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**The Importance of Brand in the Industrial Purchase Decision:
A Case Study of the UK Tractor Market**

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The Importance of Brand in the Industrial Purchase Decision

Research paper

Purpose – With brands being an important source of competitive advantage, knowledge of branding is needed to inform their management. After reviewing the literature, the article reports the findings of a case study that sought to investigate the role of branding in the industrial purchase of agricultural tractors in the UK. The study's overall conclusion is that branding can play an important role in industrial purchase decisions.

Design/methodology/approach – Various attributes, together with levels of these attributes, were identified from the literature and a series of semi-structured interviews with three farmers and farm contractors. Subsequently, conjoint analysis was employed to reveal how purchasers made their purchase decision. 428 farmers and farm contractors (a 28.7% response rate) ranked 25 cards that had been constructed to profile various hypothetical tractor designs.

Findings – Five attributes appeared from the literature review and interviews: brand name, price, dealer proximity, quality of dealer's service, and buyer's experience of the dealer. The conjoint analysis revealed that brand accounts for 38.95% of the purchase decision, ahead of price (25.98%) and service (14.90%). The importance of brand varies according to the tractor

brand. Also, the overall utility varies, with John Deere and New Holland brand names appearing as marketing assets and Valtra, Massey Ferguson, and Case IH as marketing liabilities. Among the study's other findings are that UK tractor buyers are brand loyal.

Research limitations - The study focuses on tractors in the UK so while it provides an insight into the role of branding in an industrial purchase situation, further research is required in other product categories before the findings can be generalised.

Practical implications – Manufacturers and distributors need to maintain a strong image. Also, they may charge higher prices for tractors, using the extra revenue to reinforce their brand image. On-farm demonstration of new tractors is suggested as experiential marketing strategy. Special attention should be given to the location of dealers and the service they provide.

Originality/value of the paper - Research concerning branding in an industrial purchase context is limited, dated, or contradictory. This article contributes with empirical findings on industrial brand management in an important and relevant context.

Keywords – brand management; brand marketing; industrial purchase decision; conjoint analysis; UK tractor market.

Introduction

The basis for above average corporate performance in business and industrial marketing is a significant competitive advantage (Porter, 1985). The sources of such a competitive advantage are many and varied. Some organisations base their competitive advantage on physical assets such as a manufacturing facility, some on their employees, and some on their distribution networks (Kotler, 2000). Many others, however, seek to attain a competitive advantage from intangible assets such as their reputation or the brands that they own (Beverland, 2005; Keller, 1993; Low and Blois, 2002). Yet, research to date on branding in business and industrial marketing has been limited (Beverland, Napoli, and Lindgreen, 2006; Low and Blois, 2002; Mudambi, Doyle, and Wong, 1997; Nilson, 1998). We address the fundamental question of how organisations manage their brands in a systematic, meaningful, and informed manner, thereby responding to calls for empirical studies on industrial brand management (cf. Beverland, Lindgreen, and Napoli, 2006; Webster, 2000).

Branding has been subject to considerable research and debate in recent times (e.g., Aaker and Joachimsthaler, 2000; Bendixen, Bukasa, and Abratt, 2004; Brodie, Glynn, and Van Durme, 2002; Gordon, Calantone, and di Benedetto, 1993; Hutton, 1997; Low and Blois, 2002; Michell, King, and Reast, 2001; Mudambi, 2002; Shipley and Howard, 1993; Webster and Keller, 2004). Despite this interest, however, there remains some areas of where research is limited, dated, or contradictory (Glynn, Motion, and Brodie, 2006). One such area relates to the role of branding in an industrial purchase decision (Blombäck and Axelsson, 2006). Our article seeks to address this situation by reporting on the findings of a study that sought to assess the relative importance of brand as a factor influencing new tractor buyer behaviour in the UK, and to differentiate the major tractor brands according to their image amongst

farmers and farm contractors. The analysis of branding in this context is paramount because the reduction in the sales of tractors in the UK has meant that the market has become increasingly competitive, and that manufacturers and distributors have sought original means by which to achieve competitive advantage. With brands known to play an important role in business customers' decisions (Bendixen, Bukasa, and Abratt, 2004; Michell, King, and Reast, 2001), one strategy in the UK tractor market – identified in our exploratory semi-structured interviews – appears to have been based on a better understanding of the purchase decision of farmers and farm contractors, as well as the role of the tractor brand. However, a thorough investigation of the use of branding in this market is needed. Our findings are derived from a multi-attribute conjoint analysis of data collected from 428 UK farmers and farm contractors.

Our article is structured as follows. First, to guide the study we provide a review of the brand literature. In particular, this section examines branding in industrial marketing including the UK tractor market, which constitutes the study's context. The next section describes the research methodology with particular emphasis being given to an explanation of the conjoint analysis. Our findings, together with the results of the conjoint analysis, are presented and then discussed in relation to three hypotheses before the article arrives at a number of managerial implications. The article finishes with a consideration of the research limitations and directions for future research.

Branding

There are numerous definitions of the term brand found in the literature. One of the more pragmatic definitions is proffered by The American Marketing Association (cf. Kotler, 2000:

p. 404), which defines a brand as "*...a name, sign, symbol, or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate from those of competitors*". A useful model for explicating the various components of a brand uses the various definitions of brand to identify what are believed to be the key themes (De Chernatony and Dall'Olmo Riley, 1998). The model, illustrated in Figure 1, views a brand as a multi-dimensional construct matching a firm's functional and emotional values with the performance and psychological needs of consumers.

{Insert Figure 1 Around Here}

In line with this model, a brand has been viewed as essentially being a sellers' promise to deliver a specific set of features, benefits, and services consistently to the buyers (Kotler, 2000). Therefore the brand is not just a name; the challenge is to develop a deep set of positive associations for the brand; a strong brand image. The most successful brands have created wealth by attracting and retaining customers as a result of combining an effective product, distinctive identity, and added values in the mind of the customer (Doyle, 1998).

The message about a brand that a firm seeks to communicate is known as brand identity (Aaker, 1991, 1996). This communication is undertaken via the product, the brand name, symbols and logos, historical roots, the brands creator, and advertising (Kapferer, 1998). However, the message that a firm seeks can be quite different to that which the customer perceives, which is referred to as the brand image. Brand image is a perception and is not necessarily fact. Buyers may assume, or expect, things about a firm without any objective evidence; they will hold an opinion (Hague and Jackson, 1994). The buyers' perception of quality will directly affect purchase decisions and brand loyalty, especially when a buyer is

not motivated, or able, to conduct a detailed analysis (Aaker, 1991). Brand awareness refers to the strength of a brand's presence in the consumer's mind. It relates to consumers memory of the brand, which can be measured in different ways (Aaker, 1996). Essentially, brand awareness can be determined by measurement of either brand recognition, brand recall, or both (Keller, 1993).

A brand that is established and has the patronage of consumers is said to possess 'brand loyalty'. Brand loyalty has been formally defined as "*...a strongly motivated and long standing decision to purchase a product or service to the extent that buyers become loyal to a specific brand*" (Dibb *et al.*, 2001: p. 271). It can be extremely advantageous to a seller because it is often much cheaper to retain customers than to attract new ones (Lindgreen, 2001, 2004; Sheth and Parvatiyar, 2000). The brand loyalty of the customer base is often the core of a brand's equity, the one indicator that is demonstrably linked to future profits, since brand loyalty translates into future sales (Aaker, 1991). If customers are unconcerned with the brand, and buy with respect to features, price, and convenience, then there is likely to be little equity; however, if customers continue to purchase the brand in the face of competitors with superior features, price, and convenience, considerable value exists in the brand (Aaker, 1991).

Brand equity is especially important in industrial marketing. This is because often alternatives in industrial purchase are 'toss-ups', meaning that the decisive factor can turn upon how a buyer perceives a brand (Aaker, 1991) However, despite this claim, research relating to industrial products has tended to focus on the dynamics of organisational buying behaviour, buyer-seller relationships, and industrial segmentation (Mudambi, Doyle, and Wong, 1997). Particularly in recent times, there has been little research carried out explicitly

into industrial branding (McQuiston, 1989; Michell, King, and Reast, 2001; Mudambi, Doyle, and Wong, 1997; Rosenbroijer, 2001; Shipley and Howard, 1993). The study on which this article is based, therefore, seeks to add to the limited contemporary research relating to the role of the brand name in industrial purchase decisions.

Branding in an Industrial Purchase Decision Context

There are a number of characteristics that are suggested to differentiate industrial markets from consumer markets: fewer, larger buyers; more people involved; closer buyer-seller relationships; products often need customising to customers needs; purchases are negotiated less frequently; extended negotiations; greater loyalty; more rational buying behaviour; better informed buyers; and existence of second-hand markets (De Chernatony and McDonald, 1998; Kotler, 2000). This list has recently been expanded with other factors such as the personal goals of buyers (Kotler *et al.*, 2001), new features (Nowlis and Simonson, 1996), compatibility with future purchases (Shaw, Giglierano, and Kallis, 1989), and elimination of risk (Foxall, 1979).

One study that produced findings, which are of particular interest in the context of our study, was conducted by Kool (1994). He surveyed 878 farmers concerning the purchase of a range of agricultural inputs, including machinery, and concluded that much of the farmers' buying behaviour was influenced by the desire for simplification. This in turn meant that habitual purchase was common, and that brand loyalty was important as a buying factor. The fact that brand loyalty is an important factor in the purchase decisions of farmers may well be down to a lack of motivation or ability to conduct a detailed analysis of the alternatives (Aaker, 1991).

Some differences between consumer and industrial brand management are evident. In industrial markets the brand name is often the firm name because the small size of market segments does not justify the promotion of different brands (Hague and Jackson, 1994). This differs from consumer markets, which comprise multiple segments so that companies develop a number of brands to target a range of customers in these segments. This observation has important consequences. Brand managers in consumer markets place more emphasis on individual rather than corporate brands, and direct their efforts toward minimizing the size of the brand portfolio, while maximizing coverage. This is in contrast to brand managers in industrial markets who tend to focus on building the brand at the corporate level, with some experimentation at the product level, and gradually working toward increasing the size of the portfolio through acquisitions (Beverland, Napoli, and Lindgreen, 2006; Mudambi, 2002).

In industrial marketing the brand appears to play an important role (Doyle, 1998; Michell, King, and Reast 2001; Mudambi, Doyle, and Wong, 1997; Shipley and Howard, 1993). Frequently, many industrial products within any given market have nearly identical physical and performance specifications, and differentiation can be difficult to achieve. However, there is often one product that maintains high market share, even at a premium price (Mudambi, Doyle, and Wong, 1997). It would appear reasonable to assume that this differential has been achieved on the basis of brand name, albeit the brand name may be supported by a corporate name (Saunders and Watt, 1979).

Overall, Michell, King, and Reast (2001: p. 424) found that "*...industrial firms perceive several important features as being associated with strong brands, namely perceived quality, recognisable image, market leadership, and differentiated position*". Brands, it would appear, reduce the industrial customer's perceived risk by providing reassurances regarding price and

quality of the product, and when this trust becomes entrenched then there is a reluctance to try different products, and an inertia develops.

The UK Tractor Market

In the UK, brand names are widely used, and are perceived to be important buying criteria by industrial companies (Shiplely and Howard, 1993). In the tractor market, for example, an investigation into farmers' tractor purchase decisions concludes, "*...farmers' buying decisions for tractors parallel the behaviour of professional buyers in manufacturing and service industries*" (Foxall, 1979: p. 307). As such, the UK tractor market would seem to represent a good basis for conducting research into the influence of brands in industrial purchase decisions.

Agriculture in the UK has undergone continuous change since World War II, requiring all related industries, including tractor manufacturers, to adapt to meet the needs of the farming population (Bourlakis and Weightman, 2004; Eastham, Sharples, and Ball, 2001). The supply of agricultural tractors in the UK is controlled by national distribution subsidiaries such as Valtra UK Ltd. Each firm has a network of franchised dealerships. Until recently, dealers generally sold only one brand of tractor, but developments since December 2001 have seen some dealers taking on a second tractor franchise. A number of dealerships have become 'dual-franchised' and will, for example, sell McCormick tractors alongside their existing Valtra range (Anon., 2002).

Dealers are vitally important to the manufacturers for sales of new products and the rapid supply of parts and service in the event of a machinery breakdown (Key Note, 1997). A

decrease in the UK machinery sales in the last 10 years, an increase in the mobility of customers, and a greater freedom of choice brought about by improvements in communication links have resulted in rationalisation, and the resulting closure of many agricultural machinery dealers. Although recently there has been a small recovery, the market for tractors in the UK in 2002 (unit sales about 15,000) was considerably smaller than in 1995 (unit sales about 20,000).

The significant decrease in the number of new tractors sold can, to a large extent, be attributed to a fall in the output prices of agricultural commodities such as milk and grain, which has been translated into reductions in farm income levels (Department for Environment Food and Rural Affairs, 2002). The reductions in income levels have led producers to reduce their costs through economies of scale by farming larger areas of land. This has led to the purchase of fewer, but larger tractors, requiring less labour. Massey Ferguson, Fendt and Case IHA, New Holland, and John Deere are the four brands with the largest share of the UK market. A profile of these and other UK tractor brands is provided in Table 1. It is important to note that the market for tractors comprises not just farmers, but also farm contractors who supply machinery services to the farming industry.

{Insert Table 1 Around Here}

Our study was designed to test the following three hypotheses:

H₁: Brand name is not an important factor in the choice of tractors by UK farmers and contractors.

H₂: UK tractor buyers are not brand loyal.

H₃: The major tractor brands available in the UK are perceived in a relatively similar way.

Methodology

There have been numerous studies that have sought to measure some aspect of brand value, strength, loyalty, or importance (e.g., Hague and Jackson, 1994). However, many adopt a direct approach to questioning, which requires respondents to make an assessment of a brand somewhat independently of other factors. This is a difficult approach, as when making actual purchase decisions, customers would consider a number of factors together. To overcome this apparent methodological weakness we employed the multivariate technique known as conjoint analysis.

Conjoint analysis is used to reveal how people make complex judgements and is based on a number of assumptions. One is that purchase decisions are not based on a single factor, but on several factors 'considered jointly' (American Marketing Association, 1992). Another assumption is that products or services are made up of a series of features or attributes, for example brand and price (Chisnall, 1997), about which respondents can make judgements by stating their preference for the various attribute combinations by ranking them in priority order of purchase or rating the importance of attributes against one-another. The more dominant the interest in a particular attribute, the higher the satisfaction or utility ascribed to it by the respondents. As such, conjoint analysis provides an insight into the relative importance of product attributes and how they relate to each other.

Conjoint analysis was developed within the fields of mathematical psychology and psychometrics and popularised in an article by Luce and Tukey (1964). The technique was subsequently used to measure consumer purchase decisions (Green and Rao, 1971; Green and

Srinivasan, 1978; Green and Wind, 1975). For examples of applications of conjoint analysis in relation to consumer purchase decisions we refer to Bowditch, Gil, and Sanchez (1997), Gurrieri and Henry (2003), Steenkamp (1987), Walley *et al.* (1999), and Weiner (1994), among others.

A full factorial design was employed based upon tractor attributes and the levels of these attributes (Table 2). The attributes were identified in two ways. Firstly, a literature review suggested that price, dealers and sales representatives, after sales service, past experience, technical performance, and other farmers were important brand attributes (cf. Foxall, 1979). Secondly, a series of semi-structured interviews (with each interview lasting between 60 minutes and 90 minutes) with two farmers and one farm contractors partly confirmed this review. The result of this approach was that five attributes were kept: brand name, price, dealer proximity, quality of dealer's service, and buyer's experience of the dealer.

{ Insert Table 2 Around Here }

The decision as to which attributes to use is particularly important in conjoint analysis as the technique works best with a relatively small number of attributes, which should account for the majority of the purchase decision (Green and Srinivasan, 1978; Auty, 1995).

The information generated via the interviews was used to construct 25 cards profiling various hypothetical tractor designs as determined via an orthogonal array. SPSS software was used to generate the orthogonal design, as well as to analyse the data collected, calculate the attribute importance, and establish the utility values of the various attributes and levels. Subsequently, the survey was piloted on 10 farmers and farm contractors, who were asked to

rank the cards in terms of their preference for the profiles and record the ranking, along with some background information, on a questionnaire.

Results

The sample frame for the study was the database of a major tractor manufacturer that comprised the names and addresses of 15,000 farmers and farm contractors (this list was not a customer list). Of the 1,492 randomly selected farmers and farm contractors who were sent a questionnaire in the post, usable replies were received from a total of 428. The response rate of 28.7% was achieved with the aid of an incentive of a subscription to *Profi International*, which is an agricultural machinery publication. This number of responses ensured that the survey had a 95% level of confidence (+/- 4.7% accuracy). A profile of the respondents is shown in Table 3. This profile was considered a reasonable representation of the target population based on type of farm.

{ Insert Table 3 Around Here }

The overall results of the conjoint analysis are shown in Figure 2. It is readily apparent that brand name is the most important factor when purchasing a tractor as it accounts for 38.95% of the decision. This is significantly ahead of price, dealer proximity, and the quality of dealer service that account for 25.98%, 14.56%, and 17.90% of the decision; the buyer's experience of the dealer only accounts for 5.61% of the decision.

{ Insert Figure 2 Around Here }

When broken down by 'brand owned' (Figure 3) the importance of the brand varies from 45.31% for John Deere owners through to 39.68%, 38.02%, and 35.35% for Massey Ferguson, New Holland, and Case IH owners, and, lastly, to 31.16% for Valtra owners. In the latter case brand name is not as important a purchase factor as price.

{Insert Figure 3 Around Here}

In terms of the overall utility that respondents attached to the brands (Figure 4) there was a range of scores with John Deere receiving +2.7318 and Valtra -2.4654. It would appear, therefore, that the John Deere and New Holland (utility of 0.3252) brand names are marketing assets while the Valtra, Massey Ferguson (utility of -0.4551), and Case IH (utility of -0.1364) brands are marketing liabilities.

{Insert Figure 4 Around Here}

However, when the same data is broken down by 'brand owned' (Figure 5) the vested interest of the brand owners becomes clear, as they attach a strong positive utility score to the brand that they own. Whether this latter phenomenon is the reason the respondents purchased the brand that they have or has developed post purchase is impossible to say without further research. The strong positive utility scores attached to the John Deere brand by all groups of respondents suggest that this is the 'Rolls Royce' brand of the tractor market and provides additional support to the contention that in industrial markets there is often one brand that achieves a significant competitive advantage on the basis of branding (Mudambi, Doyle, and Wong, 1997).

{Insert Figure 5 Around Here}

Discussion of Findings

The study produced a wide range of interesting results, but the discussion will focus on addressing the three hypotheses.

H₁ – Brand name is not an important factor in the choice of tractors by UK farmers and farm contractors

The literature does not provide a clear picture as to the importance of branding in an industrial context. Although based on a small sample the study of tractor purchase by Foxall (1979) suggested that the most important factor was technical performance (see Table 3). Interestingly Foxall's study did not include 'brand name' as a purchase factor probably because at the time it was not perceived as being important. Indeed, some of the respondents involved in the exploratory phase of our study suggested that the primary consideration in the choice of a tractor is the required size and specification. However, later works do acknowledge that brand is an important factor in the buying decision (e.g., Michell, King, and Reast, 2001; Shipley and Howard, 1993), with Mudambi, Doyle, and Wong (1997) going so far as to claim that the role of 'brand' is more important in complex buying decisions. What none of this literature states is that brand is the most important factor in the industrial purchase decision. In our study, however, brand accounted for 38.95% of the purchase decision and was, therefore, the most important influencing factor. As a consequence, H₁ is rejected as brand name is an important factor in the choice of tractors by UK farmers and contractors.

It is quite likely that the high importance rating given to 'brand name' in this survey could be as a result of 'inertia', which refers to purchases based on habit where customers buy a particular brand because they have always bought that brand (Hague, 1987). They are familiar with the brand, satisfied with its performance and as a result repeat purchase of that brand is perceived as the safe option.

Closely related to purchase of products on the basis of 'inertia' is purchase on the basis of risk reduction. Risk reduction is generally believed to be a key factor in industrial purchase decisions (Anderson and Narus, 1999; Foxall, 1979; Shipley and Howard, 1993). Indeed, it is likely that the common practice in industrial markets of using the manufacturer or company name as the brand with products being identified by sub-brand names and numerical designations (Hague and Jackson, 1994; Saunders and Watt, 1979) is intended to reassure prospective customers. Examples are provided in Table 4.

{Insert Table 4 Around Here}

H₂ – UK tractor buyers are not brand loyal

The literature concerning the influence of brand loyalty on purchase decisions in industrial markets is somewhat inconclusive. For example, for some products brand loyalty is weaker today due to economic pressures, but for others the opposite is true as buyers place greater reliance and trust in suppliers as a means of reducing risk or maintaining trade-in value (Aaker, 1991). In addressing H₂, this study attempted to establish the role of brand loyalty in relation to tractor purchase.

With the exception of those respondents owning Massey Ferguson tractors, the tractor owners all award the highest utility scores to the brand that they own (Figure 5), which suggests that tractor owners are very brand loyal. The anomaly concerning Massey Ferguson could be explained by a number of factors. Firstly, there have been problems with the reliability of Massey Ferguson tractors, which might cause their owners to rate them low. Secondly, negative publicity surrounding the closure of the AGCO manufacturing plant where Massey Ferguson tractors are made might cause a similar effect. Lastly, the fact that Massey Ferguson tractors were market leaders in the 1990s means that there are still large numbers on farms despite farmers having bought other types of tractor more recently. As such, respondents to the survey might be classified as Massey Ferguson owners even though they would have scored the brand bought more recently better than the Massey Ferguson tractor.

Interestingly, the two brands with the highest utility ratings from their owner groups were John Deere and Valtra. These are the two brands that achieved the highest rebuy scores in the 2001 'Top Agrar' survey (Vale, 2002), which adds further support for the contention that tractor buyers are brand loyal, and that H_2 therefore must be rejected.

The findings of this study concur with previous studies that concluded that brand loyalty is an important factor influencing tractor buying (Foxall, 1979; Kool, 1994). Indeed, when the findings are related to the customer loyalty ladder (Christopher, Payne, and Ballantyne, 1991) John Deere would appear to have buyers who are 'committed' to the brand while all the other brands seem to fall within the top three bands and command some degree of loyalty. There would, however, also appear to be evidence to suggest that some buyers are also more sensitive to price and do not demonstrate particularly strong brand loyalty.

H₃ – The major tractor brands available in the UK are perceived in a relatively similar way

The brand utility values shown in Figure 4 clearly indicate differences in the perceived importance of the various brand names. John Deere has a strong positive value while, at the other extreme, Valtra has a substantial negative value. It is interesting to note that the ranking of the brand names in this study match the ranking of the same brands according to UK market share (Table 1). It would appear, therefore, that the John Deere brand represents a valuable marketing asset while the Valtra brand name is something of a marketing liability.

The literature provides several suggestions as to why buyers might attach substantially different utility values to each of the brands. These explanations range from those that are firm specific (Hague and Jackson, 1994; Michell, King, and Reast, 2001; Shipley and Howard, 1993; Vandenbosch and Weinberg, 1997) through to more general explanations of buying behaviour relating to branded products (Mudambi, Doyle, and Wong, 1997).

John Deere is marketed in the UK as a quality brand. The John Deere product range is promoted extensively in the literature on the basis of superior reliability, and this is used to justify a policy of premium pricing. Indeed, the high UK market share held by the brand would suggest that buyers are prepared to pay for the quality of John Deere products (Hague and Jackson, 1994; Michell, King, and Reast, 2001; Shipley and Howard, 1993; Vandenbosch and Weinberg, 1997).

Another explanation for the John Deere brand attracting the highest utility score may be due to its position in the market. That is, some industrial buyers feel that they gain prestige or status by buying from a market leader and that large size and market share can inspire confidence in buyers (Mudambi, Doyle, and Wong, 1997).

Confidence in a brand is generated in part by its history and in particular its longevity and continuity (Hague and Jackson, 1994). In the case of John Deere there has been very little change associated with the firm and the brand for the last 20 years. However, this is not the case with the other four brands, which have undergone quite considerable change. Massey Ferguson was taken over by AGCO in 1994, Ford was taken over by New Holland and Fiat, and has now merged with Case IH, while Valtra has undergone a 'bewildering' (Anon., 2001) series of name changes during the same period. As previously stated, brand name serves to provide customers with trust and confidence, and this industry would appear to be a good example of the benefits of ensuring consistency of brand name.

It would seem, therefore, that the image held by the buyers of the brand will undoubtedly impact upon their choice (Aaker, 1991), and that the results of our study support the proposition that brand names are used to differentiate similar products (Sullivan, 1998). It would seem logical, therefore, to reject H₃.

Managerial Implications

The study found that brand name is important in the choice of tractor; tractor buyers are brand loyal; and the major brands of tractor available in the UK are not perceived in a similar way because of the brand component. These findings have important implications for the

manufacturers and distributors of tractors in the UK. In the first instance, the fact that brand image does influence the purchase of tractors means that manufacturers and distributors need to maintain a strong image in the mind of the customer. Take-overs and mergers appear to alter and weaken brand image.

While for some customers price is the most important purchase factor, for most it is not, so manufacturers and distributors may be able to exploit this finding via higher prices particularly given the wide range of prices charged for the various products (see Table 5). Indeed, the extra revenue might be used to reinforce the brand image.

{ Insert Table 4 Around Here }

Brand loyalty is strong amongst tractor buyers. Prior experience of a product through ownership can be critical when a product is being considered for purchase. Manufacturers and distributors are, therefore, advised, to market their current offerings to existing customers and develop marketing strategies that will give potential new customers experience of their product offerings. One example of an experiential type marketing strategy are the on-farm demonstrations that some manufacturers and dealers already undertake.

While brand image, price, and brand loyalty play the key roles in many tractor purchase decisions manufacturers and distributors should note that dealers may act as important intervening factors. Both the location of the dealership and the quality of the service provided can enter into a customer's purchase decision and serve as important influencing factors.

Lastly, while these results apply to the purchase of agricultural tractors, it would appear reasonable to assume that this case is reasonably representative of industrial markets in general and that the findings may be applied on a more general basis. As such, it would appear possible to conclude that branding can play an important role in industrial purchase decisions.

Research Limitations and Future Research

As in most research, this study has certain limitations that impact our interpretation of the results, while at the same time suggesting directions for future research. These limitations must therefore be considered. First, the scope of the study is limited to the UK tractor market. While the study does provide an insight into the role of branding in an industrial purchase situation, further research is required in other product categories before the findings can be generalised. Second, the profile of the survey respondents is mostly similar to that of the general population except that farm sizes of 51-100 ha and 101+ ha are overrepresented in the study, while beef and sheep farms are underrepresented. The discrepancy concerning farm size is probably explained by a trend for large farms to own tractors with smaller farms contracting-in tractors when required, and a tendency for non-owners not to reply to the survey. That difference between the sample and general population could impact the generalisability of the study's findings. Future research should investigate this issue.

The limitations mentioned above should be kept in mind when considering our results. Despite the limitations, however, we believe that we have made a step toward understanding branding in the industrial purchase decision.

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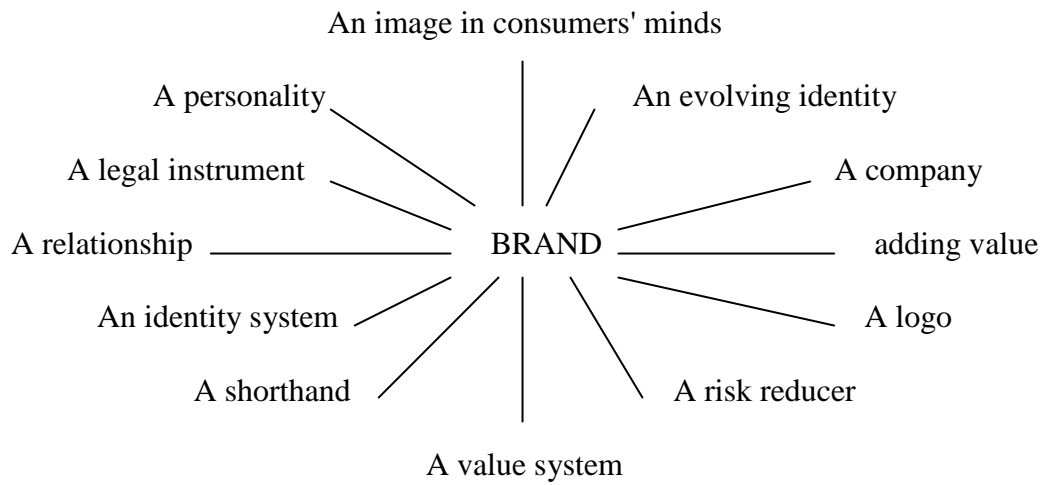
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Figure 1. Twelve key themes of brand definitions



Source. Adapted from De Chernatony and Dall'Olmo Riley (1998).

Figure 2. Overall attribute importance

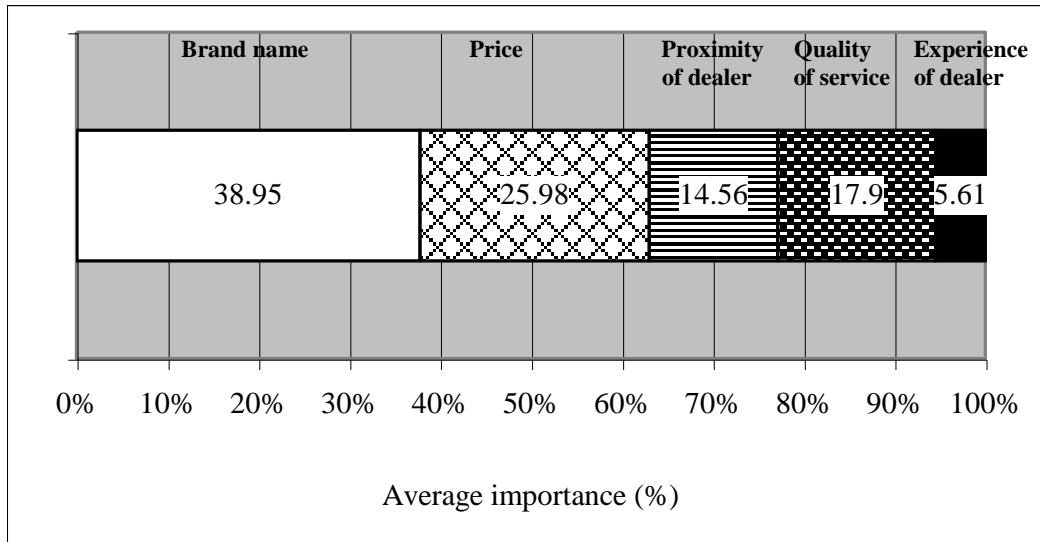


Figure 3. Attribute importance by brand ownership

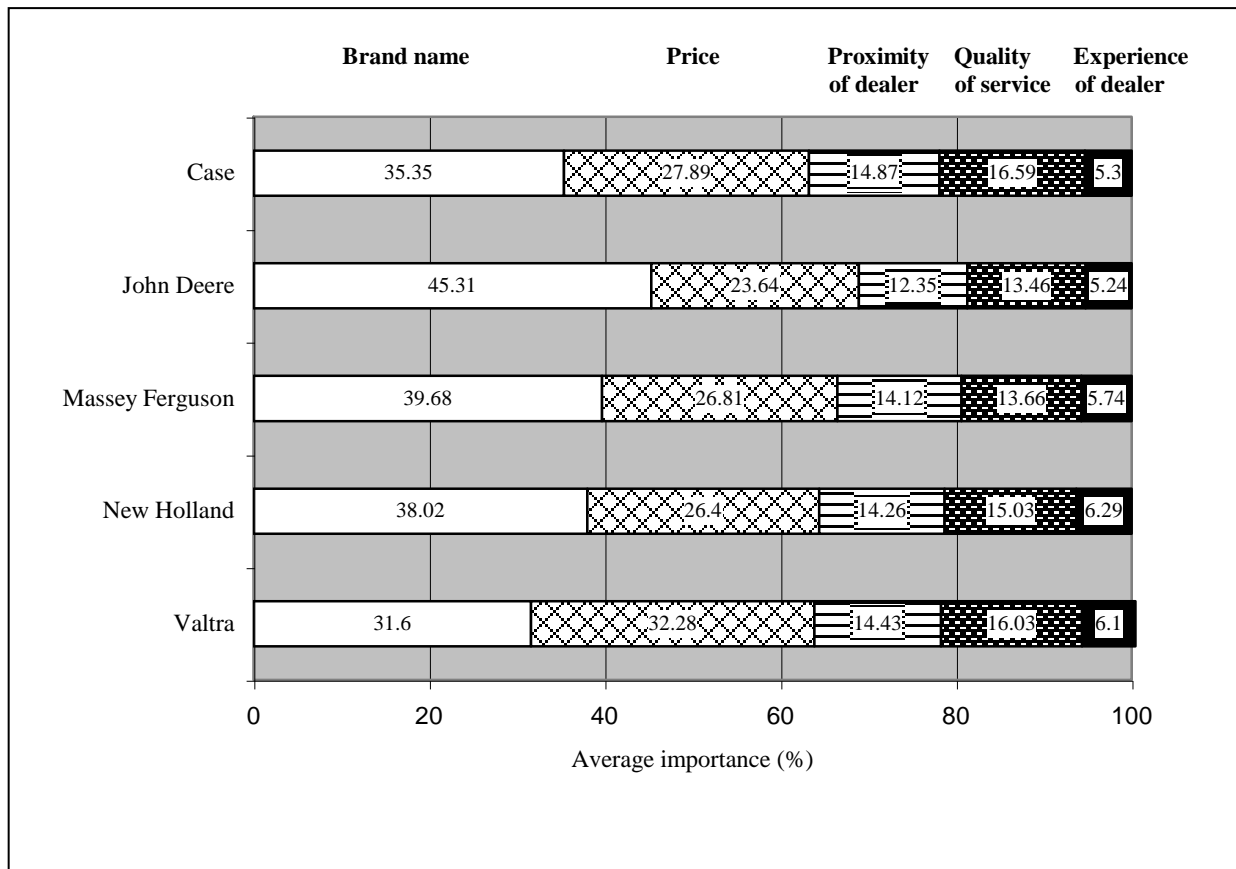


Figure 4. Overall brand utility

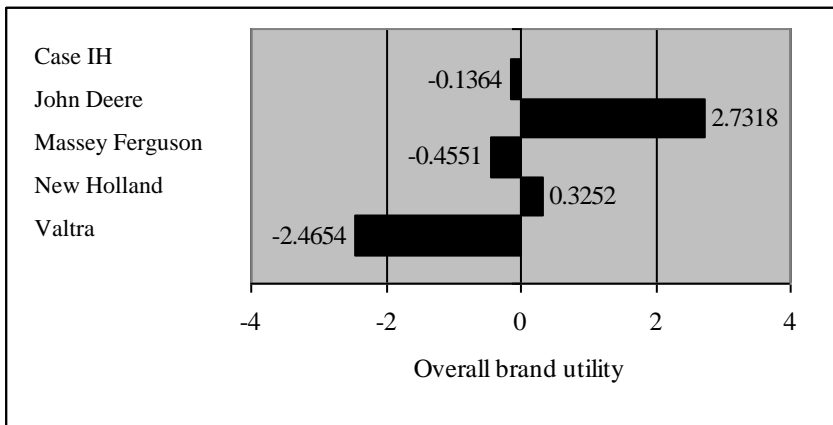


Figure 5. Brand utility by brand ownership

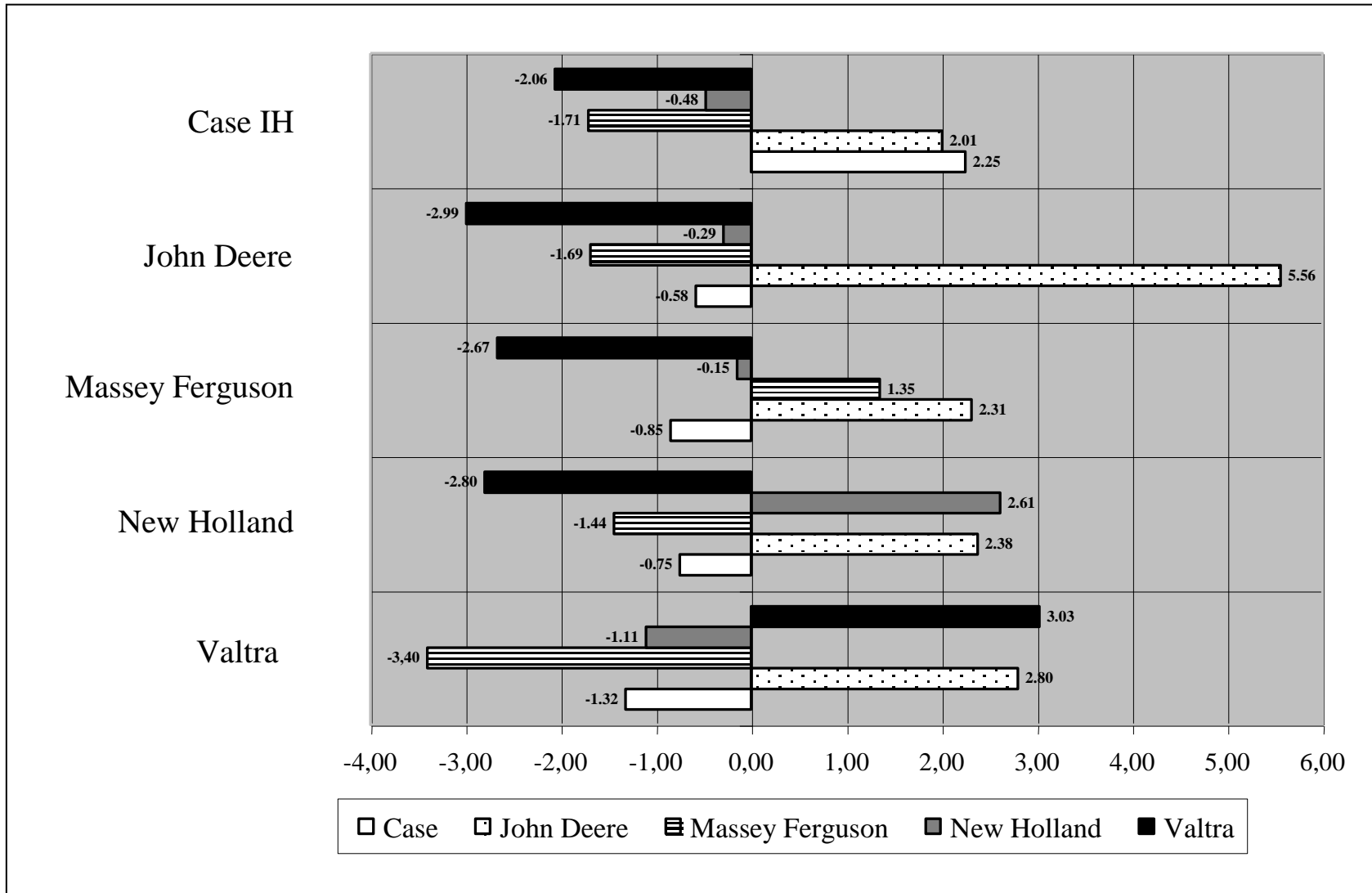


Table 1. Profile of the major UK tractor brands in 2000

Brand	Parent company	UK market share	Most recent merger / acquisition
Massey Ferguson	AGCO	13.6% combined	Bought by AGCO – 1994
Fendt	AGCO		Bought by AGCO – 1994
Case IH	CNH Global	15.4%	Merged with New Holland by Fiat – 2000
New Holland	CNH Global	22.4%	Merged with Case IH by Fiat – 2000
John Deere	Deere & Co	29.0%	Sold in UK under Deere & Co since 1966
Fastrac	JCB	2.4%	Launched under JCB banner – 1990
McCormick	Landini	N/A	Bought by Landini as part of CNH deal – 2001
Valtra	Partek	3.5%	Acquired by Partek in 1997 & Kone – 2002
Renault	Renault Global	3.9%	Sold in UK under Renault SA since 1977

Adapted from: Agricultural Engineers Association (2002), Anon (1997), Anon (2001), Currie (2001), John Deere (2002), Key Note (1997), Kutschenreiter (1996), Partek (2002), and Roberts (2000).

Table 2. Attributes and levels employed in the survey

Attribute	Levels
Brand name	Case IH; John Deere; Massey Ferguson; New Holland; Valtra
Price	£30,000; £35,000; £40,000
Dealer proximity	0-15 miles; 16-30 miles; over 30 miles
Quality of dealer service	average; good; very good
Buyer's experience of the dealer	never bought a tractor from the dealer before; bought one or more tractors from the dealer before

Table 3. Respondent profile

Characteristic	Sub-characteristic	Sample	Population [in %]
Farm type	• Mixed farmers	• 49.8%	• 46.9%
	• Arable	• 22.6%	• 21.3%
	• Dairy	• 12.8%	• 7.6%
	• Beef and sheep	• 14.8%	• 24.2%
Farm size	• 1-50 ha	• 8.9%	• 77.2%
	• 51-100 ha	• 32.9%	• 11.1%
	• 101+ ha	• 58.2%	• 11.7%
Tractor brand	• Case	• 156	
	• John Deere	• 132	
	• Massey Ferguson	• 207	
	• New Holland	• 142	
	• Valtra	• 16	
	• Others	• 180	
Nature of business	• Farmers	• 70.1%	
	• Farmers / contractors	• 24.1%	
	• Contractors	• 5.8%	

Source: Adapted from Department for Environment Food and Rural Affairs (2003).

Table 4. Selected UK four-wheel drive tractor prices

Brand	Model	Horse power	List price
Belarus	920	90	£12,595
Case New Holland	CS94DL	94	£34,490
John Deere	6210	90	£36,752
Deutz Fahr	Agroplus 95	95	£29,200
Fendt	309CA	95	£39,184
Massey Ferguson	4255LP	95	£29,800
Renault	Ares 540RX	90	£30,905
Same	Silver 90i	90	£27,000
Valtra	Mezzo 6300X	90	£29,500
Zetor	9641	93	£20,958

Source: Market Guide (2002)

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