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# From goods to service branding: An integrative perspective

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**Abstract.** *With a growing recognition of the importance of a service orientation to marketing, the emphasis shifts to understanding the nature of value propositions and how this leads to the creation of customer experiences and value-in-use. Within this new perspective the brand functions both as an entity and a process. A theoretical framework is developed that provides this broader integrative perspective.* **Key Words**  
● brand ● customer experience ● integrative perspective ● service marketing ● value creation

## Introduction

During the last three decades there has been considerable research about branding which has largely focused on the factors that determine brand image and identity and how this influences consumer behaviour. However, recently there has been an emerging stream of research focusing on the role brands play in the value-adding processes that lead to creation of the customers' experiences (Berry, 2000; de Chernatony and Segal-Horn, 2003; Ballantyne and Aitken, 2007). Within this perspective, the brand plays a broader role where it interfaces not just with end customers but the company, its employees and a network of stakeholders. This perspective of branding is being referred to as the 'service brand'. For example the text books by de Chernatony (2006) and Kasper et al. (2006) use this terminology.

It is important to note that when these authors refer to the 'service brand' they are not merely referring to the branding of services. Rather, they are drawing on the way service has been defined by Vargo and Lusch (2004: 2): 'where the service-centered dominant logic represents a reoriented philosophy that is applicable to all marketing offerings, including those that involve tangible output (goods) and the process of service provision.' Hence the concept of the service brand is integrative



where 'service' is super-ordinate to the branding of 'goods' and/or 'services' (Brodie et al., 2006).

## Multiple theoretical perspectives

The brand has been defined in many ways, but common to these definitions is that it functions as an entity. For example the AMA (2004) defines the brand as; 'a name, term, design, symbol, or any other feature that identifies one seller's good or service as distinct from those of other sellers.' Underpinning this definition are multiple theoretical perspectives. These include an economic perspective which draws on signalling theory (e.g. Erdem and Swait, 1998), a psychological perspective which draws on associative network memory theory to develop theory about consumer brand knowledge (e.g. Keller, 1993), and broader relational, social, network, experiential and cultural perspectives.

The broader perspectives go beyond seeing the just brand functioning as entity and also see it functioning as a process where it can take on other meanings (Stern, 2006). Research in this area includes brand relationships (e.g. Fournier, 1998), brand communities and social networks (e.g. Muniz Jr and O'Guinn, 2001), brand experiences, consumer consumption practice and culture (e.g. Caru and Cova, 2003; Arnould and Thompson, 2005; Schroeder and Salzer-Mörling, 2006) and co-created brand experiences (e.g. Prahalad and Ramaswamy, 2004).

The multiple theoretical perspectives underpin a broad and diverse range of concepts that are used by managers and academics about brands (de Chernatony and Segal-Horn, 2003). This includes the use of consumer-based concepts such as identity, logo, image, symbol, expression and personality; organizational concepts that include positioning statements, cluster of values, vision and risk reduction; and relational concepts that include promises, trust, commitment and experience with customers and other stakeholders. Finally, when a financial perspective is taken, the brand is viewed as a resource – or more specifically a relational market-based asset that creates value or equity (Srivastava et al., 1998). This financial perspective leads to the concept of brand equity.

## Towards integrative theory

Research by Berry (2000), Dall'Olmo Riley and de Chernatony (2000) and Davis et al. (2000) provides a valuable initial understanding of the role of the brand in a broader service setting. This involves paying more attention to integrating the role of the brand in the value-adding processes that create customer experience, dialogue and learning. Within this logic the customer-brand-relationship may be viewed as a two way process between the customer and the firm (Prahalad and Ramaswamy, 2004) where the focus is on 'reciprocity, mutual exchange and fulfillment of promises' (Dall'Olmo Riley and de Chernatony, 2000: 140).

In order to develop a broader theoretical framework for the service brand,

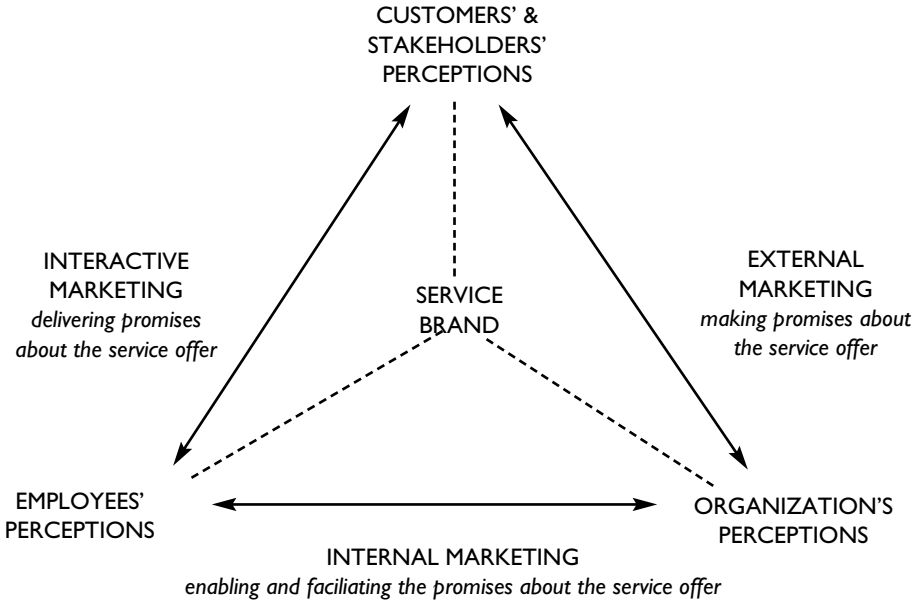


Figure 1

**Types of marketing and their influence on the perceptions of the service brand (adapted from Brodie et al., 2006)**

which allows for the integration of the alternative perspectives, Brodie et al. (2006) built on the notion of conceptualizing the brand as a set of promises or 'covenant' (Balmer and Gray, 2003). This is done by adapting the framework first developed by Calonius (1986) and refined by Bitner (1995) and Grönroos (1996, 2006) about the way service value is delivered. The framework, which is outlined in Figure 1, allows for a customer, employee and organizational perceptions of the service brand. The three types of marketing that influence these perceptions are:

1. External marketing (communication between the organization and customers *making promises* about the service offer).
2. Interactive marketing (interactions between people working within the organization/network and end customers that create the service experience associated with *delivering promises* about the service offer).
3. Internal marketing (the resources and processes *enabling and facilitating promises* about the service offer involving the organization and people working in the organization).

We recognize that the promises framework could be extended to a network to explicitly take into account the perceptions of other stakeholders (e.g. retailers, media, government regulators, etc). The promises framework suggests a broader context to examine the impact of brand, because the brand is seen to have mean-



ing not only for end-customers but also for the brand-owning company and its responsibilities to employees and a broader network of stakeholders. The implications for conventional brand management in this wider, more community-orientated conception of brands and socially-constructed notions of meaning are far-reaching.

Within the promises framework, Brodie et al. (2006: 373) provides a definition of the service brand where it functions as both an entity and a process:

Service brands facilitate and mediate the marketing processes used to realize the experiences that drive co-creation of value. They provide sign systems that symbolize meaning in the marketing network, and hence are a fundamental asset or resource that a marketing organization uses in developing service-based competency and hence competitive advantage.

Recent research by Brodie et al. (2009) provides empirical support for the theoretical framework showing the importance of both the 'making of promises' (brand image with company image) with the 'delivery of promises' (employee trust and company trust) in creating customer value and customer loyalty. However, further theory development and empirical research is needed to further refine the theory of the service brand.

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