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articles

The service brand and the service-dominant logic: missing fundamental premise or the need for stronger theory?

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Abstract. *It is increasingly being recognized that brands play a major role in contributing to the value of service businesses (e.g. Berry, 2000; de Chernatony, 2003). However, in their award-winning article about the emerging service-dominant logic, Vargo and Lusch (2004) pay little attention to branding. This article explores the case for integrating branding into the service-dominant logic (S-D logic). We review how diverse perspectives of brands relate to the S-D logic and then examine Rust, Zeithaml and Lemon's (2000) claim that brand equity is a component of the concept of customer equity. Next we review some recent research about brands in relationships and then examine whether there is a missing fundamental premise in the S-D logic about the service brand. Finally we consider the development of stronger underlying theory that integrates the concepts of brand equity, customer equity and network equity into the S-D logic.* ***Key Words*** ● *branding* ● *brand equity* ● *customer equity* ● *relationships* ● *service-dominant logic*

Introduction

The importance of the brand as the fundamental asset of any business is well recognized by managers, consultants and business writers. This is dramatically highlighted every year in *Business Week*, when Interbrand's annual ranking of the world's most valuable brands is reported. The report consistently shows that the value of the brand is the dominant component of an organization's financial assets, particularly for service businesses. However, despite the major role brands play in contributing to the value of service businesses, little attention has been given to the concept in the academic literature investigating service marketing. Reference to branding in the service literature (notably Vargo and Lusch, 2004) is often indirect, and it is often implied that the branding concept has more relevance for consumer goods marketing.

Vargo and Lusch's (2004) article on the service-dominant logic (S-D logic) refers to the branding concept only three times: on page 9 brand identity is mentioned as part of the information flow in the value chain in a service process; on page 14 reference is made to Rust, Zeithaml and Lemon (2004) who suggest 'brand equity' is a product-focused concept and should be viewed as a component of a more all-embracing concept of 'customer equity'; and finally on page 14, where Vargo and Lusch suggest that brand equity, along with customer equity and network equity, are the three main 'off-balance sheet' assets that will increasingly determine the market value of an organization. Thus, while it is not explicitly stated, Vargo and Lusch recognize that within the S-D logic the service brand is an important 'off-balance sheet' asset.

The importance of branding to the S-D logic is highlighted by Prahalad (2004) in his invited commentary on the Vargo and Lusch article. He argues that Vargo and Lusch's sixth foundational premise 'the customer is always the co-producer' implies that there is a need to 'escape the firm and the product/service-centric view of value creation . . . and move on to an experience-centric co-creation view' (Prahalad, 2004: 23). Within this experience-centric co-creation perspective he argues that the brand becomes the experience. Prahalad (2004) also suggests that brand meaning can evolve for the customer as a result of this co-creation of value.

The central role of brand experience and meaning in determining value was formalized by Berry (2000) in his model of service brand equity. In developing the model he points out that for goods-centric marketing the product is the primary brand, therefore the company's presented brand and external communications are the major determinants of brand equity. However, when the service is the primary offer, Berry holds that the company becomes the primary brand or 'the service brand'. Thus, in this model, the customer's service experience plays the major role in brand equity formation; creating 'brand meaning'. While his model also includes the influences of the company's presented brand and external communications on awareness, he suggests that brand meaning rather than brand awareness is the major determinant of brand equity (see Figure 1).

Berry (2000) developed his model based on his research experiences with labour-intensive services, but we see his model as appropriate to all organizations where the service offer is dominant and thus 'service' is super-ordinate to 'goods' and/or 'services'. However Berry's (2000) model provides only a starting point for understanding the role of 'the service brand' within the S-D logic. As is recognized by Prahalad (2004) the experience-centric co-creation view involves interactions

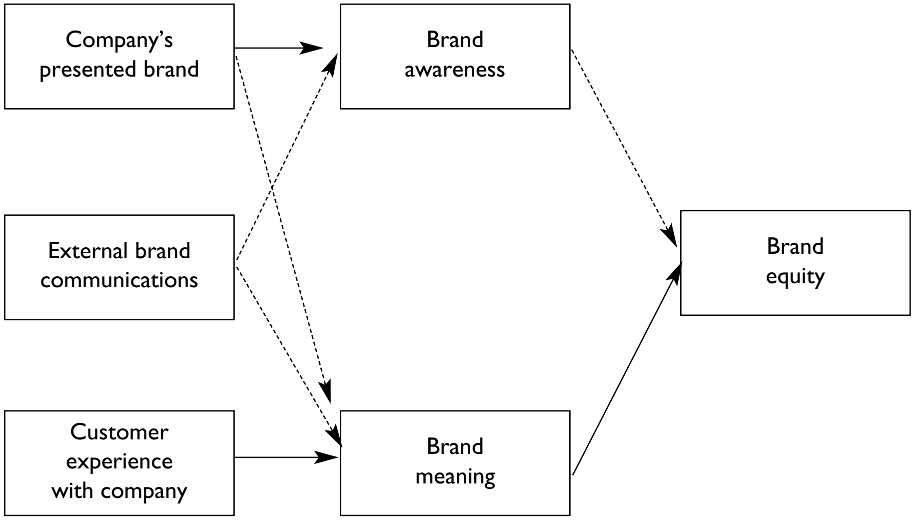

Figure 1

Berry's (2000) service branding model

which extend beyond bilateral interactions between the organization and its end customers. This position is also shared by Webster (2000: 17) who regards it a 'mistaken assumption' that brands only have a role in the firm's relationship with end customers. Thus we suggest within the S-D logic that the role of a 'service brand' needs to be examined as being embedded in relationships within the entire marketing system.

We now explore these ideas, with a view to developing a broader, theoretical framework incorporating brands and relationships within the S-D logic. Our article proceeds as follows. We review how diverse perspectives of brands relate to the S-D logic and then examine Rust, Zeithaml and Lemon's (2000) claim that brand equity is a component of the concept of customer equity. Next we review some recent research about brands in relationships and then examine whether there is a missing fundamental premise in the S-D logic about the service brand. Finally, we consider the development of stronger underlying theory that integrates the concepts of brand equity, customer equity and network equity into the S-D logic.

The diverse perspectives of brands and the S-D logic

One of the reasons for the considerable debate about the role of the brand among marketing academics is because the concept is multifaceted and hence subject to diverse interpretation. This is highlighted by de Chernatony (2003) in his recent book *From Brand Vision to Brand Evaluation.* In Chapter 1 he refers to Davidson's (1997) analogy of an iceberg. Above the water line (15%) is what is visible about the brand to the consumer, in other words, the logo and name. In contrast, below the water-line (85%) are the unseen value-adding processes inside the organization that give the organization's brands their competitive advantages and create brand equity. Central to these processes are the values, intellect and culture of the organization. Further elaboration on alternative interpretations made by managers and consumers with the brand include consumer-based concepts such as identity, logo, image, symbol, expression, and personality (de Chernatony and Dall'Olmo Riley, 1998). Organizational concepts include positioning statements, cluster of values, vision, and risk reduction, while relational concepts include promises, trust and commitment, relationships, and experience with customers and other stakeholders. Finally, when a financial perspective is taken, the brand is viewed as a resource or asset that creates value (Doyle, 2000), leading to the concept of brand equity. By taking this financial perspective the case for integrating branding into the S-D logic becomes much stronger, because brand equity becomes part of value creation overall.

Since the introduction of the concept in the 1980s (Keller, 2003), a range of definitions of brand equity have emerged that reflect several different purposes. While many of these definitions have focused on the nature of the brand as an asset, this has largely been within a goods-centric logic rather than a service-centric logic. For example, Keller (2003) defines brand equity as 'the differential effect of brand knowledge on the consumer response to the marketing of the brand' (Keller, 2003: 60). In contrast, Aaker (1991) takes a broader perspective and defines brand equity as 'the set of assets (and liabilities) linked to a brand's name and symbol that adds (or subtracts from) the value provided by a product or service to a firm and /or that firm's customers' (Aaker, 1991: 16). Aaker then groups the brand's assets (and liabilities) into five categories. The first four are more traditional goods-centric concepts (name awareness, brand loyalty, perceived quality and brand associations). A fifth category of 'other proprietary assets' is more closely aligned to the service-centric concepts and includes patents, trademarks and channel relationships. However in his books, Aaker (1991, 1996) pays little attention to this fifth category, with the focus being far more on external communications. Finally, a simple but insightful definition that encompasses both goods- and service-centric views is provided by Ambler: 'what we carry around in our heads about the brand' (2000: 14). In providing this definition Ambler recognizes that there are also important components of the total brand asset in the minds of employees, shareholders and other stakeholders in the marketing system.

Is brand equity a component of customer equity in the S-D logic?

In the concluding section of the Vargo and Lusch (2004) article they acknowledge that brand equity, along with customer equity and network equity, are the three main 'off-balance sheet' assets that will increasingly determine the market value of an organization. Thus, while it is not explicitly stated, Vargo and Lusch recognize that within the S-D logic 'the service brand' is an important intangible asset. However this view contradicts Rust, Zeithaml and Lemon (2004) who suggest 'brand equity' is a product focused concept and should be viewed as a component of a more all-embracing concept of 'customer equity'.

Rust, Zeithaml and Lemon (2000: 4) defined 'customer equity' as 'the total of the discounted lifetime values over all of the firm's customers' and developed a model to analyse customer equity. The model is expressed as a value triangle being made up of three components which interact and contribute to customer equity (Rust, Zeithaml and Lemon, 2000: Figure 4.2, p. 57). The three components are:

1 value equity: the end-customer's objective perception of the brand;
2 brand equity: the end-customer's emotional and intangible assessment of the brand; and
3 retention equity: the end-customer's repeat purchase intention and loyalty to the brand.

In contrast to Aaker's (1991) and Ambler's (2000) definitions of brand equity that view brand equity as an asset, Rust, Zeithaml and Lemon's model defines customer equity as the value of the asset.[1] It also uses the term brand equity in a far more restricted way, defining it as the emotional and intangible assessment of the brand. More recently Rust, Lemon and Narayandas (2004) have expanded the third component of the customer equity model from 'retention' equity to 'relationship' equity, allowing for a richer description of the customer loyalty created within the marketing networks.

Rust, Zeithaml and Lemon (2004) develop the case for this 'customer-centred' approach to brand management by emphasizing the importance of organizations having a customer focus where 'brands exist to serve their customers' (Rust, Zeithaml and Lemon, 2004: 110) and warn that if an organization focuses too much on 'the company' as the brand it will detract from the more important task of growing and managing its customer base.

The similarities and differences in the concepts of brand equity and customer equity have been explored by Ambler et al. (2002) by examining how these two assets generate value. The analysis summarized in Figure 2 of their article shows that the sources of value overlap. Both types of assets enhance the ability of the firm 'to acquire new customers and current offerings', 'in cross buying from existing customers', 'to charge a price premium', and 'to reduce costs' (Ambler et al., 2002: 17). However, by viewing the customer as an asset there is implicitly a greater emphasis on marketing strategies that focus on managing the customer base. In contrast, by viewing the brand as an asset, there is a closer integration with a broader range of marketing strategies within the marketing networks, including supply chain relationships.

Ambler et al. (2002) also elaborate on the understanding of customer-brand based interactions by examining the relative strengths of the ties between customers and brands, the role of the company in providing the identification for brand, the role of customer-brand communities, and the implications of greater participation of customers with companies. However, their analysis is limited to customer relationships, excluding the network of relationships with employees, channels and other stakeholders, as well as the processes that focus on end customers. As we argue in the previous section, the co-creation of customer value in most service organizations involves a set of complex interactions between the service organization and its employees, the channel and other stakeholders, as well as interactions with end customers. If this broader perspective of co-creation of value is taken, then it becomes far too restricting for brand equity to be viewed as a component of a more all-embracing concept of 'customer equity'. While Rust, Lemon and Narayandas (2004) go some way by expanding the third component of the customer equity model from 'retention' equity to 'relationship' equity, thus recognizing how marketing networks generate value, this does not recognize the integrating role that the service brand plays. In the next section we examine some recent research about brands in relationships, which explores this issue further.

Recent research about brands in relationships

In the last five years a stream of research about brands in service relationships has extended Berry's (2000) service brand equity model. The research has provided further conceptual and empirical insight about the role of service brands as 'relational assets' and how these assets create financial value for organizations. This research found that central to understanding the role of service brands in co-creating value is the notion of the value triangle (or three promises) framework first developed by Calonius (1986) and further refined by Bitner (1995) and Grönroos (1996). This framework distinguishes between three marketing processes:

1 making promises (external marketing between the organization and customers);
2 enabling and facilitating promises (internal marketing between the organization and people working in the organization/network); and
3 keeping and supporting promises (the interactive marketing between people working within the organization/network and end customers).

More recently Grönroos (2006: 27) embedded these three processes in his definition of marketing:

> Marketing is a customer focus that permeates organizational functions and processes and is geared towards making promises through value propositions, enabling the fulfilment of expectations created by such promises and fulfilling such expectations through support to customers' value-generating processes, thereby supporting value creation in the firm's as well as its customers' and other stakeholders' processes.

Research by Dall'Olmo Riley and de Chernatony (2000) identified the conceptual similarities between the broad notions of 'the service brand' and of relationship marketing as risk reducers, simplifiers of choice and guarantors of quality. Their research was based on 20 in depth interviews with senior executives in the UK who were experts in the area of service marketing. The investigation revealed that the service brand acted as a 'relationship builder' or 'relationship fulcrum.' Similar to

Prahalad's (2004) view, their research revealed the role brands play in co-creating value. They concluded that '. . . the service brand is a holistic process beginning with the relationship between the firm and its staff and coming alive during the interaction between staff and customers' (Dall'Olmo Riley and de Chernatony, 2000: 138).

Davis et al. (2000) investigated marketing relationships in the establishment and on-going management of an on-line supermarket operation, and came to similar conclusions to Dall'Olmo Riley and de Chernatony (2000). Their research revealed that the retail brand defined the experience of shopping on-line for consumers in terms of service attributes, symbolic meanings and functional consequences of the service encounter. In fulfilling this role the retail brand acted as a 'relationship lever' or 'fulcrum' upon which trust was built between consumer and service provider. This conceptualization provides a useful extension to Berry's service branding model by distinguishing the role the service brand plays in creating 'experiential image', 'service experience promise' and 'relationship trust'. It also highlights how the service brand is used in enabling and supporting promises about the service offer.

Little (2004) investigated the processes of customer value creation and delivery from an organization-wide perspective. The conceptual framework that emerged described customer value creation and delivery as a triad of processes: making, keeping and enabling promises, consistent with the three promises framework. An important fourth dimension also emerged: the 'realization' of the value created by these three processes, acknowledging the outputs of investment in marketing processes in the form of value for customers, and financial value for the firm. Thus we suggest that the notion of customer-value realization is closely linked to the role of the service brand (see Figure 2).

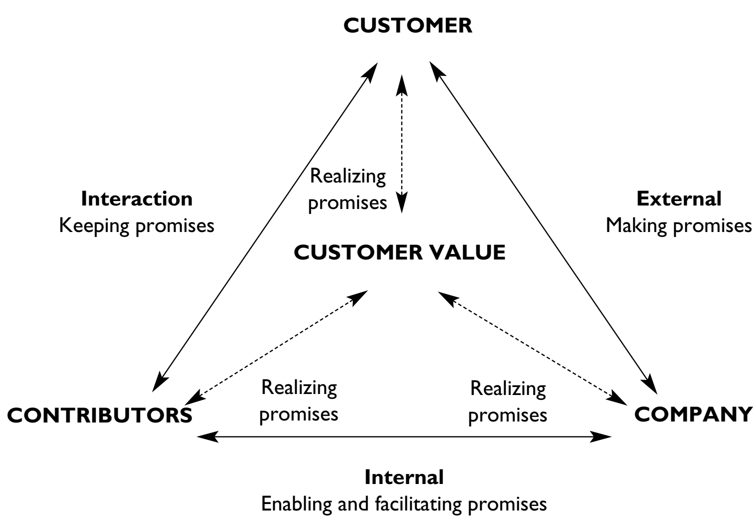

Figure 2

Conceptual model for creation and delivery of customer value (Little, 2004)

Van Durme et al. (2003) integrated Heilbrunn's (1995) notion of triadic brand relationships and the three promises framework (Bitner, 1995; Grönroos, 1996). Thus in parallel to Little's (2004) empirical research on the realization of customer value, 'the service brand' was conceptualized as being used to facilitate the making, enabling and keeping of the promises about the firm's offering (see Figure 3).

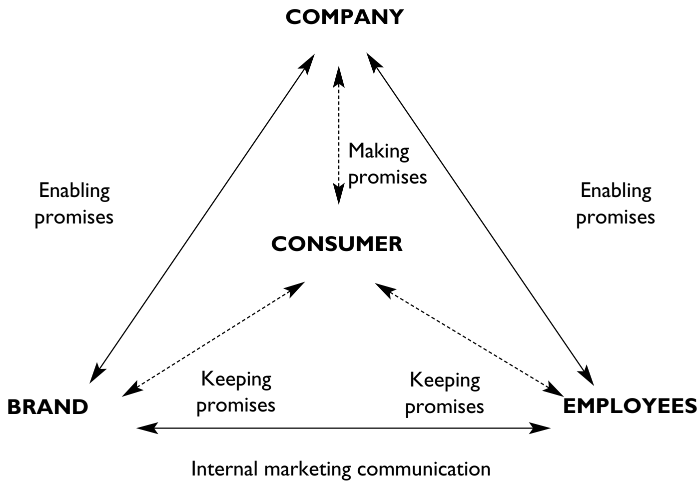

Figure 3

Brand-relationship pyramid (van Durme et al., 2003)

Glynn and Brodie (2004) focused on understanding the role of branding in the broader marketing system, by investigating how brands create value in manufacturer–reseller relationships. The research was motivated by Webster (2000), who drew attention to the important role that brands play in channel relationships. The research revealed that manufacturers' brands provided three sources of value for resellers: non-financial benefits (e.g. advertising support and product category growth), customer brand equity, and benefits for the reseller's customers. Similar to the findings of Davis et al. (2000) and Dall'Olmo Riley and de Chernatony (2000) the research revealed that brands act as 'facilitators of relations' in channels, creating meaning and experience for resellers. The outcome is increased reseller satisfaction with the service brand, enhanced performance perceptions of the service brand, commitment to the service brand, and trust in the manufacturer. Thus the findings highlight how brands co-create value for resellers and manufacturers.

In terms of the brand-value chain (Keller, 2003), channel relationships mediate the linkage between the marketing programme and the end-customer, which ultimately affects the market performance of the service brand and shareholder value. The evidence from Glynn and Brodie's (2004) research shows that resellers take into account a manufacturer's brand support resources as well as the service brand to end-customer relationship. Trade promotions and collaborative channel activities become an integral part of a brand management programme, rather than being regarded as a sales-force function (Webster, 2000) and separate from the service brand manager's role (Low and Fullerton, 1994). In summary, the manufacturer's value strategies build three types of relational or market based assets: the relationships with the end-customer (customer brand equity); the benefits for the reseller's customers (reseller equity); and finally the non-financial benefits from manufacturer support and collaboration (channel equity). As shown in Figure 4 the manufacturer's brand facilitates the relationships through trust and commitment.

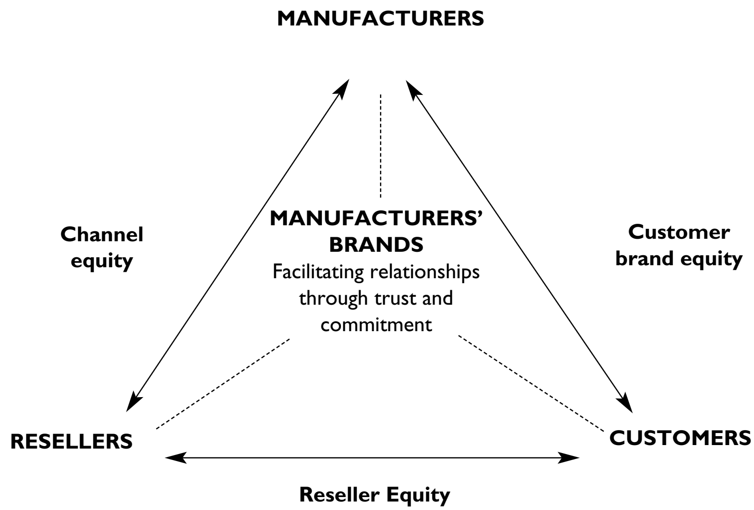

Figure 4

Manufacturers' value strategies (Glynn and Brodie, 2004)

A missing fundamental premise?

The research discussed in the previous section highlights the important role that brands in service relationships play in the value processes of organizations. In doing so the research provides both conceptual and empirical support for Berry's (2000) model emphasizing brand experience and meaning and Prahalad's (2004) suggestions that 'the service brand' becomes the experience in the co-creation of value. The research also supports Webster's (2000) argument that brands create value not only in end-consumer relationships but within a network of marketing relationships. We argue that Berry's model therefore needs to be expanded to include network relationship experiences, rather than just consumer experiences with the company. This broader model will provide a fuller understanding about the role marketing plays in value creation in the service economy, and in the co-creation of value through brand experiences (Prahalad, 2004).

The research has also demonstrated the usefulness of the value triangle or three promises framework first developed by Calonius (1986) that is used in the recent definition of marketing developed by Grönroos (2006). It has shown that brands in service relationships play a central role in facilitating, mediating and realizing value in these promise-related processes. We now present a synthesis of the Grönroos definition and the conceptualizations from previous research in a new conceptualization: the service brand-relationship-value (SBRV) triangle. The SBRV triangle highlights the central role of the service brand, used to co-create value for the firm's customers and other stakeholders. Drawing on the recent discussion by Venkatesh et al. (2006) about the S-D logic and 'sign systems', we suggest the service brand is a sign system that symbolizes the value processes (see Figure 5).

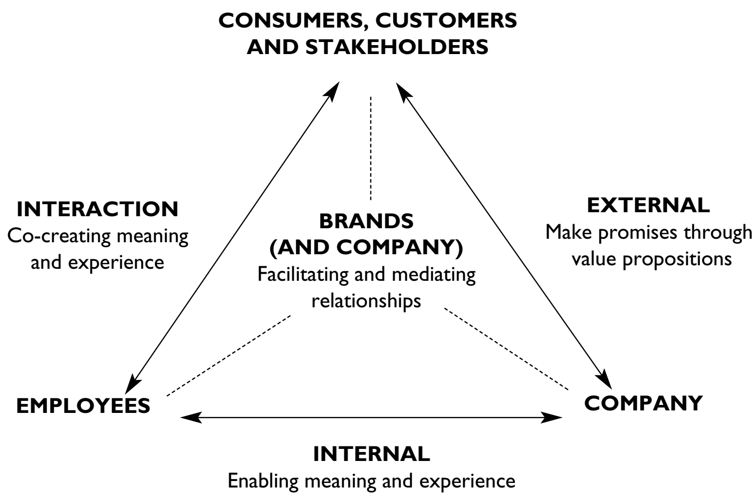

Figure 5

The service brand-relationship-value triangle

While Vargo and Lusch acknowledge that brand equity (along with customer equity and network equity) is a key 'off-balance sheet' asset and determines the market value of an organization, 'the service brand' is not an explicit building block in the S-D logic. Given the importance of 'the service brand' the question arises as to whether there is a missing fundamental premise in the S-D logic about the role of the service brand. Drawing on Figure 5 the following premise can be derived:

> Service brands facilitate and mediate the marketing processes used to realize the experiences that drive co-creation of value. They provide sign systems that symbolize meaning in the marketing network, and hence are a fundamental asset or resource that a marketing organization uses in developing service-based competency and hence competitive advantage.

Elevating the role of the service brand to a fundamental premise in the S-D logic provides an alternative perspective to the customer equity approach advocated by Rust, Zeithaml and Lemon (2000). In their model (see their Figure 4.2, p. 57) value equity, brand equity and retention equity define the components of a value triangle and it is customer equity that is pivotal. In contrast, in the SBRV triangle it is the service brand that is pivotal. As Rust, Zeithaml and Lemon (2004) have warned: there is a danger of organizations becoming too brand-centric or 'inside-out', which can detract from the important task of growing and managing the customer base. However, on the other hand, we have argued that the service brand perspective integrates more directly to a broader range of marketing strategies within the marketing system and more readily integrates with processes to do with the co-creation of value, and therefore has a central role to play in the S-D logic.

Rather than view the customer-centric and service brand perspectives as being competing, we suggest they should be viewed as being complimentary. As Ambler et al. (2002: 17; Figure 2) have shown there is considerable overlap between the value that brand assets and customer assets generate. We therefore suggest further effort needs to be directed towards integrating the customer-centric and brand-centric perspectives. This supports Brodie et al.'s (2006) suggestion to pay more attention to the integration of logics, rather than viewing the logics as competitive, implying that one is required to dominate. Hence, at this stage of the development of the S-D logic, we suggest that rather than focus on adding more fundamental premises, more attention needs to given to the underlying theory about how customer equity, brand equity and also network equity co-create value.

Focusing on the underlying theory from which the premises about S-D logic can be derived allows for the development of a consistent language and clarifies the confusion that often arises from the use of the terms 'resource', 'asset', 'capability' and 'competency'. It would also integrate Vargo and Lusch's concepts of operand and operant resources with the strategic management literature. A further reason for not including a fundamental premise about the service brand within the S-D logic is that Vargo and Lusch (2006) have recently proposed a ninth fundamental premise: 'Organizations exist to integrate and transform micro-specialized competences into complex services that are demanded in the marketplace' (Vargo and Lusch, 2006: 53). This premise recognizes that customers as well as firms are resource integrators, consistent with Prahalad's (2004) concept of the co-creation of value. We suggest that the service brand therefore plays an important symbolic role in the co-creation of value. Thus our proposed new premise relating to the service brand becomes a corollary to this premise.

Developing stronger underlying theory

Brodie et al. (2002) explore the challenge of creating stronger and more integrated theory. Building on the ideas of Anderson and Narus (1999) and Srivastava et al. (1998, 1999) they suggest that the term 'marketplace equity' is a more useful all-embracing concept, representing all market-based assets. Their paper argues that the theory of marketplace equity needs to be based on a broader theoretical framework integrating customer equity, brand equity and network equity; and incorporating the network of relationships with channels, brands and other marketing entities. Marketplace equity can therefore be linked to the core business processes that determine market performance, which in turn influence a firm's financial performance.

The resource based view of the firm (RBV) underlies these ideas about market-based assets and inter-organizational relationships (Srivastava et al., 2001). The essence of the RBV is that competitive advantage differentials between firms are the result of the unique assets and capabilities that each firm possesses (Barney, 1991). These assets and capabilities are known as resources, and can determine firm performance (Wernerfelt, 1984). Achieving competitive advantage is the result of leveraging those resources in three main processes: product development, customer relationships and supply chain effectiveness, which (orchestrated appropriately) create value for the firm. According to Barney (1991) resources such as brands span the firm's boundaries and are embedded within organizational processes. For example, the use of resellers to distribute brands provides a resource-based benefit for manufacturers. While market-based assets such as brands offer manufacturer firms clear benefits, these benefits may not be automatically transferred to a reseller in an inter-organizational reseller relationship. For instance, a reseller may be unable to price a brand at a premium because of the pricing actions of another reseller with the same brand.

Dyer and Singh (1998) consider that competitive advantage can arise from sharing resources between firms. These inter-organizational sources of advantage include, with examples of manufacturer resources in brackets: relational specific assets (brands); knowledge sharing (brand market information); complementary resources (consumer marketing expenditure); and effective governance (sales force and trade marketing expenditure). These sources of advantage, attributable in part to market-based assets, create relational rents which are preserved through inter-organizational asset connectedness, partner scarcity and resource indivisibility and can therefore be difficult to imitate within the industry. Thus, not only are brands sources of advantage in inter-organizational relationships, but their inherent properties mean they are an essential part of the competency that allows this advantage to be maintained.

To optimize these channel returns manufacturers need to recognize the type of governance mechanisms at work. Heide (1994) distinguished between market and relational governance strategies. Market governance refers to mechanisms designed to maximize short-term exchanges, whereas relational governance is developed when businesses focus on longer term exchanges. Ghosh and John

(1999) identified the impact of governance types and the firm's resources, including brand equity, on the outcomes of a business relationship. They showed that brand equity can have a different impact on performance depending on which governance strategy is implemented. Firms with major brands have brand equity with the end customer, in other words, a market governance strategy. However, firms with minor brands are better off forming relational partnerships with resellers, reflecting a relational governance form.

Having reviewed the broader literatures, Brodie et al. (2002) conclude that the Srivastava et al. (1998, 1999) market-based assets framework is a useful starting point. Furthermore, the strategic management, RBV, and governance literatures provide the foundations for a theory of marketplace equity, and there are also valuable contributions from the IMP, relationship marketing and other literatures. However, a major limitation of these literatures is the lack of conceptual and empirical research that integrates the concepts of customer equity, brand equity and network equity.

We suggest the theory of marketplace equity should be viewed as a middle-range theory that draws on higher level or more general theories that have been discussed in Brodie et al. (2002). The idea about the need for middle-range theory in the applied social sciences was first explored by Merton (1967). He defines middle-range theories as:

> . . . theories that lie between the minor but necessary working hypotheses that evolve in an abundance during day-to-day research and all-inclusive systematic efforts to develop a unified theory that will explain all the uniformities of social behaviour, social organisation and social change. (Merton, 1967: 39)

He further elaborates that middle-range theory should draw on components from higher level general theories, but at the same time should be independent of these theories. We suggest that Merton's work provides excellent principles to guide the development of a theory of marketplace equity, providing guidance in achieving a balance between relevance and application, and the theoretical insight that comes from higher level theory.

Summary and conclusion

The importance of the brand as the fundamental asset of any business is well recognized by managers, consultants and business writers. This article has developed the case for marketing theorists (in this case Vargo and Lusch with the S-D logic) to direct more attention to the role of 'the service brand'. We have argued both conceptually and by using empirical evidence that 'the service brand' in its role as a relational asset is a fundamental and central concept within the S-D logic. Therefore, if the S-D logic is to be relevant to marketing practice then more attention needs to be given to its role. North American academics including Berry (2000), Prahalad (2004) and Srivastava et al. (1998), and European academics including Dall'Olmo Riley and de Chernatony (2000) and Balmer (2001) are providing the momentum for this development.

While a strong case can be made for introducing a fundamental premise about the service brand, we conclude that is more appropriate to consider it as a corollary to Vargo and Lusch's (2006) emerging ninth proposition about resource integration and co-creation of value. However, before doing this, further attention needs to be given to integrating the concepts of brand equity, customer equity and network equity into a theory of marketplace equity. This integrated 'middle range' theory would draw on higher level or more general theories to provide better understanding about the nature of intangible assets including networks, customers and brands, and how these marketing assets and associated processes lead to the co-creation of market value. In doing so it would provide a balance between the 'outside-in' customer-centric view advocated by Rust, Zeithaml and Lemon (2000) and the 'inside-out' service brand view.

Perhaps one of the biggest benefits in developing a theory of marketplace equity is that it focuses on the core business processes that co-create and deliver customer and financial value in a way that incorporates the intellectual or knowledge aspects of marketing with other aspects of business. It also leads to the integration of the traditional consumer-based branding literature with the more recent services and relational branding literature. Thus it challenges the service and the relationship marketing literatures to pay more attention to the important role that brands play in relationships and business networks, in building financial value for the firm, its customers and other stakeholders.

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Notes

1 To avoid confusion with the way brand equity has been defined our discussion treats customer equity as an asset rather than the value of the asset.

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