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Hugo Skaalsvik Bjørn Olsen , (2014), "Service branding: suggesting an interactive model of service brand development", *Kybernetes*, Vol. 43 Iss 8 pp. 1209 - 1223

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Service branding: suggesting an interactive model of service brand development

Interactive model
of service brand
development

1209

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Abstract

Purpose – The purpose of this paper is to suggest an interactive model of service brand development.

Design/methodology/approach – The design employed in the research represents a holistic and systemic approach to services branding and the methodology employed is conceptual desk research.

Findings – The research findings encompass an interactive model of service brand components grounded on a systemic perspective. By building on services brand theory, three key actors constitute the components of the model, namely service leadership, service employees and customers. The findings also state how successful service branding may be obtained at the level of the individual service enterprise.

Practical implications – The paper outlines a set of practical implications. For example, successful service brand development is obtained through a high degree of service orientation, customer involvement, an involvement model of service leadership and a motivated, committed and empowered workforce, particularly those employees at the frontline.

Originality/value – The originality and value of the research rests on using systemic thinking in the development of an interactive model of services brand development

Keywords Interactive service brand model, Service brand development, Service branding

Paper type Conceptual paper

Introduction

Over time, a host of research has been carried out on product branding in manufacturing organisations, but as western economies have gradually moved into a service-dominated economy (Klaus and Maklan, 2007), a new stream of research has emerged, that of service branding (Grönroos, 2007). Today, the service sector constitutes a substantial part of all economic activity, growth and employment in western economies (de Jong and Vermeulen, 2003). The high growth rate of services implies that the service sector, service industries and service enterprises are arenas with a great potential for further economic growth, development and employment (de Jong and Vermeulen, 2003; Martin and Horne, 1992, Oke, 2007; Vargo and Lusch, 2008). Grönroos (2000, p. 11) terms the rapid growth of services as the “new economy” and in this economic atmosphere, the requirements for renewal, rapid changes and innovations in enterprises have substantially enhanced owing to competition, globalisation and internationalisation (Tidd *et al.*, 2005; Trott, 2005). In these processes, the role of service brands has enhanced because possessing a strong brand is a means to differentiate a brand owner’s service offerings from those of its competitors (Aaker, 1996, 2002; Boyle, 2007). De Chernatony (2001) and McDonald *et al.* (2001) claim that a strong brand is a key organisational asset that needs to be utilised when positioning a service firm’s product offerings. Similarly, in relation to customers, Kayaman and Arasli (2007) argue that strong brands enable customers better



to understand the intangible side of services. Gale (1994) goes further and introduces the construct of a “power brand”, which is perceived as a unique, valuable and strategic resource (Urde, 1999) that is beneficial in order to formulate competitive branding strategies (Tidd *et al.*, 2005). Nevertheless, the management of service brands can be a challenging and complex task in a service-dominated world (Weaver, 2007).

A classic definition of a brand has been conceptualised by the American Marketing Association (AMA) as “a name, term, sign, symbol or any other feature that identifies a seller’s product or service as distinct from those of other sellers”. According to Grönroos (2007), the AMA’s definition works well for physical products, but not for service products for two reasons. First, the definition does not take into account that services are processes (Andreassen, 2008; Hoffman and Bateson, 1997; Lovelock and Wright, 1999; Kandampully, 2007). Second, the definition excludes the role of customers as co-creators of services (Kay, 2006). According to de Chernatony and Segal-Horn (2001), the unique characteristics of services, those of intangibility, inseparability of production and consumption, heterogeneity of quality and perishability, influence the branding of services, particularly in relation to customers. The core argument is that production and consumption usually take place at the same time in services, which makes it difficult to assess the quality of a service in advance (Kandampully, 2007). In order to enhance precision, Grönroos (2007, p. 330) suggests a brand definition that seems to be suitable for both physical and service products. He claims that “a brand is created continuously developing brand relationships, where the customer forms a differentiating image of a physical product, a service or a solution including goods, services, information and other elements, based on all kinds of brand contacts that the customer is exposed to”. The core of this relationship-oriented definition is the crucial role of customers in service brand development, which is grounded on an interactive perspective of branding (Brodie, 2009). The essence of the interactive perspective is that it “allows for a customer, employee and organisational perceptions of the service brand” (Brodie, 2009, p. 109).

According to branding theory, a brand is created in the triangle between the company, its customers and employees (Schlager *et al.*, 2011). Nevertheless, although different conceptual definitions of a brand have been suggested in the branding literature, the rationale for branding fast moving consumer goods and services is similar, as the essence is to leverage brand equity in order to build a strong relationship between the brand and its stakeholders, particularly customers (Berry, 2000). According to Tsiotsou and Ratten (2010, p. 535), brand equity concerns “the added value with which a brand endows a product and to the addition of the brand’s attributes including reputation, symbols, associations and name”, while Farquhar (1989) opines that brand equity encompasses the value that a brand name adds to a product. Similarly, Salzer-Morling and Strannegard (2004) perceive brand equity as consisting of four major asset categories: brand name awareness, brand loyalty, perceived quality and brand associations. Overall, branding is a strategy that aims to differentiate and position a business’s products and services from those of its competitors in order to provide added value to the brand owner and the customer (Aaker, 1996).

While the extant academic knowledge on consumer brands seems to be comprehensive and rich, research on service brands is more fragmented and less developed (Blankson and Kalafatis, 1999; de Chernatony and Segal-Horn, 2001; Davis, 2007; Kelley, 1998; Moorthi, 2002). In fact, research on service branding is a relatively new stream of research within the service marketing and management disciplines (Grönroos, 2007) and, as a consequence, more research on this interesting topic is called

for (de Chernatony and Segal-Horn, 2001; Davis, 2007; Kelley, 1998; Moorthi, 2002; Turley and Moore, 1995). Essentially, services branding encompasses branding issues in the service sector, in service industries and in service enterprises (Grönroos, 2007). However, today, service branding has also become important in consumer goods industries, as service components are added to the core physical products. Illustratively, a car manufacturer, in order to be competitive, has to offer supplementary service components to the core offer, the car, in order to be attractive to potential car buyers.

Service brands can take on different forms; i.e. business to business service brands (B2B) vs business to consumer service brands (B2C) (Aaker, 1996). The prime difference is the focus on different markets. Businesses working against the “professional” market (B2B) usually have fewer customers to face than businesses that are oriented towards mass markets (B2C). Nevertheless, in each case the selling company needs to integrate their customers in their branding development processes. Furthermore, in relation to services branding; branding usually operates at the business level. Illustratively, the Scandinavian Airline System (SAS) is a corporate service brand, which tries to tie the air travellers to the brand by appealing brand values, associations and promises. The customers, on the other side, have specific requirements to the service provider, and the core is that their preferences and brand values match the brand promises of the service provider. Thus, as brands are information (Davis, 2007), the service provider’s brand image may positively impact customers’ perceptions to the whole company. Illustratively, if the food menu SAS provides is not valued by the air travellers this usually implies a reduction of the reputation of the entire enterprise. Thus, the corporate service brand’s equity will be reduced which is a threat to the service provider. Following the discussion above, this conceptual paper focuses on the level of the individual service enterprise, which offers service packages to both B2B and B2C markets, which is the case of SAS. Similarly, the paper encompasses both established and new corporate service brands.

A corporate service brand is not a static entity but is subject to changes (Grönroos, 2007; Simmons, 2007). Illustratively, as has been demonstrated in the airline industry (Shaw, 1999), the air travellers preferences change over time, and the service providers have to act accordingly, and one area of attention is that of service branding. In other words, service brand development is needed by the implementation of new brand values and promises used in a firm’s market communication mix (Lovelock and Wright, 1999). Thus, we perceive corporate service brand development as those “brand efforts that a service provider initiates and implements in order to enhance customers’ service brand equity” (authors’ suggestion).

This paper suggests and discusses an interactive service brand model grounded on a systemic perspective that depicts a set of actors that influences service brand development at the firm level. The essence of the systemic perspective is the interactive links between a set of components that may influence services brand development at the level of the individual company. This paper addresses two questions:

- (1) Which components influence service brand development in the individual service enterprise?
- (2) How may an interactive service brand model be visualised?

If these two questions are adequately answered, more information and knowledge on an emerging research stream is obtained by its contribution to an enhanced understanding of service branding at the company level in service enterprises.

The paper is organised in the following way: following this introduction, the second part explains the systemic perspective employed in the paper, while the third part provides an account of a set of components that may influence service brand development at the level of the individual enterprise. The fourth part visualises and discusses the components of an interactive service brand model. The fifth part entails the discussion, which is followed by an implication part. A conclusion part ends the paper.

A systemic perspective

According to Wiklund (1998, p. 23), “theoretical perspectives are broader, less restrictive and on a higher level of abstraction than a theory accumulation of ideas”. The citation implies that theoretical perspectives are situated at a level above that of theories grounded on relationships between variables (Gilbert, 1995; Sekaran, 1992). Thus, the concept of “research perspective” is defined as “a scientific point of view or a scientific position taken to guide the research in question” (Johannessen *et al.*, 2004, p. 47). The theoretical perspectives employed in studies of social phenomena are always important because “any scientific finding is usually to be assessed in relation to the theoretical perspective from which it derives; to which it may contribute” (Silverman, 2005, p. 96). The essence of the choice of research perspective is linked to the research topic and research questions under scrutiny, which are coupled to the research literature in the chosen field of enquiry. Nevertheless, a key point is that underpinning every definition of service branding is the choice of theoretical perspective such as an economic perspective, a psychological perspective and broader relational perspectives (Brodie, 2009). The core is that broader perspectives view a brand not only as an entity but also as a process (Kwortnik, 2006; Simmons, 2007), such as a co-created brand experience process (Pralhad and Ramaswamy, 2004). Thus, the process view of service branding is well-accepted in services branding theory.

According to branding theory, branding is a competitive strategy that differentiates and positions products, services and companies in order to build economic value for customers’ and the brand owner (Tsiotsou and Ratten, 2006). Thus, as emphasised, in any study of services branding, a choice of perspective is required. The suggestion in this paper is the use of a systemic perspective to understand service branding at the company level. The systemic perspective is linked to the organisational literature (Handy, 1993) and is grounded on a system of relations between components that may influence brand development in individual service enterprises. The picture that emerges from several studies of services branding is that the interaction of several components affects successful service brand development (de Chernatony and Segal-Horn, 2003; Rowley, 2004; Simmons, 2007). By building and finding support in the services branding literature (see Schlager *et al.*, 2011), we suggest that the components are organised into three groups according to an actor’s approach that forms a relational or interactive system in accordance with the view of the brand as a relationship builder (Grönroos, 2007; Riley and de Chernatony, 2000). In the next part of the paper, we will discuss the actors who are assessed to be the prime drivers to service brand development at the level of the individual service company.

Literature

Service brand development: the key actors at the company level

De Chernatony and Cottam (2006) argue that the service brand is a holistic experience, is based on excellent and personalised customer service, challenges the norm and is responsive to change. According to this view, the brand serves external as well as

internal purposes (de Chernatony and Segal-Horn, 2003; de Chernatony *et al.*, 2006; Harris and de Chernatony, 2001; Kimpakorn and Toquer, 2010; Urde, 2003), because it is created in the triangle between the company, customers and employees (Schlager *et al.*, 2011). The triangle represents an actor's approach to service brand planning and development. By building on this frame of reference, customers become important in service brand development at the company level, as they are co-creators of the brand (Kay, 2006). Similarly, what management/leadership actually undertakes in developing a strong, powerful brand is important, because they possess the power and authority needed to plan for, develop and implement changes in businesses operations, including brand development (Daft, 1999; Hunt, 1997). Similarly, service employees (Kimpakorn and Toquer, 2009, 2010) are important sources of brand equity because of their ability to engage in service brand development and fulfil brand promises. According to Jacobs (2007), the service employees are the real "ambassadors" of the brand. Thus, the actors in the service triangle (Grönroos, 2007) influence service brand development at the level of the individual service enterprise. The role of the brand actors' is discussed under three separate headings: "the role of customers as co-creators in service brand development"; "the role of leadership as change masters in service brand development" and the "role of service employees in service brand development". Thus, the authors suggest that these role takers constitute the components of an interactive service brand model grounded on a systemic perspective.

The role of customer as co-creators in service brand development. According to branding theory, strong brands are developed by means of a co-creation process that involves a number of players, especially brand consumers and brand managers (Boyle, 2007; Brown *et al.*, 2003; Coupland *et al.*, 2005). Thus, creating a successful brand involves more than just the production and delivery of an effective core product or service. Simmons (2007) addresses three key themes that need attention; understanding the customer, selecting appropriate marketing communication and engaging in ongoing interactions with customers. Illustratively, the essence of ongoing interactions with customers is that a firm's organisational processes "resolve around the creation, development and protection of brand identity in an ongoing interaction with target customers with the aim of achieving lasting competitive advantages in the form of brands" (Simmons, 2007, p. 545). Thus, the important role of customers as co-producers of services implies an interactive and relationship approach to brand building (Grönroos, 2007; Klaus and Maklan, 2007), which is also addressed by Vargo and Lusch (2004).

Boyle (2007) suggests a brand co-creation process of five stages:

- (1) the development of a new product with unique perceived product attributes;
- (2) the creation of brand awareness through marketing and other communications;
- (3) consumer interpretation of marketing and other communications to form pre-consumption brand associations;
- (4) consumption of the product and formation of post-consumption associations;
and
- (5) repurchase and the intensifying perception of unique benefits, leading to brand loyalty.

Obviously, the ultimate goal of the co-creation process, as suggested by Boyle (2007), is to obtain customers' trust and loyalty to the brand through the formation of positive brand associations that concern brand equity, which Keller (1993) perceives as the

mental associations consumers have with a brand name. The process view of value co-creation is supported by Lepak *et al.* (2007). They perceive value creation as a dynamic and multi-stage process involving different users of value.

The role of leadership as change masters in service brand development. The perception of the brand as a strategic resource or asset (Urde, 1994, 1999) implies that top management/leadership plays a decisive role in brand development (Vallaster and de Chernatony, 2005). In fact, a firm's corporate strategy may change, which, obviously, has consequences on its web of strategies, including the brand strategy (Brodie *et al.*, 2006). Thus, the brand as an intangible asset is not a static entity, but needs to be subject to changes in order to keep an organisation's position as a strong brand owner (Aaker, 2002). Illustratively, when new competitors enter the market, an enterprise may need to change its brand promises accordingly in order to stay competitive (Aaker, 2002). Similarly, as a key issue in branding is to differentiate products and services in competitive markets, changes in customers' preferences (Poon, 1993) may force an enterprise to adjust accordingly by altering the brand communication mix (Lovelock and Wright, 1999; Grönroos, 2007).

Nevertheless, the role of leadership/management differs by the magnitude of organisational changes (Strand, 2006), which may encompass radical and incremental changes (Strand, 2006). Obviously, a change in brand strategy belongs to the first category. A new brand strategy needs to fit the overall business strategy, which is a task of top leadership, while incremental brand changes are the responsibility of middle (brand) management. Thus, according to branding theory, leadership/management plays a leading role in brand strategy development, while the operational side of brand management is the responsibility of marketing and brand managers.

The role of employees in service brand development. The important role of service employees in the delivery of services is evidenced in the service management literature (de Chernatony, 1999; Lovelock and Wright, 1999; Ind, 2003), particularly in relation to securing the required level of service quality in service processes (Andreassen, 2008; Hoffman and Bateson, 1997). In past studies of service branding, the important role of service employees is recognised (Brodie *et al.*, 2006; de Chernatony and Dall'Olmo Riley, 1999; de Chernatony *et al.*, 2006; Free, 1999; King and Grace, 2005), as employees' are assessed to be an important source of brand equity (Kimpakorn and Toquer, 2009, 2010). In other words, the "quality" of the service personnel may be the factor that differentiates one service provider's offerings from those of its competitors. The essence is that service employees' commitment and trust in the brand influences the "quality" of the many service encounters during the stages of service delivery and consumption (Bitner *et al.*, 1994). However, the role of service personnel, while having little effect on search goods, makes a difference with experience goods (Moorthi, 2002). Illustratively, for an experience good such as a cruise operation, the front-of-house personnel are as important as the backstage personnel, whereas for a search good such as a washing machine, the backstage personnel are more important than the frontline personnel (Moorthi, 2002).

Service employees' brand commitment, by building on Kimpakorn and Toquer (2009), is by the authors perceived as "the extent to which service employees identify with an organisation's brand values and excel branding behaviour that supports the brand and that clarify the image of the brand". The core of the definition is that service employees experience a sense of identification, commitment and trust with the organisation and, as a result, are committed and stay loyal to the organisation (Kimpakorn and Toquer, 2010).

Thus, the role of service employees in services branding development is evidenced in the research literature. As one goal of a customised organisation is to develop a brand into a “power brand” (Gale, 1994), service employees may play decisive roles by means of their actions and activities during stages of service encounters, especially in high-contact services (Lovelock and Wright, 1999).

By building on and finding support in services branding theory, the conclusion from this part is that there are three key actors involved in services brand development, namely customers, leadership/management and service employees, who influence service brand development in the individual service enterprise through their role taking skills, attitudes, behaviour and actions. The coupling between these actors is showed in the Figure 1, which is conceptualised as an interactive model of service brand development. The model will be reviewed next.

Service branding: an interactive model of service brand development

The model reads as follows. From a market perspective (Kotler, 1984), customers, in relation to services branding, are viewed as a resource for the individual company because they are the “gold reservoir” that affects the destiny of the company. Nevertheless, many companies fail in their branding efforts (Boyle, 2007; Kohli, 1997; Tilley, 1999), which may have negative consequences such as lost customers and demoralised service employees. The other side of the coin, however, is that successful branding may have positive consequences, such as loyal customers and a committed and loyal workforce (Sok and O’Cass, 2011).

The customer-oriented view implies a market approach to services branding, the core being that service brand development is coupled with customers’ expected experiences of the service provider’s service offerings. In this way, customers become co-creators of services brand processes (Boyle, 2007), which has consequences for leadership. As brands undergo sustained changes (Simmons, 2007), leadership needs to take proactive actions to develop branding strategies based on “an involvement model” of management (Lovelock and Wright, 1999). The essence is that the involvement model of management is grounded on action orientation and change management

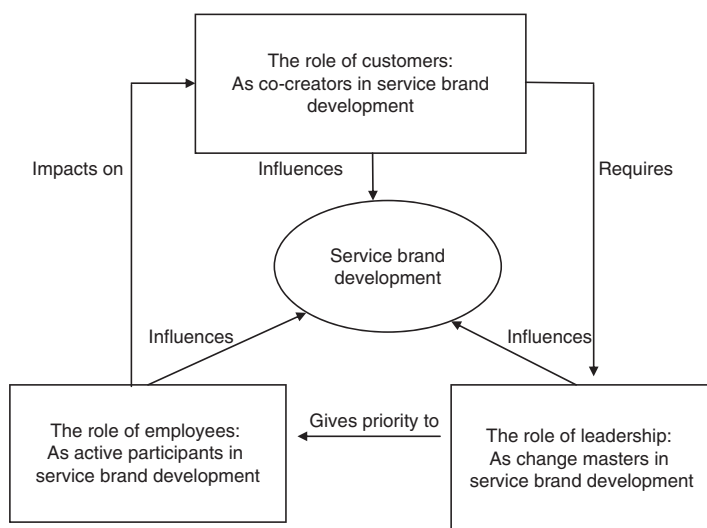


Figure 1.
An interactive model
of service brand
development

(Lovelock and Wright, 1999). The active role taking of leadership implies that frontline employees are given an upgraded role in the delivery of services, as they are the real “ambassadors” of the brand (Jacobs, 2003; Kimpakorn and Toquer, 2009, 2010). Thus, employees become important in service brand development processes both internally and externally (de Chernatony and Segal-Horn, 2003). They are as important as customers (Kay, 2006), because employees’ knowledge, attitudes, skills and actions may have a positive influence on their branding behaviour (de Chernatony and Dall’Olmo Riley, 1999; Punjaisri *et al.*, 2009). The active involvement of employees in brand development, in particular those at the frontline, implies a status of empowered employees, which has consequences for their daily operations in the company. Thus, the active role of employees is an important source of brand equity (Kimpakorn and Toquer, 2009, 2010) and affects how customers perceive a brand (Kimpakorn and Toquer, 2009, 2010).

A conclusion from this part is that systemic thinking by means of a systemic perspective is beneficial in order to view services brand development as a holistic management process that is change-oriented and that involves three key actors that constitute the key components of an interactive service brand model.

Discussion

The interactive model of service brand development (see Figure 1) shows how three key actors of service branding, customers, service leadership and service employees, interact and thereby influence service brand development in individual service enterprises. A set of models has been described in the research literature. Illustratively, Boyle (2007) suggests a process model of service brand co-creation. The model features a linear process of services branding, including five distinct stages. One key characteristic of the process is duality that implies that the process is twofold; one part is controlled by the service provider, the other is controlled by customers. Contrasting the linear characteristic, the interactive model suggested in this paper features a circular model, as the key actors form a relationship system. The essence is that there is no starting point of the service development process and no ending point. Illustratively, in order to obtain success in services branding, a service provider may start in the market (a market approach) by identifying the key requirements of customers’ and then adjust and develop products and services to meet their requirements as well as develop an appropriate communication mix in which brand slogans, messages, values and brand promises are incorporated. Similarly, employees may be a starting point by employing a service employee approach in services brand development by upgrading their service roles because their knowledge, skills, attitudes and actions represent the brand’s functional and emotional values (Kimpakorn and Toquer, 2009, 2010). Finally, the starting point may be service leadership by employing a management approach to brand development, as the top leadership team is responsible for and has the authority to develop competitive branding strategies (Tidd *et al.*, 2005; Trott, 2005), which need to be aligned with the organisation’s vision and mission (Daft, 1999). Thus, the interactive service brand model, by being built from a systemic perspective in which several approaches may be applied, shows the benefits of applying a circular model to branding in contrast to a linear model of service brand development.

In services research, including research on services branding issues, the key role of customers, leadership and employees, both at the front- and backstage, have been addressed (Schlager *et al.*, 2011). In relation to services branding, Brodie (2009), as an example, addresses the important role of marketing in service branding by pointing out three areas of marketing: internal, external and interacting marketing. Thus, by

building on a market approach, Brodie (2009) shows that branding is an area in the service marketing discipline. Nevertheless, contrasting this view, the interactive service brand model suggested in this paper implies a holistic and change-oriented view of services branding. This holistic view encompasses several disciplines, particularly those of leadership, management, marketing, organisation and human resource management. The key point is that services branding must not be left to the marketing department alone (Schreuer, 2000), but is an arena that needs coordination and collaboration across an organisation's functions and layers. Thus, the holistic and circular view of service brand development emphasise an organisational view of a service organisation in line with an "involvement model" of business conduct (Lovelock and Wright, 1999), which contrasts with the "control model" that still operates in many service organisations (Lovelock and Wright, 1999).

Implications

A set of implications, both theoretical and practical, emerges from the discussion carried out in this paper. First, according to service knowledge and theory, service enterprises ought to focus even more on their customers by identifying what exactly creates value for them. Hence, customers have to be integrated into service brand development as co-creators of the brand, because such a strategy builds customers' trust and commitment in the brand (Boyle, 2007). Thus, in order to succeed in service brand development, a high degree of customer involvement is required along with a high degree of service orientation. Service orientation as a construct is coupled with management's view of services, which, according to Grönroos (2007), needs to be a "service perspective", which a service business is advised to follow in order to obtain a competitive advantage by means of quality service offerings (Grönroos, 2007). Theoretically, the Figure 2 depicts the coupling between customer involvement and service orientation and shows that successful service brand development requires a high degree of customer involvement and a high degree of service orientation.

Second, according to leadership theory, service leaders are authoritative change masters in enterprises (Daft, 1999; Kanter, 1983; Strand, 2006), who in their branding

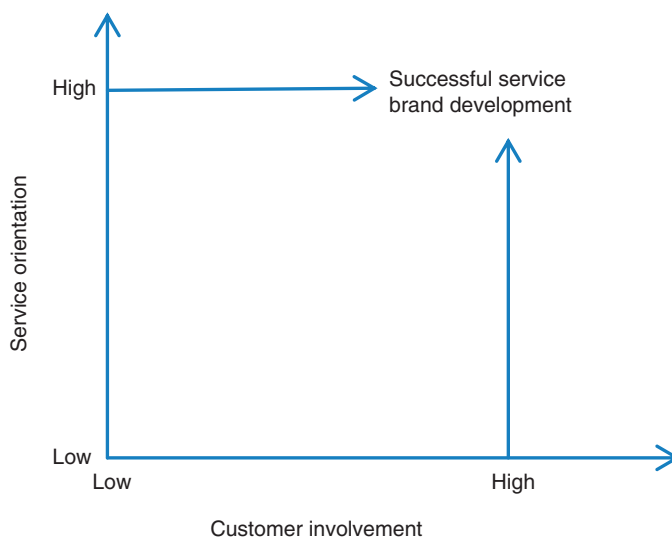


Figure 2.
Successful service brand
development: service
orientation and customer
involvement

efforts needs to build on an “involvement model” of service management, which contrasts with the “control model” (Lovelock and Wright, 1999). An involvement model of leadership implies a bottom-up approach to service brand development that, in relation to the role of service leadership, implies a business model according to the inverted pyramid (see Carlzon, 1987). The coupling between leadership orientation and service orientation is illustrated in the Figure 3. Theoretically, this figure shows that the use of an involvement model of management and a high degree of service orientation are required in order to obtain success in service brand development at the firm level.

Third, service employees, according to service theory, are an organisation’s most valuable organisational resource. Theoretically, in the context of service branding, this implies service employees’ role taking of self-regulation, autonomy and empowerment (Carlzon, 1987), which is particularly needed in high-contact services that deal with experience and credence goods (Moorthi, 2002). The claim is that when a high degree of employee involvement in service brand development is present, backed up by a high degree of service orientation, successful service brand development may be obtained. Theoretically, the Figure 4 shows that a high degree of service orientation and a high degree of employee involvement are required in order to obtain success in service brand development at the level of the individual enterprise.

There are several practical implications that follow from the research reported in this paper. First, a service enterprise which operates in the old industrial model of business conduct, must change to a service model which is grounded in a philosophy of “service excellence”. Second, as a consequence of employing a service model, an enhanced focus on the customers’ needs, wants and preferences is required by, for example, the collection and use of customer information for service brand development purposes. Obviously, there should be a correspondence between the values and promises management wants to deploy in a service brand and the brand values which the customers’ requests. Third, as a service enterprise is advised to upgrade the roles of service employees, particularly those at the front, management should offer training

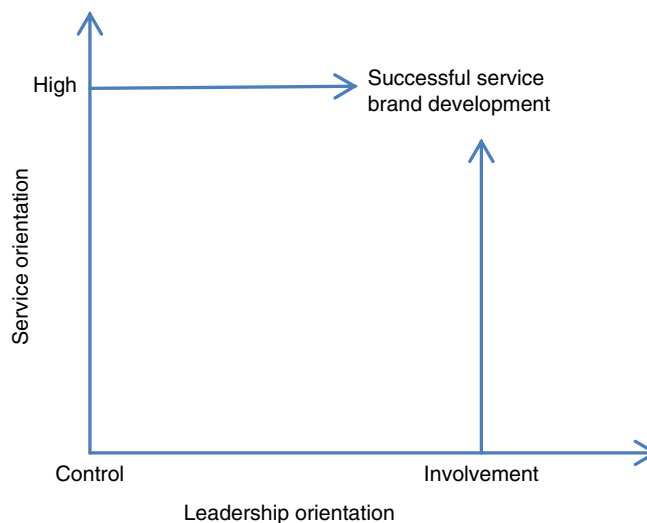
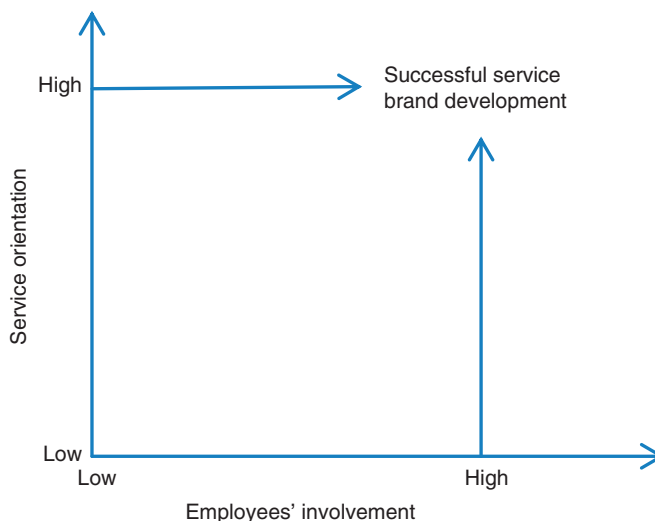


Figure 3.
Successful service brand development: leadership orientation and service orientation



Interactive model
of service brand
development

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Figure 4.
Successful service brand
development: employees'
involvement and service
orientation

programmes, promotional possibilities and enhanced decision-making power in order to empower the service employees. Fourth, management should assess the organising principles and structures, i.e. to reorganise hierarchic structures into front-line organising, which implies a bottom-up approach to service brand development. Fifth, management should upgrade the importance of service branding as a strong brand may enable a company to tie the customers and the service employees to the company, making both groups stay loyal to the company. Sixth, important for practice is to view service branding as a dual-oriented, holistic management process that needs to be adequately managed by means of an involvement model of leadership.

Conclusions

In this paper, by finding support in service and service branding knowledge and theory, we have identified the key driving forces to service brand development at the level of the individual service enterprise by means of a systemic perspective. In relation to this, a service brand development model has been outlined and discussed (see Figure 1).

As illustrated in the Figure 1, according to service brand theory, service brands are created in the triangle between the company, represented by the key driving forces to service brand development, those of service leadership, service employees and customers (Schlager *et al.*, 2011). The triangle has been used as a frame of reference for suggesting the interactive service brand model that features the traits of a circular model, which, we have argued, is applicable at the firm level of the corporate service enterprise. The discussion showed how the prime actors interact by means of a systemic perspective on which the interactive service brand model is situated. In the discussion part, we have also argued how successful services brand development can be obtained at the firm level by focusing on the necessity to develop a high degree of service orientation, and quality dimensions connected to customers, service leadership and service employees. Overall, the paper has contributed to an enhanced understanding of service brand development at the firm level by means of systemic thinking.

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