

Can Sustainability create Value?



“Aspects of Sustainability used in branding to create competitive advantage in a B2B environment”

A case study of a Chemical Multinational

Rotterdam School of Management (RSM) Erasmus University
Faculty of Business Administration

Coach: Dr. F. Wijen, Assistant Professor, Strategic Mgmt. & Entrepreneurship
Co-Reader: Dr. G. Berens, Assistant Professor, Corporate Communication Centre

Can Sustainability create Value?

To Paulien

Preface

This Thesis marks the end of an intensive 2 years period. I knew it would be time consuming and even more than I might have expected, but I never had a moment of regret.

I learned much during the evening lectures but even more from fellow students and their working experience. Also the contacts during these sessions and during the assignments with the highlight in Cleveland will always be remembered.

Having a practical technical background (BSc), the scientific way of approach is what I have learned the most, and I hope this Thesis will be the final proof of that. Already always interested in what drives a company, the master; Strategic - Management was a logic choice. With my personal interest in Sustainability the choice of the subject for my Master Thesis was quickly made.

The enormous help I got within the Eastman Chemical Company also reflects the pleasant working relation and their personal interest in the topic Sustainability. This is highly appreciated because it fulfills a major part of my Thesis and brought it to a higher level.

Also thanks to the Erasmus University Coach and Co-Reader who many times sent me back in the dessert and saved me out of the quick-sand. But what I realized, it made me learn a lot and improved this piece of work.

And last but certainly not the least, thanks to my family. I started at 50 and by this study understand my children, who are going to school and university. Also I know that the last two years there was not much personal time left, but that they and specially my wife fully supported me and pulled me through.

I hope reading this Thesis will inspire you and that you may learn from it, I certainly did.

Piet Keim
August, 2011

Table of Contents

Preface	3
Table of Contents	4
Executive summary	6
1 Introduction	7
1.1 Background.....	7
1.2 Research question.....	8
1.2.1 Sustainability	9
1.2.2 Branding	10
1.2.3 Branding and Sustainability combined.....	10
1.3 Empirical context	11
1.4 Contributions.....	11
1.5 Thesis outline.....	12
2 Literature review	14
2.1 Differentiating Sustainability aspects for B2B companies	14
2.1.1 Different views of Sustainability in an industrial environment.....	14
2.1.2 Differences and similarities of Sustainability approaches between companies.....	15
2.1.3 Different strategy approaches for Sustainability	17
2.1.4 Applying the Sustainability strategy.....	18
2.1.5 Summary.....	21
2.2 Competitive advantage by Branding in a B2B environment.....	22
2.2.1 Introduction.....	22
2.2.2 Differences and similarities of B2B versus B2C	23
2.2.3 Branding Characteristics.....	23
2.2.4 Create in a brand in your organization.....	24
2.2.5 External focus of branding	25
2.2.6 Applying branding in B2B	26
2.2.7 Summary.....	27
2.3 Sustainability and Branding Theories combined	28
2.4 Conceptual model.....	29
3. Methodology	31
3.1 Introduction	31
3.2 Research context.....	31
3.3 Research design.....	32
3.3.1 Research questions.....	32
3.3.2 Data collection.....	34
3.4 Validity & reliability.....	36
4 Empirical Outcomes.....	37
4.1 Case company	37
4.1.1 Eastman Chemical Company	37
4.1.2 Eastman's branding initiative	38
4.1.3 Eastman's Sustainability initiative	39
4.1.4 Sustainability Performance	39
4.1.5 Present situation	40

4.2	Interviews; vocal variables and relations	41
4.2.1	Sustainability differentiation.....	41
4.2.2	Sustainability Satisfaction.....	42
4.2.3	Sustainability Image	44
4.2.4	Sustainability Trust.....	45
4.2.5	Branding strategy.....	46
4.2.6	Branding Loyalty.....	47
4.2.7	Branding Attachment.....	48
4.2.8	Branding Community.....	49
4.2.9	Branding Engagement	50
4.2.10	Competitive advantage	51
4.2.11	Partnership solutions.....	51
4.2.12	Business to business.....	52
4.2.13	Going from Sustainability Differentiation to Branding Strategy	52
4.2.14	Employing Branding Strategy to come to Competitive Advantage.....	53
5	Discussion & Conclusion	54
5.1	Discussion	54
5.1.1	Introduction.....	54
5.1.2	Discussion.....	54
5.1.3	Limitations.....	55
5.2	Conclusion	56
5.2.1	What aspects are differentiating Sustainability for B2B companies?.....	56
5.2.2	Which Branding strategies are effective in B2B companies?.....	57
5.2.3	What aspects of Sustainability can be used in the Branding strategy leading to..... competitive advantage in B2B companies?.....	57
5.3	Limitations and future research	58
5.4	Managerial implications	59
	References	61
	Appendix.....	64
	Appendix 1: Stock exchange ratings Eastman.....	65
	Appendix 2: Interview list.....	66
	Appendix 3: Face-sheet interviews.....	67
	Appendix 3.1: Face-sheet interviews (Face sheet).....	67
	Appendix 3.2: Face-sheet interviews (introduction).....	68
	Appendix 3.3: Face-sheet interviews (Questions).....	69
	Appendix 3.4: Face-sheet interviews (Discussion).....	70
	Appendix 4: Interviews.....	71
	Appendix 4.1: Interview example (Respondent).....	71
	Appendix 4.2: Interview example (Focus group).....	72
	Appendix 5: Eastman's Branding Campaign.....	73
	Appendix 6: Sustainability fitting in Eastman's growth strategy.....	74
	Appendix 7: Responsible Care pledge.....	75
	Appendix 8: B2B Place in the value chain.....	76

Executive summary

Sustainability is here to stay and getting of more importance also for Business to Business (B2B) companies. Not only to safeguard their raw materials but also especially for chemical companies a way to improve their image.

The growing dependence of companies towards each other in the value chain also gives the need for differentiation. Branding is the way to profile your strengths in this and to create a sustaining position.

This Thesis will show that Sustainability is a way to differentiate yourself and by properly branding this gives you a unique profitable position in the value chain.

It will show the different aspects of Sustainability which are important to focus on, how you can use this for Branding in order to obtain competitive advantage.

The intangible aspects of Sustainability are demonstrated in literature to obtain good brand equity. Taking good care of the environment gives you a Sustainability image, even more important is that you can satisfy your customer by creating sustainable products which at the same time can be more profitable using less raw materials or creating less waste. The guarantee of long-term supply of raw materials and the knowledge within the company to help the customer with sustainable solutions shows you can be trusted and creates a long relationship.

Recent Literature for B2B showed a model to obtain partnership solutions by stepwise implementing Branding. Intangible aspects play here also an important role to come from an internal well defined new strategy towards creating new durable relationships with customers.

This Thesis illustrates by combining this literature of Sustainability and Branding and the example of a single case study that for a B2B Company Sustainability could play a significant role in creating differentiation of your company and this way obtain competitive advantage. New is the insight that sustainability is a perfect match in the branding strategy literature from the model of Kuhn. You can use this because the same sort of intangible aspects are strong drivers to achieve your partnership solutions goals.

The interviews throughout the total organization of Eastman revealed that being as developer of products you have a unique place in the value chain to differentiate with sustainability. Creating together with your customer sustainable products generate long term partner ships and obtain on long term far more Sustainable solutions; helping the People, Environment and enduring of natural resources. The position in the value chain of B2B companies is underestimated, and through proves with this Thesis hopefully getting more attention.

This way Sustainability creates truly value, for the Environment and for the Company.

1 Introduction

1.1 Background

In our daily lives we see Sustainability frequently in the news, not only in newspapers and by statements of politicians but also in advertisements of “green” products.

For instance by campaigns of companies promoting “green” energy, environmental compare of automobiles and with advertisements of consumer goods. Branding is for consumer markets a profound method to react on actuality to influence selling behavior, so lately also in regards to Sustainability.

But does this count also for Business to Business (B2B) companies, has sustainable products more value and creates this competitive advantage? And if so, do they actively promote their advantages?

Business to business manufacturer’s sales normally happens between a sales and a procurement organization, in that respect branding of the company is not a regular used method and is kept on a low profile.

But this is changing, with the emergence of e-marketplaces it makes it easier for benchmarking of criteria such as product features, functionality and prices.

As a result, informed business decision-makers are increasingly relying on “softer” characteristics such as experience and reputation – or brand – to make their decisions (Bartels, 2001).

Last year even a commercial could be heard on the radio, from BASF a large chemical multinational, not direct selling to consumers. This was clearly to improve their image.

Working for a chemical multinational I was triggered because of the huge effort they took to profile the Sustainability throughout the company. I want to find out how they take advantage of Sustainability in corporate performance selling in a Business to Business environment. In 2009 Eastman was on place 95 in the top 500 green rankings of U.S. Companies, and even 2nd of all chemical companies. In the meantime they built a Sustainability responsibility throughout the total organization (Eastman, 2010).

Because branding in B2B companies is not a topic which has been researched often, combined with the Sustainability efforts to profile a company this exploratory study can give a new insight how this can create competitive advantage.

That branding can be important is proven also in a recent article that 50 % of the chemical industry when focusing on a new brand has outperformed their industry indices by more than 15% (Wise, 2009). This happened especially in periods of downturns. This also counts for Eastman see appendix 1; (Stock exchange ratings Eastman).

The need for improving Sustainability is also clear with the rise of world's population to 9 billion by 2050 and the expectation of 70 million people a year joining the middle class demands for goods and services should follow (World Economic Forum, 2010).

So not only for Eastman but also in general this paper will be interesting for industry comparing present strategies and regaining business from the 2009 recession.

1.2 Research question

In order to come from an interesting theme to a specific research question let's focus on the previous mentioned topics Sustainability and Branding.

Sustainability is a broad concept, due its popularity in public a lot of definitions are subscribed to the term Sustainability.

In industry they focus on the following environmental aspects related to Sustainability; Energy efficiency, Greenhouse gas emissions and Environmental footprint. For public; how we can live without disturbing the Earth, now and in the future (Henkel, 2010).

Branding is hardly used outside the consumer market, however multinationals wants to profile themselves to the neighborhood as social responsible (Pandey, 2007). Also they want to let their customers know what their core competence is. This can create extra value for the customer. Sustainability can be one of the core competences which can create competitive advantage.

Having distinctive competencies as Company in Sustainability you should benefit from this. But if customers are not aware, this will not give advantage, there for branding should give this awareness.

Sustainability is important but at the end business should also be sustainable and profitable to maintain our corporate governance. The stakeholders must keep faith in the company to allow it to have a future. Sustainability could be one of the foundations having a differentiation advantage giving this future (Orsato, 2006).

The mentioned 3 aspects of Sustainability, **Environment**, **Social actions** and **Results** are nowadays reported as corporate performance to the public in their annual reports (Beloff, 2004). Those aspects are also referred to as the 3 P's; **Performance**, **People** and **Profit**.

This also relates to the business objectives of Branding; Strengthen and expand current relationships and support growth beyond existing opportunities and create audience alignment (Wise, 2009).

In the social actions with Sustainability and the relationships with branding we see similar conditions needed to bring the optimum effect, These aspects will be further examined.

So bringing those items together the following Research question can be formulated;

What aspects of Sustainability can be used in the Branding strategy leading to competitive advantage in B2B companies?

In order to specify my research the following sub questions are expressed,

- a. What aspects are differentiating Sustainability for B2B companies?
- b. Which branding strategies are effective in B2B companies?

Looking further in theory, Sustainability and branding are both concepts where a lot of papers are written about; examples were already written in the introduction and expressed in the research question. In order to find a new theory in line with the research question the combination of these subjects were looked at and especially papers related to Business to business.

1.2.1 Sustainability

In line with Porter competitive advantage can be created by low Cost or differentiation. A Firm can use differentiation strategies to create unique features for its products (Porter, 1974). Focus on Sustainability can give this advantage however the differentiation should be difficult to be imitated by competitors to hold this advantage. In the matrix with competitive Environmental strategies is Eco-branding the preferred strategy having differentiation as competitive advantage and product & services as competitive Focus (Orsato, 2006).

Brand reputation may be critical to consumer product manufacturers, whereas industrial material producers may find it more important to provide sustainable solutions to their business customers. In the chemical industry, innovation, alliances, and leadership have been statistically identified as the most important value drivers (Funk, 2003).

Three drivers green brand image, green satisfaction and green trust have according the framework of Chen a positive relationship on green brand equity. All these aspects can be seen as intangible characteristics (Chen, 2009).

1.2.2 Branding

Brands are nowadays also important for B2B companies because brands do not only offer orientation, they have various benefits and advantages, and they facilitate the access to new markets by acting as ambassadors in a global economy (Khermouch et al, 2001).

Another important aspect of B2B branding is that brands do not just reach your customers but all stakeholders –investors, employees, partners, suppliers, competitors, regulators, or members of your local community. Through a well-managed brand a company receives greater coverage and profile within the broker community (Pandey, 2007).

Branding is not only based on rational aspects like price and product specifications but mainly intangible aspects like trust, prestige, reputation, image and security are seen as more durable and less likely to suffer from competitive erosion (Lynch, 2004).

Above mentioned different aspects must be rooted in a marketing strategy from which a clear brand strategy can be developed (Webster, 2004). In order to make it effective the branding strategy must have a clear mission and vision and carried throughout the whole company (Morrison, 2001).

1.2.3 Branding and Sustainability combined

So on one hand it is described in Literature how Sustainability has several aspects giving advantage for investors, customers and community, on the other hand literature gives a trend that also B2B companies can use brands to reach those groups.

For Branding as well as in literature for Sustainability the intangible aspects are lately seen as more important creating a strong Brand and obtain advantage for Sustainability.

Also green image, green satisfactions and green trust are drivers to obtain a green brand equity (Chen, 2009).

As well as for Sustainability and as described in the Keller model adapted for B2B companies by Kuhn the goal to obtain sustainable advantage fulfilling and branding the intangible aspects are essential to obtain an optimum customer relationship (Keller, 1993 & Kuhn, 2008).

1.3 Empirical context

There is chosen to do a case study because to validate the found theories and to obtain new insights this is the best way for qualitative methods such as participants-information and unstructured interviews (Bryman, Bell, 2007).

It is a profound method to combine participant information by semi structured interviews and documentary data collection of company reports.

This subject asks for a total view of the whole organization therefore there is chosen to pick one company and interview people from different departments and on different levels of the organization.

There has been done some preliminary research at other companies to find out if the single case is representative for B2B companies in general.

The research will take place primarily within the Eastman Chemical company as a single case study, therefore the analytical unit will be the corporate organization.

Eastman is chosen because it is a B2B company with global interests and where lately Sustainability with new management became a real strategy. In previous years Branding was developed and explored internally and externally of the organization with focus on the new strategy for growth.

The chemical industry is the most environmental affected industry so can be taken as premium case study. Not only must chemical companies be concerned about pollution of air and water from the manufacturing plants, but they must be concerned with the use of nonrenewable resources and with the final disposal of products. Also in studies (Brockhoff, 1999 & Steger, 1995) the cultural difference is addressed in the way Sustainability projects are performed. With the chosen company being an American Multinational and the fact that the research will take place in the Netherlands also the difference in cultural aspects can be examined.

1.4 Contributions

The idea about this Thesis is that it should contribute to the knowledge of how Sustainability could be implemented in a business to business company.

What aspects of Sustainability are important to focus on, and how this could be used in a branding strategy so it can be used to come in contact with customers and create competitive advantage.

All based on a thorough investigation of present theories, combining those and with obtained knowledge from interviews in the company come to a new theory.

1.5 Thesis outline

This Thesis started with the Introduction, the general view of why the topics Sustainability and branding were chosen from the perspective of the writer who is working in a chemical multinational. In the 2nd paragraph the Thesis has been narrowed down eventually coming to the Research Question. The focus has been put to the Sustainability aspects which could eventually bring competitive advantage, and the way to brand it specifically in a Business to Business Environment.

In the next paragraph after an initial theory search the empirical context has been written down. The end of this chapter describes how this Thesis enhances new insights in the scientific research.

The literature review in chapter 2 has been split up in correspondence with the two sub questions about Sustainability and Branding. For both sections, within the paragraph the general literature is narrowed down, after a general view different strategy approaches are discussed and later on basis literature study is described how to apply these strategies. A special focus has been given here to the aspects where you can differentiate in.

In the last section literature of Sustainability and branding are combined to create a new vision how to approach Sustainability with branding.

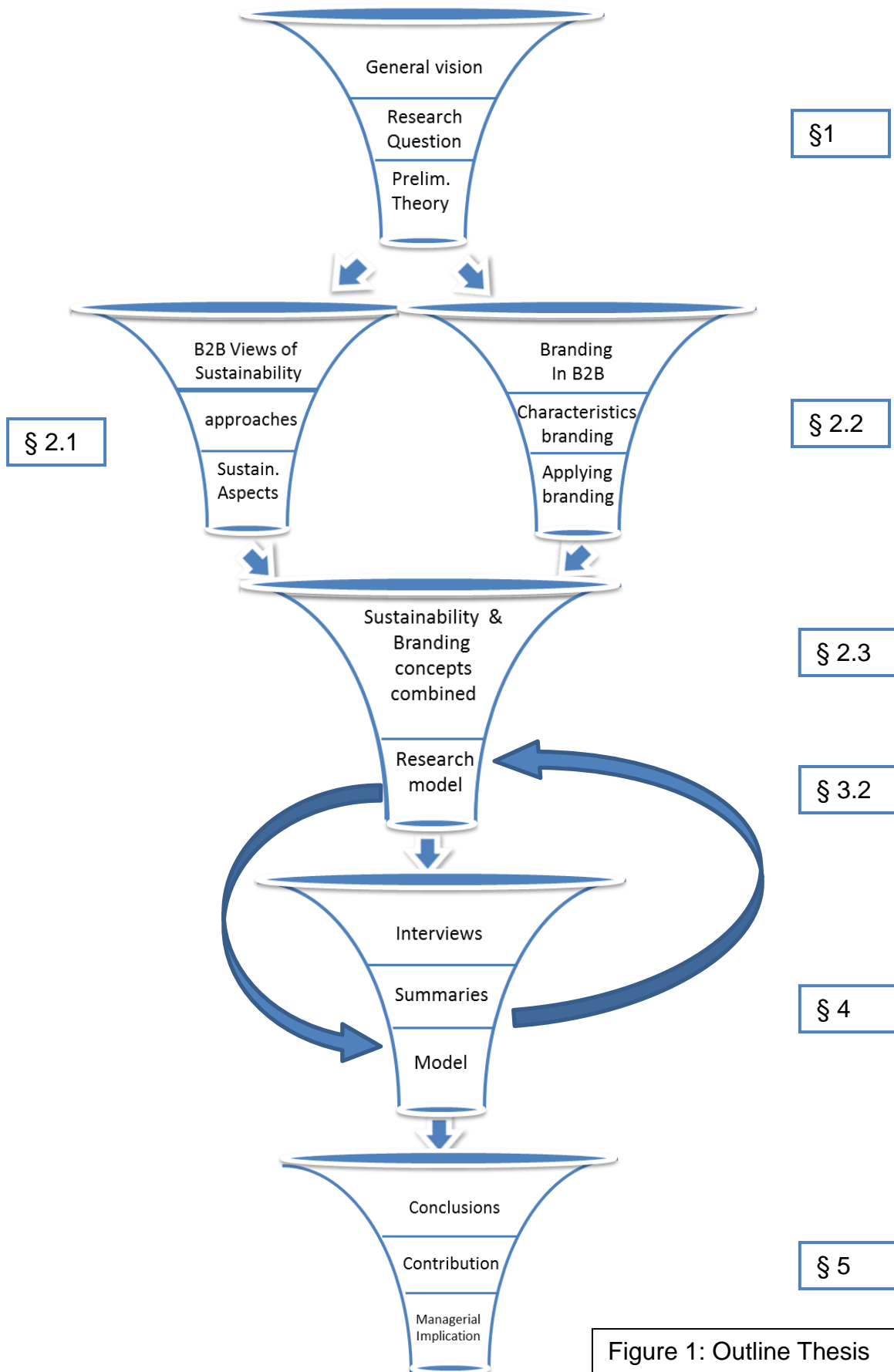
In Chapter 3 the Methodology is explained, in the first paragraph it is made clear why Eastman as company was chosen as single case study.

The next paragraph, in more detail, the research context is explained, visualized in a research model. Then there is clarified how the research takes place. And at last in paragraph is shown how the validation and reliability is guaranteed.

Chapter 4 contains the empirical outcomes after giving information of Eastman Chemical Company in general the next two chapters zoom in on the branding and Sustainability initiatives. The content of the Interviews is sorted out over 14 paragraphs each handling one of the aspects of the research model, which in total covers the general research-question.

The last chapter, Discussion and conclusion, brings the literature and the empiric observations together specific in relation to the 2 sub- and general- research question. Within this general conclusion the limitations of this research is discussed and advice for further research is given.

At last the managerial implications for Eastman are given, as practical tool how to implement the findings of this Thesis.



2 Literature review

2.1 Differentiating Sustainability aspects for B2B companies

2.1.1 Different views of Sustainability in an industrial environment

Sustainability is the last decade very much in the news also within industrial companies they mention their Sustainability efforts in their annual report and even separate Sustainability reports are published. The reason is that companies want to differentiate their selves because they see it as competitive advantage when they are positively contributing in Sustainability,

Before understanding which different aspects differentiating Sustainability for B2B companies has, I first will look at the history of Sustainability.

Sustainability is a wide concept and has a lot of different perception in people minds.

In previous years Sustainability in business has been seen as a burden because of strict regulation which has to be followed. The Sustainability department was put in the position of Legal and compliance. As a result environmental regulation cause competitive disadvantage compared to countries with less regulations, regulations reduce productivity, destroy jobs and waste resources (Gray, 1995).

Also top-managers looked at it negatively considering stock-value more important than compliance (Walley, Whitehead, 1994).

Another stream of thought looked at it the opposite and saw it as a misconception that regulations impose cost and restrictions and therefore put companies at a competitive dis-advantage (Bhat, 1999).

In line with Porter and van der Linde a 2nd school of thought was formed where Environmental innovations and resource productivity make companies more productive and competitive.

This is based on the assumption that regulation can be seen as positive, forcing companies to be more innovative. New ideas were generated giving benefits due to applying more productivity or creating new products and markets.

These innovations are marked in the production process, product and market opportunities as “green” and can have advantages for the producer in their process as well as for the buyer in the product feasibilities. Aspects of “Green processes” are; increased yields, improved utilization of byproducts, reduction of material handling costs, making workplaces safer and reduction of waste disposal costs.

For the buyer “Green products” will reduce product costs, cut down packaging costs and improves product resale and scrap values.

The above mentioned advantages of a “green” product with higher quality, lower packaging, easy disposal and higher safety secures higher market shares, could give a premium value (Porter, Linde, 1995).

In commodity industries, product differentiation is more difficult, and companies typically compete through operational efficiency and economies of scale. Yet, some companies have differentiated themselves through improved intangibles performance, and have seemingly been rewarded in the marketplace (Funk, 2006). Those intangible aspects are further described in §2.1.4.

In between the two schools there was a period obtaining certificates of environmental management systems (EMS) like ISO 14001 or having eco-labeled products, which was seen as having competitive advantage.

ISO 9001 was seen as improving the internal quality of the company giving trust and improved relationships.

For ISO 14001 this was less obvious because it was not seen by the customers that this might improve internal quality, and environmental protection is more seen as a public good, therefore it was stated that ISO 14001 doesn't create value. Also in some business in short term the certification became a common good and therefore lost their competitive advantage (Orsato, 2006).

Historically seen Sustainability has not only come from a position that it was a burden for a company to have to pay attention to Sustainability, it now is seen as a strategic tool to take advantage from and has become a prominent position within the organization.

In order to get more understanding how to exploit this advantage I also looked at differences and similarities of Sustainability approaches between companies.

In the next paragraph this will be explained among the different strategy approaches for Sustainability and how you can apply the Sustainability strategy.

At the end the different aspect of Sustainability will be made clear.

2.1.2 Differences and similarities of Sustainability approaches between companies.

The difference between Business to Business (B2B) and Business to Consumer (B2C) companies lies in the different relationship instead of from a one to one relationship in B2B between sales and purchasing, for B2C it is more a one towards many, namely to a whole consumer market.

So there is a distinct difference in the way to approach the customer and obtain a sustainable relationship.

For Sustainability also the meaning can be different for B2B the focus is more inwards on the characteristics of the product and creating mutual benefits as cost-reduction. The end-customer may find the outward effects from the product

on the environment more important, like low emissions and preserving natural resources. In B2B there are higher levels of rationality guiding, both the evaluation of the product and willingness to pay price premiums. They normally balance the extra price against the savings they make along the life cycle of the product, when compared with less efficient and eco-friendly products.

In consumer markets (B2C) there is more room for the emotional and symbolic appeal of products. There are possible lower private benefits for the customer and therefore there is a need for more marketing to sell the ecological responsibility. For both industrial and consumer markets it is essential that the customer is willing to pay for ecological differentiation (Orsato, 2009).

Looking for differentiating aspects of Sustainability not only the difference of B2B versus B2C is important but also the national tradition and culture is important. Successful corporate capabilities and intentions of management to implement the Sustainability advantages depend also on management's approach doing business. This approach is shaped by national tradition and culture, basic values and legal regimes. When you see Environmental innovation as key for developing Sustainability to a competitive advantage the following criteria for Environmental innovation show a different approach of the United States versus Europe (Steger, 1995).

Allowing **time** to develop the Sustainability approach to make it a success is more difficult for US organizations because they act more short-term.

The **goals** for Sustainability in the US are more financial driven, while in the EU they are more technologically driven.

The **Ability** to cooperate is in the US more opportunistic while in the EU more long-term relationships are important

On **demand** criteria are the EU customers more adopting quality criteria, including environmental friendliness.

Employee **Involvement**: From US perspective this will be organized more top-down, in Europe they mobilize people's know-how and creativity more from a bottom-up approach.

In order to find differentiating aspects of Sustainability the influence of the above mentioned different approaches of a US based or European based company should be taken into account.

Doing my research in US based multinational in EMEA with European managers both aspects can be researched.

Another difference between companies which has an effect on the way Sustainability is approached is the size of the company,

In the study of (Brockhoff, 1999) there was made a compare within chemical industry between small and large companies and between the two advanced countries US and Germany. He made the distinction of four different approaches a firm can make responding on Sustainability.

As **Defenders** companies respond to regulations and anticipating new regulations and standards is mainly seen at large firms.

Being **Escapist** showing by quitting their current business and exploiting new markets this is happening with small firms.

Also small firms are more **Dormant** they are more indifferent taking low environmental risks.

At last I have the **Activists** they are responsive and anticipating on regulating with high importance on exploiting new markets, this also is happening more by large firms.

Doing my research in a relative large chemical company the Defender and Activist approach will be more visible. As earlier described differences between US and Europe also for these approaches there is a clear difference where the US are more short term approaches they will be more a defender were Europe more mobilize their personnel and are more creative will be more activist.

Knowing those differences of B2B Versus B2C, US or European based companies and Large or small companies this will give a better understanding of the impact on the mission and vision of the company and eventually on the strategy which will be described further on.

2.1.3 Different strategy approaches for Sustainability

Lately companies have defined more and more a separate strategy for Sustainability. The strategy I look for has to give a differentiation advantage, this has already be seen by Porter as one of two drivers for competitive advantage (Porter, 1974).

In 1980, Michael Porter identified two generic types of competitive advantage, low cost and differentiation. According to Porter, a firm can through efficient use of labor and capital obtain competitive advantage by selling products or services with the lowest cost in its industry. On the other hand, a firm can use differentiation strategies to create unique features for its products or its services.

Differentiation involves developing one significant aspect of a product to set it apart from its customers. One or more product functions, such as brand image and identity, technology and features or customer service and dealer-network, is developed to a high quality level. The resultant; added value perceived by the

customer offsets the impact of higher price. This creates also brand loyalty (Porter, 1997).

Porter and van der Linde also claimed that Environmental Innovations can be one of the key drivers for this (Porter, Linde, 1995).

Putting these two types of competitive advantage, lower cost and differentiation against two types of Competitive Focus, on the organizational process and on the Product and Services putting them in a framework you can create four different Sustainability strategies (Orsato, 2006).

Strategy 1: Eco-Efficiency will develop capabilities to continuously increase the productivity of their **organizational processes** while decreasing the environmental impact and the costs associated with them.

Strategy 2: Beyond Compliance Leadership: Creating a positive corporate image by applying to certificates like ISO 14001. Most have a relative short window of opportunity when it is followed by competition.

Strategy 3: Eco-Branding: A firm differentiates itself from its competitors when it provides something unique that is valuable to buyers beyond simply offering a low price (Porter, 1985).

Strategy 4: Environmental Cost Leadership differentiation for markets where cost is the driver it is more difficult marketing the environmental benefits. Next to the environmental benefit there has also to be economical driver for instance less use of material by improved quality.

The third strategy Eco-branding is the most applicable for this Thesis because it differentiates Sustainability and can be combined as a branding strategy creating competitive advantage. In order to implement this strategy effectively three basic pre-requisites needs to take place; consumers must be willing to pay for the costs of ecological differentiation; reliable information about product's environmental performance must be available to the consumer; and the differentiation should be difficult to be imitated by competitors (Reinhardt, 1999).

To take advantage from Sustainability a way to differentiate from competition is to apply environmental innovation.

2.1.4 Applying the Sustainability strategy

When applying the Sustainability strategy I come close to knowing the aspects differentiating Sustainability. Applying it must be seen as starting a project.

When it is decided to focus as company more on Sustainability the following four levels are applied; Discussed in World Economic Forum according to article "prosperity without Growth" United Kingdom Sustainable Development Commission, March 2009.

First, **a change in business leader mindsets**: to support the goal, and to begin to change consumer behaviors and corporate attitudes towards the provision of value.

Second, **organizational change**: to embed Sustainability in the core of businesses and institutions, so that it becomes a part of the business ways of thinking and working.

Third, **Industry-wide change**: by promoting collaboration across suppliers, customers, investors and talent pools to build Sustainability into extended value chains.

Fourth, **Systemic change**: involving major public policy changes to shape not just business, industries and societies but the global economy and trading system (World Economic Forum, 2010).

Managers first are skeptical to invest on "green" projects they don't think it financial contributes or makes the difference for large investments. They don't automatically create opportunities to make money but the opposite is also not true that they only cost and never make money. That's why they should approach environmental problems as business issues (Reinhardt, 1999).

The following five approaches to integrate environment into business thinking where environmental investments deliver to shareholder:

1. Differentiating products from competition, allowing higher pricing.
2. Imposing private regulation or helping to shape rules by government officials.
3. Help the environment and cut cost the same time. (Win-Win situation).
4. Management of risks and thus reduce the outlays associated with accidents, lawsuits and
5. Make changes to redefine competition in their markets.

But it is not alone in a project to reach tangible goals it is also building relationships with customers, suppliers, employees communities and other stakeholders becomes central to competitiveness and form the foundation for a new progressive and people centered corporate strategy, this giving increased importance of corporate social responsibility (Palazzi, Stracher, 2000).

Corporate social responsibility (CSR) refers to business decision making linked ethical values, compliance with legal requirements and respect for people, community and the environment.

CSR is more and more integrated into corporate strategies and is seen as a long term approach to generate more growth and profits. There can be no social responsibility without profits.

Environmental marketing bridges the company and its markets in a social context. Satisfying the needs of customers in a profitable way is the core of

marketing, doing it in a sustainable way is the key for “green” marketing (Peattie, 1995).

CSR can be much more than a cost, a constraint, or a charitable deed it can be a source of opportunity, innovation and competitive advantage.

In stigmatized industries, such as chemicals and energy, a company may instead pursue social responsibility initiatives as a form of insurance, in the hope that its reputation for social consciousness will temper public criticism in the event of a crisis (Porter, Kramer, 2006).

Putting those demands for corporate environmental and social responsibility together for creation of new market space you lay the basis for Sustainable Value Innovation (SVI). Sustainability Value Innovation is also called the fifth strategy of Orsato, see also §2.1.3

Since in new market space there is no product or service to compare with, the focus moves from price to the higher value products /services provide to customer. Those are achieved by innovations focused on the unfilled demands of existing or new customers. The company exploiting this should have enough innovative capabilities and resources and willing to deploy risky strategies. With those SVI strategies and new innovations you can not only create value for customers but also satisfy social and environmental demands.

(Aaker, 1991) and (Keller, 1993) enhanced “green” equity as “a set of brand assets and liabilities about green commitments and environmental concerns linked to a brand, its name and symbol that add to or subtract from the value provided by a product or service.” Three drivers; green brand image, green satisfaction and green trust have according the framework of (Chen, 2009) a positive relationship on green brand equity.

Exploiting these characteristics you can build on these green drivers, image, satisfaction and trust towards a loyal relationship with your customer. This loyalty pay’s itself back in a growing market-share.

A good **image** is something the whole company can give, knowing you can rely on the whole company. For “green” image especially the efforts and commitment the company has to the environment. This can for instance be shown by a solid Sustainability strategy which can be presented in a yearly Sustainability report.

Satisfaction can be more specific for the product characteristics, with “green” satisfaction you may think of aspects like durable, no waste cost, less use of materials. So here the environment profits as well as economically the company.

Giving **trust**; Products where the customer can rely on and in relation to Sustainability with “green” trust I can mention the positive environmental aspects like a low LCA, i.e. Life Cycle Assessment; potential environmental impacts of a product system throughout its life cycle.

2.1.5 Summary

Historically, especially in a chemical business to business environment, Sustainability has been seen as a burden. It was to comply for regulations and it only costs money and did not bring value.

Now it is seen as a strategic tool, a tool to create differentiation, in line with Porter a way to achieve competitive advantage.

Compared to the consumer where Sustainability more focuses on the emotional and symbolic appeal for products, In Business to business the focus is more inwards on the characteristics of the product and creating mutual benefits as cost-reduction. Here environmental innovation is a key for developing Sustainability to a competitive advantage.

The approach how to implement this new strategy differs from country. In the US where they act short-time and from top-down having more a defender strategy. In Europe they more mobilize their personnel and are more creative and will be more an activist.

Looking at the peer-group of this Thesis, Eco-branding is the most applicable Sustainability strategy. It focuses on differentiating yourself from your competitors to provide something unique that is valuable to buyers beyond simply offering a low price.

Managers first are skeptical to invest on Sustainability projects they don't think it financial contributes or makes the difference for large investments. They expect that they don't automatically create opportunities to make money but the opposite is also not true that they only cost and never make money. That's why they should approach environmental problems as business issues.

Another aspect is the Corporate Social Responsibility (CSR) refers to business decision making linked ethical values, compliance with legal requirements and respect for people, community and the environment. This also comes more the intangible aspects of Sustainability which is seen as far more effective and durable for Sustainability strategy when trying to create competitive advantage out of it.

According to Chen three intangible drivers having a positive relationship on this, **green brand Image**; Being a company which shows off to be sustainable, **green satisfaction**; Having products which have or can create sustainable advantages, **green trust**; being someone customer can rely where they are willing to as a partner work on Sustainability innovations.

2.2 Competitive advantage by Branding in a B2B environment

2.2.1 Introduction

There is a growing interest in branding by B2B firms, especially in increasingly competitive markets. In times of turbulence and accelerating change, challenges the traditional view of competitiveness and success factors. Today's challenges are globalization of markets, increasing intensity of competition, rapid technological changes shift from industry economy to human capital and information based economy (Karna, 2001).

In a commodity business where customers naturally know a great deal about their and their competitor's product; "Price" and "Product quality" were the main drivers for differentiation (Kotler, 2007).

Nowadays the relation with the customer is more and more important.

Also ways of communication have changed a lot. Branding is nowadays also integrated in the new media, web pages and internet sales are also used by business to Business companies and therefore more visible. This is also a reason the last decade there is a boost in companies defining a business strategy for branding.

Also in Branding literature there is an increasing interest in industrial markets, still there is a clear need for further research into the way in which brands are used, communicated and perceived in B2B markets (Lynch, 2004).

Having broad Branding in a more today's perspective in this paper before I can find out what conditions of Sustainability are important for Branding I first have to find out which branding strategies are effective in B2B companies.

- There for I will look at the differences and similarities of B2B versus B2C,
- What a Brand means, and which branding characteristics exists.
- Who in a B2B you have to address to utilize your Brand
- How you can effectively create in a brand in your organization,
- How to explore your brand and make with it a competitive advantage.

2.2.2 Differences and similarities of B2B versus B2C

Brands serve exactly the same general purpose in B2B markets as they do in consumer markets:

They facilitate the identification of products, service and business as well as differentiate them from competition (Anderson, Narus, 2004).

The power of a brand resides in the minds of customers. The brand surrounds a product or service with meaning that differentiates it from other products or services intended to satisfy the same need (Webster, 2007).

A brand is a promise to our customer, if you consistently deliver on that promise (Kotler, 2007).

The goal in consumer and industrial markets is the same, to convince the customer to buy your product. The main difference is that in a consumer market you have a lot more end-customers and they are further away, you don't have direct contact. Branding in consumer markets was developed far earlier because it was an easy way to bring the message to a large group.

In B2B it is more a direct one to one relation although the message can be the same, in particular intangible aspects need a different approach.

Consumer branding strategies are not directly transferable to industrial markets. They need to take into account the insights gained from research in organizational buying, buyer-supplier relationships, and industrial segmentation (Mudambi, 1997).

Before knowing how to approach this you first have to understand what a brand means.

2.2.3 Branding Characteristics

When branding it was assumed price and quality as measurable parameters were the most important and tangible communication elements as advertising, logo's, taglines and jingles are the way's to get in contact with your customer. They still play a role but more and more the Intangible concepts are being focused on; A brand is a promise, A brand is the totality of perceptions; hear, read, know, feel, think, A brand holds a distinctive position in customers minds based on past experiences associations and future expectations and A brand is a shortcut of attributes, benefits, beliefs and values that differentiate, reduce complexity, and simplify the decision making process (Dunn, 2004, & Knapp, 2000).

These intangible aspects like trust, prestige, reputation, image and security are seen as more durable and less likely to suffer from competitive erosion (Lynch, 2004).

On a Corporate brand you can have the following characteristics which can make a differentiation; (Aaker, 2004).

A rich heritage: The roots of the company can add authenticity and differentiation to the brand.

Assets and capabilities: Having assets and capabilities with regard to its ability to deliver innovative products and value to customers.

People: If they appear engaged, interested in customers, empowered, responsive, and competent, they provide the basis for the corporate brand image.

Values: Innovation; providing benefits for the customer.

Perceived quality: Delivering on the brand promise.

Concern for customers: Care and loyalty, please customers.

Local Orientation: Providing a look and feel and brand position that is attuned to the local culture.

Global Orientation: Showing a prestige attached to a brand that has made it globally.

Citizenship: Concern about the environment.

Corporate Performance and Size: Organization behind the brand having substance and visibility.

Now knowing where to look at you can create your own companies strategy to create a Brand. Before going outside you first have to create your Brand inside your organization.

2.2.4 Create in a brand in your organization

Next to having a branding strategy, it is also important to know who is involved internally.

Not only top-management who is leading and deciding on strategy, not only the marketing department rolling out the concept, also the logistics group with customer service as direct contacts with the customer are involved. Even the Sales staff whose influence is thought to be the most can be in practice also notoriously resistant to outside influences. This can be crucial implying a brand because this might directly affect the relations with their customers.

This means that almost all people in the organization are involved and must be aligned to create optimal result of the branding strategy.

To get a better alignment the following criteria need to be followed (Wise, 2009).

- The branding effort is led from the **top**.
- The branding program is **focused**.
- The underlying brand strategy is **simple** and clear.
- Each branding effort is **consistent** across the company – and over time.
- Employee **pride** in the new brand strategy is instilled through a well-planned launch.
- Brand is **measured** continually.
- Brand development requires the **long view**.

Above view of branding is mainly from the company perspective, in order to differentiate from other products or services the customer focus has to be analyzed. Industrial markets are characterized by their buyers, not their products (Webster, 2004).

Internal branding is a relatively recent concept in marketing resulting from an increased interest in corporate brand identity and an acknowledgment of the crucial roles employees play in the conveyance of brand values. Marketing literature indicates that successful internal brand communication is essential if an organization wishes to create strong external brand relationships (Lynch, 2004).

2.2.5 External focus of branding

Brands are more than only a way to contact customers, it can reach all stakeholders like employees, partners, investors, local community and even suppliers and competitors (Pandey, 2007).

But also in a business to business organization who is your customer?

It is not as easy as in the consumer market the one who uses the product is also the buyer. As already mentioned the complex internal organization involved also the customer organization is complex. From the buyer side several people with different perspectives are involved; (Webster, 2004).

Initiators: who define the buying situation and start the buying process.

Users: who actually use the product.

Buyers: who can commit the organization to spend money.

Deciders: who have the authority to choose product offerings and vendors.

Influencers: who add information or add constraints in the buying process.

Gatekeepers: who can control the flow of information into the buying process.

Depending on the size of the organization, the same people can have different roles, but should be approached accordingly.

Next to above mentioned actors also outsiders may influence the buying process, such as government officials, consultants and technical advisors (Wise, 2009).

2.2.6 Applying branding in B2B

How to use previous obtained knowledge, and how do you apply branding to reach your goals of creating competitive advantage?

The model of Keller could lead you to that. It describes in various steps how you can create a strong brand.

Because this paper focuses on the B2B market, the revised Customer based Brand Equity Pyramid from Kuhn is used which is even more relevant.

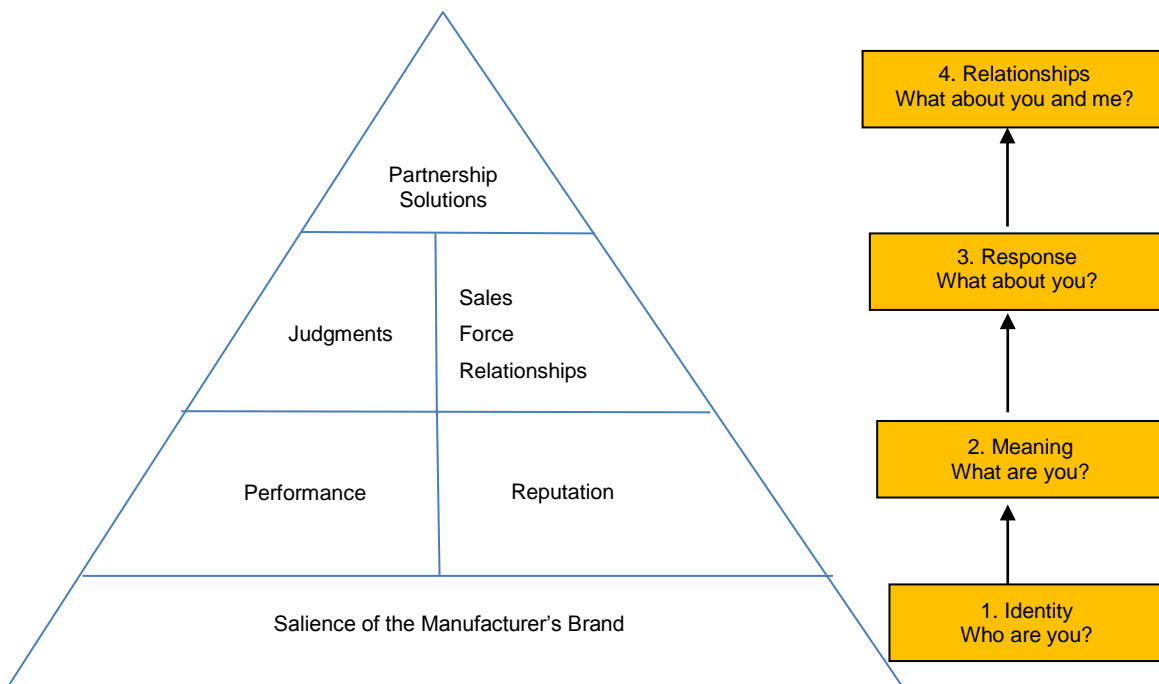


Figure 2: A revised customer-based brand equity pyramid for B2B (Kuhn, 2008)

The **first** step in this model building a strong brand is to ensure the correct brand identity. The purpose is to create an identification of the brand with customers, and an association in their minds with a specific product class or need.

The **second** step is as you have seen in previous mentioned literature to find the right brand meaning in both the tangible and intangible aspects, here described as performance and reputation.

Those are primary factors for building brand loyalty in the industrial context.

The **third** step are the Brand feelings, the customers emotional responses and reactions to the brand. The responding aspects are judgments and sales force relationships.

The **final** step in the pyramid where brand response is converted to create an intense, active loyalty relationship between the customers and the brand.

To achieve this four elements are crucial: behavioral loyalty, attitudinal attachment, sense of community and active engagement (Keller, 2001).

Behavioral loyalty can be created by concentrating product availability on those customers and niche markets where there is a real competitive advantage. Quality, reliability, performance have been found to be primary builders of brand loyalty (Michell, 2001).

Attitudinal attachment is creating bond by relating to personal attitudes toward specific issues, in this case a common thought how to address Sustainability.

A sense of community, Is the ability to perceive and be motivated by moral or ethical principles for the community.

And the fourth element the active engagement is when you together with your customer are working on common goal.

2.2.7 Summary

A strong Brand image and reputation enhances differentiation and has a positive influence on buying behavior. The same applies for corporate brands giving a strong customer relationship. This is because a brand holds a distinctive position in customer's minds.

Also for B2B companies brands are becoming more important especially intangible assets can make the difference. These intangible aspects like trust, prestige, reputation, image and security are seen as more durable and less likely to suffer from competitive erosion.

To implement a strong Brand it has to be built up in a solid foundation over the whole organization towards the (emotional) conditions influencing the customer and eventually creating a loyal relationship.

Before going outside you first have to create your Brand inside your organization. This means that almost all people in the organization are involved and must be aligned to create optimal result of the branding strategy.

Successful internal brand communication is essential if an organization wishes to create strong external brand relationships.

Brands are more than only a way to contact customers, it can reach all stakeholders like employees, partners, investors, local community and even suppliers and competitors.

Industrial markets are characterized by their buyers, not their products and in order to differentiate from other products or services the customer focus has to be analyzed.

From the buyer side several people with different perspectives are involved and they should be approached accordingly.

For this Thesis the most applicable is the model from Kuhn where in four steps, you implement your brand creating a competitive advantage.

First creating a good brand identity, then find the brand meaning with tangible and intangible aspects where the latest is the most durable. At third is the

approach to the customer and at last the creation of a partnership solution. For the creation of a partnership four elements are crucial, Loyalty, Attachment, Community and Engagement.

2.3 Sustainability and Branding Theories combined

There are a lot of similarities between the approaches how Sustainability and Branding strategies are created in a Business To Business organization.

How it is stimulated from the Top and organized within the whole organization to get full commitment.

For B2C Branding and Sustainability are far more common applied and more thesis are written about them. In B2B the importance is the last decade increased for both the relational aspects to the industrial customer is emphasized.

One topic also applicable for Sustainability is Corporate Societal Marketing (CSM), where CSM is described to encompass marketing initiatives that have at least one non-economic objective related to social welfare.

The goal for the company is to create a differential advantage through an enhanced corporate image with consumers" (Lichtenstein, et al, 2000) and "differentiate themselves from the competition by building an emotional, even spiritual, bond with consumers" (Meyer, 1999).

This is the same as claimed by (Karna, 2001) were the link was made with Corporate Social Responsibility (CSR) with Sustainability, where environmental responsibility can be seen as a non-economic objective related to social welfare.

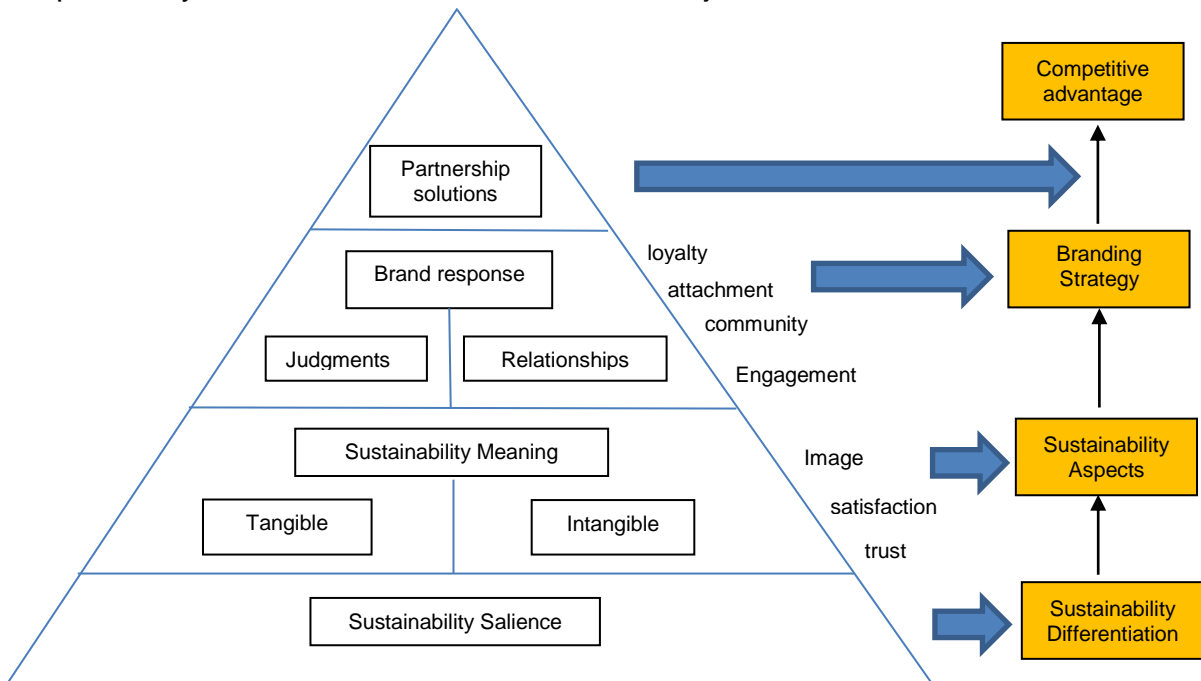


Figure 3: Sustainability - Brand equity pyramid for B2B
Source (Kuhn, 2008) and the current study

2.4 Conceptual model

To come to a new model as basis for this Thesis I started with the Model of Kuhn See figure 3. The Pyramid was met to start at the bottom and for thesis I filled it in as a research within the company, what is the Sustainability Salience, or in other words the most noticeable or important. This should lead to a differentiation in Sustainability specific for the company.

The second step is to look deeper into the Sustainability meaning which should lead to the Sustainability aspects, where the company should focus on.

In a Business to business environment it is not only having good product performance or a good price but mainly having a good relationship with the (industrial) customer.

Three of these intangible aspects building a good relationship based on the model of Chen are;

Giving good **trust**; Products where the customer can rely on

A good **image** where the company shows they are embracing Sustainability.

The third aspect **Satisfaction** can be more specific for the product where due the Sustainability aspect it is more environmental friendly and in many cases at the same time economical profitable (Chen, 2009).

This is visualized in figure 4 the conceptual model from which the research question can be answered.

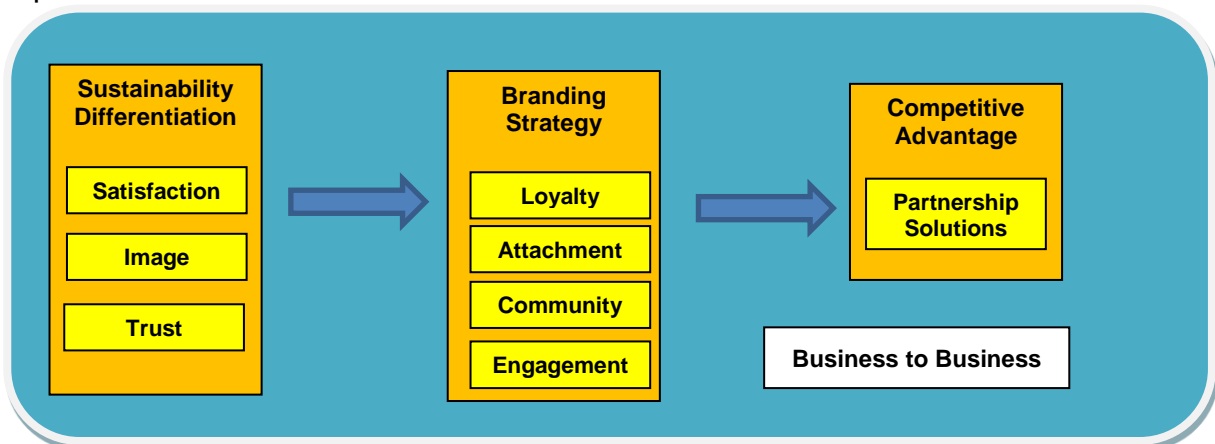


Figure 4: Conceptual model research question

Also the next steps are visualized;

How the company differentiates on these aspects compared to competition should be clearly promoted, therefore a branding strategy is needed. Using this in a good branding strategy is therefore the third step in the pyramid of Kuhn model and here visualized in the second bloc. The aspects for creating a good

relationship in B2B environment are also applicable for the specific Sustainability aspects where you want to brand your company for. Also in branding theories it was stated that in order to have a good branding strategy giving competitive advantage these same intangible aspects plays an important role. For the first branding element **behavior loyalty**, a sustainable product could give a more long- term availability. The second element **attitudinal attachment** having the same thoughts about Sustainability can create a bond. The third element A **sense of community** is for Sustainability obvious to help the environment (planet). Also the last element, **Engagement** could be linked to Sustainability when together with the customer a common goal is to develop a more sustainable product.

The intention for differentiation eventually is to create competitive advantage, also for Sustainability it was found in theory that enhancing partnerships are ultimate goals to obtain good relationships. Together you create Sustainability solutions and will renew or improve your business.

3. Methodology

3.1 Introduction

In order to find an answer to the research question;

“What aspects of Sustainability can be used in the Branding strategy leading to competitive advantage in B2B companies?” there is chosen to do a case study (Yin, 2003). The main source of interviews will be in the same company. Because of this single case study the analytical unit will be the corporate organization.

The company chosen is a middle sized multinational cooperation in the chemical industry.

The company is also chosen because it is a B2B company with global interests and where lately Sustainability with new management became a real strategy.

In previous years Branding was developed and explored internally in the organization and later on explored externally mainly via the sales organization.

The chemical industry is the most environmental affected industry so can be taken as premium case study as example for other industries. Not only must chemical companies be concerned about pollution of air and water from the manufacturing plants, but they must be concerned with the use of nonrenewable resources and with the final disposal of products

(Brockhoff, 1999 & Steger, 1995).

The cultural difference may have influence on the way Sustainability projects are taken care of. Because the chosen company is an American Multinational and the research will take place in the Netherlands also these difference in cultural aspects can be looked at. There is no intention in this research to look at the influence on the effect on the research question but answers from the interviews can be reflected with this knowledge to get a broader more general perspective.

3.2 Research context

At first a literature study has been held, theories of Sustainability and Branding are thoroughly investigated. Especially the Business to Business related literature has been reflected. On basis of this exploratory study the different aspects of Sustainability and branding were integrated. A new model was generated to give form and structure to the research question. The study can be split up in 3 blocks Sustainability, Branding and Competitive advantage. See also “Conceptual model research question” in figure 4. In the first block is based on the study from Chen where the intangible aspects like Satisfaction image and trust where seen as the most import aspects to differentiate you on Sustainability

(Chen, 2009). Those aspect scan be used for a branding strategy for Sustainability. To have an effective branding strategy also intangible aspects as Loyalty, Attachment, Community and Engagement described by Keller were shown as best to focus on (Keller, 2003).

Implementing those must finally lead to competitive advantage. There Kuhn who modified Keller's model for a Business to Business environment showed that partnership solutions where the ultimate goal to maintain competitive advantage (Kuhn, 2008).

3.3 Research design

In order to verify this model in actual practice in this single case study interviews were held throughout the Eastman Company. Interviews were taken on different levels from Sr. Vice President Sustainability throughout Sales managers, who are as well regional as corporate responsible. Next to that on Managers level different Regional Departments like Sales, Marketing, Purchasing and Technology department were interviewed.

This way obtained a cross functional selection of the people involved with Sustainability in the Eastman Company. The objective was reached to interview approximate 15 persons. (Appendix 2: Interview list)

These people were chosen because they either are involved with Sustainability or are directly involved with customers so use branding to promote their products.

They are in different levels of management and more or less responsible for strategy. Also they can be of different departments, this way you can create a good triangulation. Next to difference of functions also people are interviewed responsible for different market segments, this way the spread of influence can be monitored.

Being myself, not working in those departments this increases the reliability not being prejudiced.

At the end a focus group discussion was held among 3 key persons within the organization responsible to drive the Sustainability efforts and facilitated by the researcher. The preliminary outcome of the interviews were discussed and brought into perspective over the whole organization (Bryman, Bell, 2007).

3.3.1 Research questions

Because the data is hard to measure the best method is to retrieve the information with semi-structured open interviews.

The interviews questions will lead to the answers of the research questions about branding and Sustainability.

The interviews were prepared by selecting topics out of the research question and then formulating interview questions. Questions were related but not directly leading to the findings in theory in order to allow the respondents to give their personal opinion. If needed sub-questions were used to regain focus to the subject.

Also to get structure in the interview, first Sustainability was explored then the branding and at the end the discussion was held how this leads to competitive advantage. So at first there has been the investigation how the Sustainability lives in the mind of the company, how it is organized, what specific Sustainability aspects are important to employ. Next find out how you can Brand this, how can you take those advantages and use this to convince the customer he also has value in this. At the end the question is how they see this creating competitive advantage. (See appendix 4.1)

A pilot has been held to review and revise the interview questions.

The interviews were held in a quiet natural setting and recorded to be analyzed. Before starting the interviews background information was given about the reason for this study and my personal interests in this subject.

In order to be able to compare the interview in the right perspective the following “face-sheet” information were captured; Name, age, gender, company, years in service, function, years in function, functional involved in Branding, Sustainability or both. (Appendix 3: Face-sheet interviews)

Before beginning the focus group discussion the preceding 12 interviews were analyzed by using the summaries of each question.

The outcomes of the interviews were more or less proposed as a proposition in order to invoke a discussion and to confirm the outcome of the earlier held interviews. The one-liners belonging to the topic questions are described in appendix 4.2. As example of 1 of the 8 statements: *“Our customers (as well as consumers) are not yet demanding Sustainable product at least they are not willing to pay for it as long as it does not have additional values”*. As you can see it is a statement with the intention to create a discussion among the participants. Most of the summaries were agreed upon and the focus group in their discussion could give far more history and detail on these subjects.

The summary of the statements can also be seen as the general vision of the company on this subject. However to be more specific and come to answer the research question the content is further analyzed as described in below paragraph.

3.3.2 Data collection

Because of the broad spectrum of the respondents and to come to general vision the different answers need to be combined and categorized. This will be done in a process in grounded theory, by recording the interviews and write them out, coding them and creating concepts, comparing them and make categories and at the end explore relationships between the categories and so this inductive research strategy must lead to the conformation of the new theory as shown in the model derived from previous found theories.

The written recorded interviews were first summarized and categorized in order of the original set up interview questions. See example (appendix 4: interviews) Because of the open character of the interviews the respondents sometimes were ahead of the questions.

To make the link with the research question each aspect and relation were numbered and according to below mentioned definitions was the data restructured.

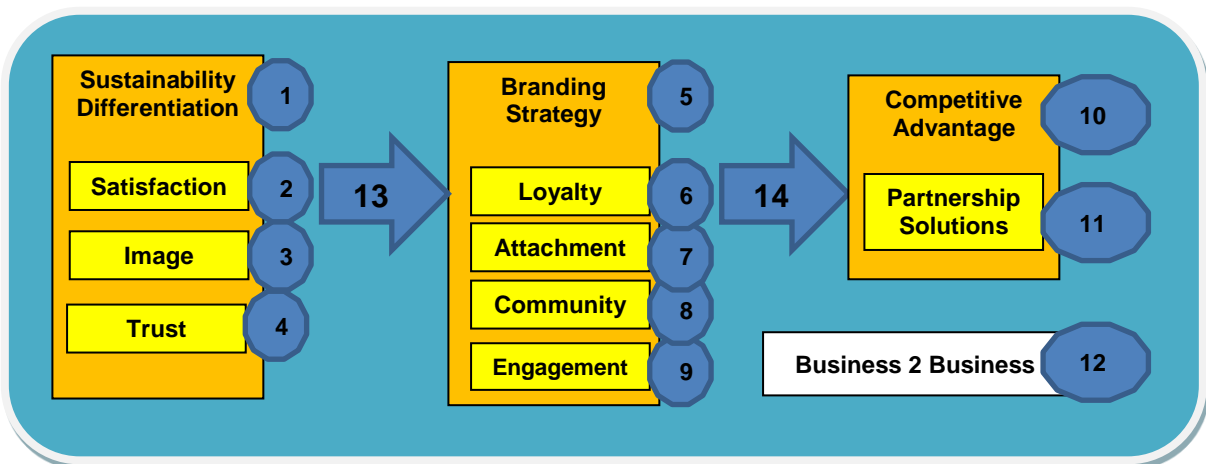


Figure 5: Interview structure Research question model.

On 1, **Sustainability differentiation**: The remarks in the interviews were captured why Sustainability should make a difference and if it is worthwhile as company to invest in.

On 2, **Satisfaction**, you can think more specific on the product characteristics, with “green” satisfaction you may think of aspects like durable, no waste cost, less use of materials. So here the environment profits as well as economically the company.

On 3, a good **image** is something the whole company can give, knowing you can rely on the whole company. For “green” image especially the efforts and commitment the company has to the environment. This can for instance be

shown by a solid Sustainability strategy which can be presented in a yearly Sustainability report.

On 4, Giving **trust**; Products where the customer can rely on and in relation to Sustainability with “green” trust you can mention the positive environmental aspects like a low LCA, i.e. low emissions.

On 5, **Branding Strategy** From the second part of the interview the remarks about the use of a good branding strategy were captured.

On 6, for the first branding element behavior **loyalty**, a sustainable product could give more long term availability. Quality, reliability, performance have been found to be primary builders of brand loyalty.

On 7, attitudinal **attachment** is creating bond by relating to personal attitudes toward specific issues, in this case a common thought how to address Sustainability.

On 8, a sense of **community**, Is the ability to perceive and be motivated by moral or ethical principles for the community.

On 9, the active **engagement** is when you together with your customer are working on common goal.

On 10, the remarks are captured where the respondents mentioned the company can make **competitive advantage**.

On 11, the **partnership Solution** where was mentioned the specific examples that together with customers sustainable solutions were developed.

On 12, is captured the difference between a **Business to Business** environment compared to the aspect of a consumer market.

On 13, is the way and the need described to come from a good Sustainability meaning to a branding strategy.

And finally on 14, exploiting this branding strategy how this leads to competitive advantage.

In those fourteen summaries all interviews are gathered, giving the perspective of the various levels in the organization from team manager, directors to the vice president. Also the different views of departments are pointed out; Sales, Marketing, Technology and Purchasing as well as from the Sustainability group. The remarks are captured in one story unless it is special for this specific group then this is mentioned.

The outcomes are described in paragraph 4 using these same categories.

In the discussion/conclusion chapter the meaning of the respondents is checked with the model and used to answer the Sub- and General Research question.

3.4 Validity & reliability

The above described way of doing an inductive exploration should give a good Qualitative data research, with obtained the next 3 quality criteria;

- Validity, thorough analyses by grounded theories.
- Trustworthy, Chain of evidence, good reporting and triangulation.
- Generalization, Variety in selection of interviews and checks within other companies (Wester, 2000).

Internal Validity is secured because first there has been done a thorough study in theories about Sustainability and branding. So the point of view of the researcher was wider than knowledge of his own company were the most of the interviews has been held.

External Validity is limited because of the single case study only one company is thoroughly researched. This has been improved by interviewing a wide spread in the organization. Also the company represents an industry which is progressive in respect of Sustainability.

The relevance for all B2B companies should be further investigated it has been partly done by evaluating Annual reports and Sustainability reports. Also information obtained during the interviews revealed there can be significant differences. (See §5.2 Limitations)

The trustworthiness as criteria of reliability is secured by the selection of the respondents. As interviewer being part of the organization being able to select people who were knowledgeable about the subjects. From top management till middle management people were interviewed. The way the interviews were analyzed and compared as earlier described gave a good way of triangulation which improved the reliability of the research. Also the interviews are reflected against the Strategy of the CEO which has been declared in several internal memos and video presentations. Next to that it is compared against internal guidelines of branding and Sustainability for internal and external use.

In order to check the reliability of the research, at the end the results has been checked with some of the respondents in order to increase dependability.

By using a so-called focus group discussion the results of the previous interviews were validated. A focus group is a panel of people, led by a facilitator, who meet for more than an hour and discuss a certain topic. The facilitator guides the group in the discussion and creates an exchange of ideas. After introducing the topic the group starts to discuss it among themselves (Cooper, 2003).

A group of 3 Eastman employees was invited to participate in the focus group.

4 Empirical Outcomes

4.1 Case company

The main study has been done within Eastman Chemical, at first the position of the company is described which shows it is a mid-size multinational company serving in a business to business environment. Next the recent branding activities of the companies are described and at last the Sustainability strategy is explained. With all those aspects available in one company it is a perfect match with the research question. After this general information and more specific the efforts and contributions for Sustainability and branding in the next paragraph the outcome of the interviews are worked out answering more specific the research question.

4.1.1 Eastman Chemical Company

Eastman chemical is an international company located in Kingsport (TN) in the United States having thirteen manufacturing sites in eight countries and in addition to this having sales and representative offices all over the world. With approximately 10,000 Eastman employees they had a 2010 sales of \$5.8 billion. Eastman is committed to finding sustainable business opportunities within diverse markets they serve.

Eastman makes over 1200 products that go into applications that touch our lives every day.

The production of these products is split up in four major business markets, **Coatings, Adhesives, Specialty Polymers & Inks**, CASPI markets products are used to formulate everything from household paints to marine coatings to specialty adhesives.

Fibers, Eastman is the world's largest producer of Acetate Yarn and one of the largest producers of Acetate Tow, these products you may find in cigarette filters. In addition, the Fibers business also manufactures acetyl chemicals.

Performance Chemicals & Intermediates, These products are used in a variety of end uses: Agrochemical, Beverages, Nutrition, Medical devices, Pharmaceuticals, Coatings, Flooring and Personal care.

Specialty Plastics, Specialty Plastics markets highly specialized copolyesters and cellulosic plastics that are valued for their unique characteristics – strength, durability, heat and chemical resistance.

Eastman is merely selling chemical products in Business to business markets.

The 5 major markets are Tobacco, Packaging, Building & Construction, Consumer goods and Health & Wellness.

The production facility Eastman Chemical Middelburg is part of the CASPI organization, producing Adhesives for Packaging, Construction and Consumer goods. The Resins produced are made from natural resources, harvested from sustainable living pine trees, or composed from by-product out of the oil-industry.

4.1.2 Eastman's branding initiative

After the 1994 spun off from Eastman Kodak, Eastman Chemical Company began to develop its own strategy. A few years ago its corporate strategy changed to Growth and Innovation.

Also a corporate branding initiative was started to make Eastman's core competences more visible to the outside market. This branding initiative was also used to internally focus its own personnel more to the growth and innovation strategy.

The promise to the customer is that Eastman works with their customer to apply innovative approaches that lead to practical solutions and enable market success. This promise, also known as a brand positioning statement, is based on internal and external research. In a blind study survey, customers shared that a company that could combine innovation with real-world solutions would stand out from the competition and be someone they would do business with. Because branding is not just a new tagline or a statement to the customers, you need also to focus your whole organization on another page. This was executed by a dedicated team having branding ambassadors throughout the whole organization. So not only Sales but everyone from purchasing, technology, operations and supply chain were involved. Because our promise can only be realized through action, our strengths were captured in six beliefs. Four beliefs are centered on innovative approaches and two are centered on practical solutions. (Appendix 5: Eastman's Branding Campaign)

The beliefs behind innovative approaches;

Insightful, Creative, Collaborative, Adaptive, Responsibility and Expertise.

It may be clear that with above branding strategy on paper, you are not ready yet. The organization must be fit to allow it and the people ready to implement. The size of the organization and the matrix structure allowing multifunctional teams working together, together with the commitment of the people made it a success. After the 2009 recession 2010 and first part of 2011 were financial record years.

But more important is not what Eastman thinks but what our customers think, "Our brand is not what Eastman says it is. It's what they say it is".

4.1.3 Eastman's Sustainability initiative

Sustainability was already for years a focus point within headquarters, but more as a liability standpoint.

The Sustainability group was at that time part of the Legal department.

After the initiation of the branding strategy the Sustainability group became part of the Growth & Innovation department and also the group was extended to regional areas and integrated in its matrix structure. The same as with branding, several employees were appointed as Sustainability ambassadors.

Just recently is in the board a Chief Sustainability Officer appointed.

Sustainability became a core competence to provide the growth of the company.

As Jim Rogers, President and CEO formulated "Why Sustainability matters"

"At Eastman, our goal is to consistently demonstrate we are an outperforming chemical company by delivering value-creating growth. We believe that Sustainability in particular provides a tailwind for us in achieving this growth. The way I see it, Sustainability gives Eastman opportunities where we as a company can show our heart, and also use our head."

As investigated by Frost & Sullivan under 400 respondents the two main drivers for going green are; Potential competitive advantage and growth opportunity for the company, (Appendix 6: Sustainability fitting in Eastman's growth strategy).

This statement clearly shows that Eastman's Sustainability commitment comes from the top and is also supported and continuously challenged by Eastman's Innovation and Sustainability council represented by most of the board members. With the Mission; to leverage Sustainability as a source of competitive advantage across Eastman and a Vision; to be recognized as a company committed to Sustainability. It's now up to the rest of the organization to fill in the specific strategy to leverage Sustainability as a source of competitive advantage for our growth business and innovation platforms. To show it is not a one-time step or an easy-to-fill-in accomplishment the Eastman Sustainability report is titled "Our Sustainability journey". How we will act is to explore and pursue practical solutions and develop innovative and sustainable products.

4.1.4 Sustainability Performance

A few examples of obtained results on **Environmental** improvement; Eastman is ranked as one of two basic material companies in the top 100 Greenest Companies in America. Newsweek magazine – September 2009. *"[Eastman] has done an excellent job reporting on emissions and waste and has set concrete targets and goals to reduce air, GHG [greenhouse gas emissions] and hazardous waste emission levels."* This is achieved by reducing Green House Gas intensity in the period '98-'08 by 25 %, bringing the energy intensity down in that period

with 35 % and reduced the VOC [volatile Organic Compounds] emissions in the period '05-'08 by 34 %. Also clear measures are set for LCA [Life Cycle Assessment], after completed on prioritized product families aligned with customer priorities; all new product family launches will have LCA within next few years.

Examples on **Economic** goals; Two-thirds of revenues from new product launches are advantaged on assessed Sustainability criteria. Towards Eastman's customers, they have several collaboration programs to help them meet their Sustainability goals and supply LCA- data. Also Eastman uses Sustainability as a lens for identifying growth opportunities. Throughout the product portfolio, products are recognized as sustainably advantaged Tritan™ and cellulose from the specialty plastics segment each benefit from Sustainability trends. Solus™ are high-solid coatings additives from Eastman's CASPI segment, and are viewed as positive by customers to help lower the VOC content of their products. On part of the **Social responsibility**, the third pillar of Sustainability is a value Eastman always has been strong on to improving the communities where we live and work. On safety, having excellent records on personal & process safety and setting stringent goals for the future. On product safety with implementing REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) Eastman was in 2009 a leader in REACH efforts. Also the community outreach is actively promoted not only by charitable donations but also local voluntary work and organizing Community Advisory Panels. Starting 25 years ago with a prominent role in the Responsible Care® Global Charter it has become now also a commitment to Sustainability. (Appendix 7: Responsible Care pledge)

4.1.5 Present situation

Above performance shows good results, it must be said that some results will be have made anyhow, because they were results of necessary projects which paid-off by themselves. At some points programs are not voluntary, like REACH, but Eastman takes this very serious and wants to be seen as a positive example. Some projects like LCA have shown some good outcomes, but it is still a long way to go, a few good examples are mentioned in reports but a lot of products still have to be investigated. We use independent outside help for this in order to increase reliability and validity.

With recent acquisitions also there is looked at business with more sustainable products, but also there are some products in Eastman's portfolio not so sustainable. In most cases there are not yet better alternatives available.

4.2 Interviews; vocal variables and relations

This section captures the outcomes of all interviews. It is structured in line with the model naming all different categories, aspects and relations as described in §3.3.2 data collection.

Next to a brief summary and link to the general data of the company captured in §4.1, mainly the thoughts of the respondents are captured as well as the information which came up during the Focus group discussion.

4.2.1 Sustainability differentiation.

On **Sustainability differentiation** the remarks in the interviews were captured why Sustainability should make a difference and is worthwhile as a company to invest in.

During all interviews it was noticed that people were very knowledgeable about the subject Sustainability. They all saw it as positive, differences between the respondents were explainable looking at their function or background but also sometimes out of their personal passion more focus was given on social aspects of Sustainability.

On the present Sustainability status of the company most of them were less positive. They stated that we are still in an exploration phase what Sustainability means for our products.

Also against competition we may be at par or at front of our direct competition but behind some major companies and companies closer to the consumer market.

As also mentioned in §4.1.3 there are a lot of good examples in Eastman brochures and the Sustainability report. Some businesses however are more leading than others.

To give a flavor of the responses during the interviews;

Unanimously they feel that sustainability is here to stay and should be given (more) attention.

“Only 3 to 4 years ago our people were skeptic and thought it would go over, a wave, now we see it as long term and try to differentiate us with it.”

“You have to comply respect of the environment to have the right to operate.”

“Sustainability is an important component of the total consideration what the product is or what it makes possible.”

“Thinking in Sustainability is becoming from nice to have a must to have' especially for companies not delivering services but products. In future it will be a prerequisite for existence.

These are just a few of the remarks which show that Eastman finds Sustainability important enough to differentiate in it.

Also statements were given by more than half of them we really act upon this; *“Eastman has the people, the structure and the position in the market to be a differentiator. We have (are developing) tools to show our Sustainability data. We position Eastman as reliable, trustworthy and ethical responsible. We are looking at product safety and how we make our products. Sustainability must be brought the same as Reach where we were complimented how committed we were to take that action. Industry teams are set up to find the trend in the markets, Sustainability is one of the topics. The trend should to more dedicated investments in knowledge and technology.”*

“Sustainability is one way or another integrated, maybe not special mentioned but it is something we talk about. But we should do this more then we now do, because we have better stories to tell where even our own employees are not aware about.”

“Sustainability is pulled by some customers (Henkel, AkZo) we must be able to talk with the customer. On smaller customers showing you have to tell them what that can mean to them, sometimes they can use that as an advertisement.”

“Big companies like Henkel and P&G are ahead on other companies. Within Eastman we now have ambassadors but it has to be embedded in the total organization and pulled through supported by the top.”

Looking for differentiation means you have to look further then only the typical aspects of the product.

“To find the Sustainability advantage you have to look to the total value chain, for instance we developed a BPA free product (Tritan™) as Sustainability for a chemical replacement but you also can see this product for a new opportunity to replace it for glass because it proves to be better looked at the total value chain from making and transporting until recycling.”

A few were more skeptical and stated that; Sustainability aspects can work contra dictionary.

“Renewable doesn't have to mean you have also a low Carbon-footprint and a sustainable resin needs in its application a far less sustainable polymer, A corn based raw material needs a lot water and energy consuming steps making it ECO un-friendly again.”

4.2.2 Sustainability Satisfaction

Looking which aspects in Sustainability are important the tangible aspects were mentioned but it was clearly stated by several respondents the intangible aspects are far more reliable and durable.

Measurable aspects improving the Sustainability of the product Eastman is selling, is of less interest to the customer at least they won't pay for it. This was stated unanimous from as well as the Sales as the Purchasing respondents. When Sustainability improves their product or performance they can use as selling argument this pleases the customer. So with our knowledge or improving our products that way it gives Sustainability (and cost) advantages, satisfying the customer.

In Eastman's product portfolio several products like Tritan™ & Solus™ are mentioned with clearly the Sustainability advantages also those for the customer.

“The measurable aspects like LCA are also hard to maintain because you can influence the results but there is still not a good way of quantifying Sustainability. So in that respect the intangible aspects are even more important to give the customer the feeling you are committed to improve Sustainability and show with examples”

Although Sustainability is found very important, nevertheless the performance is found more important it should be a least stay equal. Performance is a key indicator for satisfaction found most of the respondents.

“They are not paying for it because it is green but for the performance.

Give a total solution on formulated product they are willing to pay premium.

We do not make the product you use we make the product your use better.”

“You have to translate the Sustainability in measurable properties you can talk about Sustainability that is green or better you have to convert this to an attribute that is more valuable to the customer, like Triton™ special plastic BPA free is a sustainable attribute, it gives 50ct/lb premium, not because it is a plastic with no BPA but because it is more durable (longer lifespan) also consumer pays for it because I is more convenient (dishwasher proof). Talk about Sustainability will not give a higher price, performance & capability does.”

“Another example is the cellulose plastics (CIB's) fi for sunglasses it is renewal bio-base it is very green, but they don't pay for that only for the better functionality and that the performance is better also; It looks natural, instead of cheap plastics because of it wood-source.”

“Various examples our customers have to use up to 30% less materials and obtain the same or better performance when they use our resins as additive, for instance thinner pampers, thinner Poly Propylene film with increased stiffness.”

These are only a few of the many examples are given how are products being sustainable also giving extra profit or that the extra profit is the sustainable factor for the customer.

Not only towards customers but also to our suppliers we could play the ballgame and create internal Sustainability success and improve our products making it more sustainable.

“Together with our water specialist find ways to reduce our water usage in our processes and that way improve our footprint, and save cost on water usage and create less wastewater.” (Purchasing respondent)

4.2.3 Sustainability Image

When talking about satisfaction you define more the advantages of the product, when talking about image it's more reflected on the company, the people in it.

“Not only what your products are but what your people can”

Image plays an important role with Eastman at first they want to build a new image with their branding strategy “being innovative” second as a chemical company to defend yourself it is important to show the positive efforts you make towards the environment. The responsible Care program where Eastman is involved in for more than 25 years is one example where they actively work on their image. Also showing our Sustainability efforts by participating in awards; being on place 2 for chemical companies in the greenest top 100, shows of.

Various remarks were made confirming this;

“We are having a good image because we are an organization with dedicated people, also there is diversity of people; 23 nationalities in Capelle is valued by customers. Next to that a Sustainability counsel with 5 out of the 7 VP's from the board: tone must come from the top. You can't move when the top is not convinced that Sustainability can create value.”

“Brand is the impression you leave to the customer. If they think you are with Eastman ‘I know what to expect’. We want to build an ethical behavior, the first impression is important, also how you invite your customers in the company, you must being open and professional.” (sales)

“Information about the Sustainability of products may give an entrance to customers but they must have the feeling it is carried throughout the total company before it creates long term relationships.”

For the stakeholder it is important that you are looking ahead to the long term, because this creates trust and improvement in B2B relationships with customers.

It is not only looking at the product but more to the value chain where there is an advantage.

It was also said by several respondents; it is not only the image at different times it was said it is also Walk the Talk.

“It is good to have a Sustainability image but as chemical company this is maybe far ahead: you have to prove it more with examples giving profit to the total value chain.”

An example for getting proof is showing you are serious as purchaser on your raw-materials creating a good basis for a sustainable product.

“When having more influence in buying our raw-materials (backward integration) for example for Rosin we buy our own forest and can prove we re-plant our forest (renewable) and use no child labor and use by-product for community purposes. You obtain an even better image. You can use it as a unique selling point but still you need a good business case, you can't afford to be more expansive.”
(Purchasing respondent)

Also proof may come directly from our suppliers asking them about their efforts.

“Questionnaires to suppliers for code of conduct, in relation with Sustainability we want now more proof from our suppliers.”

The image is something you have to actively work on, the same as the branding campaign “The results of insights” this was for the first year(s) primarily focused on the internal organization before spreading the word outside.

“If we have good internal branding we can differentiate ourselves it gives us mindshare People looking for solutions. Eastman want to be sustainable having a good image differentiates you.”

Improving the environmental footprint of our workplace and inspiring employees to work and behave in a sustainable way is the objective of the recently launched Green Office Project at Eastman's EMEA Headquarters in Capelle, The Netherlands. Is also a way to show to customers you are really doing something about Sustainability and create that way a good image,

“It is our vision to be recognized as a company committed to Sustainability. In order to achieve that vision, Sustainability needs to be much more than just a buzzword for employees. It needs to become part of our Eastman DNA,” says Godefroy Motte, Senior Vice President, Chief Regional and Sustainability Officer.

4.2.4 Sustainability Trust.

Trust is also related with Image as already given earlier examples when you can proof your image this creates trust.

With a Life Cycle Assessment (LCA) you can proof your product is more or less sustainable than comparable products. With REACH what deals with the **R**egistration, **E**valuation, **A**uthorization and **R**estriction of **C**hemical substances you can proof their safe use.

“The key is to look at the total value chain and find the best solution on all different Sustainability aspects. We have to have our data of our products available (Cradle to Gate) and then with the knowledge of how our customer

makes their products find the best sustainable solution. Being ahead with Reach can be seen positive for Sustainability.”

“On Sustainability we are ahead on LCA Reshape Eastman to use this strength, this can help the customer to understand how he can value his products on Sustainability. When they see you put a lot of internal effort in Sustainability, not advertise with but show with facts what you are capable of. As service supply Sustainability data, we have now tool to make this more visible”

There was a mix of feelings how important and how far we were with LCA-data.

“We can differentiate us when we more clearly profile ourselves and provide solid Sustainability data to convince the customer. When the customer is not Sustainability minded this may take longer. There has to be back-up from the whole organization.”

“An example of being trustful is that we inform customers timely and that we are open giving them information for instance about availability.”

4.2.5 Branding strategy.

The second part of the interviews the focus was on branding. The general observation during the interviews was that the new tagline is well known, used and changed the mind of the people in the organization. In that respect the introduction can be seen as a success. There was doubt how much this was known by the customer and how much this changed their selling behavior.

One of the respondents was the most knowledgeable in the organization because she stood at the roots of the implementation of as well as with the branding implementation and the re-instatement of the Sustainability strategy.

Starting the implementation of the branding strategy was a well-defined long term plan from the previous CEO in order to change the company from selling chemicals into an innovative growing company. *“Not only what your products are but what your people can.”*

The first objective of the branding was to change the company internally. “

“you don't need a brand before you can execute it. What should you pull if you don't have a marketing capability, to have a reputation before you can unlock the doors at the customers?”

It was used as an internal campaign and it was meant that the knowledge was use to spread out to the customers via the sales people.”

Remark from a sales representative;

“Effects branding hard to measure, Eastman wants to profile itself as innovative, but are customers already noticing that? Are we ready ourselves? EMN has a

culture of selling chemicals; struggle for surviving was the main goal. Now the goal is growth and looking in the future.”

“Branding is not only consistent in documentation and layout website, and components like responsibility we like to profile it is also broader “ I am Eastman” The customer knows where we stand for as a whole.”

The content of the Branding strategy is already explained in §4.1.2. but response coming during the interviews confirmed the message was understood and well perceived.

“Branding Tagline ‘bringing solutions as result of insight’. Looking into things as message to the customer. Not selling tons of product but helping with unmet need. Is big advantage against competitor. We are not ready yet for branding Sustainability we are still working on the Data.”

We started 5 to 6 years ago with branding now 2 years ago started with Sustainability. Although before that we already acted on Sustainability. Aspects of the branding strategy are also applicable for Sustainability, insight full, collaborative, practical; Sustainability is the engine to apply the attributes on. At first the CEO said customers will not pay for Sustainability does not care for it, this was 4 years ago 2 years later they started the Sustainability group. Then they thought customers do mind and will pay for it.

4.2.6 Branding Loyalty

The same as the aspects of Sustainability also branding has characteristics which are valuable for the customer and as a company you can profile yourself with. In the interviews was made clear by the respondents that in B2B a good relationship is very important. In the next chapters the outcome of the interviews on those four brand response characteristics are captured,

Being loyal for a customer is that he can rely on us, one thing is that they know we can supply, now and in the future. The aspects of shortage of raw materials was addressed by most of the respondents,

“With a shortage of raw materials, when you can offer renewable products, you create an image of long term thinking, which is favorable.”

“Next to a good footprint Long time availability Is important. Products from nature are dependent of labor and crop season are renewable but variable in availability & price. By-Products of (refinery-)cracker are as supply availability not reliable.”

“Not starting on request of customer but also investing on finding alternative raw - materials for yourself. So you can show the deed and not only talk the talk. Important to discuss with customers what their need is for raw materials and how

sustainable and renewable they are to secure the long term future. In times of scarcity the willingness is greater to share information with us. Sometimes you must take the lead to do your own research, on their grounds, to be taken serious.”

To guarantee material does not count only for the products but also for the people, customers wants to rely on the knowledge in the organization.

“Because we profile us as Eastman it is no problem when there is a shift in sales people. They know the successor has also the same principles knowledge and ethics. Consistency is a value.”

“Customer sees us as reliable and appreciate our technical expertise, responsible they want to see us more innovative bringing more solutions and insights not just doing more they already buy.”

“We do have technology resources helping the customer also with supplies we are there for them. Not only selling product but also built relation. It will give loyalty if you give them value between you to after that it is up to you to deliver.”

Customer loyalty is also something you could measure which is done often in consumer markets. There is at this moment within Eastman no measure in place.

“We have never done loyalty checks, we have no hard figures, therefor we need a formal customer loyalty index assessment.” (as stated from the top of the organization)

4.2.7 Branding Attachment.

Even stronger than loyal is being attached, this because you create a common bond with your customer when you are having mutual needs.

For instance when you can help each other giving Sustainability data;

“When compared to customer oriented business we might be behind, but talking with those customers they are glad to see how we are positioning within Sustainability having a lot LCA data available. It is a Long term advantage when having LCA data, being a leader providing those data.”

“You have to have a value chain solution “

“Customer was positively surprised how low the base line footprint of our product was, and appreciated our efforts. We enable our customers and end users to meet their Sustainability goal.”

Also the size of the company can affect a good attachment, You have to big enough to be taken serious and mean something, but small enough to act quickly and be flexible.

“We are smaller and have the advantage that we are small and act quick we don't have to go through a large organization to get the right people around the table. Customer says it is easier to collaborate and we profile us that way.”

4.2.8 Branding Community.

Care for the community is very important for Eastman and is also seen as positive by customers. Eastman's headquarters also plays an important role in this attitude, being the major employer in the township makes it one big family. The care for the community was often mentioned during the interviews also because Responsible Care which is strongly related is already for 25 years a common good, which is practiced very seriously.



*Recently “Our commitment to sustainability”
Became part of the logo.

RESPONSIBLE CARE[®]
OUR COMMITMENT TO SUSTAINABILITY

“Sustainability is attached to the core values of the firm, Responsible care, Community People & organization. It is the 3rd layer next to Innovation (Value) and Use (Performance) For instance during the recession hardly any lay-offs only pay-cuts, this showed customers you believe in the future and you are keeping your workforce, also commitment to the community because you are not laying off people. Customers see this as positive because you have a long term vision and faith for the future.”

“We have to look not only globally as a company but also look at our neighborhood and reflect ourselves in the mirror if we are on the good track. Also socially in our neighborhood we have to create a sustainable image we can use to reflect to our customer to show our strong beliefs.”

“We have an obligation to the society in order to gain a good image. We emphasize this to customers and this strengthens the relationship. In our site presentation a major part is about responsible care, community awareness and employee commitment, it may be difficult to really outperform in these subjects but good social responsibility is seen as important by customers.”

Not only the care for our own community is looked at but also during the interviews with purchasing it was discussed how we choose our suppliers. Eastman has for his suppliers a code of conduct spreading an awareness of its values and principles and recently introduced a supplier Sustainability questionnaire specific asking for the Sustainability efforts of the supplier.

” Part of the questionnaire also should reveal the suppliers place in the community. For instance chemical company in India was helping a local hospital and improving the garbage collection of the township.”

Although there is already a fast development in the Asian region, there are still a lot of differences.

“There is a difference in definition for child labor, western values are not always applicable in some regions youngsters are responsible for feeding their families. In china there are big differences between the provinces.”

When we can show we selectively choose our suppliers and also take interest in good sustainability upstream of the value chain this can work positive towards our customers.

4.2.9 Branding Engagement

The last aspect of branding response may create the most strong relation to the customer, it is when you see that together you can make solutions work.

This aspect is seen by most respondents as relevant but besides some examples this was more something they saw happen in the future.

“We have a branding initiative but what is branding? Do we know internally where we stand for, this is important before we can go to the customer, We like to be seen as innovative this also is needed when you want to look at the total value chain and find solutions together with your customer. Branding is not only to be used between a sales man and a buyer, but the cooperation has to go further we have to know their Sustainability needs and we have to understand their products and modify them together with our raw-materials to create a total benefit also on Sustainability”.

Not only sales / purchasing people are talking together but also Sustainability experts from both companies can discuss their needs.

“Speaking partners at customers are for sales other people, this gives the possibility to broaden the cooperation. It used to be Purchasing/sales sometimes technicians and now also Sustainability ambassadors. Together you look to product development more in-depth and long term also for availability raw materials. This is also a mind change for customers. Also customers have the problems of our raw materials, they must be willing to cooperate and develop new possibilities. Customers has to be more opener and vulnerable.”

“It makes it more personal on individual basis it was about you not about the products, not here are the products what do you want, but have a discussion to solve the problems of the customer.”

4.2.10 Competitive advantage

As summarized out of the interviews, and also stated in above explanations; Competitive advantage can be achieved when we are seen as sustainable company and together with customers develop new products and become reliable partners. Here also the general view of the respondents was more a wish than a fact and clearly we were not ready for it yet..

“We have to be ready with our LCA databases that we can show we are proactive and can promote that our products are more sustainable or contribute to more sustainable products for our customers. For instance with our Triton product we promoted this at Wal-Mart as BPA -free. Still the consumer must give the pull through to give it a positive value. Showing that you are proactive may give you the competitive advantage.”

“When you are moving ahead it can be a positive differentiator when not doing it, it can be within a few years a negative differentiator.”

On the other hand speaking mostly positively about Sustainability and we do with it, when talking about competitive advantage, they don't see the profits yet. Also the idea that we are not walking ahead, more that we want to be a fast follower.

“Letting customer know you are active in Sustainability may give you a place for negotiation, and if they need Sustainability data from your product they might allow you a certain market-share, but they won't pay more.”

“Companies thinking in Sustainability already have an advantage, forcing them to think long term also in daily decision making and not only looking at current profitability. There are indices that a company the more sustainable the more profitable. Or is it the chicken and the egg? “

4.2.11 Partnership solutions

Already a lot of times, almost with all people, it was made clear that improving Sustainability was not something you can do alone. You need Partners!

“To represent the company reputation is important. On Sustainability the same you have to prove first that you are serious about it, having sustainable products. As chemical company you are seen more as part of the problem you have to show you are part of the solution.”

“Start discuss with customers about unmet needs and this brings you to new products by innovation. Start to use Sustainability as a marketing message up to using it as innovation. There you need partnerships by branding your strategy,”

“We are starting to think with the customers together to create (Sustainability) solutions. We have to show the customer it also brings for both economic advantages. We now can use it to explore new markets, together with the

customers because it is not as in the past offer products our customers can use but more together with the customer develop products they need.”

By more than half of the respondents it was seen that there is a need to develop together with your customer a new solution. To really make a change you have to do more than alone change your own product. You have to bring both your knowledge to create new ideas.

4.2.12 Business to business

Because the research question specific was focused on Business to Business during the interviews also tried to find out how the difference was observed towards other businesses.

One aspect several times mentioned was the different view the consumer have about Sustainability compared to industrial users.

“Consumer are more going after they feelings for helping the environment, if they by a product with an ECO-sticker they buying of their guild. Sometimes guided by an environmental protest group.”

“Consumer more instinctive feelings, B2B more rational on basis of LCA Data, energy usage, labor conditions.”

Also a vision was that with more knowledge about Sustainability this was already changing.

“You have to do something with the perception of the customer, this perception is also changing, from more green environmentalist to more realistic looking to the future.”

Also a clear difference was noticed on the place of the value-chain; the closer to the raw materials the lesser the awareness. The industry closest to the consumer also was further with implementation of Sustainability This was seen by both of the purchasers. BY most of the Sales people it was clearly stated that they see a difference if your products are closer to the consumer.

“With SPIBO they produce products for 80 % in the end-product for resins it sometimes less than 1 %. The closer the product is to the end-customer the more visible you can make your Sustainability value.”

“For producers closer to the consumers it is more visible and they are ahead. B2B is still searching how they should approach.”

“Suppliers are even further away in the value chain and having noticeable less (or even none) sustainable awareness.”

4.2.13 Going from Sustainability Differentiation to Branding Strategy

Going actively for Branding is a step not yet taken. It was stated that they first want to build solid knowledge of our own products and in the meantime create a

good Sustainability image by global advertisement with the Sustainability report, Eastman Home page and several price-winning awards.

“It is not yet on our agenda and we are not putting it on before we have ourselves enough data. It is easier when you can prove you are more sustainable than competition.”

We don't have a feeling we are behind and it was also stated from top-management that we only want to be a fast-follower.

“Customers are not directly asking for Sustainability products but there is a growing interest, some are working towards a greater percentage of sustainable products.”

“Salespeople think we are ahead but show me we are not ahead we still are behind, member of the exec team wanted to be a fast follower.”

Sometimes branding is something you don't have to do yourself but is done for you, here a story from one of the respondents;

“Another example is that we were asked to anticipate in new developed cradle to cradle product because we were mentioned by our customer (the supplier of the new product developer) that we were a company with a good Sustainability mindset.”

4.2.14 Employing Branding Strategy to come to Competitive Advantage

It may be clear that when the previous step is not deliberately set the next step also can't be set. However for branding in general can be said that the internal campaign started a few years earlier, to show Eastman is an innovative company, now gradually is positioned outwards.

“Not yet much proactive however we are starting to think with the customers together to create (Sustainability) solutions. We have to show the customer it also brings for both economic advantage.”

The best is when it is also seen by the customer.

“In some cases we are mentioned as innovation partners in product development”

We have however no measures in place to show if we make progress and really make advantage with the new branding strategy.

Having the Sustainability ambassadors in place in part of the organization they also can take part of the role laying the connection and can set an example for the rest of the organization to implement the branding strategy.

Also Sustainability brings you in contact with new people and creates new openings; *“Nowadays you can talk the Sustainability ambassador of the customer and find out together where you can add value for the end customer. Starting now where together you can save on cost and later on together where you can differentiate.”*

5 Discussion & Conclusion

5.1 Discussion

5.1.1 Introduction

That brands are important also nowadays in business to business markets, is not only stated in literature where it has been seen as a way to access new markets (Khermouch et al, 2001). Also during this research I noticed how it is practiced nowadays, it has to do with a lot of different aspects. Some companies use it to improve their image as well as from their industry others to be able to hire sufficient and good people. For Eastman it is to refocus their company internally in the growth strategy and be able to access new markets. At Eastman branding is introduced from the top with a clear vision from the CEO. The way it was introduced, embedded in the organization and first changed the mindset and attitude of the personnel, before going outside, created a good basis already proven as financial results show off.

Sustainability as broad as it was found in literature also during the interviews a lot of aspects passed the review. Maybe because I was focused more during my research but I got the impression that still the attention for Sustainability is growing very rapidly. At least which was positive for my research all people were very interested and willing to cooperate. The downside was that it was more difficult to fine tune to the specific topic of my research question.

5.1.2 Discussion

Bringing all the information structured back to the research question, visualized in the model, a lot of the information came in place. It revealed that not only the found theories in literature could be recognized but also how for branding and Sustainability the aspects are comparable.

Next to that it was noticed that the specific place Eastman has in the value chain can make a positive contribution. (Appendix 8: B2B Place in the value chain)

The outcomes and relations with theory will be discussed in the next chapters answering both the sub- questions and the general research question.

Sustainability is that popular that also there is a lot of misconception and abuse of profiling themselves better than in real.

With this paper I hope I have made clear which aspects of Sustainability are important to focus on. You can work on Sustainability parameters to show you off but more important create an image of your company where customers can rely on and satisfy them in their Sustainability needs. Those needs can vary from

improved environmental aspects or renewability to safeguarding raw-material supply. At least the product should hold the same performance and preferable also simultaneously gain extra profit, for you and/or the consumer.

Branding has started recently in business to business in chemical industry to create an improved image and can give a re-focus of your company. In this Thesis I showed that Branding is more than that and can create relationships with customers.

New in this is that Sustainability can be an important part of the branding strategy because also it has a lot to do with image. The aspects of Sustainability are completely in line with the intangible aspects needed to come to partnership according to the model of Kuhn and are creating a solid basis for starting a relationship.

This Thesis brings the theory from Chen about the strong influence of the intangible aspects of Sustainability, Image Trust and Satisfaction together with the branding model of Kuhn as path for coming to partnership solutions.

What became clear during the interviews and can be added as contribution to this Thesis is that the specific place a business to business company takes in the total value-chain really makes the difference. In that place you can be independent from the raw materials and because you have been at the basis of the products you have enough knowledge to develop new ones. With a good Sustainability back-ground they are in a unique position together with the customer to create sustainable solutions and becoming partners creating competitive advantage throughout the long term relationship.

5.1.3 Limitations

The practical research was mainly done in one company, a mid-sized chemical multinational closer to the specialty chemicals than to commodity.

Non-chemical companies may not have to act from a defending strategy that they are sustainable and also when their products are more visible for the consumer markets their branding strategy will be different.

Bigger companies selling more in commodity may have a different branding approach and a different relationship with the customer. More selling to the lowest price then really develop and improve together with the customer their products.

Also companies closer to the raw-materials or backward integrated may have less flexibility to make significant changes in the value-chain.

The differences between the strategies of Sustainability were clearly noticed during the interviews and also in correspondence with the theory. This is also shown by the leading role the EMEA-organization has in a company with an US-headquarters.

5.2 Conclusion

5.2.1 What aspects are differentiating Sustainability for B2B companies?

With the broad definitions of Sustainability and the different vision of people about it, also a lot of different aspects could be measured. Your product can have a low carbon foot print, it could be renewable or your company has low Green House Gas emissions, but does this really differentiate you. A lot of measures are questionable because it is hard to measure and not always clear definitions are available next to that mostly it is difficult to compare with competitors. Also a lot of aspects could be contradictory. You also see a lot of green washing and when looking carefully it doesn't really profit the People or the Planet. And in the future are those values still acceptable or are they easily met by competition?

During the interviews it became clear that Eastman wanted really to get reliable data through Life Cycle Assessments in order to differentiate on competition from which data easily could be disputed. And in literature it was stated that such Sustainability information is not durable and difficult to build a branding strategy on. (Lynch 2004) More important is looking what the customer wants; they want to show off that they are caring and being sustainable on the other hand as long as the consumers not pay for it they can't afford to pay for it (Orsato 2009). This has not to be contradictory, you can improve on Sustainability going to renewable feed-stocks you guarantee your long term availability of your products and sustain your profitability. Or improving your products could lower your usage, and your waste; less use of raw materials and less pollution. This can't be an action by the supplier, producer or end-product maker alone the knowledge lies within the whole product chain. Being as producer in the middle of the value chain you are in a unique position to influence this. So this can be expressed as a typical differentiator for a Business to Business company. The way to handle this is looking to an opportunity via a Sustainability lens. In order to be a differentiator you must be seen as a company which is itself sustainable and can bring the solution (Funk, 2003). There for the intangible aspects of Sustainability you should differentiate on, being a company having a good **image**, products giving **satisfaction** and giving **trust** in order to rely on and be seen as loyal (Chen, 2009).

During the interviews it was made clear by various examples that satisfaction of a product is very important and also that by making it more sustainable as feedstock, as product from yourself or from the customer you positively contribute to that. In order to be a speaking partner with your customer your image is very important and Sustainability is an aspect which very much contributes to that. Because together with your customer improving on Sustainability is most of the time a long term project, trust is then an important aspect.

5.2.2 Which Branding strategies are effective in B2B companies?

Having worked on the above mentioned aspects of Sustainability does not mean you already create benefit for yourself. You have to show this off, let your customers know who you are and where you stand for. Branding is the way to give form to that. In literature a model is described where relationships are in Business to business key for success because different to the consumer market you have far more personal contact doing business (Keller, 1993).

Aspects creating a good brand response were mentioned as Loyalty, Attachment, Community and Engagement. Those aspects are not only applicable in general for branding but also in line with the earlier mentioned Sustainability aspects (Keller, 2001).

During the interviews already a lot of examples were mentioned creating with the focus on Sustainability the condition for a good relationship.

For Eastman the present recently introduced Branding strategy is already in line with this theory it is meant to show the customers we are an innovative supplier bringing solutions for them. In fact Sustainability solutions could become part of this. Also those steps are followed according that model (fig.1,§2.2.6), first build a solid foundation by an internal campaign. Then prove it through new products with outstanding performance and built a reputation proving to act on the new strategy. At the moment we promote products to be judged about and our sales people start to build relationships around the new strategy. A few examples already can be mentioned that Eastman with the customer as partners developed successfully new products. In fact the way the Branding campaign was set up and guided throughout the company looks very similar to the steps in the model of Kuhn and therefore can be said that this case is an excellent example to prove his Theory (Kuhn 2008).

5.2.3 What aspects of Sustainability can be used in the Branding strategy leading to competitive advantage in B2B companies?

Overlooking the total it can be said that companies in the middle of the value chain are in a perfect position to gain from the need of Sustainability.

Sustainability is and will be in the future a staying need, resources becoming scarce so there is a need for renewability, the environment needs protection so we will have to do things differently. Solutions may not always be obvious and need long term investigation, also are they not always within one hand it is not only changing a product but solutions has to be found in the total value chain.

This new way of thinking needs partnership solutions (World Economic Forum, 2010). On short term there are also benefits to gain, working closer together could give efficiency gains on transportation or use of less materials. But

developing new products with the mindset of Sustainability should give the biggest gains.

It is not that without Sustainability the same could have been reached, but Sustainability is the driver that brings both together and forces us to think on another innovative way. As stated recently in Eastman's corporate Town-hall; "Looking through the Sustainability Lens". The good thing is that in most of the times this is also beneficial because more sustainable mostly uses less resources and on the long time also sustaining.

Companies in the middle of the value chain are independent of resources so are free to choose also more sustainable products. They have knowledge of the process and are in that part of the production process they can make the difference.

That's where we want to be, but how to get there. As company you must have something to offer. So first you have to build your own Sustainability know-how, act accordingly and if possible have or develop sustainable products.

Then make products with good Sustainability **satisfaction** (without making the regular performance less), build a good **image** having good Sustainability examples, and create **trust** they can rely on the products and their availability by having sustainable resources or have a high renewable factor. (Chen 2009)

Then make contact with present or new customers show them what to offer. This can be done by a branding campaign and /or get in contact with their Sustainability organization. Showing what the Sustainability efforts can do maybe even to a common **community**, the **loyalty** you create showing you can be trusted. Having Sustainability data or ideas for use for the customer can create an **attachment**. And this way building a relationships and work together creates an **engagement**. (Kuhn 2008) (See fig 3. Research question model, §3.2)

The last part developing together sustainable solutions throughout the value chain (Cradle to Cradle) creates a long-term partnership.

This is in a business to business environment a solid competitive advantage not only selling products but being in the middle of the value chain someone they cannot go around and they need for developing together sustainable products.

5.3 Limitations and future research

Looking at the limitations caused by this single case study it advised for future research to broaden the research-field; also practical research can be done with other type of companies (other value-chain position, non-chemical, European) in order to observe if there are more differences.

The basis of this Thesis comes from theories about Sustainability and Branding in a B2B environment and that way found that creating partner-ship solutions is the way you could really differentiate yourself.

Because partnership is another strategic business development which is researched very often you could take another theory approach and examine how Sustainability fits in these partner-ship theories.

5.4 Managerial implications

This part is more specific for Eastman where most of the interviews were held. The new branding strategy works fine internally it created another mindset and it created new products, and new way of contacts with customers together looking for further innovations.

Sustainability is only recently put on the map, we still looking for our strengths, although we have already good examples, with product like BPA free Triton™, sustainable resources like Rosin, and recent acquisitions of non-phthalate plasticizers.

As long as customers don't pay for Sustainability is investment in more sustainable products not valuable unless it creates savings and it can be handled as a normal project.

The unique position Eastman has as Business to Business company in the value chain should be further exploited. Lifting on the current branding strategy the Sustainability path should be made one of the key issues the customer and Eastman should together focus on. Sustainability experts and technology exports of both firms together as partner should create sustainable solutions.

Concrete suggestions:

- At first further exploit the Sustainability aspects in the product portfolio in order to obtain knowledge to be able to convince (new) customers Eastman's care for sustainability and ability creating innovative solutions.
- Expand Branding from innovative solutions towards innovative Sustainability solutions. Throughout the company the sustainability lens should be used to look at new possibilities.
- Obtain knowledge of Sustainability needs in market segments, we have to know where to focus and where we can improve sustainability in the value chain and in the same time make improvements in the value chain to make these solutions profitable.
- Contact customers and create product development teams together with Sustainability and technology experts. The contact has to be made broader in order to not only sell products but exchange knowledge.
- When above is successful and with customers new sustainable products are developed it should be considered creating partnerships in order to make teams to develop future generation products and endure the relationship to ensure the competitive advantage.

I am convinced that Sustainability not only has positive effects to the Environment, improves the responsible care of the people but also especially on long term is far more profitable for the producer as the customer who together create those Sustainability Solutions.

References

Aaker, D.A. (1991), "Managing Brand Equity: Capitalizing on the value of a Brand Name", New York: The Free Press.

Aaker, D.A. (2004), "Leveraging the Corporate Brand", in: California Management Review, Vol. 46, Iss. 3, pp. 6-18.

Anderson and Narus (2004), "Understanding and Delivering Value", in: Business Market Management:, pp. 136.

Bartels, R. and Hoffmann, A. (2001), "E-Branding in the Chemical Industry", in: Chemical Market Reporter, Vol. 259, pp. 18.

Beloff, B. and Tanzil, D. (2004), "Sustainable development performance assessment", in: Environmental progress, Vol. 23, 4, pp. 271-276.

Bhat, V.N. (1999), "Does environmental compliance pay?", in: Environmentalists, Vol. 19, Iss. 4, pp. 337-342.

Brockhoff et al. (1999), "Corporate strategies in environmental management in Chemical industry", in : Research Technology Management.

Bryman, A. and Bell, E. (2007), "Business research methods", oxford university press.

Chen, Y.S. (2009), "The drivers of Green Brand Equity, Green Brand Image, Green Satisfaction and Green Trust", in: Journal of Business Ethics, Vol. 93, pp. 307-319.

Cooper, D. and Schindler, P. (2003), "Business Research Methods", Singapore: McGraw-Hill.

Dunn and Davis (2004), "Creating the brand driven business: It's the CEO who must lead the way", in: Handbook of business strategy , vol. 5, no. 1, pp. 241-245.

Eastman Chemical Company (2010), "Our Sustainability journey, Progress through 2009", in: www.Eastman.com, (accessed Aug. 2011).

Eastman Chemical Company (2011), "Eastman Chemical: Core Focus Delivers Value", in: Chemical Week, August 22, edition 2011.

Funk, K. (2003), "Sustainability and performance", in: MIT Sloan management review, winter 2003, pp. 65-70.

Gray, W.B. and Shadbegian, R.J. (1995), "Pollution abatement cost regulation and plant-level productivity", in: National Bureau of Economic Research, workingpaper#4994

Henkel AG & Co. KGaA (2010), "A global team - winning together, Sustainability Report 2009", in: Henkel.com/publications, PR: 02 10 9.000.

Hoeffler, S. and Keller, K.L. (2002), "Building Brand Equity Through Corporate Societal Marketing", in: *Journal of Public Policy & Marketing*, Spring 2002, Vol. 21, pp. 78-89.

Karna, J. Hansen, E. Juslin, H. (2003), "Social responsibility in environmental marketing planning", in: *European Journal of Marketing*, Vol. 37, Iss. 5/6, pp. 848-871.

Keller, K.L. (1993), "Conceptualizing, measuring and managing customer-based brand equity", in: *Journal of Marketing*, Vol. 57 No. 1, pp. 1-22.

Keller, K.L. (2003), "Brand Synthesis: The Multidimensionality of Brand Knowledge", in: *Journal of Consumer Research*, Vol. 29 pp. 595—600.

Keller, K.L. (2001), "Building customer-based brand equity", in: *Marketing Management*, Vol. 10, No. 2, pp. 14-19.

Kermouch et al (2001), "The best global brands", in: *Business Week*, Aug. 6, 2001.

Knapp (2000), "The brand mindset", New York; Mc.-Graw-Hill, pp. 7.

Kotler, P. and Pfoertsch, W. (2007), "Being known or being one of many: the need for brand management for business-to-business (B2B) companies", in: *Journal of Business & Industrial Marketing*, Vol. 22, Iss. 6, pp. 357 – 362.

Kuhn,L. e.a. (2008), "An application of Keller's brand equity model in a B2B context", in: *Qualitative market research*, Vol. 11 Iss. 1, pp. 40.

Lichtenstein, et al (2000), *Perceptions of Corporate Giving on Customer Corporation Identification*, College of Business Administration, Boulder: University of Colorado.

Lynch, J. (2004), *The power of emotion: Brand communication in business-to-business markets*, *The journal of brand management*, Vol. 1, Iss. 5, pp. 403

Meyer, Harvey (1999), "When the Cause Is Just", in: *Journal of Business Strategy*, Iss. 20 (November/December), pp. 27-31.

Michel, P., King, J., Reast, J. (2001), "Brand Values Related to Industrial Products", in: *Industrial Marketing Management*, Vol. 30, pp. 415-425.

Morrison, D. (2001), "B2B Branding Avoiding the pitfalls", in: *Marketing management*, pp. 30.

Mudambi, S. Doyle, P. Wong, V. (1997), "An exploration of Branding in Industrial Markets", in: *Industrial Marketing Management*, Vol. 26, pp. 433-446.

Orsato, R.J. (2006), "Competitive environmental strategies: When does it pay to be green?", in: *California Management Review*, Vol. 48, Iss. 2, pp. 127-143.

Orsato, R.J. (2009), "Sustainability strategies: When does it pay to be green?", Insead, Business Press.

- Palazzi, M. and Stracher, G. (2000), "Corporate social responsibility and business success", in: www.ebbf.org, accessed Oct. 2001
- Pandey 2007 (2007), "Is Branding relevant to B2B", Brandchannel.com, accessed may 2011.
- Peatti, K. (1995), "Environmental Marketing Management, meeting the green challenge", London: Pitman Publishing.
- Porter, M.E. (1985), "Competitive advantage: Creating and Sustaining superior Performance", London: Free Press, 1985, pp. 120.
- Porter, M.E. (1974), "Consumer Behavior, Retailer Power and Market Performance in Consumer Goods Industries", Vol. 56 Iss. 4 pp. 419-436.
- Porter, M.E. (1997), "Competitive Strategy Techniques for analyzing industries and competitors", The Free Press, Vol. 1 Iss. 2, pp. 12-17.
- Porter, M.E. and Kramer, M.R. (2006), "Strategy & Society, The Link Between Competitive Advantage and Corporate Social Responsibility", in: Harvard Business Review, Dec. 2006, pp. 1-17.
- Porter, M.E., van der Linde, C. (1995), "Green and Competitive: Ending the Stalemate", in: Harvard Business Review, Vol. 73 Iss. 5, pp. 120-134.
- Reinhardt, F. (1999), "Bringing the Environment Down to Earth", Harvard Business Review, Vol. 77 Iss. 4, pp. 149-158.
- Steger, U (1995), "The greening of the board room", in: Harvard Business Review, Nov/Dec 1995, pp. 200.
- Walley, N. and Whitehead, B. (1994), "It's not easy being green", in: Harvard Business Review, pp. 46-52.
- Webster, F.E. (2004), "A roadmap for branding in industrial markets", in: The journal of brand management, Vol. 11, Iss. 5, pp. 388.
- Wester, F. et al (2000), "Praktijkgericht kwalitatief onderzoek", Coutinho,
- Wise, R. Zednickova, J (2009), "The rise and rise of the B2B brand", in; The Journal of business strategy, Vol. 30, Iss. 1, pp. 4.
- World Economic Forum (2010), "Redesigning Business Value: A Roadmap for Sustainable Consumption", Deloitte Touche, Tohmatsu, January 2010
- Yin, R.K. (2003), "Case study research Design and Methods", Applied Social Research Methods Series, Vol. 5.

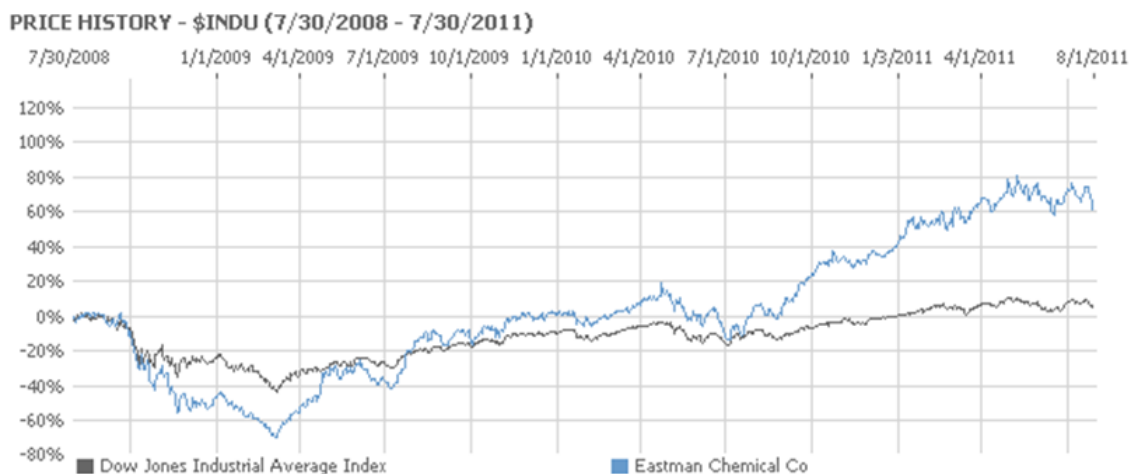
Appendix

	Page
Appendix 1: Stock exchange ratings Eastman	.....65
Appendix 2: Interview list	.....66
Appendix 3: Face-sheet interviews	.....67
Appendix 3.1: Face-sheet interviews (Face sheet)	.....67
Appendix 3.2: Face-sheet interviews (introduction)	.....68
Appendix 3.3: Face-sheet interviews (Questions)	.....69
Appendix 3.4: Face-sheet interviews (Discussion)	.....70
Appendix 4: Interviews	.....71
Appendix 4.1: Interview example (Respondent)	.....71
Appendix 4.2: Interview example (Focus group )	.....72
Appendix 5: Eastman’s Branding Campaign	.....73
Appendix 6: Sustainability fitting in Eastman’s growth strategy	.....74
Appendix 7: Responsible Care pledge	.....75
Appendix 8: B2B Place in the value chain	.....76

Appendix 1: Stock exchange ratings Eastman

Stock exchange 7/30/2008 – 7/30/2011

Eastman against DOW Jones industrial average,
Showing good results after 2009 recession.



Eastman Chemical : Core Focus Delivers Value

“Several quarters of strong earnings growth have made Eastman Chemical one of industry’s strongest stock performers coming out of the recession, Strong demand, stable margins across all businesses, cash for investment, and a stocked pipeline are changing the face of Eastman —and its prospects for growth.” (Eastman, 2011)

Cover story: Chemical Week August 22 edition 2011.



Appendix 2: Interview list

Respondents

Function	nationality	department
	region	business

Sr. Vice President	Fr.	Sustainability
Chief Reg. and Sus. Ofc.	Global	Board
Regional Industry Manager	NL	Sales
	EMEA	HCR
Regional Industry Manager	NL	Sales
Adhesives	EMEA	Ros./Res.
Global Industry Director	NL	Marketing
	Global	Adhesives
Global Market Leader	Ger.	Marketing
	Global	Packaging
Sr. Account Executive	NL	Sales
Strategic Sales	EMEA	CASPI
Indirect Procurement Mgr.	NL	Procurement
Indirect	EMEA	Ros/Res
Procurement manager	NL	Procurement
Direct	EMEA	Ros/Res
Technology Director	UK	Technology
sins	Global	Resins
Sr. Account Executive	US	Sales
Strategic Sales	US	Retail
Sup. Product management	NL	Supply Chain
	EMEA	Resins

Focus Group

Function	nationality	department
	region	business

Director Sustainability	US	Sustainability
	Global	All div.
Adv. Sustainability Rep.	UK	sustainability
	EMEA	CASPI
Principle Sustainability Rep.	It.	sustainability
	EMEA	CASPI

Appendix 3: Face-sheet interviews

Appendix 3.1: Face-sheet interviews (Face sheet).

Thesis Strategic Management PTO

Face sheet interview



Can Sustainability create Value?

Place: <input type="text"/>	Date: <input type="text"/>
Name: <input type="text"/>	Age: <input type="text"/>
Nationality: <input type="text"/>	Gender: <input type="text" value="M / F"/>
Company: <input type="text"/>	years: <input type="text"/>
Function: <input type="text"/>	years: <input type="text"/>
Functional involved in ;	Branding: <input type="text" value="Y / N"/>
	Sustainability: <input type="text" value="Y / N"/>

Appendix 3.2: Face-sheet interviews (introduction).

Introduction:

At this moment I am following a 2 years Executive Master (MSc) on Business Administration at the Erasmus University in Rotterdam. My Major is Strategic Management, and to finish my Master I have to write a research paper.

Because I am personally very interested in Sustainability and Eastman is very active on this topic I decided to use this as basis for my research.

My basis thought was **"Can Sustainability create value?"**

What I missed and now researching is the way we promote this to our customers.

My thinking is that when we differentiate us from our competitors we can create a competitive advantage and create more business so more profit.

First I examined in scientific theories of sustainability what aspect will the customer see as advantage they will pay for or give Eastman the premium to be their first supplier.

Second I investigated the theories how in B2B you can bring this message to the customer, Branding is a profound method.

Combining these theories should give the way to exploit these advantages.

My research question is formulated as follow: **"What aspects of Sustainability can be used in the branding strategy leading to competitive advantage in B2B companies"**

Eventually what I hope to get as a result from this project.

- a. Insight how in a B2B company in theory the best practices are to exploit branding,
- b. Insight in theory how sustainability can be a competitive advantage.
- c. Through interviews have insight what is the current practice and strategy of Eastman in Branding Sustainability.
- d. At the end this paper can be used to develop a new strategy how Sustainability Branding can give Eastman competitive advantage and improve profit.

The best way in a explorative research in a case study to obtain data is to have semistructured interviews that's why I have chosen you to interview and help me to complete my Thesis. I prepared some questions as a guideline but moreover I hope we have an interesting discussion and be free to tell me as much as possible.

In order to work out this interview I like to audio tape this conversation, do you mind I use this tape recorder?

Appendix 3.3: Face-sheet interviews (Questions).

Questions:**S1 What do you think of Sustainability?**

S1-a Do you see Sustainability as an advantage or as a disadvantage?

S1-b How do you see an advantage appear, (or a disadvantage appear)?

S1-c Under what conditions can an advantage develop?

S2 Do you see difference in Sustainability approach of B2B versus B2C . companies & explain**S3 How is Sustainability integrated within the organization of the company?**

S3-a Does the company takes an active or defending strategy? And explain!

S3-b Is the strategy pushed from out the company or pulled as demand from the customer?

S3-c Do you see it as advantage to have a good Sustainability strategy? And if so **how?****S4 Which aspect of Sustainability do you find important to develop?**

S4-a Can you mention examples of this aspect?

S4-b Can you also mention relational aspects contributing to this?

S4-c Can Sustainability improve the satisfaction for your products?

S4-d Can Sustainability also bring improvements on trust or boost up the company's image?

B1 Is there an active branding strategy within the company?

B1-a Is branding internally or externally oriented.

B1-b Who wants Eastman (your company) to be reached by branding?

B1-c How does Eastman (your company) want to profile themselves?

B2 Do you see difference in branding in B2B versus B2C? And explain!**B3 Is Sustainability part of the branding strategy' and how does this develop?**

B3-a Which aspects do you see creating a positive response when branding Sustainability?

B3-b What should (EMN) do to make the customer aware of the Sustainability aspects of their products and the attached advantages?

B3-c Does branding creates a stronger bond with the customer

B3-d Are loyalty, attachment, community and engagement part of this strategy? Can you mention examples?

B4 How does branding enhance the company's competitive advantage, what is your personal opinion in this.

Appendix 3.4: Face-sheet interviews (Discussion).

Focus group discussion:

- S1
Q-S1→P-S1 What do you think of Sustainability?
There is a good understanding of Sustainability within Eastman, but they think we are not in front of competition.
- S2
Q-S2→P-S2 Do you see difference in Sustainability approach of B2B versus B2C companies?
Our customers (as well as consumers) are not yet demanding Sustainable product at least they are not willing to pay for it as long as it does not have additional values.
- S3
Q-S3→P-S3 How is Sustainability integrated within the organization of the company?
Sustainability projects normally have long term vision and therefore not approved because of short term company focus.
- S4
Q-S4→P-S4 Which aspect of Sustainability do you find important to develop?
Tangible aspects like LCA do not create long term value but could bring openings towards the customer.
- B1
Q-B1→P-B1 Is there an active branding strategy within the company?
Also due to branding Customers sees Eastman as reliable and loyal, and we want to invoke to be innovative.
- B2
Q-B2→P-B2 Do you see difference in branding in B2B versus B2C?
In B2B we are in a unique position of the value chain to create products with improved Sustainability aspects
- B3
Q-B3→P-B3, Is Sustainability part of the branding strategy' and how does this develop?
We should not have to focus on our own products to be sustainable but on the total production chain.
- B4
Q-B4→P-B4 How does branding enhance the company's competitive advantage,
Competitive advantage can be achieved when we are seen as sustainable company and together with customers develop new products and become reliable partners.

Appendix 4: Interviews.

Appendix 4.1: Interview example (Respondent).

S1 **What do you think of sustainability**

A good vehicle for behaving responsibility careful for resources, environment. Focus if our products are good for instance use they less energy, also to become cheaper. Good for community and company, It has to be discovered if they are also giving commercial advantage. Carbon foot print, water usage and energy usage little bit better than competitors but don't really make a difference. A real difference drives innovation to a goal. Technology is in beginning of that loop. In resins at the learning curve just finished with LCA's and now trying to understand where we are. In CASPI a lot of product similar, understand if there are differences on other parts of the value chain. Look at total solution of adhesives look downstream at the value, Not yet understanding of the role of the products downstream in the system. Water based towards hot-melt does that change improvement of sustainability. SPIBO BPA free toxicity-free also sustainability?

S2 **Do you see difference in Sustainability approach of B2B versus B2C companies.**

SPIBO closer to the market place, you more you can understand it and can influence it or have to influence it because your sales depend on it. We are chain away, endues customers are dealing with conception. We deliver to the glue manufacturer, they to the diaper-producer and they to the customer not strong that far from the value chain, we try to be at the same ballpark as our competitors so they can say Eastman is as sustainable as (XXX). The sustainability must be corporate, customers by from the resin group but we sell with the might of Eastman behind us. Eastman has to have a corporate view.

S3 **How is Sustainability integrated within the organization of the company**

Early stage of integration SPIBO further because they are nearer to the customer market. \Corporate EMN ask for new products with sustainability impact driven top down. Our customer (resins) don't ask for it yet , it's nice but they are not paying for it yet. Some are interested some not even crossed their minds. (XXXX) top down from (XXXX) , they also looking at the system also try to understand it. Polymer suppliers some on board more also top down top management to know.

S4 **Which aspect of Sustainability do you find important to materialize**

Still its good to have it as a undercurrent, we have to know where we stand whether customers willing to pay for it is the question. Likes the umbrella of sustainability, energy saving makes it as efficient as possible with as less possible resources: low carbon foot print. Initiatives are welcome. Do see improvements for relations ships. When you find real new sustainable market, fi from new resources but also because resources are scarce and sustainable as keeping supplying it. Supply for growth in market Asia (XXX) wants to sell diapers in China, 1 Energy (Carbon Feed Print) & 2 Supply, 3 Renewable

Appendix 4.2: Interview example (Focus group).

2 Satisfaction	
Respon- dent 1	Value is driven by customer, fi green gasoline 3 ct more not successful, fuel with higher mileage worked better. You have to demonstrate the value,
Focus- group 1	You have to translate the sustainability in measurable properties you can talk about sustainability that is green or better you have to convert this to an attribute that is more valuable to the customer, like Triton™ special plastic BPA free is a sustainable attribute, it gives 50ct/lb premium, not because it is a plastic with no BPA but because it is more durable (longer lifespan) also consumer pays for it because I is more convenient (dishwasher proof). Talk about sustainability will not give a higher price, performance & capability does. Sustainability will be required not a strong point. They not paying it because its green but for the performance. Another example is the cellulosics plastics (CIB's) fi for sunglasses that the performance is better but also it is renewal bio-base it is very green but they don't pay for that only for the better functionality . It looks natural; instead of cheap plastics because of it wood-source sustainable sells for 3 times. 3: We don't make the product you use we make the product your use better. Give a total solution on formulated product they are willing to pay premium.
2	
3	When you talk to a purchaser they say they won't pay for green. They only pay for innovation so products should bring more, Sustainability should be part of this innovation.

7 Attachement	
Focus- group 1	You have to have a value chain solution has horizon pyramid existing business collect current foot print and creates marketing message that we have a sustainable solution. From that knowledge in the higher part of the business is to create new business from existing or application developed
2	When compared to customer oriented business we might be behind, but talking with those customers they are glad to see how we are positioning within sustainability having a lot LCA data available. Long term advantage when having LCA data being a leader 2; We are smaller and have the advantage that we are small and act quick we don't have to go through a large organization to get the right people around the table. Customer says it is easier to collaborate and we profile us that way
3	Purchaser and others should also know, it has to be embedded in the organization, sustainability should use the same way as innovation. Supplier is looking for solutions it is name we want to give also for innovation. The branding should help in this

Appendix 5: Eastman’s Branding Campaign.

OUR DIFFERENCE

Innovative approaches that lead to practical solutions

insightful / beyond facts
creative / divergent thinking
collaborative / come to contribute
adaptive / clarity over certainty

responsibility / can do
expertise / applied know-how

OUR BELIEFS

The Eastman Difference can only be realized through action, through meeting our commitments and getting things done. So we look to the Eastman brand beliefs to guide our actions and to make it all happen.

INNOVATIVE APPROACHES

Insightful / beyond facts
We ask "why," connecting the dots to identify emerging patterns.

Creative / divergent thinking
We ask "what if" and refuse to settle for obvious solutions.

Collaborative / come to contribute
Working together, both internally and externally, we achieve more.

Adaptive / clarity over certainty
We manage risks and move forward by developing plans with options.

PRACTICAL SOLUTIONS

Responsibility / can do
We are driven to do things right. We meet our commitments.

Expertise / applied know-how
With our technical, operational and commercial expertise we deliver results that enable our customers to achieve more.

OUR TAGLINE

The results of insight™

Simple and straightforward. This is how we define innovation and how we turn it into something real.

By emphasizing the word "insight" and pairing it with "results" our tagline promises a focus on the needs of our customers and a strong understanding of their unique challenges. This focus leads to practical solutions that have a positive impact on their business.

For us, an insight is something we perceive, a deeper understanding of how something ultimately works, and the ability to connect the dots to make it work better in real life. It is how we turn information into business opportunities.

At Eastman, innovation begins with insight, and ends with results.

The Eastman Difference

The Eastman Difference is made up of various elements that work together and create a powerful way to deliver our promise.

The core of the brand is "Our Promise to Customers." This is our commitment to develop innovative approaches that lead to practical solutions for customers.

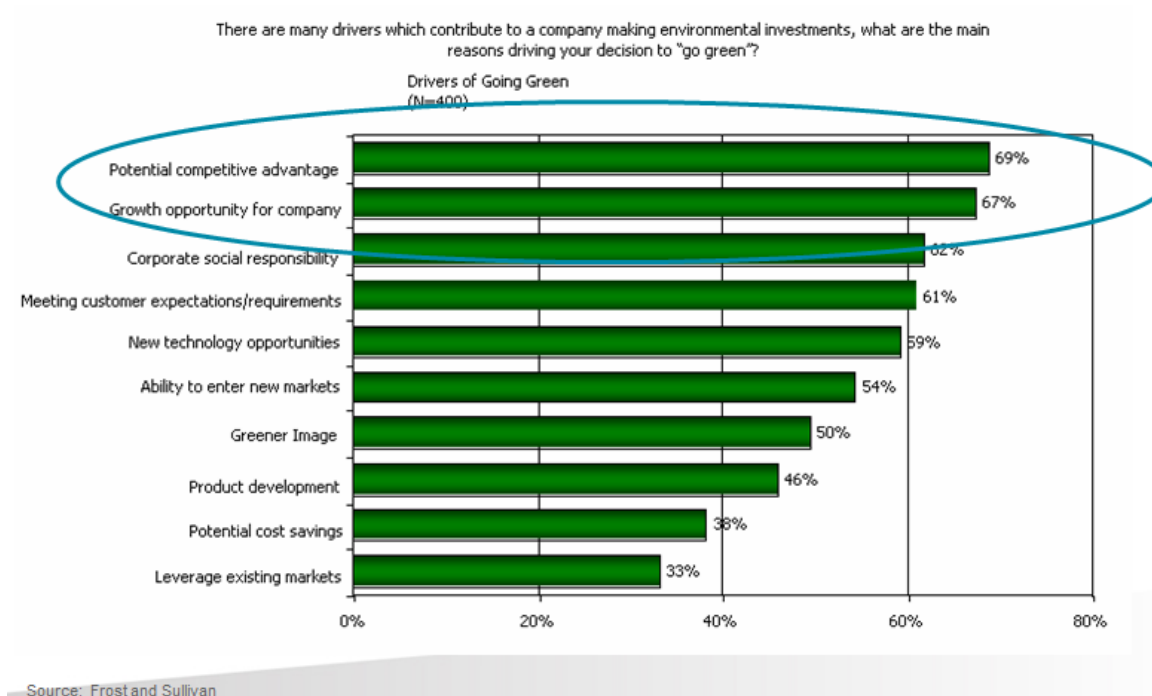
We can only deliver on the promise when all of us at Eastman allow our beliefs to guide our actions.

The outer band of the circle represents what our customers see and hear about Eastman. Actions speak louder than words, and when combined with a consistent visual style and tagline, become The Eastman Difference.



Appendix 6: Sustainability fitting in Eastman's growth strategy.

Sustainability seen as competitive advantage and growth opportunity



In a blind study survey, customers shared that a company that could combine innovation with real-world solutions would stand out from the competition and be someone they would do business with.

Appendix 7: Responsible Care pledge.

Responsible care



OUR PLEDGE TO PROTECT PEOPLE AND THE ENVIRONMENT

Our industry is essential to the products and services that help make our lives safer, healthier and better. Through the Responsible Care® initiative and the Responsible Care® Global Charter our industry has made a worldwide commitment to improve our environmental, health, safety and security performance. Accordingly, we believe and subscribe to the following principles:

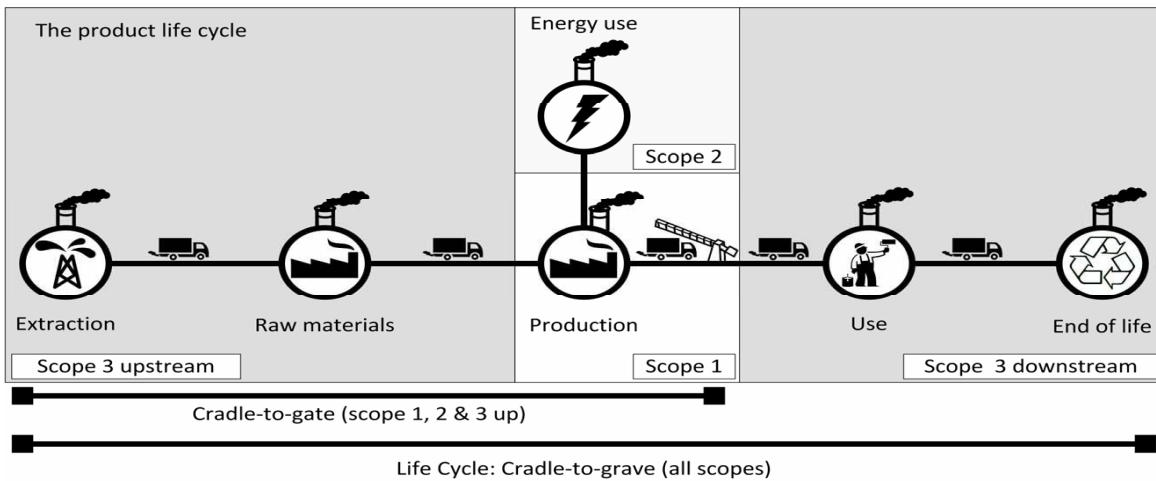
- To lead our companies in ethical ways that increasingly benefit society, the economy and the environment.
- To design and develop products that can be manufactured, transported, used and disposed of or recycled safely.
- To work with customers, carriers, suppliers, distributors and contractors to foster the safe and secure use, transport and disposal of chemicals and provide hazard and risk information that can be accessed and applied in their operations and products.
- To design and operate our facilities in a safe, secure and environmentally sound manner.
- To instill a culture throughout all levels of our organizations to continually identify, reduce and manage process safety risks.
- To promote pollution prevention, minimization of waste and conservation of energy and other critical resources at every stage of the life cycle of our products.
- To cooperate with governments at all levels and organizations in the development of effective and efficient safety, health, environmental and security laws, regulations and standards.
- To support education and research on the health, safety, environmental effects and security of our products and processes.
- To communicate product, service and process risks to our stakeholders and listen to and consider their perspectives.
- To make continual progress toward our goal of no accidents, injuries or harm to human health and the environment from our products and operations and openly report our health, safety, environmental and security performance.
- To seek continual improvement in our integrated Responsible Care Management System® to address environmental, health, safety and security performance.
- To promote Responsible Care® by encouraging and assisting others to adhere to these Guiding Principles.

James P. Rogers
Chairman and Chief Executive Officer
Eastman Chemical Company

RESPONSIBLE CARE® IS A REGISTERED SERVICE MARK OF THE AMERICAN CHEMISTRY COUNCIL.
M 981 (1-11)

Appendix 8: B2B Place in the value chain.

In the middle position of the value chain B2B companies can influence the sustainability aspects the most. Selecting sustainable raw materials, making products with less use of energy and make less by-products. Also they can influence with the properties of the products that downstream you also create more sustainable solutions.



Eastman's place in the value chain.



In this position Eastman can take a leading role together with the Converter developing sustainable products; which really makes a difference in the total value-chain.