

**BRANDS AND BRANDING:  
A SOURCE OF WHOLESALERS' SUSTAINABLE COMPETITIVE ADVANTAGE?**

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**ABSTRACT**

The purpose of this paper is to examine whether there is a role for brands in helping wholesalers to achieve sustainable competitive advantage. Through a review of the literature it explores the changing nature of the wholesale sector and the undisputed role of brands in creating value in other service industries. It reviews the increasing resonance of brand within business-to-business marketing and the changing understanding of the role of emotion in organizational purchasing decisions.

From its naissance in consumer product marketing, the scope and process of branding has evolved into being a core business strategy that is shaping the way in which many firms organize themselves, their product and service portfolios, diversification strategy, customer experience and employee experience. This evolution has come about due to a realization that it is only a firm's intangible assets, including brand, that have the ability to deliver long-term differentiation and sustainable competitive advantage.

Wholesalers face the very real threat of being disintermediated from the channel unless they can continue to adapt to the changing demands of their customers. New competitors, strategic sourcing and the unbundling of fee structures are just examples of the issues that will put increased pressure on them to justify their services and protect their revenues. Technology, e-commerce and other functional innovations will not be enough to do this, they will have to look at those resources that are hard to codify and copy such as their brands and the delivery of their brand promise through their employees.

Strong brands help to reduce the perceived risk of the organizational buying decision and creates an emotional loyalty with the customer. They also act as cultural glue in an organization that is physically dispersed and geographically diverse, but that needs to present a common customer experience to customers (particularly multi-national customers) wherever they are located.

The vertical integration of wholesalers into retail via voluntary groups is another area in which branding can be of benefit to wholesalers. The branding strategies used to create appropriate trading formats, own label merchandise, training and marketing communications are just some of the ways brand can impact on their future success. Most especially, they are important in creating a distinctive customer proposition and experience that helps them compete with the ever more powerful multiple retailers.

The literature on branding in the B2B context is still relatively scarce and effectively non-existent in the use of brands in wholesale. However, combined with the literature on branding in products and more recently, services and corporations, a compelling argument can be made for them to be employed in wholesaling. It is certainly worthy of further exploration.

As such, the paper concludes that in order to avoid disintermediation and stay relevant and competitive, the wholesale sector needs to look beyond functional differentiators and leverage their intangible assets, especially brand. To do this they must develop a branding competency that guides the management decision making processes.