methodologies provide the catalyst for companies to transform from traditional businesses into differentiated brands.

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