

## **Strategic Services Marketing**

**Prof. Kalpak Kulkarni**

**Department of Management Studies,**

**Indian Institute of Technology, Roorkee**

**Week – 06**

**Lecture - 26**

### **Building a Strong Service Brand Identity**

Hello everyone. In this session let's try to understand the process of building a strong service brand identity. But before that what is brand? As defined by American Marketing Association, a brand is name, term, sign, symbol or design or a combination of them intended to identify the goods and services of one seller or even a group of sellers and to differentiate them from those of competition. So, that is brand. But then what is branding? Let's understand branding with this informative video. Now, coming to service brand, the distinctive features of services set it apart from product brand.

Scholars or researchers have delved into the distinctions between the two that is product versus service brand and try to explore the aspects such as brand associations, brand communication, consumer brand awareness and brand management and how these things vary across product brand versus service brand. So, let's understand these differences. So, product brand versus service brand. The first difference is with respect to brand association whereas, the product brand sometimes have product related features and some non-product related features.

So, regarding brand association, service brand elements are more intricate compared to product brands. According to leading author Keller, product brand association encompasses both product related factors such as core functions and quality and non-product factors. For example, price, packaging and audience image. While a product brand is grounded in a tangible product, a service brand represents intangible services incorporating more intricate associative elements. O'Kashan-Grish proposed that service brand association involves considerations like brand name, service price, service environment and core services, employee images and word of mouth.

This indicates that service brands must not only address the intangible services, but also consider service provision, frontline staff, consumers and various stakeholders for consistent maintenance. As a result, the complexity of service brand association makes service brand management more challenging. Now, coming to the next difference with respect to brand communication. In comparison to product brand, a service brand has a greater number of communication touchpoints. Beyond fundamental marketing activities, a service brand is linked to the service environment, employee image, core services and more.

These elements serve as crucial contact points with service providers acting as primary conduits for communication. Their responsibility is to ensure effective brand communication. Additionally, researchers in this domain highlight the significance of transitioning early-stage communication into future commitments. Particularly, since consumers can't pre-evaluate service quality, this commitment shapes consumer expectations for the service. Balancing brand communication is challenging as excessive or insufficient communication based on consumer subjective factors hinders service brand building.

Therefore, determining the right degree of brand communication is complex task and the consistency of brand communication plays a pivotal role in managing product as well as even service brand communications. Third difference between product brand and service brand can be attributed to brand perceptions. Looking at consumers brand perceptions, the production to consumption process is relatively lengthy allowing consumers to form perceptions of product brand both before and even after purchase. However, the intangibility of services means that customers don't experience the service brand until after forming perceptions. This delay can influence their judgement of the service brand.

Furthermore, frontline staff who are service providers play a crucial role as their personal image and service quality can significantly impact consumers' decisions and subjective feelings. Additionally, factors like the service environment contribute comprehensively to the overall service quality. As a result, consumers brand perception is influenced by a variety of factors and constraints when it comes to services. Fourth and final difference between product brand and service brand is with respect to brand management. When it comes to brand management, product managers typically oversee product brands focusing primarily on basic product marketing activities.

Researchers in this domain emphasize that service brand should align with the company's

brand strategy involving senior brand management and even collaboration between marketing and human resource departments to execute the overall brand strategy. This necessitates service brand to handle not only fundamental marketing activities but also effective staff management, recruitment services and so on. Recruitment serves as a vital method for the company or service provider to identify employees who align with the shared values, a critical aspect for maintaining consistency within the service provider. Basically, service branding consists of all the activities of brand building in different service sectors, service industries and even service enterprises. Barry, another researcher has pointed out that for the tangible goods, product is the main brand.

However, in terms of intangible service, the enterprise itself is the main brand. Now, let's explore a couple of examples of service firm video ads campaign that effectively showcase brand communication and contribute to the development of brand perception. Have a look at this particular video that showcase Airbnb's Made Possible by Host Campaign that correctly or aptly collects everything that we discussed so far. Have a look at this video. Going forward, the brand communication focus is an important part.

This particular campaign highlights the unique stories and experiences of Airbnb hosts around the world. It emphasizes the personal connections and cultural exchanges that facilitate through this particular service. Regarding brand perception development, through showcasing diverse hosts and their homes, Airbnb communicates a message of inclusivity, community and the idea that travel experiences are shaped by the people you meet. This contributes to the perception of Airbnb as a platform fostering meaningful connections. Let's have another example coming from Starbucks.

They have this campaign called as Meet Me at Starbucks. Have a look at this campaign first. With respect to now brand communication focus, we can see Starbucks campaign provides a glimpse into the lives of customers and the role Starbucks plays in their daily routines. It focuses on the social aspect of the coffeehouse experience. Coming to brand perception development, by featuring real-life interactions in Starbucks locations worldwide, the campaign communicates a sense of familiarity, warmth and community.

This contributes to the perception of Starbucks as not just a coffee provider, but a lifestyle brand associated with socializing and relaxation. Now let us look at some models of service branding. The first model here is provided by Berry in 2000, which is named as service branding asset model. This model comprises of three antecedents or drivers. For example, companies presented brand, external brand communications and customer experience with company.

Companies presented brand is through advertisement, service facilities and personnel. Whereas the external brand communication involves word of mouth and publicity. When it comes to customers experience with the company, we are talking about what the customer is actually going through. These three factors together influence brand awareness, which is nothing but the ability to recognize and recall a brand when provided with a cue. And another variable is brand meaning, that means what comes to the customer's mind when a brand is mentioned.

And these two drivers together influences brand equity, which is the degree of marketing advantage that a brand has over its competitors. Berry presents a model for service branding assets, asserting that these assets primarily stem from brand cognition and brand connotation. In this context, brand cognition or brand awareness for that matter, exerts an indirect influence on service brand assets. Whereas brand connotation or brand meaning has a direct impact as pursued by consumers. Brand cognition pertains to the degree to which consumers can recognize and remember the service brand influenced by directly by enterprise brand display.

Through basic marketing activities, enterprises or service providers showcase the fundamental elements of their brand association to demonstrate their service capabilities to the customer. Furthermore, brand awareness is susceptible to external brand communications, for example, word of mouth and public relations. Consumer information transmission and the relationship between consumers and the enterprise or service provider also influence service enterprise brand cognition, but that lie beyond the enterprises control. On the other hand, brand connotation refers to the consumer's perception of the brand with customers experiencing serving as the direct influencing factor. The consumer's first-hand experience with a service significantly shapes the understanding of the service provider's brand connotation or even brand equity for that matter.

External brand communication also exerts an indirect impact on brand connotation. Consequently, brand connotation is more rooted in consumers' subjective feelings, which wield a greater influence on service brand assets compared to the more objective brand cognition. Next model here is service branding management model given by Chernatony and Segal-Horn in 2003. De Chernatony and Segal proposed a service branding management model derived from in-depth interviews conducted with 28 senior consultants in London, specializing in branding and advertising. The objective was to uncover the key drivers of successful service branding, aligning with the insights gained from the literature.

The model takes the form of a circle, where the enterprise initially defines its corporate

culture to establish a commitment to customers. This commitment is then conveyed to customers through external communication. While internal communication, including employee training, ensures alignment with service values and that particular corporate culture. This internal consistency safeguards the coherence of service brand interactions. Customers are influenced by the company's external communication and their interactions with frontline staff and then evaluate the consistency of their brand transfer forming a brand image.

This process is instrumental in maintaining customer relations and ultimately fostering customer identification with the corporate culture, establishing a foundation for long-term trust relationship. In essence, this model presents a comprehensive and cyclical service brand management framework from the enterprise perspective. Its circular nature signifies a continuous system that enterprise can refer to for guidance. Next model here we have is services brand verdict model or SBB model given by Grace and O'Cass in 2003. Grace and O'Cass introduced the service brand verdict model drawing insights from Kaylor's consumer branding equity model and essential service brand elements.

This model developed through data analysis and validation, posits that consumer brand associations and brand communication jointly influence customer satisfaction, with brand communication also exerting a certain impact on brand association. Furthermore, the consumer's attitude toward the brand is shaped by customer satisfaction, indirectly influenced by customer brand association and brand communication. This resultant brand attitude, whether positive or negative, ultimately shapes the overall judgment of the service brand. This model, grounded in a qualitative research and utilizing real consumer data, is deemed more scientifically robust compared to Berry's brand equity model. Going further, now let's discuss what are the components of service product or service brand.

There are three levels. First is a core product, which is nothing but what the customer is fundamentally buying. Then comes supplementary services. These services augment the core product or core service, both facilitating its use and enhancing its value. And the supplementary services are again encoded within a delivery processes. The processes used to deliver this core product and the supplementary services.

What we can see here in this diagram is an example of service offering from an overnight hotel stay. So, the core product here is a stay at a particular hotel, right. The core delivery process involves scheduling, nature of processes, service level and even customer role. Whereas, the delivery processes in terms of supplementary services involve reservation, parking, check in, check out, porter, meal, pay TV, room service and even Wi-Fi

accessibility. With this, let us introduce a most beautiful concept in services, which is known as flower of service.

What we are looking at in this particular diagram is at the core, there is certain thing called as a core service. And then there are supplementary services. So, what you are seeing here, there are 8 supplementary services, but out of these few are called as facilitating supplementary services. Whereas, other services supplementary services are known as enhancing supplementary services, which as shown in blue or purple kind of color. So, what is facilitating and enhancing supplementary services? Facilitating supplementary services are required either for service delivery or for aid in the use of the core product or service.

Whereas, enhancing supplementary services add extra value and appeal for customers. So, together these facilitating and enhancing supplementary services shown as a petals of flower and that is why this particular figure is known as flower of service, where each petal representing a kind of supplementary service, which is directed towards offering the core service at its base. Now, let's discuss these supplementary services in detail. The first supplementary services is information. Service providers needs to offer or manage information for every stage of customers journey.

For example, the information might include direction to service sites, schedules or service hours, price information, terms and conditions, advice on how to get maximum value, warnings, confirmation of reservations, receipts and tickets, notification of changes and even sometimes summaries of account activities. Another supplementary service is order taking. Let's say when you visit a restaurant or Starbucks for that matter. So, order taking includes lot of different stages.

First is order entry. This can be an onsite order entry or you can place the order through mail, telephone, email or even online as well. The second element is reservations or check-ins. This involves reserving rooms, tables, seats etc or vehicle or equipment rentals in terms of Ola and Uber or even professional appointment say for example, hospital appointments with your doctor. And the third element under order taking is applications, wherein this involves memberships and clubs, subscription services or even enrollment based services for example, financial credit or college enrollment and so on. So, all these three things takes care of order taking kind of you know services.

Then comes billing. Billing can be periodic statements of account activity or this might involve individual transactions as well or verbal statements of amount due when you

receive a telephone call and then online or machine display of amount for self payment transactions as well. Another supplementary service is payments, the way payments are processed or even collected. Self-service is the first element under this which involves either you pay through inserting card or paying with cash or with some token or you can transfer the funds electronically, then using a credit card to pay online bills or even using online payment system such as PayPal, Google wallet and so on. So, this is self-service kind of payment options. Second way is through direct to pay or intermediary.

Here things involve like cash handling or even change giving, check handling and even credit or even debit card handling as well. And third way is through automatic deductions from your financial accounts or deposits which involves automated systems like machine readable tickets or maybe prearranged automatic deduction for bill payment through direct debit. So, all these options targeted towards easing the payment services for the customer. Next type of supplementary service is consultation. Now, we are entering into enhancing supplementary services that either increase the appeal of the services.

These may not be necessary, but having these will enhance the customer satisfaction and experience. So, the first here is consultation. Consultation includes customized advice or even personal counseling, tutoring and training in service and maybe management or even technical consulting as well. Then comes hospitality. The elements include greeting your guest or service customer, food and beverage section, toilets and washrooms, even waiting facilities across airports and banks which involves having lounges waiting areas, weather protection and offering magazine and entertaining kind of you know products so as to make that particular stay comfortable.

And then finally having transport as well. So, all these things addresses the hospitality kind of services in the service premises. Then comes safe keeping another enhancing supplementary service. Here a service provider can offer multiple of things for example, child care or pet care, parking for vehicles, courtrooms, baggage handling, storage space, safe deposit boxes or even having security personnel for the safety of your passengers or customers. Then comes exceptions. This involves supplementary services that fall outside the routine of normal service delivery.

Let's have a look at some of these kind of exceptions that might happen while delivering those services. First here is special request wherein a customer require a departure from a normal operating procedure for example, a specific dietary requirement or medical needs or maybe religious observance as well. Second type of exception can be in the form of problem solving wherein the normal service delivery fails to run smoothly due to accidents

or delays or even equipment failures. Third type of exceptions includes handling of complaints, suggestions and compliments.

This requires well defined procedures in place. And finally sometimes a service provider might opt to go for restitution which means many customers expect to be compensated for serious performance failures for example, refunds in the case of flight cancellations. So, this kind of exceptions also are part of flower of service representing an enhancing supplementary services. So, as aptly said by Leonard Berry, strong brands enable customers to better visualize and understand intangible products. They reduce customers pursued monitoring, social and even safety risk in buying services which are difficult to evaluate prior to purchase. Strong service brands are surrogates when the company offers no fabric to touch, no trousers to try on, no watermelons or apples to scrutinize and no automobile to test drive.

And that is why service brands are of great importance when it comes to marketing intangible things. Now, moving ahead let's discuss the spectrum of branding alternatives provided by Wirtz and Lovelock. On one extreme, a service provider can choose to go ahead with corporate branding culture or naming whereas on the other hand one can go ahead with individual product branding as well. On one side we have format like branded house strategy for example, Virgin group. Here the brand name is provided to multiple offerings in the often unrelated fields.

Then comes sub brand strategy for example, Raffles class at Singapore Airlines. This means the corporate or the master brand is the main reference point, but each product has a distinctive name as well. Another way to name the service brand falls under the category of endorsed brands for example, Starwood Resorts and Hotels. The product brand here dominate, but the corporate name is still featured. And another extreme way to go for branding is using house of brand strategy.

This means diverse audiences, outcomes, brand purposes and visual identities sitting underneath a corporate brand itself. Let's have an example to understand this naming or nomenclature with some ease. So, the first example what we have here is a branded house. So, the FedEx is there across each sub category or domain, but the only difference is this is FedEx corporation, this is FedEx ground, FedEx freight and office.

So, you can understand what is the branded house is. So, the FedEx the main corporate brand is available across all different verticals. Next strategy is endorsed brands. Here let



us say an example of Marriott chain of hotels. So, Marriott uses Marriott in terms of all other different you know individual brands for example, courtyard by Marriott, Spring Hill Suits by Marriott and then Town Place Suits by Marriott. So, the individual brands are taking the lead, but again the corporate brand is there.

And then finally we have house of brands for example, there is a main master brand and there are individual brands developed in different verticals and they don't carry any corporate branding there. So, these are the three examples where we can see how we can name service brand. Then comes a brand identity. Brand identity refers to the visual elements like logo associated with your service brand. It includes tone, graphics, color palettes, typography and much more.

World is full of all kind of logos depicting different meanings and communicating different values to their customers. Let's have a look at seven steps to creating a brand equity through an informative video. Let's have a look at this particular video. The word brand is used pretty loosely these days. Many people use the word brand to talk about logos, but logos are just one part of a brand.

A brand is an emotional and even philosophical concept while brand identity is the visual component that represents those larger ideas. And brand identity design is the actual process of creating those visual assets. So, now that we have got definitions out of the way, here are the seven steps to creating your brand identity design. First, establish clear purpose and positioning.

Your brand purpose is the overarching reason for your existence. Ariel Jackson, a Google veteran, recommended using this diagram as a guide for determining your purpose. The intersection of these two is where your brand's big purpose comes to life. As for positioning, positioning states who your product is for and why it's better than competitors. Traditional positioning statements follow this fill in the blank format, which you'll be able to do once you've done step number two, which is to conduct thorough market research.

You can conduct phone interviews or online surveys. You can also purchase market research that's already been done for you. Good market research can help you determine who your main customer personas are, and knowing their traits is going to help you know what kind of personality your brand should have in order to appeal to that person. Speaking of personality, third, determine your personality. Ask yourself, if my brand were a person, what would they be like? Brand personality has a huge impact on the voice tone

and visuals of your marketing materials. To figure out your personality, consider some of these questions to get you started.

Then, once you have an idea, summarize it in a single sentence or graphic, such as this one, so that everyone that represents your brand can stay consistent. Number four, create a polished logo. So the three most important things to keep in mind when designing your logo. You want to keep it simple, scalable, and memorable.

Take the Amazon logo, for example. The fifth step is to create an attractive color palette. Your color palette should also be pretty simple with only one to three primary colors, supported by secondary colors to help keep things not lame. The sixth step, select professional typography. A few quick rules to follow when selecting your fabulous fonts. Don't get too fancy, don't mix more than two fonts at a time, do mix contrasting fonts, such as serif and sans serif, and don't over-hyphenate.

Just a few rules to get you started. The seventh and last step to developing your brand identity design is to choose on-brand supporting graphics. Your brand identity should include a visual library of supporting graphics, design assets, icons, and photographs. So in summary, if you want to develop a lasting brand, you got to put in the work. And these seven steps are a great start.

Now, as we seen that logo forms an important asset for any service brand. Colors shapes meanings as well. So in order to understand how logo colors can influence business and communicate business values or services to a particular customer. So have a look at this particular video that talks about how different logo colors can communicate different meanings to your customers. Color is a fundamental component of design influencing not only the look, but also the feel of a piece. But how do you know what emotion your color choice is going to elicit? Well, that's what we're here to find out.

Using a color psychology, we'll demystify the meaning of the most common 11 colors. But before we start, a quick note, color psychology differs from culture to culture. So for this video, we'll be focusing on Western European and American interpretations. Let's do it. Passion, excitement, danger, romance, red draws attention and makes a logo stand out. We've evolved as human beings to notice red really well, to find fruit and berries and to know if someone's feeling angry or amorous.

Red also stimulates appetite, making it popular for restaurants. So if your brand is loud, playful, youthful, or you just want to be associated with a heightened emotion, pick red. But maybe you want something more mature and relaxed. Consider our next color. Blue is calming, trustworthy and serious.

The word blue is quite new to most languages and missing in many ancient ones. Despite this though, blue appears in over half of all logos. So when using blue, ensure that your design is distinctive to prevent it from fading into the crowd. Choose darker blues for a more classic look or lighter shades if you want something a little bit more playful. Blue is also known to suppress appetite.

So food brands, you might want to look elsewhere. The final primary color on our list. Yellow was one of the first color pigments that humans were able to mix and has long been associated with the sun, fields of grain and the shimmer of gold. Yellow logos exude cheer and vibrancy and youthful energy, which helps a brand feel accessible and affordable. A soft bright yellow brings a lightness and freshness to a logo, while a deeper, more golden yellow conveys weight and history.

Now onto secondary colors. Purple has a strong association with luxury. Historically purple dye was very expensive to produce, so the color was only worn by the wealthy elite and royalty. Besides exclusivity, purple can also convey wisdom, innovation and quirkiness. So if you have an expensive or luxury brand that isn't too serious, purple could be a great fit. Orange is an invigorating, playful and striking color.

English only recently adopted the word orange from the French word for the fruit. But before that, English speakers called it yellow red. As a combination of yellow and red, orange has the energy of red and the playfulness of yellow. And as the color of leaves in autumn or the setting sun, orange is also associated with change. So if your brand is a little bit different, orange might be your color.

Today we associate green with the environment and life itself. But this wasn't always so. A popular 18th century green dye was actually responsible for killing people, possibly even Napoleon, because it contained arsenic. Luckily these days, research shows that green is a totally safe and very versatile color and it isn't linked strongly to any particular traits. So to build meaning and uniqueness when using green, clever use of hue and shade is key. Wanting to appeal to a younger audience? Think pink.

Rather than a primary or secondary color, in theory pink is just like red. We have no equivalents for light blue or yellow in English, so as a relatively recent color word introduced in the 17th century, pink is still the cool new kid on the block. Pink is also a versatile color in contemporary western society, from energetic neon magenta to welcoming millennial pink. So if you want a youthful luxurious vibe, it's gotta be pink. Want to stand out from the crowd? Brown is the least used logo color, bringing to mind deep rich soil or tree bark.

Brown is made by mixing all the other primary colors together. Rugged, serious and naturally less vibrant than the other colors. Brown is great for outdoorsy companies or those offering organic or natural products. Or perhaps if you're wanting to capture a vintage vibe. That's a lot of colors, but we're not done yet.

Let's take a look at shades and even the absence of color. Modern, slick, luxurious, black looks good with everything. But is black a color? Humans are able to identify and differentiate between colors because of their specific wavelengths of light, but black differs by being the absence of visible light. Luxury brands love to use black to see mysterious and exclusive. If your brand is seeking to feel contemporary and unique, consider black.

If you want a logo that is chic and elegant, consider pairing black with white. Speaking of... White is clean, simple and weightless. White is actually the absence of color and can be useful for brands wanting to come across as careful and methodical. Many brands will have a white version of their logo against a background color, which will then dominate the composition. When used as an accent color or added to another color to make it lighter, white can feel youthful, economical or minimalistic.

White can also work for almost any brand and can lend an aspirational or pristine quality. So you want an accessible, simple logo that avoids the severity of black and the starkness of white? Why not go grey? Not too dark, not too light, grey can be a happy medium that speaks of the seriousness and maturity of your brand. For more mystery, go a darker tone, and for more accessibility, go lighter. Simple but classic, grey is a softer choice for logos that convey enduring sophistication. So that's it! Remember when you're designing your next logo, colors constitute so much more than an aesthetic choice.

Colors have widely held, often very deep associations that can help or hinder your brand. Also keep in mind that the interpretations we discuss here are primarily Western, European and American, and that doing research into color associations for international markets is always important. Good luck! And have fun choosing the best colors to make a unique and unforgettable logo for your brand. Finally, let's discuss some brand identity development process in a stepwise approach. Here the first step is market research, then we have defining brand values, mission statement, brand personality, then going for a USP or unique selling proposition, developing your brand visuals, then determining brand messaging strategy, employing training, and then finally customer experience integration and launch and promotion.

Let's discuss each one of these in detail. First step here is market research. Understand your target audience, competitors, and industry trends to inform your brand identity development. In the next stage of defining brand values, clearly articulate the core values and principles that your service brand wants to embody. In the third step of mission statement, craft a concise and impactful mission statement that communicates your brand's purpose and goals. Coming to brand personality, define the personality traits and characteristics that your brand will project, ensuring consistency in communication. Coming to USP, identify what sets your service apart from competitors and emphasize this unique value proposition.

Next comes brand visuals. Develop visual elements like logos, color schemes, and typography that align with your brand values. Next comes brand messaging. Craft compelling and consistent messages that resonate with your target audience and reflect your brand identity. Then comes employee training.

Train your employees to embody and communicate the brand identity in their interactions with customers. Then comes customer experience integration, which means aligning the customer journey with your brand identity, ensuring a cohesive and memorable experience. And finally, you are at the launch and promotion stage, wherein you introduce your service brand identity to the market through strategic promotional campaigns and launches. So to conclude, in this session, we try to understand the process of building a strong service brand identity. And also we looked at different campaigns and visuals and videos that communicate how service brand identity is crucial for a service provider. Thank you.