

# **SERVICE BRANDS: BRAND ASSOCIATIONS AND ISSUES**

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## **Abstract**

As the importance of brands is realised, so too is the importance of research in this area. However, to date, a number of branding models have been developed that lack empirical testing, are derived from the perspective of brand practitioners, and pay little attention to the branding of services. This study seeks consumer-based information via qualitative and quantitative methods regarding brand dimensions of services that hold meaning to consumers. The results indicate a number of key dimensions such as, core product/service, experience with brand, image of user, as important to consumers for both goods and services. Findings also indicated a significant influence of service brand associations on service brand attitude, also attitudes significantly influenced service brand usage. The results provide a platform upon which future research can be built.

## **Introduction**

Today brands play an integral part in marketing strategy, identifying the source of the product, which in turn, assigns responsibility to the product maker, and provides a promise or bond with the maker of the product (Lassar, Mittal et al. 1995). In addition, brands reduce consumer search costs (Landes and Posner 1987; Biswas 1992) perceived risk, and signals the quality of the product (McNeal and Zerren 1981; Herbig and Milewicz 1993; Shimp 1993; Erdem 1998; Janiszewski and van Osselaer 2000). The brand, therefore, becomes the purveyor of advantages to the consumer, in terms of both economic and symbolic value. To date, a number of theoretical frameworks have been suggested in an attempt to understand how consumers think about, and respond to brands (Kapferer 1992; de Chernatony 1993; Keller 1993). However, these models have a distinct tendency to conceptualise the brand in terms of physical goods, with only minimal regard, or reference to the branding of services (Turley and Moore 1995). The focus of this study, therefore, is to investigate brand dimensions specifically ascribed to branded services.

## **Branding Literature**

Despite the growing importance of service economies throughout the world, the branding literature reveals an overwhelming tendency to study branding in terms of physical goods (Turley and Moore 1995). While several researches have hinted to the fact that the intrinsic characteristics of services may pose particular challenges to marketers and brand managers, very few have actually investigated services branding at all. This prompted deChernatony & Dall'olmo Riley (1999) to undertake exploratory research aimed at eliciting the expert's view about the concept of the brand in the context of services. Experts agreed that branding principles were basically the same for physical goods and services. However, their view was that the execution of branding strategies may need adjustments to comply with specific service features (de Chernatony and Dall'Olmo Riley 1999). Berry (2000), however, adopted a different approach with his research into service brand equity. He analysed the strategies of 14 mature high-performance service companies to produce a Service-Branding

Model of service brand equity. He claims that the primary source of *brand awareness* is the *company's presented brand* i.e. the company's controlled communications (Berry 2000). This includes advertising, service facilities, the appearance of service providers, company name, and logo. Having secondary impact on *brand awareness* are *external brand communications* which refer to information customers receive about the service which are essentially uncontrolled by the company eg. word-of-mouth communications and public relations (Berry 2000). *Brand meaning*, on the other hand, is said to be mainly influenced by the customer *experience* with the company. This is because service businesses are labour-intensive and human performance, rather than machine performance, plays a critical role in building the brand (Berry 2000). Having secondary influence on *brand meaning* is said to be the *company's presented brand*, and *external brand communications*.

Berry (2000), and de Chernatony and Dall'Olmo Riley's (1999) exploratory interest in the area of services branding has provided some insight which may assist us to learn about the relationship between service consumers and their brands. However key dimensions identified are founded on the perceptions of brand consultants and marketing practitioners. In order to understand the relationship between consumers and brands we need firstly to identify the dimensions that are meaningful to *consumers* in their conceptualisations of brands. We therefore pose the following question: ***RQ1: What are the dimensions of a branded service identified by consumers?***

## Methodology

The study was based on utilising both qualitative and quantitative approaches to examine the research question. This allowed for initial exploration providing breadth and depth, followed by the development and administration of a survey tapping respondents brand associations for identified banks. As the purpose of the study was to explore brand dimensions that convey meaning to consumers, a qualitative approach was initially adopted due to its ability to obtain first-hand a description of some specified domain of experience (Haley, 1996; Hastings & Perry, 2000). Therefore, personal interviews were chosen as an appropriate means of data collection due to their superior ability to delve into the respondent's memory via individually adapted probing (Zaltman, 1997).

The qualitative component of the study consisted of 6 unstructured personal interviews and 6 structured personal interviews following a similar procedure to O'Cass (1996). Following a similar line of thought to Hastings and Perry (2000) interviews were terminated after 12 interviews because convergence had been achieved on the themes being reported. The dimensions identified in the interviews were then used to construct the survey for this study. Existing measures for core service (Jones, Mothersbaugh et al. 2000), employee service (Nicholls, Gilbert et al. 1998), price (value) (Sweeney & Soutar, 2001), servicescape (Robledo 2001), self-image congruence (Sirgy, Grewal et al. 1997), public relations, word-of-mouth (Bansal and Voyer 2000), advertising (Holbrook and Batra 1987), feelings (Jayanti, 1995), brand attitude (Yoo and Donthu 2001), purchase intentions (Jones, Mothersbaugh et al. 2000), were used, or modified, for the purpose of this study. Items tapping *country-of-origin* and *brand name* were generated specifically for the purpose of this study and the final survey consisted of 86 items.

## Results

Six interviews each being approximately 1 hour in length, with four of the interviewees being female and two male, and ages varying from 25 to 71, were conducted. A number of brand dimensions pertaining to branded services were revealed in this phase and appear in Table I. Overwhelmingly, the *service facilities*, *past experience* with the service, *word-of-mouth*, and the *employees* of the service, dominated the discussion within the interviews. Service facilities were mentioned in terms of their provision, and their appearance. For example, *‘the facilities were inadequate to cope with the number of customers. It didn’t impress me at all.’*, and, *‘cleanliness, décor, standard of facilities are always very important’*. The service’s facilities were referred to in every interview with regards to all the services discussed. Respondents were also very vocal about the effect of *past experiences* on their brand evaluations. As one interviewee stated *‘the thing that changed my total attitude was my actual experience. The experience made me feel so much resentment toward the bank that my attitude towards it will never change’*. Another significant contributor was said to have been the employees of the service. Primarily the employees of the service were discussed in terms of the manner in which they delivered the service. For example one interviewee said, *‘it’s the people you are dealing with and speaking to that are influential. They are the ones who will give you the greatest concept of what the brand really is’*. Finally, *word-of-mouth* was also prominent in the discussions, and interviewees were very definite about the effect word-of-mouth has on their perceptions of service brands. For example, *‘I rely more on my friends and family to give their opinions on places they have stayed at, than anyone else, and, ‘I am highly influenced by anything I hear (about services)’*. Furthermore, the statement that *‘the adverse publicity about banks lately has really reinforced my impression of this brand’* highlights the fact that hearsay from other sources, such as the media, is also an important issue with service consumers. Other factors mentioned throughout the interviews to a lesser extent were *price*, *advertising*, *brand name*, *image*, *country-of-origin* and *feelings*.

**Table I Interviewees Responses for Brand Dimensions of Services**

Dimension	Interviewee Number						Times Mentioned Total
	1	2	3	4	5	6	
Price (in terms of value for money)	X	X					2
Staff – Manner	X	X	X	X	X	X	6
- Appearance		X	X				2
Facilities	X	X	X	X	X	X	6
Brochures & Advertisements	X		X	X	X		4
Brand Name		X	X	X	X		4
Experience	X	X	X	X	X	X	6
Word of mouth	X	X	X	X	X	X	6
Image of other users		X	X				2
Country-of-origin, Feelings, Publicity	Mentioned regarding brands in general						

The unstructured interviews resulted in the compilation of a list of brand dimensions – for services (refer Table I). A further six interviews ranging from 30 – 45 minutes in length were then conducted. Interviewees ranged from 18 to 55 years of age, and came from diverse backgrounds. Interviewees were asked to nominate what dimensions were the most meaningful to them when they formulate their attitudes toward brands. Service brand dimensions mentioned from these interviews appear in Table 2.

**Table 2 – Brand Dimensions of Services**

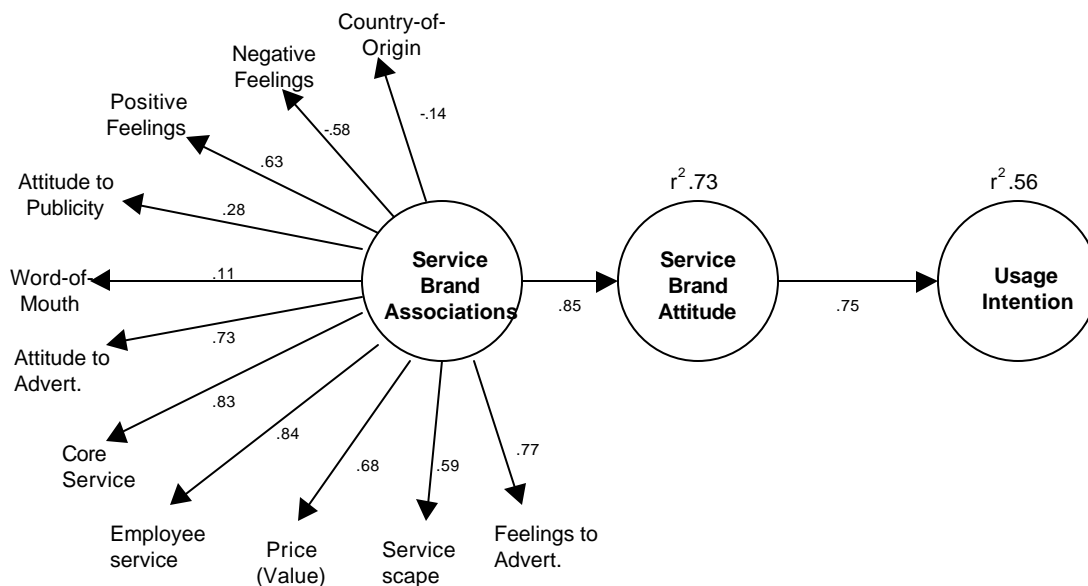
Brand Dimension - Services	A*	B*
Service Design & features	x	x
Servicescape	x	x
Feelings	x	
Brand name, trademark etc.	x	
Brand personality	x	
Brand & self image	x	
Image of typical user	x	x
Price	x	
Experience with brand	x	x
Country-of-origin		
Brand advertising	x	
WOM	x	x
Publicity	x	
Employees	x	x

\*Column A – Dimensions mentioned as having some meaning, however small.

\*\*Column B – Dimensions that are very important when formulating brand images or attitudes

Following this the survey was developed and administered to 70 respondents and Figure 1 shows the results of this element. The analysis of the model was via PLS which has significant advantages for small samples and non-normal data (Lohmöeller, 1989; Fornell and Cha, 1994; Wold, 1981) and is distinctly suitable for exploratory research and theory development. The initial analysis indicated the factor structure of the items was appropriate and met all psychometric requirements. Mean scores of the factors were as follows:- *Core services* (5.74), *Personnel* (5.54), *Price* (6.16), *Servicescape* (4.36), *Image* (3.28), *Country-of-Origin* (3.49), *Brand Name* (2.77), *Publicity* (4.24), *Advertising* (4.21), *Word-of-Mouth* (5.40), and *Feelings* (5.69).

**Figure 1. Proposed Model**



The results of the PLS analysis of Figure 1 indicated that service brand associations explained approximately 72% of the variance in brand attitude, and brand attitude explained 55% of the variance in usage intention. The paths weights in the model are strong indicating good

support for the proposed model. The measurement model was also acceptable as indicated in Figure 1.

Largely the proposed model results were acceptable with good loadings and critical ratios on the outer model (c.r above 1.96) and the inner model was very good with strong path weights and high critical ratios. This supports the view that service brand associations influence service brand attitudes and in turn attitudes influence usage intentions for specific branded services. It is important to remember that in the context of this exploratory study that evaluation of complex models can not be made on the basis of any single, general fit index but rather involves multiple indices which are characterised by “many aspects regarding their quality, sufficiency to explain the data, congruence with substantive expectations, precision and confidentiality” (Lohmöller, 1989 p. 49). Hence, a systematic examination of a number of fit indices for predictive relevance of the model is necessary (Fornell and Cha, 1994; Lohmöller, 1989). As no distributional assumptions are made these indices provide evidence for the existence of the relationships rather than a definitive statistical tests which may be contrary to the philosophy of soft modelling (Falk and Miller, 1992). Thus the use of PLS, with its advantages in handling small samples, non-normal data and soft modelling philosophy are valuable in this type of exploratory research and we believe provide an initial insight into service branding dimensions and relationships.

## Discussion

Research Question One sought to determine the brand dimensions of branded services. A number of brand dimensions such as *price, employees of service firm, facilities, brochures and advertisements, brand name, experience with brand, word-of-mouth, image of other users, country-of-origin, feelings* and *publicity* were nominated throughout the interviews. Dimensions such as *price, brand name, country-of-origin, feelings, and publicity*, are mentioned individually in various branding models (de Chernatony, 1993; Keller, 1993; Bailey II and Schechter, 1994; Grossman, 1994) with respect to both products and services. On the other hand, *employees, facilities, brochures and advertisements, and brand experience* are depicted as more service related in Berry’s (2000) Service Branding Model.

In summary, the dimensions mentioned in the interviews most frequently for branded services were *employees, facilities, experience, and word-of-mouth*. These dimensions have been depicted either directly or indirectly in some branding models (de Chernatony and Dall’Olmo Riley 1997; Berry 2000) but have not been viewed as a whole in one model. The proposed model in Figure 1 however indicates a strong contribution from *feelings* (negative and positive), *advertising* (attitudes and feelings), *core service, employee service, price, and servicescape* to service brand associations as a whole. To a much lesser extent *country-of-origin, word-of-mouth, and publicity* appear to contribute to service brand associations which may indicate that these dimensions are more product-related rather than service-related. The model confirms a strong relationship between service brand associations and brand attitude, and brand attitude and usage intention.

## Implications and Future Research

While brand modelling to date has provided us with greater understanding in terms of brand associations, what is really meaningful is what is going on in the consumer’s mind i.e. the extent to which the associations are important to them. This research has identified a number of key brand dimensions found to be meaningful to consumers with respect to both goods and services. While some of the dimensions are common for both, certain dimensions have

emerged that are unique to either goods or services. The exploratory nature of this research provides results that can be used by academics and brand practitioners as a basis upon which to build on our knowledge of consumers and brands. The proposition that certain brand dimensions are of key value to consumers, and that consumers think differently about branded products and branded services, prompts many questions in need of attention. For example we can ask, to what extent do these brand dimensions contribute to the consumer's overall brand attitude, in what way do these dimensions interact with each other, and to what extent do brand dimensions between goods and services differ. The results of this study need to be drawn upon for future empirical research that inevitably will bring us much closer to modeling brands through the eyes of the consumer. Further research in this area is duly warranted by the lack of empirical consumer-based brand research and service branding research, to date.

### **Conclusion**

As the value of the brand has come to fruition, a concerted research effort in this area has been undertaken, and a number of branding models have been proposed to help us understand brands. However, these models beg verification, in that they lack empirical testing, most are derived from the perception of brand practitioners, and little regard is given to the branding of services. This study seeks to enhance our understanding of service brands from the consumer's perspective. The results provide a platform for future research in the branding area which will, most certainly, bring us closer to seeing brand dimensions through the eyes of the beholder.

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