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Adam Smith
Business School

**Branding in Chinese B2B Small and Medium Enterprises: Brand
Communication Channels, Branding Effectiveness and Barriers**

BY

PENG CHENG, PENG

A dissertation submitted in part requirement for the

Master of Business Administration

Adam Smith Business School

University of Glasgow

August 2018

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Applicant's Name: **Pengcheng Peng**

Project Title: **Branding in Chinese B2B Small and Medium**

Enterprises: **Brand Communication Channels, Branding Effectiveness and Barriers**

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Branding in Chinese B2B Small and Medium Enterprises: Brand Communication Channels, Branding Effectiveness and Barriers

Abstract

Purpose: This study aims to have a comprehensive investigation associated with B2B branding in Chinese SMEs.

Research Methodology: The data comprises semi-structured theme interviews among 11 senior management in Chinese B2B SMEs.

Findings: Chinese B2B SMEs combine diverse brand communication channels to maximize the branding effectiveness. B2B SMEs in China largely rely on the face to face environment brand communication channels to build network and relationship with customers. New media channels also have a high level of application among these organizations. In addition, most B2B SMEs in China consider their branding are effective based on their own measurements. Finally, compared to western countries, B2B SMEs in China are facing similar branding barriers.

Research limitation: Sample size is only 11 industrial SMEs in China and the data comes from one region and thus the research context limits the generalizability of the results.

Originality/value: Whereas the importance of B2B branding in SMEs and the significance of Chinese market, this is the first paper to examine the branding in this specific context from its brand communication channels, branding effectiveness and barriers.

Keywords: B2B branding, B2B SME, China, Brand communication channel, Branding effectiveness, Branding barriers

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List of Abbreviations and Acronyms

B2B: Business-to-Business

B2C: Business-to-Customer

SME: Small and Medium Enterprise

1.Introduction

Branding has become a top priority for management for decades as companies have realized that brand is one of the most valuable intangible assets within their organizations (Keller and Lehmann, 2006). However, it was usually discussed related to businesses operating in B2C market or large corporations for last decade (Merrilees, 2007; Mudambi, 2002; Webster & Keller, 2004), and has been viewed by business marketers as irrelevant to industrial markets. Branding in B2B markets has received less attention and the role of branding was under-appreciated in B2B markets (Saraniemi et al., 2010). Recently, research interest in B2B brands (Aspara & Tikkanen, 2008; Lynch & De Chernatony, 2007; Michell et al., 2001; Taylor et al., 2004) and corporate brands in the B2B context (Lynch & De Chernatony, 2004; Bendixen et al., 2004; Mudambi, 2002; van Riel et al.,2005) has increased. However, the use of B2B branding in the context of SMEs still received little attention from academics (Juntunen, 2012), leading to the consequence that for people in small and medium businesses, branding is a relatively new concept (Inskip,2004).

There is no doubt that branding is quite important for industrial business, especially for SMEs, as successful branding helps those organizations to increases negotiating power and enables them to charge a premium price for their products (Low & Blois,2002; Ohnemus,2009). It is also a critical way to improve financial performance (Leek & Christodoulides,2011) and bring a firm sustainable competitive advantage (Kozlenkova, Samaha, & Palmatier, 2014). In the increasingly competitive global markets, branding capability is further recognized as a key determinant of market performance in the context of B2B SMEs (Merrilees et al., 2010; Juntunen, et al., 2010; Ojasalo, Nätti & Olkkonen, 2008). The significance of branding for B2B SMEs calls more academics' attention to be paid in this field.

Small and medium firms have taken up increasingly important place in economy of China. Particularly, B2B SMEs have played an increasingly important role as the number of B2B SMEs in has already exceeded 17 million by the end of December 2012 (Zhai and Liu, 2013), they account for 66% of the industrial income (ERIA, 2008). Thus, the Chinese B2B SME is now a profound field for research. Even though their contributions to the economy of China are significant, in fact, these B2B SMEs are facing problems related to marketing and branding and these problems have hindered their business performance (Poutziouris et al, 2002;). This is because there is lack of theoretical contribution which related to branding in B2B SMEs in China to guide them, seldom researchers payed attention to branding in Chinese B2B SMEs, most research was conducted to study branding in B2B SMEs in western countries. Therefore, there is an urgent call to carry out more investigation related to branding in this specific context. Meanwhile, the study of branding in B2B SMEs in Chinese marketers is an interesting and valuable research topic, not only for China-based companies but also for international businesses, which operate in or wish to enter the Chinese marketplace.

Branding is consisted of a series of branding activities. Brand communication channel is one of the most critical elements in any branding activities, as marketers use channels to ensure the information is effectively delivered to customers (DTVE, 2011), companies are cautious when choosing brand communication channels for their business (Lehmann, 2006). Keller (2012) mentioned some marketers combine several channels to orchestrate these activities to create synergistic effects to maximize their success. Because of its significant role in branding activities, the topic of brand communication channel has attracted several researchers. Michaelidou et al. (2011) and Wang et al. (2015) conducted research in the use of social media in B2B SMEs could be used as brand communication channel. Malaska et al. (2010) also explored how network influences the B2B SMEs branding. Meanwhile, Taiminen and Karjaluoto (2015) had a comprehensive investigation in digital communication channels used in B2B SMEs. Although several literatures have mentioned the brand communication channels, they are focusing on analyzing specific channels and these literatures seem quite fragmented, no study is to

comprehensively assess the choice of brand communication channels within an organization from B2B SMEs' point of view. In addition, no matter what branding activities, the effectiveness should be evaluated in order to match the branding objectives, still, very few literatures mentioned the measurement of branding effectiveness. Although Sinclair a& Seward (1988) and Alkanova (2010) have developed models for branding effectiveness measurement, but they are for general business type and not specific for the context of B2B SMEs. Meanwhile, Studies conducted by Michaelidou et al. (2011) and Jarvinen and Karjaluoto (2015) are more related to evaluation for individual branding activities in B2B SMEs and do not include assessing the overall branding performance. There is still a mystery that how effective the branding in B2B SMEs in China and how they will evaluate branding effectiveness. Finally, branding barriers are the enemies for B2B SMEs, as they could negatively influence the brand performance of a business at different degrees. Compared to large organizations and B2C sector, B2B SMEs may face different branding barriers. Overcoming these barriers could significantly improve their marketing capability. Researchers such as Ojasalo et al (2008) studied branding barriers in B2B SMEs, however, these researches were conducted in the context of western countries, the specific context in China has few theories to support it. Based on the reviewed literature, this study aims to close the gap mentioned above, it has identified three objectives:

1. To assess brand communication channels used by B2B SMEs in China
2. To evaluate effectiveness of branding in B2B SMEs in China
3. To identify branding barriers in B2B SMEs in China

This research will have a literature review to discuss the previous finding and address the research gaps. Then the methodology will be presented. Following that the research findings will be discussed. The conclusion, both theoretic and managerial implication will be provided afterwards. The limitation of this research and the future research will be suggested by the end of this paper.

2. Literature Review

This chapter will review the current theory related to objectives of this research. Firstly, the definition of SME and its significant role in China will be presented. Then it will clearly address the features and benefits of B2B branding as well as the current situation of branding in industrial SMEs. Thereafter, it will discuss the use of branding channels in B2B SMEs. Branding effectiveness and barriers in B2B SMEs will be reviewed afterwards.

2.1 SMEs in China

2.1.1 Definition of SME

A definition of the SME is required before proceeding any further. Based on different measurements, the definitions of small-medium-enterprise(SME) varying among countries and sources associated with SME statistics (Ayyagari,et al,2007; Do et al., 2006; Eikebrokk & Olsen, 2007; Mohibul & Alejandra, 2008 ; Chong, et al, 2011).

In Europe, the most widely recognized definition is from European Union, its recommendation of May 2003 has standardized the definition of micro, small and medium enterprises. The main factors determining whether an enterprise is an SME are staff headcount, turnover or balance sheet total (European Commission: 2003). The categories are displayed in *Table 1*.

Company category	Staff headcount	Turnover	or	Balance sheet total
Medium-sized	< 250	≤ € 50 m		≤ € 43 m
Small	< 50	≤ € 10 m		≤ € 10 m
Micro	< 10	≤ € 2 m		≤ € 2 m

Table 1: Categories and definitions of SMEs by the EU

Compared to Europe, the definition of SME in China is more complex, the classification of SME not only depends on the number of employees, annual revenue, and assets comprising a company, but also the feature of the industry (Liu, 2008; Li,2017:71, P10). The categorizing criteria on SMEs in China is based on the ‘SME Promotion Law of China (2003)’ (Berisha & Pula,2015). *Table 2* gives an overview of classification of SMEs in China. Special criteria appear for wholesale, retail, transport, post and hotel & restaurant.

Size Category	Industries	Employment-based	Total assets	Business revenue
Small	Industry	< 300	<¥ 40million	< ¥ 30million
	Construction	< 600	<¥ 40million	<¥ 30million
	Wholesale	<100		<¥ 30million
	Retail	<100		<¥ 10million
	Transport	<500		<¥ 30million
	Post	<400		<¥ 30million
	Hotel & restaurant	<400		<¥ 30million
Medium	Industry	300- 2000	¥ 40million-400million	¥ 30million-300million
	Construction	600-3000	¥ 40million-400million	¥ 30million-300million
	Wholesale	100-200		¥ 30million-300million
	Retail	100-500		¥ 10million-150million
	Transport	500-3000		¥ 30million-300million
	Post	400-1000		¥ 30million-300million
	Hotel & restaurant	400-800		¥ 30million-150million

Table 2: Definition of SMEs in China

Source: SME Promotion Law of China, 2003, cited in Liu (2008). SME Development in China: A Policy Perspective on SME Industrial Clustering.

2.12 The Role of SME in China

According to the definition of SME in China, by the end of 2017, there are about 29.35 million small and medium-sized enterprises based in China (Statista.com,2018), they accounted for more than 99% of the number of all enterprises (Powiertowska,2014). Based on a report from the national Bureau of Statistics of China in 2013, SMEs provide around 80% of urban employment, contribute 50% of fiscal and tax revenue, account for 60% of GDP in China (Sham &Pang,2014). The report of 100.cn showed only in e-marketplace, the number of B2B SMEs in has already exceeded 17 million by the end of December 2012 (Zhai and Liu, 2013). iResearch revealed the survey data of B2B sector, SMEs total revenue was RMB 4.96 billion in second quarter 2013, which had a year-on-year growth of 19.2% and quarter on quarter increase of 7.4% (Sabrina,2013). By the end of 2017, revenue of China's B2B SME e-commerce platforms has reached to RMB 29.2 Billion (iResearch,2018). Because of the significant development and contribution to economy, increasing attention has been paid to SMEs in China.

As the statistics above show, SMEs in China have played an important role in stimulating economic growth, increasing employment, expanding exports and promoting science and technology innovations (Kailer and Scheff, 1999; Barry and Milner, 2002; Rao et al., 2003; Palmer, 2005; Chong et al, 2011; Hussain et al ,2006; Garvan and O’Cinneide, 1994; Chen,2006). However, the business performance of SMEs has been constrained by several weaknesses related to marketing and branding (Poutziouris et al, 2002;), especially in B2B sector. Shao&Yan (2017) stated low brand awareness has become one of the major problem influencing the foreign trade among Chinese B2B SMEs, because many of them were confined by traditional sales thinking and marketing models in export business. Similarly, a study conducted by Zhang and Morrison (2007) showed that many B2B small enterprises in China are unable to market their goods effectively in existing markets. They continue to lack knowledge or marketing channels and fail to establish marketing networks or have not entered into strong market relationships with existing customers. Even though those SMEs have an attempt to create a brand image to

differentiate themselves, because of lack of expertise in branding, they are unable to re-design to adapt the latest changes in customer preference. It is obvious that for B2B SMEs in emerging market, firm's branding capabilities are vital impetuses for organization' performance (Krasnikov and Jayachandran, 2008; Merrilees et al., 2011; O'Cass and Sok, 2013; Odoom et al, 2017). In order to maintain the competitiveness and achieve better business performance, B2B SMEs in China need to strengthen the capability of branding and improve branding effectiveness.

2.2 B2B Branding and SME

2.2.1 B2B branding

For many years, it has been implied that brands are little relevant to industrial marketers (D'Antone et al ,2012). Contrasting with branding in B2C sector, the main features of B2B branding are different, such as markets, products and consumers relationships. Industrial products are often transferred in large quantities with a greater value of the transaction (Glynn,2012). The product categories are often heterogeneous, complex or critical to the customer's business (Webster and Keller, 2004), and highly customized to deliver innovative solutions for their customers (Baumgarth 2010).

Because of these features, industrial companies often rely on corporate brand strategy instead of product brand strategy, as building brand as a product has been considered challenging to implement in industrial context, due to their products are often highly customized for their clients with short life-cycles (Mudambi, 2002; Kotler, Pfoertsch & Michi 2006; Roberts & Merrilees 2007; Aspara & Tikanen, 2008). Simultaneously, as industrial customer differentiates potential suppliers according to company attributes and they pay more attention on reputation, financial solidity of suppliers and quality of products (Webster and Keller, 2004), industrial sectors, therefore, often use company name as the brand name. Finally, different with B2C sector, personal communication and interaction skills of employees directly in relationship with customers have become the most effective drivers of strong B2B brands (Andersen & Kumar, 2006; Lynch & Chernatony, 2007; Jensen & Klastrup, 2008), because B2B relationships are transaction oriented and more personal, transparent (Baumgarth 2010) and long-term oriented (Leek and Christodoulides, 2012).

Based on the features of B2B branding, it has been perceived to convey benefits to various stakeholders for companies to financially invest in it (Leek & Christodoulides,2011). According to Merrilees et al. (2011), branding is a major higher-

level marketing capability that is a potential determinant of marketing performance in B2B sector. Similar research also has established that B2B branding can bring a firm sustainable competitive advantage (Kozlenkova, Samaha, & Palmatier, 2014) because a strong brand brings long-term benefits to the company (Inskip, 2004).

B2B branding is both beneficial for buyers and suppliers. From the perspective of buyers, a well-known B2B brand increases the company's perceptions of quality of products and service (Cretu & Brodie, 2007; Michaelidou et al., 2011), resulting in improving buyers' confidence in and satisfaction with their purchase decision (Low & Blois, 2002; Michell et al., 2001). Meanwhile it also reduces buyers' level of perceived risk and uncertainty (Bengtsson & Servais, 2005; Mudambi, 2002; Ohnemus, 2009; Leek & Christodoulides, 2011). On the other side, for suppliers, Michell et al. (2001) stated effective branding in B2B sector provides product with an identity, a consistent image and conferring uniqueness. Consequently, it increases negotiating power, create opportunities for licensing and enables a company to charge a premium price for its products (Low & Blois, 2002; Ohnemus, 2009). Powerful brands in B2B sector also contribute significantly in increasing the chance of success in bidding situations (Wise & Zednickova, 2009), because those companies are able to be accepted more readily in communications (Michell et al., 2001; Low & Blois, 2002; Ohnemus, 2009) and more likely to receive referrals (Hutton, 1997; Bendixen, Bukasa, & Abratt, 2004). It also indicated that reputable B2B brands positively impact the level of customers' satisfaction (Low & Blois, 2002) and loyalty (McQuiston, 2004). Finally, well-known brands in B2B context are helpful to transfer the brand equity to the extend product categories under the same brand (Low & Blois, 2002; Hutton, 1997). *Table 3* summarizes the benefits of B2B branding for suppliers and buyers.

Benefits for Buyers	Strong B2B Brand	Benefits for Suppliers
higher confidence risk/uncertainty reduction increased satisfaction greater comfort identification with a strong brand		

Table3: Benefits of B2B Branding for Suppliers and Buyers. Source: cited in Leek & Christodoulides,2011

2.2.2 B2B Branding in SME

Previous studies showed the benefits of branding in B2B sector, they also can be identified in the context of SMEs. Branding capability is one of the strongest determinant of SME performance (Merrilees et al., 2011). Anees-ur-Rehman et al. (2017) and Hirvonen et al. (2016) demonstrated that B2B SMEs can achieve high business growth with the help of their strong brand. Merrilees et al. also (2011) brought up branding capabilities have positive effect on the marketing performance in B2B small and medium firms. It is obvious that B2B branding and brand management are now becoming even more critical success factors for organizations than they were before (Helm and Jones, 2010; Kotler and Pfoertsch, 2007).

Even though a strong brand can convey benefits for both the seller and the buyer, many industrial SMEs still are not well utilizing it (Leek & Christodoulides,2011). Several significant reasons are identified. Firstly, B2B branding is not being taken seriously (Mudambi et al., 1997) and the practice of branding industrial products has been considered impractical due to companies having various products (Bendixen et al., 2004).

Moreover, the uncertainty of whether B2B branding will bring financial reward makes firms reluctant to conduct branding activities as building brand equity involves a long term financial investment (Balmer, 2001 and Gronroos, 1997; Ohnemus, 2009). Most importantly, very few academic research have been conducted in B2B branding, especially in the context of SME, most research were into branding in a B2C context (Lynch & de Chernatony, 2004; Ohnemus, 2009), there is lack of theory to guide and support B2B SME marketers to conduct branding activities. Therefore, academic research needs to develop better understanding of the importance of branding in a B2B context to eliminate these problems and give marketers more confidence to make decisions about their brand strategy (Leek & Christodoulides,2011).

2.3 Brand Communication Channels in B2B SMEs

To build a successful brand, brand communication channel is one of the most important elements that B2B SME marketers must understand. The choices of brand communication channels have significant impact on branding activities, as distribution channels become more diffuse, branding becomes increasingly important for broadcasters' keen to ensure that their content does not become lost and reach to target customers effectively via the brand communication channels (DTVE, 2011).

Traditional branding activities use specific channels for communication: postal service, telephone, television, radio, press and outdoor advertising such as billboards, among traditional ways of branding also include sponsorship activities and organization of events and entertainments (Grzesiak,2015). Technological development is ensuring that when creating a brand image, a greater part of the potential target message recipients are internet users. Especially among the younger generations, the emerging new media channels including company website, mobile, search engine, banners videoconferencing, blogs, email and social media (Kunigis,2018). Websites / Blogs have become dominant communication channels. *Table 4* presents the summary of main traditional and new media channels.

Traditional Channels	New Media Channels
Postal service	Company website
Telephone	Mobile
Television	Search engine
Radio	Videoconferencing
Press	Blog and forum
Outdoor advertisement	Email
Sponsorship activities	Banners
Organization of events and entertainments	Social media

Table4: Traditional and new media branding channels, adapted from Murphy (2010): Traditional Vs. New Media Channels, Is One More Successful than the Other?

Because of the features of B2B transaction, there is no need to attract the general public like in the consumer markets (Krake, 2005; Ojasalo et al., 2008). Industrial SMEs have closer, more personal and longer-term relationship with customers, they used to conduct branding activities in physical environment (Baumgarth 2010; Leek and Christodoulides, 2012). Mäläskää et al. (2010) also highlighted this perspective, they pointed out that B2B SMEs more frequently rely on personalized and interactive relationship activities and face-to-face communications to attain brand recognition (Wong & Merrilees, 2005). Sandbacka et al. (2013) demonstrated the networking activities are critical to B2B SMEs, because in industrial services personal relationships are very important to company branding (Davis et al., 2008). Especially in newly established companies, the owners or managers in those organizations have used their personal social networks as an entry strategy to networks in the new market area to create brand awareness (Reijonen et al.,2015).

Apart from those offline channels, several studies showed B2B SMEs have already begun to adopt new media channels for branding. Taiminen et al. (2015) have conducted a study about the usage of digital channels in B2B SMEs, findings showed some of these firms are using digital channels for the purpose of branding. Li et al. (2018) also stated the digital channels play an important role at various branding development stages in empowering employees to reach brand supportive outcomes within the B2B SME context. Moreover, Michaelidou et al. (2011) carried out a study of social media which indicated that half of the UK B2B SMEs are considering social media as an important branding tool to achieve business objectives.

Researchers also found some B2B SMEs are using a combination of channels to execute branding activities, this is because a single strong brand can be enhanced by effectively using a variety of channels to reach target audience (Kunigs,2018), it aims to use various instruments in parallel, to interact with target groups (Burmam et al.,2017). Meanwhile, because different branding channels have their own advantages and disadvantages, companies would choose the most suitable channels to build their brands. For example,

there appeared arguments that although social media is a great tool for branding activities, however, most social medias are not convenient for message reprocessing, and they do not yet meet the formal reporting requirements of business. Additionally, security is another concern, for example, the quotation from suppliers or buyers can be easily leaked out via social media. Therefore, besides social media, some of the B2B SMEs are still have other channels such as email or enterprise systems to keep official transactions and documents (Wang et al. ,2016). Likewise, Karjaluo et al. (2015) noted that using social media facilitates communication with customers becomes faster and more easily tracked, thus, enables business operations to be handled more effectively. Companies could save time and resources because they can move communications onto blog, webcasts and direct-feedback channels and discussion forums. However, companies agree that complex business relationships still benefit from traditional forms of communication, such as face-to-face meetings, telephone calls and e-mail interaction. Even though the social media and digital branding channels are more cost-effective compared with traditional branding channels, the traditional and offline branding channels are still relevant (Karjaluo et al. ,2015).

The interest in B2B brand communication channel is increased, but the literatures are very fragmented. Meanwhile, the research tends to concentrate on analyzing specific channels instead of from the perspective of companies to evaluate their choice of brand communication channels. Still, there is lack of comprehensive study in how and why the B2B SMEs choose or combine different branding channels to achieve their branding objectives from the B2B SMEs point of view. The absence of research done on this field so far is likely a result of lack of attention to B2B SMEs branding channels rather than their lack of significance. It provides the driver to conduct this research to close the gap.

2.4 B2B Branding Effectiveness

Effective branding then logically can be defined as maximizing the results of that commercial relationship while using minimal resources. No matter which channels companies choose to conduct branding activities, it is necessary to develop branding effectiveness indicators (metrics) to evaluate brand performance in achieving company's strategic and tactical goals (Davis and Dunn, 2002). Hirvonen et al. (2015) suggested that since brands are complex equities, the effectiveness of branding needs to be measured by using more than one dimension (de Chernatony, 2001; de Chernatony et al., 1998). Mudambi et al. (1997) built a brand metrics to measure a brand's performance, but this model is not specific to B2B sector.

Anees-ur-Rehman et al. (2017) suggested that in B2B SME context, brand awareness, brand credibility and financial performance are most suitable indicators for the measurement of branding performance, and this concept has been extensively used in the study of branding in the context of B2B SME.

In B2B sector, brand awareness is defined as the "ability of the decision-makers in organizational buying centres to recognize or recall a brand" (Homburg et al., 2010, p. 202), it can be used to measure the effectiveness of branding because a well-known brand in the marketplace is more likely to be considered during the purchase evaluation stage. It is easier for the buyers to recognize the associated benefits and predict outcomes if they are aware of a brand from peer-to-peer communication or through previous experience. Simultaneously, from the supplier's perspective, the goal is to improve the perception and understanding of brand meaning and values, and to show the capability of brand to deliver industrial value propositions. Consequently, it increases the chance of successful transaction among those organizations. Therefore, brand awareness could be directly related to firms' financial performance (Davis et al., 2008).

Brand credibility is another indicator. It has been defined as the "believability of the product information contained in a brand, which requires that consumers perceive that the brand have the ability (expertise) and willingness (trustworthiness) to continuously

deliver what has been promised” (Erdem and Swait, 2004, p. 192). It is also an important characteristic of a B2B brand because it helps to reduce customer risk and information cost, which are the primary functions of a B2B brand (Backhaus et al., 2011; Baek et al., 2010; Herbst and Merz, 2011). In fact, Leischnig and Enke (2011) also found that B2B brand credibility is a key factor in reducing risk, building brand loyalty, and earning premium prices.

Financial performance is one of the most important measurements to evaluate effectiveness of branding. Lee et al. (2008) and Seyedghorban et al. (2016) also brought up the relevance of financial aspects in B2B brand performance. According to Wong and Merrilees (2008), financial performance often refers to measures of a firm’s profits, sales growth, and market share. It was found that B2B companies’ investment in branding is conditional on the financial benefits (Leek and Christodoulides, 2011).

The concepts above provide a holistic view on measurement of B2B branding effectiveness at corporate level (Seyedghorban et al., 2016). However, Alkanova (2010) have concluded that in reality, few companies actually use a system of branding effectiveness metrics, and if such metrics are used, they measure the effectiveness of specific branding activities rather than evaluate the effectiveness of branding in general. Whether this statement is true, it needs more practical investigations to verify this conclusion, especially in the context of industrial SMEs in China, as very few studies about branding effectiveness were conducted in this special context, it is still a mystery that how the B2B SMEs in China could measure their branding effectiveness.

2.5 Barriers of Branding in B2B SMEs

It expects the “brand barrier” verified in this research is a factor inhibiting B2B SMEs undertaking branding activities. Previous study indicated that many B2B SMEs do not have enough time or resources to conduct branding activities (Juntunen,2012), especially, the start-ups, they often suffer from scarce resources such as manpower, time, capital and knowledge to execute brand activities (Berthon et al., 2008; Järvinen et al., 2012; Michaelidou et al., 2011). Likewise, Styvén &Wallström (2017) conducted a research among tourism SMEs and identified financial risk, time constraints, external environment, and lack of IT expertise and strategy are four barriers for brand building. Meanwhile, many of them perceive the budget for branding activities as costs not investment.

It seems that several researchers have identified common barriers of brand building in B2B SMEs in western countries. At the beginning of this chapter, it mentioned the significant difference of the definition of SMEs between Europe and China regarding to company size to annual turnover, which may make B2B SMEs in China encounter different difficulties in branding. As the existing literatures are more about the situation of SMEs in western countries, and very few research about the barriers of branding was conducted in the context of B2B SMEs in China, thus, specifically, the research focuses on the raised questions in the context of China in order to achieve a richer understanding relative to major barriers affecting their branding and to formulate practical recommendations relative to strengthening business models within the given geographic and industrial context.

In sum, after reviewed definition of SMEs in China, there is significant difference in SMEs between China and western countries. The reviewed studies provide relevant contributions in understanding the context of branding in B2B SMEs. However, there lacks comprehensive investigation in branding channels that Chinese B2B SMEs are using through different industries and why they choose the specific channels. Meanwhile,

study in branding barriers and branding effectiveness in B2B SMEs in China have not yet been deeply investigated. Consequently, the aim pursued in this paper is to focus on these research gaps.

3. Research Methodology

3.1 Introduction

This chapter will discuss the methodology. It will present the research philosophy, approach, design and sampling, data collection and analysis procedures and shows the right direction to achieve an outcome. Meanwhile, related ethical issues will be addressed.

3.2 Research Objectives

The reviewed literatures indicate there are limited studies related to branding in B2B SMEs in China. This research, therefore, aims to have a better understanding in the specific context. To achieve this objective, this study focuses on exploring three main research aspects associated with B2B SME branding in Chinese market:

1. To assess brand communication channels used by B2B SMEs in China
2. To evaluate effectiveness of branding in B2B SMEs in China
3. To identify branding barriers in B2B SMEs in China

3.3 Research Philosophy

Based on the objectives mention above, the researcher followed the philosophical stance of interpretivism. According to the points from various scholars, it is theoretically understood that interpretive paradigm allows researchers to view the world through the perceptions and experiences of the participants (Thanh &Thanh, 2015). In seeking the answers for research, the investigator who follows interpretive paradigm uses those experiences to construct and interpret his/her understanding from gathered data. Willis (2007) mentioned that interpretivism usually seeks to understand a particular context, and the core belief of the interpretive paradigm is that reality is socially constructed. For business and management researchers, this means looking at organizations from perspectives of different groups of people (Saunders, et al.,2016). While this research choose to conduct a comprehensive and exploratory study in branding in B2B SMEs in

China, it aims to gather the data from choosing Chinese B2B SMEs, as different organization conduct different branding activities, after seeking numbers of perspectives from different B2B SMEs, it needs researcher to summarize the common phenomenon and compare the difference to generate the understanding to assess the brand communication channels, evaluate the effectiveness of branding and identify the barriers of branding in the specific context of B2B SMEs China. Thus, the stance of interpretivism is in line with these research objectives.

3.4 Research Approach

Inductive approach is characterized as a move from the specific to the general (Bryman & Bell, 2011). In this approach, the observations are the starting point for the researcher, and patterns are looked for in the data (Beiske, 2007). With inductive approach, this study invited the B2B SMEs in China as the samples to study branding in each individual industrial small and medium organizations and then summarize all the findings from individual company to derive tentative concepts that could provide an encompassing explanation to the branding communication channels, branding effectiveness and barriers in B2B SMEs in China.

The qualitative approach is drawn from the constructivist paradigm (Bryman & Allen, 2011). According to Lancaster (2005), qualitative research is common in social and behavioural sciences and who want to understand human behaviour and functions. This approach requires the researcher to avoid imposing their own perception of the meaning of social phenomena upon the respondent (Banister et al., 2011). The aim is to investigate how the respondent interprets their own reality (Bryman & Allen, 2011). This presents the challenge of creating a methodology that is framed by the respondent rather than by the researcher. Furthermore, the researcher can develop the questions throughout the process in order to ensure that the respondent further expands upon the information provided. Qualitative research is usually used for examining the meaning of social phenomena, rather than seeking a causative relationship between established variables

(Feilzer, 2010). It is more subjective and involves information that cannot be numerically analyzed. Qualitative research method was used in this study, as it aims to explore and examine the branding in B2B SMEs in China, qualitative approach can give the flexibility required for attaining an in-depth understanding of each brand communication channels that B2B SMEs in China are using, how they evaluate the brand effectiveness and barriers in each individual B2B SME. These research questions above are complex and context-specific phenomenon, and it needs respondents to describe reality as experienced. (Adam et al,2007; Cooper,1999; Shaw,1999). Meanwhile, as branding in B2B SMEs in China received little attention in previous studies, this study is exploratory and trying to extend the boundary of the existing theory in a new context. Thus, it was decided that qualitative methods would best support the purpose (Bonoma, 1985; Halinen and Törnroos, 2005).

3.5 Research Design

This research was mainly based on a semi-structured interview for the primary data collection. Interview is the backbone of primary data collection in qualitative research designs, it is one of the most flexible and widely used methods for gaining qualitative information about people's experiences, views and feelings (Cooper& Schindler,2008). In previous literatures, Wang et al. (2016) and Li et al. (2018) employed the same method to conduct a study of B2B brand communication in SMEs. Based on the research purposes, this study outlined some key questions related to basic information, brand communication channels, branding effectiveness and barriers which are applicable to every individual interviewee. However, as the objectives of branding building vary from companies to industries, those organizations may use different brand communication channels, face various branding barriers and gain unequal benefits from branding activities. Therefore, according to each organisation's specific situation and the flow of conversation, questions need to be flexible enough to obtain deeper understanding of each interviewee. Thus, semi-structured interview is most suitable method for this research purpose.

3.6 Sampling

Calls were made to 30 contact persons of the enterprises earlier to seek their consent to take part in this study. 11 of them consented to take part in this research. The choosing companies meet the criteria in *Figure 1*, the company should be a SME which is operating in China, it also needs to be involved with B2B transactions. To assure the data validity, data were collected from owners, shareholders, professionally hired marketing director of those businesses and successors of family businesses. All of them have a good understanding of the business and their branding function within organisation.

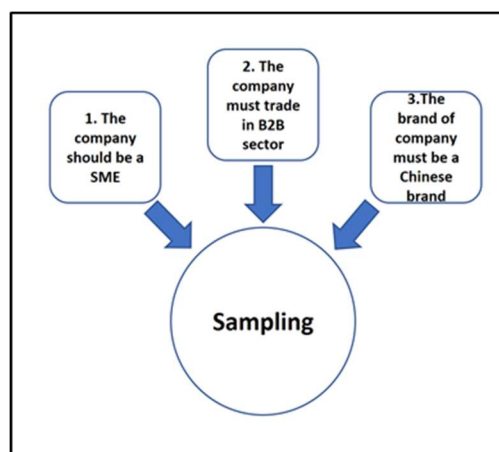


Figure 1: Criteria for the sampling

3.7 Data Collection

The primary data for this study were collected in July 2018. The interviews were conducted via phone because researcher is based in UK while the interviewees are in China. Each interview lasted around 25 minutes. 7 questions were prepared in the interview questionnaire (see Appendix 1). All the questions are related to each sample firm's basic information, brand communication channels, branding effectiveness and barriers, they are open-ended, all the participants could answer these questions based on their own situation, it could help to avoid bias and gain insights (Easteerby-Smith et al, 2008). Based on the identified research gap from the reviewed literature, this research outlined interview questions which focus on objectives of research, however,

considering the speciality of each individual interviewee, some questions were customized to the informants. Clarifications and follow-up questions were asked via emails, phone calls. With the interviewees' agreement, all interviews were recorded in Mandarin and then translated into English when constructing this study.

3.8 Data Analysis

Based on the findings from interviews, qualitative analysis was conducted. Firstly, because the interviews are recorded in Chinese, all transcripts were translated in English. Then, according to research objectives, information provided by each interviewee was extracted individually. After that, data were organized into three categories: brand communication channels, branding effectiveness and barriers. Finally, a comparative analysis was conducted to examine the similarities of brand communication channels, branding barriers and effectiveness in each company to find the patterns.

3.9 Ethical Issues

Blumberg et al. (2005) describes ethics as referring to the appropriateness of one's behaviour in relation to the rights of those who become the subject of a research project. Two main ethical issues have been identified and raised with respect to this study. Firstly, the company may be secretive about some aspects of its branding strategy, such as techniques or special branding channels to attract customers and win orders, which may not want its competitors to know about. Therefore, to alleviate this issue, the questionnaire and interviews would be designed in such a way that it does not offend, harm, provoke or stress any of the participants in any way. In this research, the participants will take part voluntarily and are informed of the research aim and objectives. Confidential information such as their confidential marketing techniques will not be sought. In the process, if participants consider some questions are related to the business secret, they can refuse to answer.

Meanwhile, participants may have a concern that their personal information will be identified by the public, as they are talking about their barriers of branding, they would not like public to know these issues, especially their customers. Therefore, all companies' names will be replaced by pseudonyms, they will not be identified by public. Furthermore, the questionnaires would fully state that it is an academic research and in no way, the research is not for commercial use. constituting a study conducted by the organization, all the data will be stored separately from the findings and will not be disclosed within the dissertation. The recording permission will be asked for in advance, supportive participants in focus groups that their identities remain safe.

4. Findings and Discussion

This section will present and discuss the key findings from the interviews. A brief profile of participants and companies is introduced. Following that it will demonstrate the findings and discussions particularly from branding communication channels, branding effectiveness and branding barriers in the context of Chinese B2B SMEs.

4.1 Company Profile

The field data is based on 11 semi-structured interviews with senior managerial staff from B2B small and medium businesses operating in China. Initial statistics show that the average number of employees in sample B2B SMEs is 460, and their annual sales turnover is between RMB 30-290 million. According to the definition of SMEs in China, four of them are small businesses, while the rest of them are medium organizations. Five of the participating companies are in automotive industry, one is in hospitality industry, wine trading industry, clothing and apparel and biotechnology industry respectively. The rest two are doing food trading business. These companies have the experience in conducting branding activities varies from 3 years to 30 years. One of the interviewees is marketing director who has been professionally hired, six of them are shareholders of their companies and one is the successors in their family businesses. The rest three are the owners of the business. The details of the interviewees and companies are highlighted in *Table 5*.

Participating organisation demographics						
Participating organisation	Job title	Industry type	Approx. Revenue (million RMB)	Approx. Staff no.	Branding Experience	Size category
Participant 1	General Manager	Biotechnology	35	30	3	Small
Participant 2	Owner	Clothing and apparel	10	30	10	Small
Participant 3	Owner	Wine trading	2	20	6	Small
Participant 4	General Manager	Hospitality	30	30	3	Small
Participant 5	General Manager	Food Trading	240	200	25	Medium
Participant 6	Owner	Automotive	50	200	6	Medium
Participant 7	Successor	Food trading	80	100	24	Medium
Participant 8	Marketing director	Automotive	290	2800	24	Medium
Participant 9	General Manager	Automotive	290	1000	10	Medium
Participant 10	General Manager	Automotive	150	533	10	Medium
Participant 11	General Manager	Automotive	250	120	18	Medium

Table 5: Participating organization demographics

4.2 Brand Communication Channels

During the interviews, evidence shows that all the sample companies have different level of branding activities within organization. The findings indicate that the channels including both traditional and new media channel used by participating B2B SMEs are diverse. All the channels mentioned by interviewees are organization event, face to face visit, sponsorship, TV, printed media, company website, social media, search engine, ecommerce platform and mobile app. Among these channels, organization events, company website, face to face visit and social media are most commonly used among B2B SMEs in China. The details are summarized in *Table 6*.

Participating organisation	Industry type	Traditional Channels					New Media Channels				
		Organisation event	Face to face visit	Sponsorship	TV	Printed media	Company website	Social media	Search engine	Ecommerce platform	Mobile APP
Participant 1	Biotechnology	●	●	●	●	●	●	●			
Participant 2	Clothing and apparel	●					●			●	
Participant 3	Wine trading	●	●								
Participant 4	Hospitality	●					●	●	●	●	●
Participant 5	Food Trading	●		●	●		●	●	●		
Participant 6	Automotive	●	●								
Participant 7	Food trading	●		●	●		●	●			
Participant 8	Automotive	●	●	●		●	●	●			
Participant 9	Automotive	●	●	●		●	●	●		●	
Participant 10	Automotive	●	●				●	●	●		
Participant 11	Automotive	●	●				●	●			

Table 6: Brand Communication Channels used by B2B SMEs in China

Organization events

From *Table 6*, it is obvious that B2B SMEs in China heavily rely on Organization events to carry out brand communication activities. Interviewees demonstrated that organization events such as trade show is a critical part in their branding strategy, they attend trade show at least once a year. During the trade fair, they set their stance to show their products and use banners, posters and brochures to highlight company names and slogans. Interviewees explained that because trade show and exhibitions take place at a single location and bring together thousands of exhibitors and potential customers, it is a great way to meet new clients and reinforce relationships with current customers. Participants also pointed out that the exhibition is an efficient tool for targeting the right customer group for the purpose of sales, the opportunities that the trade show offers with so many potential customers in one place at one time, thus, make it a golden opportunity. Especially when these B2B SMEs is launching a brand-new technology or product, during the trade show they could efficiently explain and show the product in action to the potential buyers at one specific place, this leads to several cost-cutting outcomes when it comes to launching a new product, entering new markets, sustaining existing customers and finding new strong business connection for the future. The trade show has changed its function from being just a place where buying and selling takes place to a situation where information and communication flow is increasing. These interviewees commented:

P1: "Our business is in relatively new area, trade fair can gather potential customers in a place, it is easier for us to find the right customers."

P2: "I am doing international business. Trade fair saves time and money compared to visit customers one by one in other countries."

P3: "I attend trade fair twice a year. My existing customers invite me to trade fair, and I also can meet some new clients."

P6: “we will choose the trade fairs which have great influence across the whole industry. All the people come to this event are professional in this industry, talking with them directly is very effective and efficient to promote our brand and product because they know what I am talking about.”

Moreover, most B2B SMEs agreed that company website, face to face visit and social media are another three main channels for brand communication activities in their organizations.

Company website

Most interviewees mentioned they use company official website actively for brand communication, as their potential and existing customer can have a general understanding about their company through company official websites. It is the ‘face’ of a company and company website will largely influence customers’ following behavior and perception to this brand. Communication on the websites has a strategic role because customers almost always use the websites as a medium to reach the information they need. Therefore, having a polished-looking, easy-reach website that functions easily and offers customers easy navigation, strong photo images, professional quality content and an overall experience will grab the attention of customers and engage them enough to do business with these B2B SMEs. Participants’ comments illustrated:

P3: “Nowadays, internet is so widely used, if customers want to know more about one company or one brand, they will go to that company’s official website to get more information, company website is this company’s face. That is the reason we are rebuilding and upgrading our official website.”

P8: “We display our product, company introduction and contact information on our official website, it provides them more convenience to know about us, they more detailed information on website, the more opportunities to attract new customers.

P9: “Our target customers are famous car brands, they will search suppliers online first, we are not large corporation, if we do not even have an official website, how unprofessional our customers will think about

us, they may not consider doing business with us!”

Social media

Social media also has been considered as an important channel for brand communication channel in B2B SMEs in China. Participating companies indicated social medias such as WeChat, Weibo and ZhiBo are three most popular social media in China, information can be spread quickly and widely via them. Meanwhile, with the function of instant updating, potential and existing customers can get the information at the first hand. Even though they cannot bring financial return immediately, these B2B SMEs indicate that the propose for using social media is to maximize the exposure of their brands, thus, consequently, increasing their brand awareness, recognition and improve customer engagement with their brands. Moreover, using these social media does not need to invest amounts of money, it is relatively cost-effective compared with traditional forms of brand communication such as print, radio and TV. Most importantly, considering about the long-term branding strategy, internet 2.0 will change the style of branding in the future, it will shift from traditional channels to new media channels. Participants noted that even though B2B SMEs do not directly contact to general consumers now, they will significantly influence their business performance as they are in the same supply chain, In the future, end users may have the right to choose any element in one supply chain. Thus, these B2B SMEs need to be active to promote their brand into a wider group beyond the current customer communities. New media channels such as social media is the best choice to permeate information, because it is like a conversation and create word of mouth among end users, thus, they can make end users to bear their brand in mind. Some sample B2B SMEs demonstrated:

P8: “We post pictures of our product and our company on WeChat official account and Weibo, they are the most popular social media in China, they are very useful and convenient, we can update information immediately. We do not expect they can bring us orders right now, we just want people to know our company, our brand and our product!”

P4: “Our business is in hospitality industry, WeChat and Weibo are very effective and efficient for brand communication, I do not need to invest huge amounts of money, everyone can have an account.”

P9: “Our direct customers are car makers, and the end users buy car; we now cannot reach to end users immediately. But in the future, the industry will change, the buying behavior will change as well, end users may also have the choice of their components of car, we now need to make them bear our brand in mind. Social media can do this.”

Face to face visit

Interviewees also emphasized the importance of face to face visit. Most of them noted that it is an effective brand communication channel, it has become one of their major channel to promote their brands to their existing and potential customers. They consider face-to-face visit is the most formal way to reach customers, as they are in B2B sector, they represent a company instead of an individual. Meanwhile, participants believe that through face to face visit, it is easier to reach the right decision-makers, because in the business-to-business context, there is no need to attract wide audiences like in the consumer market, they just need to trigger the interest of key decision makers in the target organizations. Depends on the customers' level, they will send different staff to meet the customers in order to make customers feel fully respected. Meanwhile, the reason companies choose face-to-face visit is because it is the most effective way to introduce a new product to customers. When explain new features and technology of that product, customers can refer to a direct visual sense of the sample and thus can increase the confidence of buyers. Finally, it can facilitate the communication with customers, a face-to-face environment can increase the interaction with customers, which will strength the relationship with them and build up trustworthy relationships. Such experience brings benefits in driving brand awareness, affinity and consideration, especially for B2B SMEs in development phase. Four participants explained:

P3: I think the best channel to promote our product is to go to customers' company, it shows how serious I am and how much I want to cooperate with them. Basically, I send my sales man to visit the potential

customers, however, if some of the customers are so critical for our future development, and will bring significant opportunities for us, I will go to visit those customers in person.

P8: "I often go to my customers' companies to meet their procurement managers, because they can directly make the decision, it is effective and efficient.

P11: " We will go to customers' place to have a face to face chat with them, in this way, we can show our products to them immediately, they can ask questions and we can provide the answer, it is very efficient way to introduce our new product, meanwhile, the feature and technology of our product is very complicated and advanced, talking face to face will facilitate the communication."

P1: Our company is a new company, I need to build relationship with our customers, face to face visit is the best channel for customers to know us, make them trust us and will enhance our relationship quickly in a physical environment.

Some participating B2B SMEs also stated that they use sponsorship and search engines as brand communication channels to complement the overall branding effectiveness.

Sponsorship activities

These participants noted that sponsorship activities are useful to increase their brand awareness. Meanwhile, sponsor activities such as education, charities and disaster relief provisions significantly enhance corporate image, show public their social responsibility and consolidate the relationship with public. Thus, these sponsorship activities will help expand their brand influence, not just in industry, but the whole society.

P8: "Because we are in automobile industry, We often sponsor some event related to cars, such as car race, such event is very influential, we then can put our brochures and banners in the event location, everyone comes to this event can see our company's logo, banner and they can take a brochure away if they are interested in our company."

P10: “When there is disaster happening such as flood or earthquake, our company will provide free food for government to send to the disaster areas, our company’s name and logo are on the package, but this is not just for business branding promotion, we really want to help, and fulfill our social responsibility, I want the public to see we also will pay back to the society.”

P1: “Our business is related to children, we often provide some support for the event in education institutions, because there will be a lot of parents to see our company’s name and what we our business is doing, education is very important for child, we get a lot of great feedback after we sponsor such events.”

Searching engine

Searching engine such as Bai Du is another choice for around half of the sample B2B SMEs to conduct brand communication activities. They pay for the search engine so that when potential buyers type in related key words, their companies’ name, product will come out, and directly link to their official company website. Meanwhile, they use BaiDuBaiKe, the Chinese version of Wikipedia, to present their company introduction, it can enhance their brand credibility and reputation, as participants consider it as an authoritative channel.

P1: “In China, when people want to find something, they will go to Bai du, it has everything you want to know. The introduction of our company on that will increase the chance to be searched. Meanwhile, it can make our company trustworthy.”

P4: Being searched on BaiDuBaiKe means we are competitive in this industry, if we are not appearing under major keywords, potential consumers might not consider my company qualified in my industry.”

P5: We link our official website on BaiDu, when customers are searching us, it directly navigates them to our company website.

Traditional channels such as TV and printed media are still used by small part of B2B SMEs in China.

TV

Interviewees mentioned they choose TV to execute branding activities because this channel is authoritative and influential, due to the characteristics and specialty of their products and businesses, these organizations need authorities to endorse their brands. Therefore, through traditional TV, their customers can have more confidence in their products and brands.

P1: "Our company's business is using state-of-art technology, the scientist as well as our shareholder receive interviews on TV to introduce the technology and benefits of our product. Our main customers are hospitals and health-care institutions, they will watch that program, it will improve our brand and companies' credibility and reputation.

P7: "We are in food industry, food safety is very important for consumers, even we are in B2B sector, our customer will choose a secured and credible company to for long term, so through TV and radio to promote our product can improve our brand's credibility and will make them feel secured.

P6: "we still use TV as a brand communication channel, it is a relatively formal channel compared to internet, advertisement will be censored by TV station. We sell seafood, we need customers' trust, I think TV can, even though it costs money.

Printed media

Interviewees consider printed media are still very useful for their brand, they only choose industry magazine and newspaper which is related to their own business as a branding channel, they believe the power of press because these magazines and newspapers are perceived as being trustworthy which can strengthen their brand credibility. Meanwhile, when customers come to their company, they could show these paper version publications to their customers, they believe through this channel, it can attract customers' attention, because physical paper can be stored and exhibit in their company. Magazines and newspapers have the long-life span and can easily be passed around from hand-to-hand or sit in an office for passers-by to read.

P1: “Our product is using new technology, newspaper is a good way to inform our customers or the whole society our achievement.”

P9: “We still have small part of budget for some automotive magazine, less and less companies are doing this, but we believe when potential customers see this, it is a good way to enhance our brand image and leave them a good impression.”

P8: “Sometimes when customers visit to our company, they can read the industry magazine and newspaper, in such situation this is more convenient than online channel.”

Few sample B2B SMEs are also using ecommerce platform and mobile app as a channel for brand communication.

Ecommerce platform

B2B SMEs which use ecommerce platform as a brand communication channel are fully or partially involved in online business, they conduct brand communication on Chinese ecommerce platform such as Alibaba, Jing Dong, Ctrip and Qunaer. Because of their business characteristics, they can directly trade on the ecommerce platforms, they build their online store to display their product and build their brand image via these platforms. Meanwhile, such platforms can gather many potential buyers together, especially international buyers, branding on such platform enables B2B SMEs can borrow the its power to attract more potential customers.

P2: “We are doing international business, and the main channel is on Alibaba, this platform provides everything, and gather huge numbers of B2B business here, we found it is very useful to build branding on Alibaha, because our customers will see it.”

P4: “Such platform contributes a lot in my business, it is like we are attending a trade show, but it is online, it gathers so many potential customers together.”

P9: "we also have an online store, I know some customers will find potential suppliers on Alibaba, even now in automobile industry, it is few, but in the future, I believe it is a trend in our industry."

Mobile app

Very few participating company have developed their own mobile app, one interviewee mentioned in the future, app is very necessary for their business as it compensates to their online business. Meanwhile, it is a symbol of their companies and showing their profession, because it is another version of company official site. In addition, as the wide used mobile phone, mobile applications have become a more convenient communication channel.

P4: "we are in hospitality industry, we developed our own APP, because of our business characteristics, customers can make reservation online through the APP. Also, it is a symbol of our brand. It has similar function with company official website, and it is more convenient because everyone is using phone instead of computer. In the future, it should be a popular."

This research aims to assess brand communication channels used by B2B SMEs in China. *Table 7* summarizes all the brand communication channels used by B2B SEMs and the perceived benefits of each specific channel, based on those potential benefits and their business characteristics, Chinese B2B SMEs choose suitable ones to conduct their branding activities. Through the process of interview, study has found B2B SMEs in China are using cross-channels for brand communication. They are largely depending on organization events to reinforce relationship with customers, expand their network and increase the sales in an effective and efficient way. Meanwhile, company websites, social media and face to face visit are also largely used by these organizations. Company websites are representing corporate image, professional websites show firms qualification and attract and engage potential or existing customers. With the function of updating information instantly and widely, social media could help B2B SMEs to maximize their brand exposure in a cost-effective way without following behind the market changes. Face to face visits are perceived as the most formal brand

communication channel to reach the decision-makers, in a face to face environment, it significantly improves the communication efficiency and strengthens the relationship with customer. Additionally, sponsorship and searching engines are also utilized by near a half of B2B SMEs in China to help them to expand brand influence and increase brand credibility. Traditional channels such as TV and printed materials are still helpful for small part of B2B SMEs, as these channels are authoritative and influential. Based on these B2B SMEs' business characteristics, e-commerce platform, also can be a brand communication channels by a small group of B2B SMEs. Finally, as the wide used mobile phone, brand communication channels such as mobile app begin to emerge.

Brand communication Channels	Perceived Benefits of each specific brand communication channel
Organization events	<ul style="list-style-type: none"> ●Expand network and reinforce relationship with customers. ●Target the right customers and Improve the sales efficiently ●Facilitate communication in a cost-effective face to face environment
Company website	<ul style="list-style-type: none"> ● Represent corporate image ●Attract and engage potential or existing customers ● Show company qualification
Social media	<ul style="list-style-type: none"> ●Update and spread information instantly and widely ●Maximize brand exposure and to improve user engagement ● Cost effective ●Comply with future market changes
Face to face visit	<ul style="list-style-type: none"> ●Most formal way to reach customers ●Reach the decision- maker directly ● Facilitate communication in a face to face environment ●Strengthen relationship with customers through face to face interaction
Sponsorship activities	<ul style="list-style-type: none"> ●Increase the brand awareness and enhance brand image ●Build relationship with public and society
Search Engine	<ul style="list-style-type: none"> ●Increase company website visibility ●Enhance brand credibility and reputation
TV	<ul style="list-style-type: none"> ●Authoritative channel to increase brand credibility
Printed media	<ul style="list-style-type: none"> ●Authoritative channel to increase brand credibility ●Easy to store and exhibit
Ecommerce platform	<ul style="list-style-type: none"> ●Comply with online business model ●Borrow influence power from ecommerce platform for branding
Mobile app	<ul style="list-style-type: none"> ●Compensate to online business model ●Adapt the future market change and the widely used mobile phone ●Another version of company official website

Table 7: Empirical findings summary for the brand communication channels and perceived benefits of each specific brand communication channel among B2B SMEs in China.

4.3 Branding Effectiveness

In the process of interviews, when asked the sample B2B SMEs whether their branding in their organization is effective or not and what are the measurements of branding effectiveness, most of the sample B2B SMEs noted they evaluate the performance of individual branding activities, if an individual branding activity enables them to obtain their potential benefits that they expected from that branding activity, they consider that branding activity is effective. However, most of them cannot provide standard metrics or detailed statistics to support their evaluation.

Table 8 demonstrates the metrics B2B SMEs in China are using to evaluate the branding activities through different channels. It is interesting that sample firms do not evaluate all the activities, they only choose some activities they consider important for them. Most of B2B SMEs which are using organization events, face to face visit and social media evaluate the effectiveness of branding activities. For the branding activities conducted through organization events and face to face visit, majority of them consider they are most effective channels to conduct branding activities because they can see increased customers calls and visits after these events, only if their actions to promote their brand are effective, potential customers will have interest in their product and want to have further discussion. Meanwhile, there are also increased orders or sales which also could be a proof of the effectiveness of such events, as this indicator is the ultimate goal for them to conduct branding activities.

P1: "During and after the trade show, there are more phone call for inquiry and customer visits to our company."

P11: "After I visited customers, if they would like to know more about us, they will call me to arrange another meeting, or come to our company directly, so I know what I have done was effective."

P3: "I am trading wine, so often after the trade show or visiting customers, they will directly order numbers of boxes of wine, and this is main purpose of mine for attending trade show and visit customers."

In addition, most of the social media users noted branding activities conducted via this channel are also quite effective because there are real-time increasing number of followers, blog forward times, comments and click through rates. Through these metrics, firms can know how many users are engaging with their brand. Participating firms indicate that it is easy to measure the effectiveness of branding activities on social media, as there are real-time data on social media.

P4: "I can see how many followers of our official accounts and how many people checked our blogs."

P8: "when we are On ZhiBo, the live streaming social media, I can see numbers of users are commenting, that means those users are gradually engaging with us."

P9: "Activities on social media and some other online channels are easier to be measured, I can get the data immediately, such as click through rate, comments, forward some traditional channel such as trade show, sometimes, some customers will call me several months later after the trade fair."

Even though there are only few B2B SMEs using ecommerce platform and mobile APP as branding channels, these users all consider these branding activities are effective, as they can see that more online customer inquiry and orders are placed, these are very direct effectiveness that these B2B SEMs can identify. For the mobile app, sample firms indicated that branding through this channel is satisfactory as there are gradually increasing download times and the orders.

P2: "Once potential customers begin to contact us, that means they have known about us through the branding campaign online."

P4: "There are more orders through the ecommerce platform means branding activities are effective."

P4: "It is easy to evaluate the effectiveness of branding on mobile APP, I can see how many times my APP has been downloaded, and how may orders have been placed through the APP."

For branding activities via the rest of channels, the users only think they may be effective, they failed to provide any proof of the evaluation or barely measure them. The sample organizations explained that it is not so necessary to invest time and money to monitor the branding activities through company website, search engine, sponsorship, TV or printed media, they know those branding activities will be effective. Lack of knowledge with respect to possible metrics is one of the reasons why they failed to investigate those branding activities' effectiveness. Meanwhile, most of them indicate there is no necessary to monitor every single branding activity, they are not the main branding channels, it costs time and human resource. Some of them indicated in the future they will consider evaluating the effectiveness of branding activities through these channels.

P9: "I do not think spending time to evaluate the company website or search engine is necessary, they are not the main channels we conduct the branding activities, and I do not have so much employee to do that."

P1: "Now I think order is what I care most, TV and printed media can help us to improve brand awareness, but I do not think it is time for us to do such detailed work to assess its effectiveness, because they are not directly link to increase orders."

P5: "I think I only evaluate the effectiveness of social media and organization events is enough, branding activities through sponsorship, outdoor advertisement and TV, I do not know how to evaluate."

Measurement of Branding Effectiveness used by B2B SMEs											
Participating organisation	Industry	Traditional Channels					New Media Channels				
		Organisation event	Face to face visit	Sponsorship	TV	Printed media	Company website	Social media	Search engine	Ecommerce platform	Mobile APP
Participant 1	Biotechnology	Customer phone call and visiting	Orders and customer calls	NO	NO	NO	NO	NO			
Participant 2	Clothing and apparel	NO					NO			Orders and customers inquiry	
Participant 3	Wine trading	Orders	Customer calls and Orders								
Participant 4	Hospitality	Customers calls					Click-through rate	Followers, forward times, Click-through rate	NO	Orders and customers inquiry times	Download times and Orders
Participant 5	Food Trading	Customers calls and orders		NO	NO		NO	Followers, forward times, Click-through rate	NO		
Participant 6	Automotive	Customer phone call and visiting	Customers calls and visiting								
Participant 7	Food trading	Customers calls and orders		NO	NO		NO	Followers, forward times, Click-through rate			
Participant 8	Automotive	Customer phone call and visiting times	Customers calls and visiting	NO		NO	NO	Followers, forward times, Click-through rate	NO		
Participant 9	Automotive	Customers calls and visiting	Customers calls and visiting	NO		NO	NO	Followers, forward times, Click-through rate		Orders and customers inquiry	
Participant 10	Automotive	Customers calls and visiting	Customers calls and visiting				NO	NO	NO		
Participant 11	Automotive	Customers calls and visiting	Customers calls and visiting				NO	NO			

Table 8: Metrics used by B2B SMEs in China to Measure Branding Activities Effectiveness

On the other hand, some participating firms indicated the branding is effective based on the overall brand performance, because they realize their brands have brought them numbers of benefits. Firstly, the consistency of conducting branding activities have increased employees' confidence when face to their customers, and potentially increase the opportunities to corporate with potential customers and improve financial performance.

PI: "I found our sales person are more confident than before when introducing product to new clients, it is useful to persuade customers to cooperate with us. Gradually, our revenue is increasing year by year."

They also mentioned more and more premium customers in their industry would like to cooperate with them and they can choose better suppliers, as well as make the existing

customers more loyal.

P9: "Most of our customers are in the top 20 in car industry, and more and more high-level customers would like to cooperate with us. Meanwhile, we have a very high standard to choose suppliers because we need to protect our brand, we are in a virtuous circle."

For some B2B SMEs, their brand also increases the competitive advantage to make the business increase steadily and level up the entire barrier of new entrance.

P1: Branding is not just the financial performance, it is about the sustainability of my business, now we are in a brand-new area, we are ahead in this field, but I know in the future, there will be more similar companies to copy us, at that time, the brand is our critical competitive advantage.

Because of the brand reputation, they get more support from government, as now in China, local government is encouraging good brands to boost the local economy.

P9: "We insist to build our brand and make good quality of our products, government has provided us financial support, some other small factories have gone bankrupt."

However, besides the approach to evaluate each individual branding activity, only few firms have clear action to measure overall branding effectiveness. They conduct feedback survey among their existing and potential customers to evaluate their customer satisfaction and company and products familiarity. The majority of participating only can use financial performance as the sole indicator to evaluate their branding effectiveness. Some firms even do not evaluate the overall branding performance because they have no idea about the measurements.

P8: "Every month, we send a survey to our existing customers to get the feedback form them about the evaluation of our product, service and their impression to our company. Also, we periodically will conduct survey among the industry or even the whole market to test how many people and organizations know our

product brands.”

P7: “I can see how much orders I get and how much revenue has increased, this means our branding is effective.”

P6: “It is hard to evaluate the overall branding performance, I do know how to do it.”

Participating organisation	Overall branding effectiveness measurement metrics
Participant 1	NO
Participant 2	Financial performance
Participant 3	NO
Participant 4	Customer retention, awareness and satisfaction, financial performance
Participant 5	NO
Participant 6	NO
Participant 7	Financial performance
Participant 8	Financial performance, brand awareness, brand recognition and customers satisfaction
Participant 9	Financial performance
Participant 10	Financial performance
Participant 11	NO

Table 9: Metrics used by B2B SMEs in China to Measure Overall Branding Effectiveness

To summarize, this research is conducted to evaluate the branding effectiveness in B2B SMEs in China. The findings demonstrated that most of B2B SMEs in China consider their branding is effective based on their knowledge in branding effectiveness and measurement metrics. One approach they use to assess the branding effectiveness is to measure the effectiveness of each individual branding activity through different brand communication channels. However, they do not evaluate all the branding activities, instead, they only measure some branding activities which they consider important,

especially the one which directly link to financial performance. Most B2B SMEs consider there is no necessary to evaluate the effectiveness of branding activities through the all of the channels, due to the lack of knowledge, capital, time and manpower.

In addition, some B2B SMEs also consider their branding in their organization is effective based on overall brand performance, as a whole, through years' consistently conducting branding activities, their brands have brought them numbers of benefits. However, only small parts of B2B SMEs in China have clear metrics to measure its comprehensive branding effectiveness, most of B2B SMEs only use financial performance as the only measurement to evaluate branding effectiveness.

4.4 Branding Barriers

During the interviews, participating firms have mentioned the following barriers when conducting branding activities.

Product brand and corporate brand are not integrated

The first barrier B2B SMEs in China are facing is that in market, customers know more about their products instead of their company brands. At the early stage, they had a branding strategy to use their products as brand to promote to their customers, and the product brand name is not the same with their companies' name. Gradually, in the market, buyers are familiar with product brand but do not know which company produces it. This situation creates a dilemma for these B2B SMEs, especially when they meet a customer to introduce their company, as customers only know about their product, it takes time for buyers to accept the information difference. Two participating company make the below comments:

P2: "We have our own brands for every product line, and they are well-known among customers and industry, but very few of them know those products are produced by our company, because those product brand names are different with our company's name."

P9: "We focus on build our product brands, we have several brands, and they are quite successful now, and customers know our product brands better than our company's name. when we meet our customers we introduce our company, sometimes make customers confused."

Low Brand Visibility

Being involved in B2B transaction, their product will be processed or assembled by their customers first and then be sold to end user, consequently, the wider group only know their customers' brand very well. Such companies seem to lack their own brand identity almost totally, and their brand value is automatically integrated to their customers' brands and cannot be added to their own brands. Therefore, those B2B SMEs feel it is difficult to break through the industrial barrier to get over their customers to expand their

brand recognition among end-users or wider groups. Two B2B SME owners noted:

P10: “We supply components to our customers, they are car makers, consumers only can see the car brands they cannot see our components’ logo, and they do not know we supply the components on this car, even though we do not sell components directly to end users, we still want to expand our brand awareness, but it is very difficult.”

P3: “We trade wine, the wine brands are very famous, seldom people remember our company, they only remember the wine.”

Lack of resource, capital and expertise

The interview findings found that capital, time and talent are one of the key reasons to constraint B2B SMEs’ business performance. Some of them know brand management is important for their companies, but due to these reasons, they must reduce the investment in brand management. More than half of the B2B SMEs mentioned that at the beginning stage the time and capital pressures, they could not conduct to many branding activities, and the brand building process easily become a secondary matter. Meanwhile, because of expertise shortage in branding, they have taken the wrong path and waste time and capital. Most B2B SMEs mentioned that they still outsource their branding activities to professional agencies, running by themselves is too complicated.

P5: “My business is very small, I only have at most 1% of revenue as my budget for branding. We do not have enough money and time to invest in branding, the effectiveness is not good. Now I use the professional agencies, it is a little bit expensive, but it is difficult for me to find talent in such a short time.”

P4: “Hospitality industry, building brand is important, if I have more financial support, I could do better.”

P1: “A mobile APP will be helpful for our business, but now, I do not have enough budget to develop that.”

Product is more important than brand

During the interview, some sample B2B SMEs consider their product, service quality and technology are the key competitive advantages, as their resource is limited, if they have to choose, instead of investing too much resource on branding, they would rather to spend the majority of the budget on building their products. Participants consider because B2B sector is more enclosed than B2C sector, customers care product quality more than in B2C sector, satisfied product and service will be more effective to attract customers. The interviewees explained:

P11: "This industry is very enclosed, we have budget for branding, but we do not need to spend extra money to promote our products, the product quality and our technology is most important, if the product is not good enough, even though we spend a lot of money on branding, it is useless."

P6: "I do not think conducting too many branding activities is suitable for my business, as I am trading wine, my customers care more about the wine not my company."

High Entry Barriers to New Market

Participating B2B SMEs mentioned that territorial restriction is another branding challenges they are facing. As their product characteristics, such as fresh food, they are easier to promote in local area. They mentioned it is difficult to promote their brand nationally and even globally, because it is such a huge investment and the competition should be very fierce in other areas. In addition, the local companies would like to corporate with larger brands instead of small businesses.

P7: "My company brand is famous in our city, but I do not want to just stay there, I found it is difficult to enter other cities' market for our B2B SMEs."

P8: "The most effective way to expand our brand to the overseas market is to corporate with local companies, but those foreign companies often choose larger corporation."

Lack of clear objectives for branding

Findings indicate that most of B2B SMEs in China do not have clear and standard objectives for branding. When they are conduct branding activities, as previous section mentioned, sample firms failed to provide data to support their evaluation, they mainly focus on financial performance as an indicator to evaluate the effectiveness of branding. Even though they sense their branding has the benefits more than financial return, they do not set other clear objectives.

P1: "Branding can bring our company a lot of benefits, but we do not set specific objectives for branding activities."

P2: "The main purpose of branding is to increase our sales."

In all, for the purpose of examining barriers of branding in B2B SMEs in China, it has found numbers of challenges these organizations are facing. Most B2B SMEs in China, their product brands are different with corporate brands which makes their customers confused. Meanwhile, because of the characteristics of industrial sector, B2B SMEs' brand value is often integrated by their customers, as these organizations' brands have low visibility in a wider group which is beyond their current customer communities. In addition, the lack of resource, capital and expertise in branding is another branding barrier among B2B SMEs in China, as the resource is limited, branding has become second matter. Some B2B SMEs in China still perceive that building product is much more important than branding, as they consider their customer care more about the products and service themselves, good quality product and service could bring them long-term competitive advantage. For the B2B SMEs which want to expand nationally or globally, they found the entry barriers are quite high for them to compete with local business and large brands. Finally, most B2B SMEs in China do not set clear branding objectives, the main indicator for branding effectiveness is financial performance.

4.5 Discussion

This study has a comprehensive investigation branding in B2B SMEs from brand communication channels, branding effectiveness and barriers. Some of these findings receive support from the very few existing studies, while some seem to be new.

4.5.1 Brand Communication Channels

The findings provide a number of theoretical contributions. Firstly, this study found that B2B SMEs in China use multi-channels for branding, and the channels are diverse. B2B small and medium companies do not solely use just one channel but rather use a mix of several channels. As discussed previously, these organizations aim to use various channels to interact with target groups (Burmann et al.,2017). They combine different communication channels to conduct branding activities in order to obtain their objectives, this finding generally support the statement made by Kunigs (2018) that to reach the target audience effectively, a single brand need use variety of channels. This is also in line with Keller (2012) and Lehmann (2006), they mentioned some marketers have attempted to orchestrate these activities to create synergistic effects, as businesses have to combine several channels to maximize their success.

Meanwhile, this research found that B2B SMEs in China are largely depending on face to face brand communication channels such as organization events and face to face visit to execute branding activities. Tomas (2015) and Freitas (2015) also agreed with the finding that the leading form of B2B branding is still in-person events. The reason that B2B SMEs choose face-to-face brand communication channels is because in B2B sector, companies still have the preference for personal communication and the long-term nature and organizational business relationships (Baumgarth 2010; Leek and `Christodoulides, 2012), Wong and Merrilees (2005) stated that face-to-face communication is key actor to attain brand recognition. In addition, this study also highlights the important role of relationship and network paly in B2B branding in Chinese SMEs, it is supported by Mäläskää et al. (2010) who emphasized the role of

network actor played in B2B SMEs, which provides a great potential for SMEs to increase brand recognition and awareness. As an extension of existing theories, this study also found that through the face to face environment channels, B2B SMEs can reach the right customer or even the decision makers directly, it largely facilitates the communication flow and reinforce the relationship through the interaction with customers in a physical environment, thus, positively influence the financial performance, as personal communication and interaction skills of employees have become the most effective drivers of strong B2B brands (Andersen & Kumar, 2006; Lynch & de Chernatony, 2007; Jensen & Kjastrup, 2008).

Company website is considered as an important brand communication channel and widely used among B2B SMEs in China. Similar to the findings from Taiminen et al. (2015) which noted that B2B SMEs regard company website as the one of the most important digital channels for marketing and brand communications. It gives the customers a general understanding of the brands. They use company official website to represent a company, attract more visitors, promote more sales of company's products and services and ultimately, help gain as much as return on investment. Thus, Christodoulides (2009) has described a company's website as the home of the brand in online environment.

Meanwhile, this research also indicates that a small group of Chinese B2B SMEs use search engine to increase the company website visibility, Taiminen et al. (2015) also mentioned that searching engine could be crucial to maximize company's visibility on the web, searching engine has become the second most important tool for increasing sales and facilitating advertising (Taiminen et al. ,2015). Besides that, B2B SMEs in China also use search engine to enhance their profile, as the higher ranking in searching engine, the more qualified the potential customers would perceive this brand.

Social media was claimed to be one the most important brand communication channels among B2B SMEs in China. Different with the statement made by Taiminen et al (2015)

that social media is regarded as a form of two-way communication broadcasting while attempting to drive sales, Chinese industrial B2B small and medium firms use social media as a cost-effective one-way communication channel to maximize the exposure of companies' brand, most of Chinese B2B SMEs have not fully used social media to improve customer engagement with their brands, they do not have much expectation that this channel could provide them financial return immediately.

Traditional channels such as printed press, TV and sponsorship activities are used by some B2B SMEs in China, as printed media and TV are authoritative channels which can upgrade and enhance B2B SMEs' brand credibility, it is against with the view of Thomas and Barbara (1998) that online media tended to be judged more credible than their traditional versions. Meanwhile, printed medias are easy to be stored and exhibited in public, as traditional marketing has a more visually appealing, nostalgic and creditable (Katz, 2008).

While parts of B2B SMEs in China still prefer using sponsorship activities as their brand communication channel because it could increase the brand awareness and enhance brand image as well as build relationship with public and society, this is in line with Wagner and Vsetecka (2004) and Simmons and Becker-Olsen (2006) who concluded that sponsorships improve brand image and is particularly useful for changing overall brand attitudes of society and public through activities such as socio-sponsorship and event-related sponsorship.

Ecommerce platform and mobile app are two emerging brand communication channels among Chinese B2B SMEs. As e-commerce business model in China is well developed, online media channels are more applicable as they could strengthen their brand power. By bringing together suppliers in China, ecommerce platforms have built an ecosystem that automatically scaled with success. As more buyers came to ecommerce, more suppliers arrived. More suppliers offered a wider variety of products that attracted more buyers. The closed loop system fed on its own success. Meanwhile, mobile app has been

a new choice for branding among B2B SMEs in China. In western business field, (Fernandez-Cavia & Lopez, 2013, p.101) also mentioned “mobile applications have become new brand communication channels”. Although very few B2B SMEs in China are using, it indicates Chinese B2B SMEs have realize to adapt to the new market trends and begin to think forward. As the wide-used mobile phone, in the future, they believe even in B2B sector, mobile app could be very popular.

Different with previous studies which focus on the specific channels, this study has addressed the research gap to have an investigation from the point of Chinese B2B SMEs’ view to evaluate their choice of different brand communication channels. Findings demonstrated that B2B SMEs in China have adopted cross-channels for their branding strategy, they are highly relying on face-to-face brand communication channels such as organization events, face-to-face visit and sponsorship activities, as networking and relationship still play critical role among industrial SMEs. Meanwhile, company websites and social media are also largely used among those organizations, company websites are showing their professional image to their customers while social medias are largely helpful to maximize brand exposure. Tradition channels such as sponsorship, TV and printed media are used by small group of B2B SMEs in China, these channels are authoritative which could enhance their brand credibility and even build relationship with general public and society. Finally, very few industrial small and medium business in China have begun to follow the new trend to conduct brand activities through ecommerce platform and mobile app, as the online business becomes popular in Chinese market, they believe these channels will be widely used and contribute largely in branding for their businesses.

4.5.2 Branding Effectiveness

B2B SMEs in China have recognized that branding has brought them benefits, it has increase employees' engagement and confidence, as strong brand identity positively influences on employees' commitment to organization (Buil et al., 2014), consequently, it also increases the these B2B SMEs' financial performance, employee engagement is stronger predictor of positive organizational performance (Markos and Sridevi,2010). Meanwhile, the effective branding has helped them to attract premium customers and top level of partners. This is because powerful branding in B2B sector also contribute significantly in increasing the chance of success in bidding situations (Low & Blois,2002; Ohnemus,2009) and negotiation power (Wise & Zednickova,2009). Also, some of them have gain a good brand reputation and these B2B SMEs could receive support from government and public. Most importantly, B2B SMEs feel they have become stronger in business than their competitors after several years' branding, which is supported by (Kozlenkova et al., 2014) that B2B branding can bring a firm sustainable competitive advantage.

Based on the understanding and knowledge in branding effectiveness, most B2B SMEs in China evaluate the branding effectiveness by measuring the performance of individual branding activities, the metrics are simple and not standardized. For the ones who evaluate the overall brand performance, most of them only focus on financial performance, this is because financial performance is extremely important for B2B SMEs (Seyedghorban et al., 2016), it was found that B2B companies' investment in branding is conditional on the financial benefits (Leek and Christodoulides, 2011). However, the effectiveness of branding needs to be measured by using more than one dimension due to its complexity (de Chernatony, 2001; de Chernatony et al., 1998). Meanwhile, numbers of B2B SMEs in China, they do not evaluate the overall branding effectiveness at all, as they lack knowledge to develop an evaluate system. This result has proved the findings from research conducted by Alkanova (2010), which indicated that few companies actually use a system of branding effectiveness metrics, and if such

metrics are used, they measure the effectiveness of specific branding activities rather than evaluate the effectiveness of branding in general as a set of measurements for the establishment and development of a brand.

4.5.3 Branding Barriers

Some major branding barriers have been identified in B2B SMEs in China. Firstly, they failed to integrate the product brand and corporate brand, many of them are using product feature-related communication and cause confusion among customers. Different with the statement made by (Webster and Keller, 2004) that B2B companies often use company name as their brand name, some B2B SMEs in China rely on product strategy instead of corporate strategy, their company names are different with product names. The name issue is related to the overall profile of the firm, because in B2B sector, products are often highly customized for customers, the life cycles of the products are relatively short, and buyers pay more attention on reputation, financial solidity of suppliers than in B2C sector (Webster and Keller, 2004). Therefore, it is quite challenging to conduct product brand strategy instead of corporate brand strategy in B2B SMEs (Mudambi, 2002; Kotler, Pfoertsch & Michi, 2006).

Meanwhile, B2B SMEs found their brands are often integrated into customers' brands, the brand value cannot be added on their own brands. This issue also has been identified by Ojasalo et al. (2008) at a study in B2B SMEs in software industry. In B2B sector, most product will be processed by their customers, and their brand has a very low visibility beyond their existing customer groups. However, these Chinese B2B SMEs consider their brand is not just for their industrial customers but also for wider groups such as investors, partners, suppliers, regulators, special interest groups, local communities or even end users (Balmer, 2001a; Hatch & Shultz, 2003; He & Balmer, 2006; Fiedler & Kirchgeorg, 2007; Merrilees, 2007; Roper & Davies, 2007), they want to promote their brand to those wider group, but they found it is quite difficult to break through the current industry community.

Moreover, some senior management in B2B SMEs in China consider branding is not so important compared to product itself. They focus on products building instead of investing resource to build a brand. In their thoughts, as long as the product's quality is good, and prices are reasonable, then the order will come. In these B2B SMEs' mind, different with B2C sector, industrial customers pay more attention on the quality of products (Webster and Keller, 2004), so that brand management could be the second matter. They spend lots of money on marketing and fixed assets, but less on branding. They focus on building a product brand and the company image is to a large extent left in the shadows. However, B2B buyers not only care about the quality of product, but also pay more attention on reputation of suppliers (Webster and Keller, 2004).

Lack of resource and knowledge in branding is another barrier to hinder branding in B2B SMEs in China. It leads them to go to the wrong path and cannot successfully and effectively promote their brand. Juntunen (2012) also mentioned that many B2B SMEs do not have enough time or resources to conduct branding activities. Same with Berthon et al. (2008), this study found that especially for the early stage of new business, B2B SMEs in China often have the problem with scarce resources to carry out brand activities, which is in line with the findings from Because of the limit of resource, even though they have the ambition to expand their brand recognition, B2B SMEs are unable to break through territorial restrictions to go national or global, as it needs huge investment of capital and resource. Shao&Yan (2017) stated low brand awareness has become one of the major problem influencing the foreign trade among Chinese B2B SMEs. Based on this research findings, it seems that B2B SMEs already noticed the importance of brand now but constrained by the limited resource. Meanwhile, for that reason, Chinese B2B SMEs are short of understanding of branding, no clear objective for branding is set, leading to the consequence that few companies actually use a system of branding effectiveness metrics (Alkanova, 2010). They already have recognition that parts of their branding activities are effective, they failed to provide the standard metrics to evaluate the effectiveness of branding, B2B SMEs in China are making action without theory.

In all, this research is the first one to execute a comprehensive study to identify the branding barriers in B2B SMEs in the specific context in China. Compared with previous research, there are similarity of branding barriers in B2B SMEs in China and western countries. Findings indicate that some of Chinese industrial small and medium organizations focus on product branding strategy and ignore the corporate branding which causes the problem that customers are only familiar with their products instead of their companies. Meanwhile, due to the lack of the resource, they are focusing on building product and the branding becomes the second matter. They found even they are trying hard for building their brands, the brand value is added to customers after the finished products are sold to market. Finally, even they are executing branding activities, they have no clear objectives and failed to provide systematic measurements. this research has responded the gap to reveal the branding barriers in the specific context of Chinese B2B SMEs, compared to branding barriers in firms from western countries, it seems that B2B SMEs in China and western countries have similar branding barriers.

To sum up, this study has conducted a comprehensive investigation in branding in Chinese B2B SMEs from their brand communication channel, branding effectiveness and barriers, which has addressed the research gap that there is lack of study in B2B branding in China and provided significant guidance for marketers in this specific area to have better understanding of branding.

5. Implication

5.1 Theoretical Implication

The results of this study have important implications for both theory and practice. Firstly, it has filled gaps identified in the literature regarding the B2B branding in small and medium business. Meanwhile, this study is conducted in China, which addresses the call to examine the B2B SMEs branding in global market.

Secondly, as the first paper which has a comprehensive assessment in brand communication channels from Chinese B2B SMEs point of view, it has identified B2B SMEs in China has adopted a cross channel strategy for branding and are largely rely on the face to face environment channels for branding, because the network and relationship still play very important role in B2B sectors. Meanwhile, high application level of new media channels such as social media and company website means B2B SMEs in China is moving forward to digital branding strategy. Still, traditional brand communication channels such as TV and printed media are also useful for B2B SMEs in China to increase their brand credibility. Finally, the emerging branding channels such as ecommerce platform and mobile app indicate these companies are forward thinking to adapt to the market changes.

Thirdly, this research has proved the points made by Alkanova (2010) that seldom of Chinese B2B SMEs use standard metrics to assess the effectiveness of branding, even though they are evaluating the brand performance, most of them only measure the individual branding activities. Very small group of B2B SMEs in China still measure the overall branding effectiveness, but most of them only use the financial performance as the measurement. This means Chinese B2B SMEs still lack understanding of branding and financial performance is the element they care most. Finally, this research initiated to identify branding barriers in B2B SMEs in China. It is interesting those barriers are similar to B2B SMEs in western countries are facing. they have recognized the importance of branding and forward thinking, however, barriers such as lack of resource

and wrong branding strategy has largely weakened Chinese B2B SMEs' marketing ability to moving forward, which become the critical constraints of their business performance.

5.2 Managerial Implication

For B2B SMEs which operate in or wish to enter the Chinese marketplace, it is interesting to know that to build a successful B2B brand, they need to use omni channels to execute branding activities. This is because each channel has different functions and can competent to each other to maximize the branding effectiveness. Meanwhile, relationship and network are the critical factors to build a successful in brand in China, managers need to take full advantage of the brand communication channels such as organization events and face to face visit. In addition, the popularity of social media like WeChat and Weibo could be helpful for managers in B2B sector to expand brand awareness and improve users' engagement in a wider group with a relatively cost-effective way. Moreover, the first thing a company needs to do is to build their company websites because it is the first impression of that company and will influence customers perception of this brand and next move to purchase. Finally, as a business is perceived to be highly credible, traditional media such TV and printed media can contribute significantly for brand credibility.

As the features of B2B branding, it is better for companies to follow the corporate branding strategy instead of product branding strategy. Because most of their products are highly customized and have short- life cycle, it is better for B2B SMEs to use their company name as their brand name, if the company is known, empirical data suggest that it is easier to maintain both corporate image and differentiated product categories (Ojasal et al., 2008), because a reputable corporate brand in B2B context are helpful to transfer the brand equity to the extend product categories under the same brand (Low & Blois, 2002; Hutton,1997). Most importantly, customers often form a stronger judgment of the company itself than of its products in B2B sector, which indicate that branding

cannot be ignored as a second matter, management need to invest enough resource to maintain brand awareness and credibility. As part of corporate branding strategy, clear branding objectives and the measurement of branding effectiveness need to be set before executing branding activities. Managers need to know clear about the direction and permeate branding strategy to every employee within their organizations to make sure everyone understand this strategy so that employees could deliver correct brand information to customers. The delivery of front line employees is critical for B2B small and medium business, because personal communication and interaction skills of employees have become the most effective drivers of strong B2B brands.

More support of the senior management is needed as building a strong brand needs the capital, knowledge and talents. Management need to understand the concept of that branding is an investment not the cost, because the benefits of a successful B2B is not just financial return, as industrial customer differentiates potential suppliers according to company attributes and they pay more attention on reputation, financial solidity of suppliers and quality of products. In addition, B2B SMEs in China could have more communication with their peers in west countries as they are having similar branding barriers, and this could also be beneficial for Chinese business to go globally.

6. Conclusion

This paper has conducted a comprehensive study to explore branding in Chinese B2B SMEs, it examined the branding activities in Chinese B2B SMEs from brand communication channels, branding effectiveness and branding barriers. By doing so, it fills the gap identified from the reviewed literatures that there is lack of theory in B2B branding in SMEs, especially in the context of Chinese market. In order to achieve the research objectives, this study conducted semi-interviews to collect the primary data from 11 Chinese B2B SMEs. Through these process, it has exposed several interesting research findings.

The finding suggested that B2B SMEs are using cross-channel for branding to maximize the effectiveness of branding. Meanwhile, as relationship and network play important role in B2B sector, these organizations are largely depending on face-to-face environment brand communication channels. Moreover, digital media channels also take up important place in B2B SMEs in China's branding activities. Importantly, these organizations choose the channels which are suitable for their own business, even though traditional media are perceived not cost-effective, they still have budget in these channels to increase their brand credibility. As the wide-used mobile phone and the popular on line small business in B2B sector, there are new trends to use mobile communication channels and e-commerce platforms for branding. B2B SMEs in China consider their branding is effective based on their own metrics, however they lack the standard measurement and knowledge for evaluating the effectiveness of branding. Finally, it is interesting that the research demonstrated B2B SMEs in China have some common branding barriers with their peers in western countries.

In sum, as this paper demonstrates, B2B SMEs in China have recognized the importance of branding and adopted multi-channels to improve brand performance, even though most of the B2B SMEs in China still lack knowledge in branding and have some branding barriers to hinder their marketing ability, they are forward thinking and adopt

the market changes quite well, they are gradually developing related strategies, investments and policies to enhance their branding activities.

7. Limitation and Future Research Suggestion

This research has studied branding in B2B SMEs in China, it has assessed the brand communication channels these firms are using, their branding effectiveness and barriers. The approach used in this study is reliable and valid, however, one of the major limitation of this research would be the sample size which is only 11 companies, there may be more possibilities beyond the current findings if this study was conducted more widely. Also, 45% of them are from automobile industry, which may be a limitation to describe the branding in B2B SMEs in China as a whole, because different industry will choose different brand communication channels, use different metrics to evaluate the branding effectiveness and face different barriers based on their own situation, thus, it limits the generalizability of the results. Therefore, if more companies had been investigated and the samples are more diverse, the data collected would be more complete and accurate.

Additionally, this research studied branding in B2B SMEs in the specific context in China. Therefore, the generalisation of this study to other countries needs to be interpreted carefully. Meanwhile, only one person per company was interviewed, so the data collected was limited, an in-depth analysis cannot be provided. In the future, more companies and more people will be interviewed to collect more comprehensive data. Furthermore, the interview questionnaire contained only subjective questions, no multiple choices. This results in interviewees spending more time to answer questions. Finally, with the Skype and phone interview, the communication may not be as smooth as face-to-face interview, because face to face interview enables researcher to observe interviewees comprehensively.

Future research can be conducted to have a study in the mobile app as brand communication channel in B2B SMEs in China, the content could be the usage, barriers and effectiveness of the mobile app in industrial firms. Compared to western developed countries, the usage of mobile app as the brand communication channel in industrial

SMEs in China is still low, however, the ecommerce in China becomes more and more popular and business begins to enter a mobile age, if mobile app could be as a brand communication channel, it could largely boost the brand performance of B2B SMEs in China. Therefore, it is a significant to conduct future investigation in this area.

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Appendix 1: Interview Questions

Consent Form

Title of Project: Channels, Barriers and Effectiveness of Branding in B2B Small and Medium in China

Name of Researcher: Researcher: Pengcheng, PENG
Supervisor: Dr. Ewelina Lacka

- I confirm that I have read and understood the Plain Language Statement/Participant Information Sheet for the above study and have had the opportunity to ask questions.
- I understand that my participation is voluntary and that I am free to withdraw at any time, without giving any reason.
- I acknowledge that any information I provide will be kept confidential, used only for the purposes of completing this project and will not be used in any way that can identify me. All survey/questionnaire responses, notes, and records will be kept in a secured environment. If I decline it, it will be destroyed by the researcher.
- I acknowledge that there will be no effect on my employment arising from my participation or non-participation in this research. I also understand that there are no risks involved in participating in this activity, beyond those risks experienced in everyday life.

I agree to take part in this research study

I do not agree to take part in this research study

I have read the information above. By signing below and returning this form, I am consenting to participate in this interview project.

Name of Participant.....Signature.....

Date

Name of ResearcherSignature

Date

Interview Questions

General Information

Gender:

Age of Your Brand:

Industry:

Location:

Number of Employees

Your Position:

Your Working Ages:

1. How important do you consider branding for your company? In your company do you conduct many branding productivities?
2. There are several traditional brand communication channels, what branding activities do you conduct through traditional brand communication channels? Why do you choose these channels?
3. Because of wide-used internet, now there are several new media brand communication channels, what branding activities do you conduct through new media brand communication channels? Why do you choose these channels?
4. What benefits you have obtained from branding? How do you measure the effectiveness?
5. How do you combine traditional and new media channels to reach your target in your company?
6. What is your company's branding objectives?
7. What are the difficulties and barriers do you have when conducting the branding activities? How will these difficulties influence your business?

Appendix 2: Interview transcript

中国中小企业的品牌化：品牌沟通渠道，品牌建立的有效性和壁垒

9号受访人

访问日期 2018年七月二十五日

访问形式：电话访问

职业：公司所有人

品牌经验：6年

品牌行业：汽车行业

员工人数：200人

年营业额：500万人民币

I: 研究人员 P: 受访人员

I: 你认为品牌化对你们公司有多重要？那么贵公司开展此类这样的活动吗？

P: 我认为很重要，我们公司2012年成立的，品牌已经6年了，创立品牌很艰难，维护品牌也很艰难，可是我们都坚持下来了，我们也有从很多不同的渠道开展很多有关品牌建立，品牌推广的活动

I: 品牌建立与推广活动会通过一些传统的品牌沟通渠道，贵司用了哪些传统渠道呢？你认为这些渠道都有哪些优势和劣势呢？为什么贵司要选择这些渠道呢？

P: 传统渠道中我们主要是通过纸媒，如《汽车之家》报纸，我们在汽车杂志上还有小小的一部分预算，越来越少的公司会在纸质媒体上投资，但是我们相信当潜在顾客看到我们杂志上登的广告一定会给他们留下一个非常好的印象。参加一些展会 还有到顾客的公司拜访。同时我们也赞助很多汽车相关的活动。我们每年都会参加展会，我们会设置展台，因为那里积聚了行业的客户，同时是一个很好的和客户建立关系的机会。像赞助汽车活动，效果非常好，我们都会拉横幅和展示我们公司的标志，这样就可以借助了我们顾客的力量来宣传我们自己的品牌。

I: 网络时代的到来出现了很多新兴的渠道例如邮件，公司网页以及社交软件，博客，论坛，手机APP等。贵司有使用这类渠道进行品牌推广吗？为什么贵司要选择这类渠道呢？

P: 我们有官网，我们的顾客是著名的汽车品牌，他们会先在网上搜索供应商的信息，我们不是大型企业，但是如果连一个像样的官网都没有，他们绝对不会考虑我们的，因为他们觉得我们很不专业。我们也有微博和微信，虽然我们的直接客户是汽车制造公司，终端市场的客户只买车，目前，我们没有很多机会接触终端市场，但今后市场会变迁，终端市场的客户会有更多选择的权力，即使是车的零部件，我们需要从现在

开始就让他们记住我们的品牌，而社交网络就可以达到很好的效果！虽然我们在汽车行业，可是以后市场变迁很大，网络购物会越来越备受顾客关注，所以我们在阿里巴巴上设立了店铺。

I: 你觉得你们的品牌有效吗？你们怎么来衡量通过这个渠道做品牌建立活动有效呢？

P: 我们一直坚持做品牌，坚持了6年，我们的大多数客户都是行业前20的公司，而且更多的高水准的顾客都愿意和我们合作了。同时，我们选择供应商的标准是非常高的，这么多年努力建立品牌让我们进入了一个良性循环。我们坚持做品牌和制造高品质的产品，政府都会给我们提供财务支持，很多小作坊早就倒闭了。新媒体例如社交网络这些渠道都很好评价效果，因为都是实时数据。我们可以通过去看点击率，转发率，再阿里巴巴上是看网上有多少人咨询，并且下单。像展会，拜访客户和赞助活动这些就不好评价，有些顾客可能在展会后几个月才联系我们。但是我们也会记录多少新的订单多少顾客来电咨询和访问。我认为没有必要评价公司官网或者搜索引擎这些渠道，他们不是我们主要开展品牌推广的渠道，我们也没有那么多人手。总体来说的话我们是用每年的业绩作为一个评判我们的品牌活动有没有效果！

I: 你们是怎么结合传统和新媒体渠道来使用的呢？

P: 我觉得目前我们主要依靠传统的渠道在提升我们的营业额，像新媒体的渠道，是为了增大我们品牌的曝光量！

I: 贵公司想要塑造品牌形象的目的或者目标是什么？

P: 主要是提高业绩吧，这是终极目标！但我觉得不只是金钱的汇报，从长远角度讲，品牌会给我们带来更多的利益，只是其他我们也没有设立什么目标，系统性的评价标准来评判有没有效果。

I: 你们在开展品牌创立活动的过程中都遇到了什么样的困难和壁垒呢？这些壁垒和困难会怎样影响到你们公司的业绩呢？

P: 目前资金和团队都没有太大的问题技术也能支撑我们专注在创立我们的产品品牌，现在我们有好几个品牌，而且都挺成功的，可是我们的顾客熟悉我们的产品品牌多过公司品牌，有的时候让顾客有点分不清楚。

Branding in Chinese B2B Small and Medium Enterprises: Brand Communication Channels, Branding Effectiveness and Barriers

Interview with participant 9

Date of Interview: 25 July 2018

Type of interview: Telephone interview

Occupation: Owner of a B2B SME in China

Branding Experience: 6 years

Brand Industry: Automotive

Employees: 200

Revenue: RMB 50 million

I: interviewer

P: participant

I: How important do you consider branding for your company? In your company do you conduct many branding productivities?

P: Of course, branding is very important for us, our brand has been established for 6 years, creating a brand is difficult, maintaining the brand to stay competitive is more difficult, but I insist to do branding, because I know it will give huge return later, so in our company we have branding activities through different channels.

I: There are several traditional brand communication channels, what branding activities do you conduct through traditional brand communication channels? Why do you choose these channels?

P: We use traditional channels such as printed media on < Auto Fan>, We still have small part of budget for some automotive magazine, less and less companies are doing this, but we believe when potential customers see this, it is a good way to enhance our brand image and leave them a good impression. We also attend some trade show, because there will be so many customers come from our industry, it is a good chance to meet new customers and expand the network. In our industry, network is very important. We also sponsor some activities related to cars, its effectiveness is significant, we can

set the banners and logo of our company during the activities, it is like we borrow our customers' power to help us increase our brand awareness.

I: Because of wide-used internet, now there are several new media brand communication channels, what branding activities do you conduct through new media brand communication channels? Why do you choose these channels?

P: We have official website, our target customers are famous car brands, they will search suppliers online first, we are not large corporation, if we do not even have an official website, how unprofessional our customers will think about us, they may not consider doing business with us! Meanwhile, our direct customers are car makers, and the end users buy car, we now cannot reach to end users immediately. But in the future, the industry will change, the buying behavior will change as well, end users may also have the choice of their components of car, we now need to make them bear our brand in mind. Social media can do this, such as Weibo and WeChat. We also have an online store, I know some customers will find potential suppliers on Alibaba, even now in automobile industry, it is few, but in the future, I believe it is a trend in our industry.

I: What benefits you have obtained from branding? How do you measure the effectiveness?

P: we have insisted to build our brand for 6 years, now, most of our customers are in the top 20 in car industry, and more and more high-level customers would like to cooperate with us. Meanwhile, we have a very high standard to choose suppliers because we need to protect our brand, we are in a virtuous circle. We insist to build our brand and make good quality of our products, government has provided us financial support, some other small factories have gone bankrupt. Activities on social media and some other online channels are easier to be measured, I can get the data immediately, such as click through rate, comments, forward times. Some traditional channel such as trade show, sometimes, some customers will call me several months later after the trade fair. I do not think spending time to evaluate the company website or search engine is necessary, they are

not the main channels we conduct the branding activities, and I do not have so much employee to do that.

I: How do you combine traditional and new media channels to reach your target in your company?

P: Traditional brand communication channels are very important because they are directly linking to revenue, for new media channels, we often use that to maximize our brand exposure!

I: What is your company's branding objectives?

P: Mainly, for me, main purpose of branding is financial return, this is the ultimate goal! However, for longer term, it is not just money, strong brand will bring me a lot of benefits like I mentioned before

I: What are the difficulties and barriers do you have when conducting the branding activities? How will these difficulties influence your business?

P: Now we do not have big problem in technology support and capital, we have a problem that we focus on build our product brands, we have several brands, and they are quite successful now, and customers know our product brands better than our company's name. when we meet our customers we introduce our company, sometimes make customers confused." So, we are trying to integrate product brand and corporate brand.

Appendix 3: Popular Brand Communication Channels Used by B2B SMEs in China

Popular Brand Communication Channels Used by B2B SMEs in China		
Category	Logo of Channel	Name of Channel
1.Social Media		<i>WeChat</i>
		<i>Wei Bo</i>
		<i>Zhi Bo</i>
2.E-commerce Platform		<i>Ctrip</i>
		<i>Qunaer</i>
		<i>Jing Dong</i>
		<i>Alibaba</i>
3.Printed Media		<i>Auto Fan</i>
4.Searching Engine		<i>Bai Du Bai Ke</i>