

# Cultivating Service Brand Equity

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*In packaged goods, the product is the primary brand. However, with services, the company is the primary brand. This article, based on primary research with 14 mature, high-performance service companies, makes a case for service branding as a cornerstone of services marketing for today and tomorrow. The article presents a service-branding model that underscores the salient role of customers' service experiences in brand formation. Four primary strategies that excellent service firms use to cultivate brand equity are discussed and illustrated. Branding is not just for tangible goods; it is a principal success driver for service organizations as well.*

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Branding plays a special role in service companies because strong brands increase customers' trust of the invisible purchase. Strong brands enable customers to better visualize 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 surrogates when the company offers no fabric to touch, no trousers to try on, no watermelons or apples to scrutinize, no automobile to test-drive.

In packaged goods, the product is the primary brand. However, with services, the company is the primary brand. The locus of brand impact differs for services because they lack the tangibility that allows packaging, labeling, and displaying. It is not possible to package and display an entertainment or transportation service in the same way as Kodak packages and displays film.

Even more significant is the source of customer value creation. Brand impact shifts from product to company as service plays a greater role in determining customer value (Berry and Parasuraman 1991). Folgers Coffee customers buy the product brand. Most are probably unaware that

Folgers Coffee is a division of Procter & Gamble. It is not relevant to the purchase decision. The locus of brand impact is the product. Customers patronizing a Starbucks store, however, buy the company brand. Their service experience with Starbucks figures prominently in their perception of the brand. Starbucks founder Howard Schultz (1997) clearly understands the source of brand power in a service business:

Our competitive advantage over the big coffee brands turned out to be our people. Supermarket sales are nonverbal and impersonal, with no personal interaction. But in a Starbucks store, you encounter real people who are informed and excited about the coffee, and enthusiastic about the brand. . . . Starbucks' success proves that a multimillion-dollar advertising program isn't a prerequisite for building a national brand—nor are the deep pockets of a big corporation. You can do it one customer at a time, one store at a time, one market at a time. (P. 247)

This article presents branding as a cornerstone of services marketing for the twenty-first century. Our natural inclination in marketing is to associate branding with goods. Through product, package, and logo design, marketers leverage the materiality of goods in their branding efforts. They affix the brand name to the product and show the product in advertising, often associating it with distinctive symbols, signature statements, and people. Nike's swoosh logo on its products, its "Just Do It" signature statement in its advertising, and its subbrands linking the prowess and persona of athletic superstars to the primary brand illustrate the central role physical products play in brand development.

Branding is just as relevant to services, however. Product intangibility does not mean that brand development is less appropriate or important for services than goods, only that its application differs in certain respects. Brand development is crucial in services, given the inherent difficulty in differentiating products that lack physical differences

(Zeithaml 1981) and the intense competition within service markets, many of which have been deregulated. A strong brand is “a safe place for customers” (Richards 1998). The invisibility of services makes buying them from a safe place an appealing proposition for customers. Brand cultivation was found to be a principal success driver in a study of 14 mature, high-performance service companies in a variety of industries (Berry 1999). These companies use the brand as the foundation for building trust-based relationships with customers.

The possibilities for creating a strong service brand become clearer when we examine its components. The next section discusses the principal components of a service brand, their roles, and their relationships. A discussion of strategies that service companies use to cultivate strong brands follows.

## BRANDING THE COMPANY

A strong service brand is essentially a promise of future satisfaction. It is a blend of what the company says the brand is, what others say, and how the company performs the service—all from the customer’s point of view. A brand is perceived. Figure 1 depicts the relationships among the principal components of a service brand: the presented brand, brand awareness, external brand communications, brand meaning, customer experience, and brand equity. The bold lines indicate primary impact and the dotted lines secondary impact.

The *presented brand* is the company’s controlled communication of its identity and purpose through its advertising, service facilities, and the appearance of service providers. The company name and logo and their visual presentation, coupled with advertising theme lines and symbolic associations, are core elements of the presented brand. The presented brand is the brand message a company conceptualizes and disseminates. The company’s effective presentation of its brand contributes directly to *brand awareness*, which is the customer’s ability to recognize and recall the brand when provided a cue. The percentage of customers in New York City who mention Dial-A-Mattress when asked “what companies come to mind if you need to buy a mattress?” is a measure of the company’s brand awareness in the market.

*External brand communications* refers to information customers absorb about the company and its service that essentially is uncontrolled by the company. Word-of-mouth communications and publicity are the most common forms of external brand communications. Customers may gain awareness and form impressions about a brand not only from company communications but from communications about the company offered by independent sources.

Word-of-mouth (and, increasingly word-of-keyboard) communications are common with services due to their intangible core. When the consequences of selecting the wrong service supplier are severe, service customers are especially eager for unbiased, experience-based information. Thus, word-of-mouth activity often is high preceding a customer’s choice of a doctor, attorney, automobile mechanic, or college professor (Berry and Parasuraman 1991).

Publicity also can be influential in brand development—for better or worse. The combination of reach or coverage and authoritative nature can influence not only brand awareness but also brand meaning.

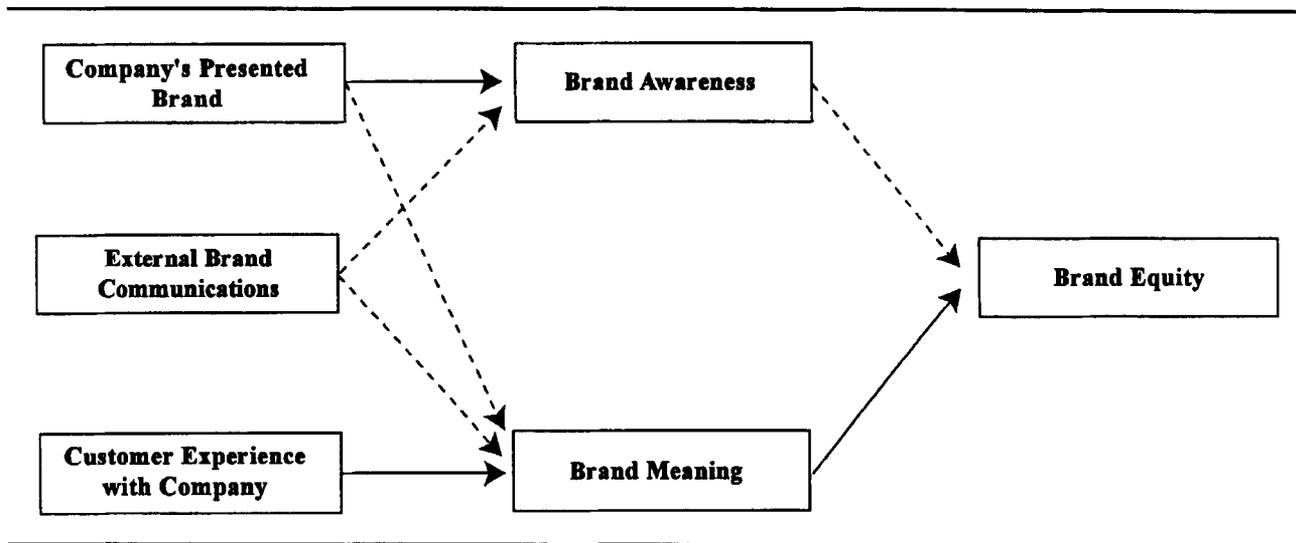
Typically, external brand communications reach fewer people than a company’s own marketing communications. Moreover, the purpose of presented brand communications is to strengthen the brand; these efforts by definition are brand focused. Compared to the bold-line influence of the presented brand on brand awareness, external brand communications represent a dotted-line relationship to brand awareness and meaning. In extreme instances in which word of mouth becomes rampant or publicity widespread and attention getting, the dotted lines can turn to bold.

*Brand meaning* refers to the customer’s dominant perceptions of the brand. It is the customer’s snapshot impression of the brand and its associations. Brand meaning is what immediately comes to consumers’ minds if you mention Wal-Mart and then Target. Most consumers have different perceptions of Wal-Mart and Target, even though both companies are general-merchandise discounters. Brand awareness is high for both companies; brand meaning is different. Target’s consumer research shows that Wal-Mart’s brand centers on price leadership. Low prices are Wal-Mart’s main appeal. Target’s appeal includes bright, comfortable stores, apparel selection, and fast checkout. As Dayton-Hudson executive Jerry Storch (1998) explains, “If we tried to go after Wal-Mart on price, we would compromise our brand. Wide aisles are critical to who we are, but they cost a lot. It is very expensive to be Target.”

The fundamental difference between brand awareness and brand meaning is illustrated by Domino’s Pizza versus Pizza Hut, by Charles Schwab Corporation versus Merrill Lynch, by Southwest Airlines versus Northwest Airlines. These companies all are well known by customers in their respective markets, yet their images are quite different.

What is the source of brand meaning? Although the presented brand and external communications contribute to brand meaning, the primary influence for customers who actually have experienced the service is the experience. Communications have the most influence with new customers who have had little or no direct experience with the company’s service to shape their impressions. The presented brand and external communications are a new

**FIGURE 1**  
**A Service-Branding Model**



customer's only evidence of what the company stands for. However, as customers experience the company's total product, these experiences become disproportionately influential. Customers' experience-based beliefs are powerful. A presented brand can generate greater brand awareness, stimulate new customer trial, and reinforce and strengthen brand meaning with existing customers. A presented brand cannot, however, rescue a weak service. If customers' service experiences differ from the advertising message, customers will believe their experiences and not the advertising. As with goods, in services marketing customers' disappointment with the experience closes the door that traditional brand marketing helps to open.

Brand awareness and brand meaning both contribute to *brand equity* for experienced customers, but not to the same degree. Just as customer experiences disproportionately shape brand meaning, so does brand meaning disproportionately affect brand equity. Brand equity is the differential effect of brand awareness and meaning combined on customer response to the marketing of the brand (Keller 1993).

Brand equity can be positive or negative. Positive brand equity is the degree of marketing advantage a brand would hold over an unnamed or fictitiously named competitor. Negative brand equity is the degree of marketing disadvantage linked to a specific brand. Negative brand equity explains why Holiday Inn sponsored television commercials in 1997 portraying hotel housekeepers using chainsaws to destroy and then totally refurbish a Holiday Inn room. Negative brand equity also explains why ValuJet assumed the name of an acquisition and renamed itself Air Tran Airlines in the year following a fatal accident, temporary grounding by the Federal Aviation Administration (FAA), and months of unfavorable publicity.

The service-branding model shown in Figure 1 differs in degree, not kind, from a packaged-goods branding model. The customer's actual experience disproportionately shapes brand meaning and equity for goods, not just for services. The principal difference in the two models is the salient role of service performance. In labor-intensive service businesses, human performance rather than machine performance plays the most critical role in building the brand.

Product intangibility and the salient role of service in customer value creation focus customer attention on the company as an entity. A service company becomes its own brand, for better or for worse. The source of the experience is the locus of brand formation. With breakfast cereal, the source of the customer's experience may be Cheerios (a brand of General Mills); in snack foods it may be Ritz Crackers (a brand of Nabisco); in cooking oil it may be Mazola (a brand of the Best Foods Division of CPC International). However, with services, the company as a whole is usually viewed as the provider of the experience. Customers become aware of and develop images of American Airlines, Federal Express, Disney World, MCI, Cable News Network (CNN), and the New York Yankees. How can service companies cultivate the development of powerful brands? We now turn to a discussion of brand cultivation strategies.

## **BUILDING A SERVICE BRAND**

Service companies build strong brands through branding distinctiveness and message consistency, by performing their core services well, from reaching customers emotionally, and by associating their brands with trust.

Strong-brand companies have high “mind share” with targeted customers, which contributes to market share. Figure 2 presents four ways in which service companies build strong brands. Firms with the strongest brands typically use all four approaches.

### Dare to Be Different

Service companies with the strongest brands reveal a conscious effort to be different, a conscious effort to carve out a distinct brand personality. Top brand builders almost always are mavericks that defy convention and forge new paths to reach and please customers.

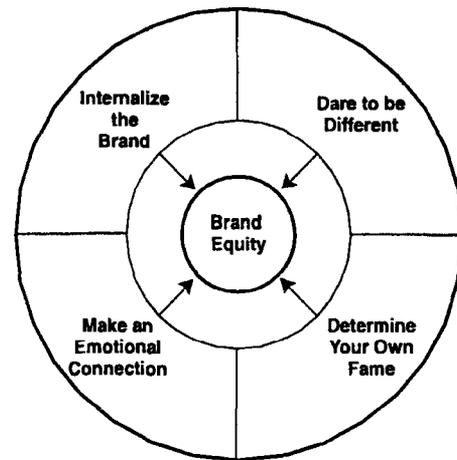
The desire to create a distinct mental picture of the company for customers manifests itself in the presented brand and the customers’ service experience paths in the service-branding model.

The branding strategy goal is to reinforce a demonstrably different service experience with a demonstrably different brand presentation.

Strong-brand firms never market their offer as a commodity, enacting Tom Peters’s (1997) assertion that “commodification isn’t inevitable” (p. 300). Invention rather than imitation rules branding efforts. Companies such as Starbucks, Target, Midwest Express Airlines, Enterprise Rent-A-Car, and Motel 6 use all of the tools at their disposal to craft a separate, integrated identity, including facilities design, service provider appearance, core service augmentation, advertising content and style, and media selection. Starbucks could squeeze more tables and chairs into their stores, but doing so would undermine what they really are selling: a respite and a social experience. Target could operate less-expensive stores with narrower aisles, but then it would look more like its competitors. Because of its two-by-two configuration of leather seats (instead of the more common three-by-three seating), Midwest Express Airline’s all-coach service seems like first class. Meal service with china plates, cloth napkins, free wine or champagne, and freshly baked chocolate chip cookies reinforces the perception. The leather seats, meal service, and cookies are signature clues that augment the core service and differentiate the brand.

Enterprise Rent-A-Car customer-contact employees dress for differentiation. Men wear suits and women dresses or skirts and hose. Customers often are pleasantly surprised by the professional appearance of Enterprise employees who pick them up in an auto repair garage or serve them in an Enterprise office. The least costly television commercial ever made illustrates Motel 6’s efficient efforts to carve out a distinct brand personality. Mocking the higher prices of competitors, Motel 6’s memorable commercial showed a totally dark screen. At the end came this line: “This is what a hotel room looks like when you are asleep.”

**FIGURE 2**  
**Cultivating Brand Equity**



Quick-service restaurant chain Chick-fil-A exemplifies the “dare to be different” principle. Competing against large national television advertisers such as McDonald’s, Burger King, and Wendy’s, Chick-fil-A has little choice but to try to establish a distinct brand personality. Any conventional branding strategy would drown from the sheer advertising weight of much bigger players.

Chick-fil-A’s branding heritage is in shopping mall food courts, the company’s original distribution strategy. In this environment, the company’s principal marketing challenge is to offer food-court visitors a visually distinct alternative to a sea of fast-food eateries. Chick-fil-A practices inside-out marketing in its mall stores. The independent Chick-fil-A operator is the principal marketer with the mandate to bring the store to life as an advertising medium, to leverage the latent marketing power of the store front, counter area and menu boards, point-of-purchase displays, store layout, and the appearance and attitude of employees. Chick-fil-A’s mall marketing strategy is to transform the store into a television screen that will command shopper attention, encourage trial, and stimulate unplanned purchases. “We pay for the customer traffic that a mall generates and have to capitalize on this opportunity,” explains Steve Robinson, senior vice president, marketing, for Chick-fil-A. “We continually ask our operators: ‘What are the messages you are providing from your store that are distinctive, unique, and compelling?’”

To leverage Chick-fil-A’s food quality superiority that is consistently documented in blind-taste tests with competitive products, mall stores regularly invite food-court visitors to sample the product—the venerable small-piece-of-chicken-on-a-toothpick tactic. “We encourage

the operators to use every possible method to get the taste of the product in people's mouths," adds Robinson.

Chick-fil-A's branding challenge both intensified and changed when the company expanded distribution beyond the mall with freestanding street stores. Now the company truly is competing against the major fast-food brands. Mall shoppers select from on-site restaurants. Consumers in their homes, workplaces, or cars have a wider choice set and creating mind share becomes an imperative for the company. McDonald's, Burger King, Wendy's, Pizza Hut, and Taco Bell have compelling reasons to spend significant dollars on advertising. Chick-fil-A, with fewer stores, regional distribution, and a network of independent store operators who fund the advertising, cannot spend nearly as much. Creating a distinct, appealing brand personality is the only way to break through the clutter of competitive advertising.

Media selection contributes to the differentiation strategy. Chick-fil-A is a committed billboard marketer because in most markets it cannot afford broadcast media alternatives. It would rather dominate one medium than spread its advertising resources thinly in multiple media. Billboards are the medium, however, not the message, and they require unique creative content to be effective. Chick-fil-A's creative breakthrough came in the form of cows who urge consumers to "Eat Mor Chikin." (See Figure 3 for samples of the billboard execution.) The Chick-fil-A cows remind consumers "that they don't have to eat a hamburger today" and present Chick-fil-A as the alternative.

What began as a billboard campaign became the centerpiece of the company's presented brand. The best-brand marketing gives customers a return on their investment of time and attention; it gives customers something back (Gordon 1998). This is what the Chick-fil-A cows do. They are fun, humorous, different. They are understated, just like Chick-fil-A. They do not intrude. These animals put a smile on consumers' faces while giving a quick-service restaurant chain a more distinct and personable identity.

### Determine Your Own Fame

A strong-brand service company stands for something that is important to targeted customers; the brand not only differs from competitive brands, it represents a valuable market offer. The brand conveys the company's reason for being. It captures and communicates what the company wishes to be famous for with customers.

Service companies strengthen brand equity by focusing on underserved market needs. They enhance the customers' experience by doing something that needs doing. Charles Schwab Corporation gave investors who knew what stocks they wanted to buy or sell the opportunity to do so without paying full commissions for advice they did

not use. Enterprise Rent-A-Car focused on serving local people whose personal cars were temporarily unavailable to them and built a business in the replacement market. While Hertz, Avis, and National Car Rental emphasized airport locations to target travelers, Enterprise targeted people whose cars were in the shop and quietly built a rental fleet bigger than any other rental car company.

Strong-brand service companies also perform the service effectively. They not only fill a need, they fill it well. Performing a needed service and performing it better than competitors is a powerful brand-building combination. Chick-fil-A's food not only is healthier than some competitive products but also it tastes better. Ratings that are at least 1 scale point higher than that of competing entries in taste tests based on 5-point scales are typical. In Zagat's (1997) survey of 60 of the world's largest airlines on comfort, service, timeliness, and food, Midwest Express ranked 1st in the United States and was the only U.S. airline to place in the world's Top 10.

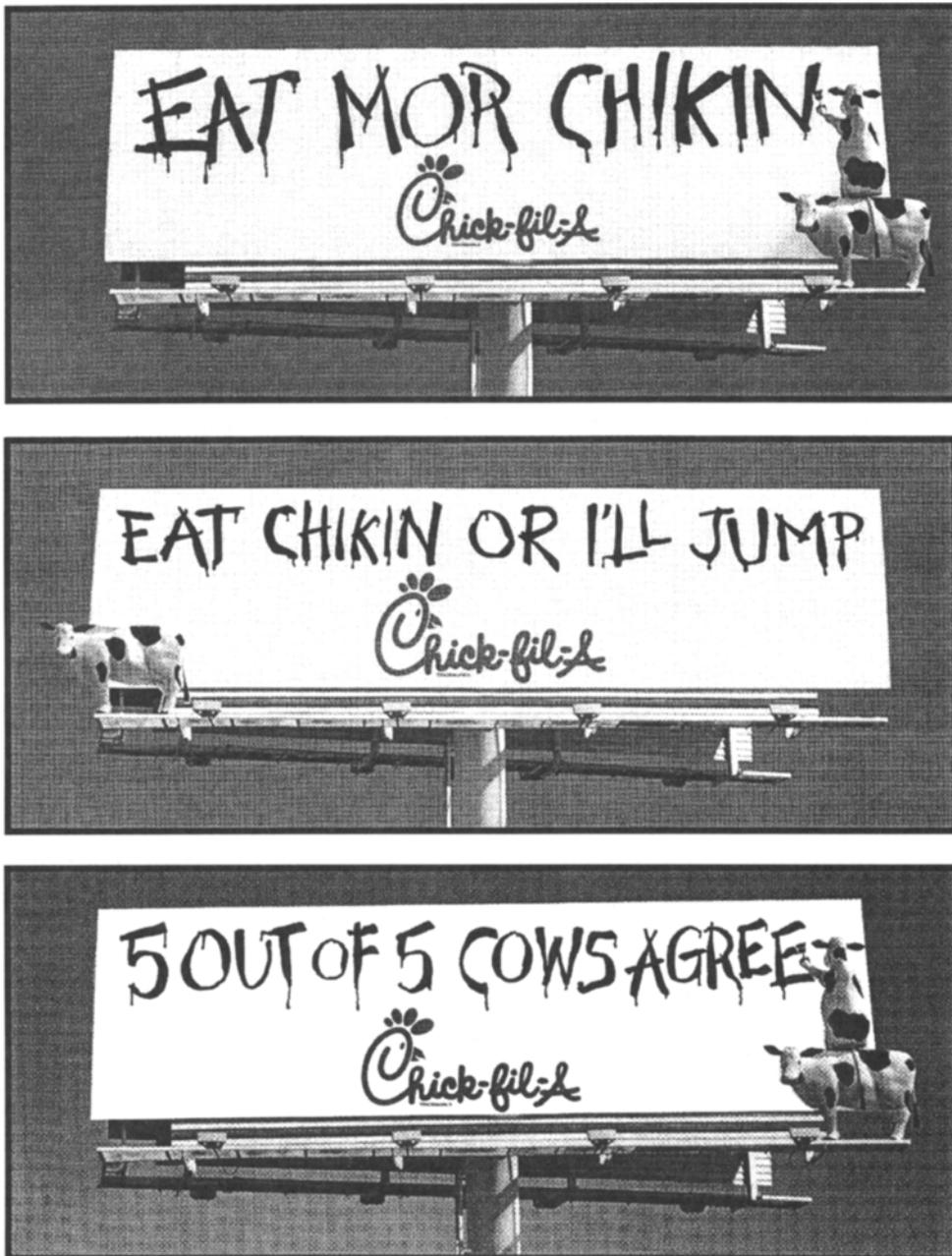
In essence, service companies with strong brand equity provide a service that customers truly value; perform it better than competitors; and effectively tell their story through communications that create awareness, stimulate trial, and reinforce customers' experiences. Over time, these companies become famous for their defining excellence, aided not only by their own controlled messages but also by customers' experiences and word-of-mouth communications.

Dial-A-Mattress is a company that has determined its own fame. Dial-A-Mattress sells bedding over the telephone 24 hours a day, 7 days a week, and delivers orders as soon as customers want them—within 2 hours if desired. The company removes the customer's old mattress at no additional cost. Explains founder, president and CEO Napoleon Barragan, "Buying a mattress is not a pleasurable experience; it's a chore. If you can make it easy for consumers, if you give them what they want, the way they want it, and when they want it, you can do business."

Thirty percent of Dial-A-Mattress's customers are referrals. The company's core service strategy makes it so simple to acquire a new mattress that many first-time customers are astonished. Instead of having to find the time and energy to visit furniture stores, to test multiple mattresses by lying or bouncing on them, to sort fact from fiction in the selling process, and to arrange for delivery in 3 or 4 days, customers can telephone Dial-A-Mattress, speak with a bedding consultant who has participated in a 6-week training regimen, receive their mattress within 2 hours if desired, and send it back with the driver if not fully satisfied. The astonishment factor stimulates customer word of mouth, which Dial-A-Mattress encourages by giving purchasers discount coupons for their friends.

Dial-A-Mattress advertises on television and radio with a consistent message: buy Sealy, Serta, or Simmons brand-name mattresses over the telephone, subject to your

**FIGURE 3**  
**Brand Personality at Chick-fil-A, Inc.**



*Advertisements courtesy of Chick-fil-A, Inc.*

approval, save money, and receive your mattress when you want it, within 2 hours if you wish. The advertising often ends with the tag line: "Dial 1-800-MATTRES, and leave the last 's' off for savings."

The combination of frequent television and radio advertising, a consistent message, word-of-mouth communications, and publicity generate awareness of the Dial-A-Mattress brand. Late-night talk show host David

Letterman once called Dial-A-Mattress on camera during the show, requesting that a mattress be delivered to his car in Manhattan. Dial-A-Mattress made the delivery on camera.

The company's name also contributes to brand awareness. Dial-A-Mattress is a great name because it simply, yet distinctively, conveys what and how the company sells. Because of the powerful influence of customers' actual service experiences on brand meaning and brand equity, a service company can overcome a mediocre name. However, a good one certainly helps.

The Midwest Express brand also captures and communicates a valuable market offer. Midwest Express wants to be famous for "the best care in the air," its signature statement in all advertising. The company's advertising strategy includes clearly stating, as often as possible, factual support for this assertion. Advertising consistently refers to the airline's nonstop, single class of premium service with comfortable leather seats; no middle seats; delicious food; and caring, personal attention. Advertising usually mentions the airline's top ranking by independent organizations, such as the Zagat Airline Survey or Conde Nast Traveler. The company also stresses its competitive fares that are comparable to the regular coach fares of other airlines; this message counteracts impressions that Midwest Express must be expensive because of its high-quality service.

Midwest Express likes to advertise on television in local markets. Explains Advertising Manager Jim Reichart, "Our differences translate well into television. We like to show coach—the leather seats, the smiling faces, the great food, and the glass and silverware."

Unlike Dial-A-Mattress, the Midwest Express name is not ideal. The airline flies from midwestern hubs to the Southwest, Southeast, and both coasts. Moreover, the word *Express* suggests a commuter airline, which definitely is not Midwest Express. The company's advertising typically includes pictures of one of its jets—with its signature dark-blue-on-white color motif and distinctive logo on the tail—to counteract the commuter airline impression.

Although Midwest Express is not a great name, it is a great brand. No service company better illustrates the disproportionate impact of customers' service experiences on brand meaning and equity. Among passengers who have experienced the airline's service, an ordinary corporate name evokes the image of first-class seats, good food, chocolate chip cookies, and caring personal service. The name holds rich, differentiated meaning and the company is not about to change it.

### Make an Emotional Connection

In January 1998, the Harlem Globetrotters played their 20,000th basketball game in the small town of Remington,

Indiana. Renowned for their ball-handling wizardry, comical routines, and old-fashioned silliness, the Globetrotters make an emotional connection to the customer. The Harlem Globetrotters is a magical brand—a brand that evokes images of fun and laughter, respect and decency, hard work, and good values. Globetrotter players are graded by the team owner on their charisma, punctuality, and ability to promote the brand. Cursing, pouting, and rudeness are forbidden. Players sign autographs after the games. "We're all aware of how precious the brand is," says Paul "Showtime" Gaffney, who performs the clown prince role once played by Meadowlark Lemon. "Each and every night, the people in the stands don't care if you just stepped off a 10-hour bus ride. They want you to be your best, and we want to be our best" (Thurow 1998:A8).

Great brands always make an emotional connection with the intended audience. They reach beyond the purely rational and purely economic level to spark feelings of closeness, affection, and trust. Consumers live in an emotional world; their emotions influence their decisions. Great brands transcend specific product features and benefits and penetrate people's emotions (Webber 1997). As Charlotte Beers (1998), chairman of J. Walter Thompson, writes: "The truth is, what makes a brand powerful is the emotional involvement of customers" (p. 39).

Brands that connect with customers' emotions are those that reflect customers' core values. In effect, the brand captures and communicates values customers hold dear. Corporate values cannot be faked in service branding. The company's true values emerge in the customer's actual experience with the service. Marketing communications cannot establish nonexistent values.

Enterprise Rent-A-Car connects emotionally with employees of local body shops, auto repair firms, and insurance companies by taking donuts to them week after week, by building personal relationships, and most of all, by keeping their service promises. Chick-fil-A's cows invite the customers' affection, but the effort is negated if customers' experiences with the service contradict the feeling. Midwest Express could portray chocolate chip cookies in its advertising, but far more powerful is actually baking them onboard for passengers and serving them with a warm smile.

Brands that connect emotionally are authentic summations of a company with a soul. As Starbucks' founder Howard Schultz (1997) writes, "The most powerful and enduring brands are built from the heart. They are real and sustainable. Their foundations are stronger because they are built with the strength of the human spirit, not an ad campaign" (p. 248).

Given the prevalence of price-oriented advertising in service markets, the minimal role of price messages in the advertising of many strong-brand service companies is notable. Companies that emphasize price in their advertising forfeit the opportunity for an emotional connection

with their customers. Price-dominated marketing messages ring the emotional bell of few customers. Price advertising may be about economic value, but it is not about human values; it does not stir the soul. As Donald Hudler (1996), who helped build the Saturn automobile into an emotionally rich brand, states, "When you talk about price, you lose the opportunity to talk about yourself and build a brand" (also see Aaker 1996, chap. 2).

The St. Paul Saints, a minor-league baseball team in St. Paul, Minnesota, sells out every home game and has a long list of people on the season-ticket waiting list. The St. Paul Saints illustrate the emotional content of a strong brand. To most of its fans, the Saints are far more than just a professional baseball team. The Saints are part of the town's culture; a spirited community citizen; a maverick organization with a heart; an organization whose top management greets fans as they enter the ballpark; a team with a blind radio announcer; a team that in 1997 signed the first female pitcher, Ila Borders, ever to pitch on a regular basis for a professional men's baseball team.

The core of the Saints' presented brand is its basic value: "Fun is good." From sumo wrestling to fans racing around the bases in a contest, minievents occur during breaks in the game action. The Saints not only have a pig as the team mascot, they hold an annual contest for elementary school children to name the pig. One thousand schoolchildren participated in the 1998 name-the-pig contest; the winning entry was "The Great Hambino." The Saints hold a "Dead of Winter Tailgate Party Recipe Contest" in their parking lot to raise funds for a nonprofit community organization. An RBI (Reading Books Is Fun) Club attracted 1,000 fourth- and fifth-grade students in 1998 to participate in a reading program. Children plant flowers in the "Reading Tree" area of the stadium, and children and players paint murals on the stadium fence. The team holds a charity golf tournament.

The Saints care, and the community knows it; caring is integral to its brand. The St. Paul Saints connect emotionally with their fans and the fans with each other. "Going to a Saints game is like going to your high school reunion," explains General Manager Bill Fanning. "You may not know the people sitting next to you when the game begins, but they are old friends by the time it ends." The St. Paul Saints epitomize every branding principle discussed thus far: the company dares to be different, clearly defines its reason for being, and connects emotionally. For these and other reasons, the St. Paul Saints may be the best known minor-league baseball team in America.

### Internalize the Brand

Service performers are a powerful medium for building brand meaning and equity. Their actions with customers transform brand vision to brand reality—for better or

worse. Service providers make or break a brand, for the customers' actual experiences with the service always prevail in defining the brand for them. With their on-the-job performances, service providers turn a marketer-articulated brand into a customer-experienced brand.

Negative customer experiences are difficult for a company to overcome in its branding efforts, no matter how effective its marketing communications. Superior customer experiences are difficult for competitors to imitate, no matter how effective their marketing communications. As Peters (1997) writes, "It seems that you can knock off everything . . . except awesome service" (p. 457).

Services are just as intangible for employees as they are for customers. Branding is not only an opportunity to establish a mental picture of the service and its reason for being for customers; it also is an opportunity to do this for service providers. The more providers internalize the concept and values of the service, the more consistently and effectively they are likely to perform it. As David Aaker points out in an interview with *Leader to Leader* magazine ("Strategic Lessons" 1998), a common misconception about brands is that they are strictly for external purposes when, in fact, the role of a brand is to communicate inside the company also: "When a brand identity and position are clear, they help all employees—from customer service representatives to new product developers—gauge their actions in terms of a central strategy" (p. 55).

Berry and Parasuraman (1991) describe the concept of internalizing the brand:

Internalizing the brand involves explaining and selling the brand to employees. It involves sharing with employees the research and strategy behind the presented brand. It involves creative communication of the brand to employees. It involves training employees in brand-strengthening behaviors. It involves rewarding and celebrating employees whose actions support the brand. Most of all, internalizing the brand involves *involving* employees in the care and nurturing of the brand.

Employees will not feel part of nor act out the brand unless they understand it and believe in it. Marketers need to verbalize and visualize the brand for employees, so that employees will verbalize and visualize the brand for customers. Brand internalization must be an ongoing process, just as brand building is an ongoing process with customers. (P. 129)

Just as advertising is a principal brand-building tool externally, so is it a principal tool internally. Enterprise Rent-A-Car and Midwest Express are two companies that specifically consider employees to be a key audience for all of their advertising. They view advertising as a primary means for motivating and educating employees, a viewpoint supported by research that clearly shows employees

are influenced by their company's advertising (Gilly and Wolfinbarger 1998).

Enterprise Rent-A-Car first advertised on national television in 1989. The company has honed a consistent presentation of its brand in television advertising: a customer in an auto repair shop phoning Enterprise for a rental car, the theme line "We'll pick you up," the signature "cloaked" car, the distinctive white-on-green *E* logo. The message is clear, and brand awareness is increasing. From 1989 to 1997, aided brand awareness for Enterprise Rent-A-Car increased fourfold according to company research. Increasing brand awareness was not the main purpose in advertising, however. The purpose was to build employee pride in the company. In 1989, company founder Jack Taylor asked his son Andy a decisive question: "You know, Andy, how would we feel if a rental car company half our size came on television and promoted the [car] replacement service?" The seed for the company's inaugural national advertising effort was planted with this simple question. "Our advertising has had a fabulous impact on our employees," comments CEO Andy Taylor. "Our existing employees are proud and prospective employees are impressed when they see that company advertising on '60 Minutes' or a National Football League game."

Midwest Express shares Enterprise Rent-A-Car's philosophy of internalizing the brand through advertising. Says Brenda Skelton, senior vice president of marketing and customer service for Midwest Express,

Our employees are the most important audience for our marketing efforts. It is easy to market when we just have to generate customer trial. Our employees keep the customers coming back. Our national reputation has grown mainly through our reputation for service.

No company more ardently internalizes its brand than Chick-fil-A. Chick-fil-A invests significant resources to help independent store operators cultivate the Chick-fil-A brand in their local markets. The company organizes brand marketing teams to work with operators in specific markets where it is opening many freestanding stores. The teams consist of marketing, advertising, and public relations specialists from the company's headquarters staff and the marketing firms with which it works. The process begins each year with market-specific brand-equity research for Chick-fil-A and its principal competitors. The company holds operator workshops in individual markets to present the research and discuss its branding implications. The team then works with operators to develop brand-building strategies for their markets on the basis of the research.

Chick-fil-A views the local store operator as the primary brand marketer; the role of the brand marketing team

and headquarters staff is to help operators become more effective. Accomplishing this role involves educating the store operators about brand marketing. The operators can withhold marketing funds or ignore the brand marketing team's advice if they so choose. Internalizing the brand through education, market-specific research, customized advising, and tracking each market's performance is critical. Chick-fil-A's Steve Robinson explains,

Brand-building requires that we educate the operators on why—or they won't do it. This is why we have put more marketing talent in the field. We don't demand. We don't prescribe. We try to persuade by showing how they and Chick-fil-A will benefit. We have to do our homework, do the market research, show the operators why, and ultimately, show results. We cannot use marketing to drive the business unless we are willing to engage operators in the process.

Adds Kenneth Bernhardt, a longtime Chick-fil-A consultant:

A key marketing step at Chick-fil-A has been getting the operators to take ownership of building the brand. The cows give the brand a distinct personality across markets, and the operators are strengthening the brand in their local markets. It is a powerful one-two punch.

## CONCLUSION

Positive brand equity is the marketing advantage that accrues to a company from the synergy of brand awareness and brand meaning. Despite the predisposition to think of branding in the context of tangible products, brand cultivation is just as critical for services. Strong brands increase customers' trust of invisible products while helping them to better understand and visualize what they are buying. Strong-brand service companies consciously pursue distinctiveness in performing and communicating the service, use branding to define their reason for being, connect emotionally with customers, and internalize the brand for service providers so that they will build it for customers.

Dial-A-Mattress, Chick-fil-A, Midwest Express Airlines, Enterprise Rent-A-Car, and the other service companies discussed in this article are their own brands. This is the reality of creating value for customers primarily through service: the company becomes the brand. Marketing and external communications help build the brand, but nothing is more powerful than the customers' actual experiences with the service. Being served freshly baked chocolate chip cookies as you relax in a comfortable leather seat on a Midwest Express jet defines brand meaning and builds brand equity more powerfully than any advertisement.

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