

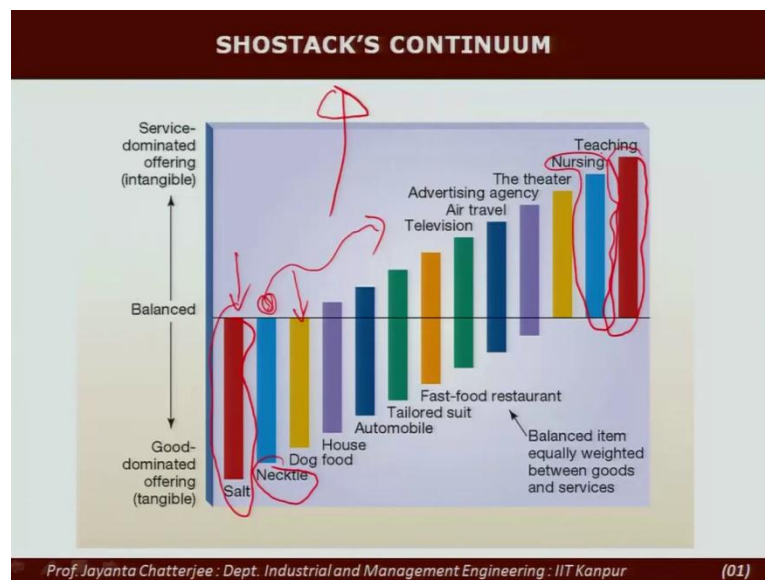
Managing Services
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Lecture – 27
Branding Services - I

Hello, I am Jayanta Chatterjee from IIT Kanpur, we are discussing managing services and the contemporary issues in the modern world, where the service philosophy is influencing all businesses. In the last couple of sessions, we have discussed about segmentation, targeting and positioning and creating the value proposition, crisp value proposition by virtue of which, we win the hearts of a segment of customers and we create relationship with a target group in the market.

Once we understand this concept of value proposition, we can extend that to the more popular well known concept of brand. To discuss today's topic of service branding and this is the first set of discussion on branding, we will have another a little bit more advanced discussion later, when we have covered all the other piece of service management as well.

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So, before we go into the branding perspective we should revisit this famous diagram, which is called Shostack's continuum to honour the researcher, who proposed this. And this is a very important diagram to understand at this stage, because when we create the

brand architecture this concept will be very useful. So, this diagram shows that almost everything that is there in the market can be positioned on this continuum. So at one end we have mainly products or we call goods, very dominant intangible characteristics.

So, salt is often placed at this extreme or dog food or pet food is placed at this extreme. At one time, necktie was placed here, but it may not be the right position today, because there are many things to happening in that market to do push it this way. At the other extreme we have what is happening right now here, teaching exchange of knowledge or nursing, healthcare. There is a bunch of tangible here, there is some like for example, this PowerPoint which is in front of you or the text book that we have referred and we are using or the kind of connection, internet connection that you are using, these are certain tangible elements.

But, they are kind of external, the good knowledge exchange between you and me can happen without these paraphernalia. So, the core proposition here, the exchange of knowledge between you and me, exchange of knowledge between you and the others, who are participating in this course when you put your comments or read others comments on the forum, that knowledge flow, knowledge exchange which is at the core of this service is mostly intangible and is not really dependent on goods or products.

But, between these two extremes, like most of the other offerings in the marketplace and that is why if you remember we had discussed earlier, that most offerings in the marketplace, most value proposition and therefore most brands are both tangible and intangible or products and services depicted also by the coinage, which I presented to you product service system. So, this systemic nature, this composite nature for most offerings of most brands is a good concept to start with.

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WHAT DO WE MEAN BY BRAND ?

➤ A BRAND is a **name, term, sign, symbol or design**, or a combination of these, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors (an identifier, a promise)

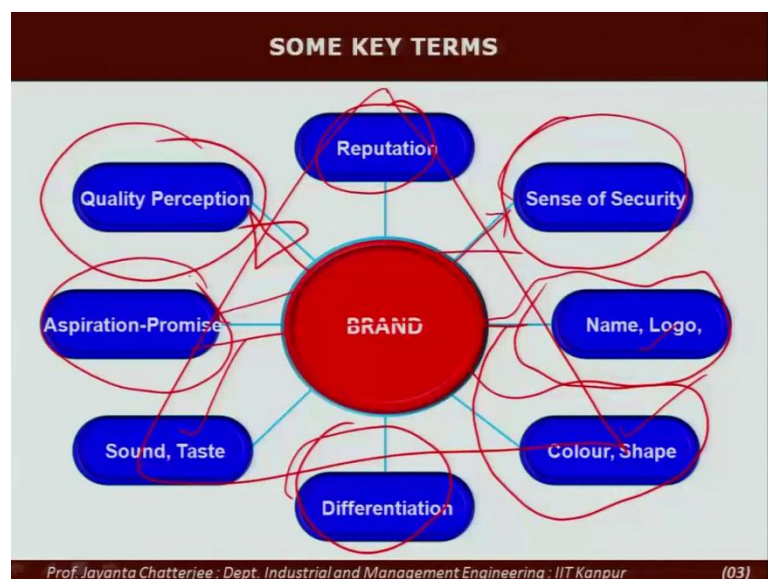
(Kotler et al, 2006)



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Brand has many marketing gurus, management gurus have defined it as a name, it is a sign, it is a symbol, it is a design and a combination of these, intended to identify the goods or services distinctively with respect to others with respect to competitors. So, it is both an identifier, usually tangible and a promise usually intangible. So, identifiers like logo or colour or a jingle sound are tangibles and intangibles are the embedded promise of the brand.

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So, this diagram kind of expands, that view, so on the top is, so this can be even also presented like a pyramid. So, the top of the pyramid is reputation, brand is another name of reputation, reputation to put it another way, reputation is the foundation of brand and differentiation with respect to competitors, distinctiveness is the deliverable of the brand. So, reputation is the foundation and differentiation is the deliverable from brand and that happens through various categories of interactions and perceptions and believes.

For example, sense of security, this is sense of security or managing uncertainty or managing the risk perception, all of these can be clubbed here, whether the customer feels secure to decide in favour of a particular service for that matter for a particular product. Based on it is brand strength, because the brand, a strong brand helps to reduce the uncertainty and the sense of risk in the customer's mind.

So, brand delivers sense of security, that it is a good decision to buy this service from Air India or from jet airways or from indigo depending on the circumstances. Brand conveys quality perception; obviously, a high brand, a level position brand, a famous brand converts quality. You cannot have a global brand, if your quality is not very good, if your quality is not superlative. When we discuss in detail about quality, we will see that there are different shades, quality is a range of perceptions.

But, at this stage it suffices to say that a good brand, a strong brand connotes high quality, brand also is the name, is a logo, colour, shape. So, these are all that actually are at the foundation level of the brand name, logo, colour, shape, sound, you know many like nirma. The moment you think of nirma, people remember the jingle washing powder nirma and so on.

There are many such examples, jingles that have stayed, survived, decades, giving a lot of strength to that particular brand. Just like quality perception is a sort of quite intangible in many ways, in particularly in case of service. We have discuss this, because of the heterogeneity, high quality musical concert to one segment of customer, a classical concert to a segment of audience who understand the movements of classical music can be superlative.

But, the same can be sort of ordinary for another unschooled or uninformed customer segment, who may be more in or of the, you know the grandeur of the opera house over the opulence of the production and so on. So, the quality perception as I was saying has

the different shades, different dimensions we will discuss that in more detail later on when we discuss quality and productivity in the service domain.

But to conclude this architecture to conclude this view of different aspects of brand, it is foundation and it is deliverable. To conclude the discussion I will discuss another very important thing, that all brands are promises. They serve a certain set of aspiration in the customer's mind and some researchers say that you may propose or you may deliver an excellent set of utilitarian values through your product or service or combination.

But, you will fail if you do not understand the subliminal the undercurrent of aspiration, emotion in the minds of the consumers. People often say that for example, it is a product example, but relevant in this particular context. The Tata Nano was successful in terms of the utility and value it offered when it was launched, but it failed to respond to the aspirational values in the minds of the first time car buyer.

So, when it was positioned as a cheap car, then it undermined that aspiration in the customer's mind and nobody wanted to be identified with a cheap car. Because, they wanted that car to be also a statement that they have a right that they are now economically well off to go beyond the two wheelers. And that is why... Though it was more expensive, the entry level cars of Maruti or Hyundai did much better, even though they were more expensive and that is why the Tata Nano car is now getting reposition as a car for the young zippy car. It is a Zingo car, it is very good in the urban, tight parking situation and so on.

So, it is changing it is position more like the famous, towards the famous SCAR of Mercedes and so on. So, we have to understand therefore, go back to the previous definition, so we have to understand in brand the identifiers as well as the promises, the tangibles as well as the intangibles.

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BENEFITS OF BRANDING

- To the SC
 - Identify products
 - Reduce time required for purchase
 - Evaluate quality of products
 - Reduces perceived risk
 - Psychological reward
- To the SO
 - Differentiates product from competitors
 - Segment market by creating tailored images
 - Identifies company, making repeat purchases easier
 - Reduces price comparisons
 - Communicates company/product values, promises

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So, to the service consumer I have just deliberately written in it short, so that you will expand it. So, to the service consumer, brand helps to identify good products in his or in the consumers mind, reduce the decision making time to make the purchase, because it reduces the risk perception, the sense of uncertainty. It helps to evaluate quality of products, because brand scans as a proxy for quality, it reduces perceived risk and create some kind of psychological reward.

So, when you buy a certain brand of toothpaste you are buying the psychological reward that it will help you to get close to others, who will not get repulsed by your bad breath. So, the fresh breath, clean breath is also a promise for a reward of companionship, social popularity and so on. In the same way to the service organizations, brand helps to differentiate the product from competitors, segment market by creating tailored images, it is also often used for repositioning the brand.

For example, Amul the dominant brand for milk and milk products is trying to reposition itself, that it is also a fun drink, it is a drink for the young people, it is a party drink and so on. So, it no longer needs to compete with other milk brands, because it is already a dominant milk brand, it now wants to expand it is brand footprint and wants to compete with other kinds of beverages, the so called fun beverages, the cola type of beverages and so on.

So, Amul have come out with a therefore an expanded proposition with different kind of packaging, different kind of coloured, flavoured milk and positioning it as a, even in different kind of packaging. So, just like a cola drink you can drink from the bottle or from the just like there you can drink from the cane and throw it away, here you can drink from the bottle and dispose it off or from the tetra pack and dispose it off.

So, brand therefore, helps to segment the market by tailoring the image. It also helps to expand the market segment, address a new market segment and so on. It makes repeat purchase easier, reduces price comparison and it communicates the value, the promise. So, these are the set of advantages derived by the customer from the brand and these are the set of advantages derived by the service organization from the brand.

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SELECTING A BRAND

➤ The elements of a good brand should be:

- Memorable & Likeable
- Meaningful Determinant
- Evolving Fresh
- Your Views?
- _____

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I have now, given a small assignment for you in front of you like I have written here the elements of a good brand should be memorable and likeable just as we like somebody for some logical reasons as well as for emotional reasons for intangible reasons. In the same way a brand needs to be memorable and likeable therefore, it needs to appeal to our in our subconscious level it needs to be meaningful it needs to be to offer security with the promise of important attributes as well as determinant attributes.

And a brand needs to be evolving it cannot be static point we discussed when we discussed proposition, value proposition that you need to be I hate of your competition and definitely respond to competition their value proposition. So, brand therefore, needs

to be always fresh in the customer's mind; that is why you often have recreational campaigns to recreate the brands freshness.

So, that is the other thing evolving and fresh your assignment is now, to write at least five more bullet points about this query, what should be the elements of a good brand. So, write five views and post it on the forum.

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So, to conclude our discussion at this stage on branding we present this particular four quadrant somewhat similar to the hands of matrix. So, if the brand name is this the same and the service category remains the same to it is like the line extension like I mentioned the name of Bhojohori Manna. So, if you go to their website you will see that with the same kind of service, which is offering traditional exotic Bengali cuisine in modern ambience existing brand name Bhojohori Manna existing service category.

But, they are creating different adding different items to their menu discovering forgotten recipes and adding it, so this is a line extension activity for a brand this is creating the freshness evolution of the existing brand etcetera. Similarly, there can be a new service category with the same brand name like Bhojohori Manna now has a party service home delivery for if you suddenly invite 10 people and you need to quickly Russell of a good meal you call them up and you get delivery home delivery of a dinner for 12 people 15 people or whatever.

So, that is say kind of what we call brand extension party there can be with the same within the same brand, but you that can be different brand names, but same service existing service. So, like British airways or Singapore international airlines there grid masters, so within their same service they will say raffles class. So, it is a new brand Singapore airlines is a brand raffles classes another brand, which crores they are business class.

So, they try to say that our business class is not just another business class its raffles class. So, you need to create that sort of campaign that sort of value proposition etcetera or there can be a completely new brand for a new service category like reliance is very strong brand in petrochemicals are textiles and so on. But, they are now getting into multimedia data streaming high speed data service internet service and they are calling it Reliance Jio. So, this is an example of a new brand, where the brand name is new and the service categories new of course, they continue to use reliance, which is often the tactics used by multi brand companies.

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ARE YOU PRO OR NO LOGO?

http://www.brandchannel.com/forum.asp?bd_id=9
(Naomi Klien "No Logo" Flamingo 2000)

➤ **Consumers leverage Brands**

Brands are not merely products but they used by consumers as forms of self expression and they represent lifestyle

Hence consumers choice drives brand decisions

➤ **Brands manipulate**

Branding influences consumers self expression and self image

Hence brands play on consumer emotions

Companies hide bad labour practices, cartelization and promise miracles. Trust?

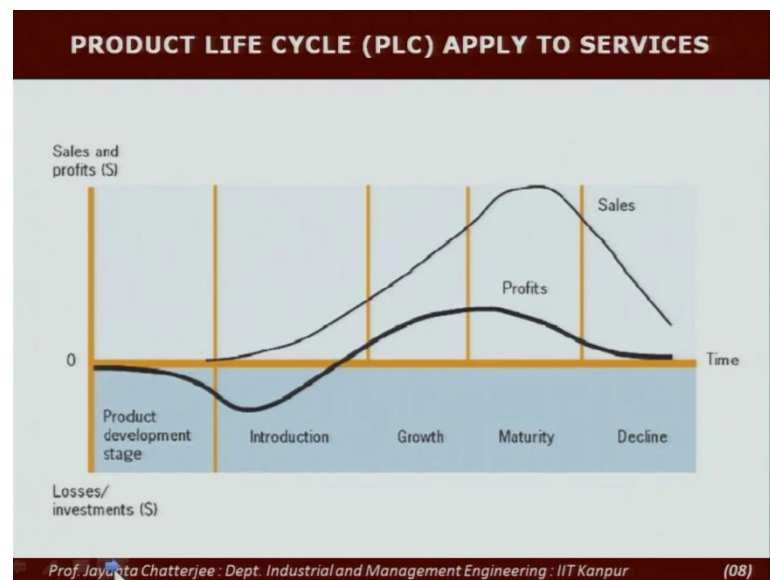
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And some advanced start our main discussion today is this assignment in light of the points, that we discussed that you have to give me some elements of a good brand at least 5. But, I am leaving some advance thoughts in your mind what is this, because I will the leverage on this starts later on when I read discuss a brand, that in advanced stage and this is another view from a very famous book call no logo by Naomi Killen and

this pointed out that consumers leverage brand consumers derive benefits from brand, which we discussed just now.

But, brands are sometimes manipulative they hide bad labour practices cartelization they often promise miracles. So, you have all kinds of miracle drugs for weight loss miracle services for you know 15 kgs in 2 weeks and something like that many of those are they are not sustainable, but keep on doing it. So, that is the certain amount of criticism against branding a, which is valid that the brands are often manipulative. Because, they thinker with customer self expression and self image and play on customer weaknesses by promising all kinds of unsubstantial claims.

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But, these are some advanced topics we will discuss this compulsion sometimes when we revisit the branding issues in light of these things like product lifecycles, etcetera.

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SERVICE BRANDING

➤ Strong brands increase customers' _____ of the invisible purchase. Strong brands enable customers to better _____ and understand intangible products. They reduce customers' perceived monetary, social, or safety risk in buying services, which are difficult to evaluate prior to purchase. Strong brands are the _____ when the company offers no fabric to touch, no trousers to try on, no watermelons or apples to scrutinize, no automobile to test-drive

Berry (2000)

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So, another set of assignment for you this is I want you to fill up the gaps here this is actually taken from another famous author and researcher in the service field berry. Strong brands increase customer dot, dot, dot of the invisible purchase strong brand enable customers to better dot, dot, dot and understand intangible products, if you can fill up these two gaps, that will be great and will discuss this one a little later one more time later on.

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SERVICE CHARACTERISTICS AND BRAND ARCHITECTURE

Characteristic	Challenges	Strategies
INTANGIBILITY	Cannot be produced and displayed ahead of time Can't try before you buy Increased perceived risk	
INSEPARABILITY	Interaction required Production/consumption simultaneous Time/place restraints	
INCONSISTENCY	Variances in how the service is delivered via staff May affect actual/perceived quality	
INVENTORY	Unused service goes to waste Fixed and variable costs need to be considered Unmet demand = lost opportunity	

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And this other one for you to think about we have discussed this actually in another contacts earlier in over four different sessions, that these are the characteristics of service intangibility in separability, inconsistency and inventory. You recall that you said that to respond to the challenges generated by these two major approaches are promotion communication customer education promotion and process.

Let us focus on that, issue of promotion or communication and let is therefore, think in our minds, that how these characteristics this challenges are mitigated by branding strategies. So, brand as a package of communication often help us to respond to the challenges thrown up by I 8IP and you think about it I leave this request with you and remember, that my requests are often self serving, because these requests may appear in the form of certain questions when you respond your quiz or examinations.

So, I end to the session with this particular diagram reminder about, what intangibility, inseparability, inconsistency, etcetera or the characteristics and how brand can help us to respond and these four blocks of brand categories branding strategies four types of branding strategies and your assignment, where you have to come up with five elements of a good brand.

Thank you.