

# Controlling Advertising and Word of Mouth to build on Service Brand Equity

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- A brand is a name, term, design, symbol, or any other feature that identifies one seller's good or service as distinct from those of other sellers

(AMA)

- Brand is the interface between the firm and the customer

(Chernatony and Dall'Olmo Riley, 1999)

## Two broad benefits of brand equity

- Financially based benefit to estimate the value of a brand more precisely for accounting purposes
- Customer based brand equity that is essentially the brand equity from the consumers viewpoint

## CBBE

- Customer-based brand equity involves consumers' reactions to an element of the marketing mix for the brand in comparison with their reactions to the same marketing mix element attributed to a fictitiously named or unnamed version of the product or service.

# SERVICE

- service is any act or performance that one party can offer to another that is essentially intangible and does not result in the ownership of anything .Its production may or may not be tied to a physical product.

*(Philip Kotler,2009)*

- Services are activities, benefits or satisfactions that are offered for sale or provided in connection with the sale of goods

*(AMA)*

## Uniqueness of Services

- The branding characteristics of Intangibility, heterogeneity, perishability, Inseparability have been suggested as the biggest challenge and ones that makes services marketing different from goods marketing.

*(Lovelock, Christopher, 1983)*

- There is a dearth of research in the area of service branding

(De Chernatony et al, 1999)

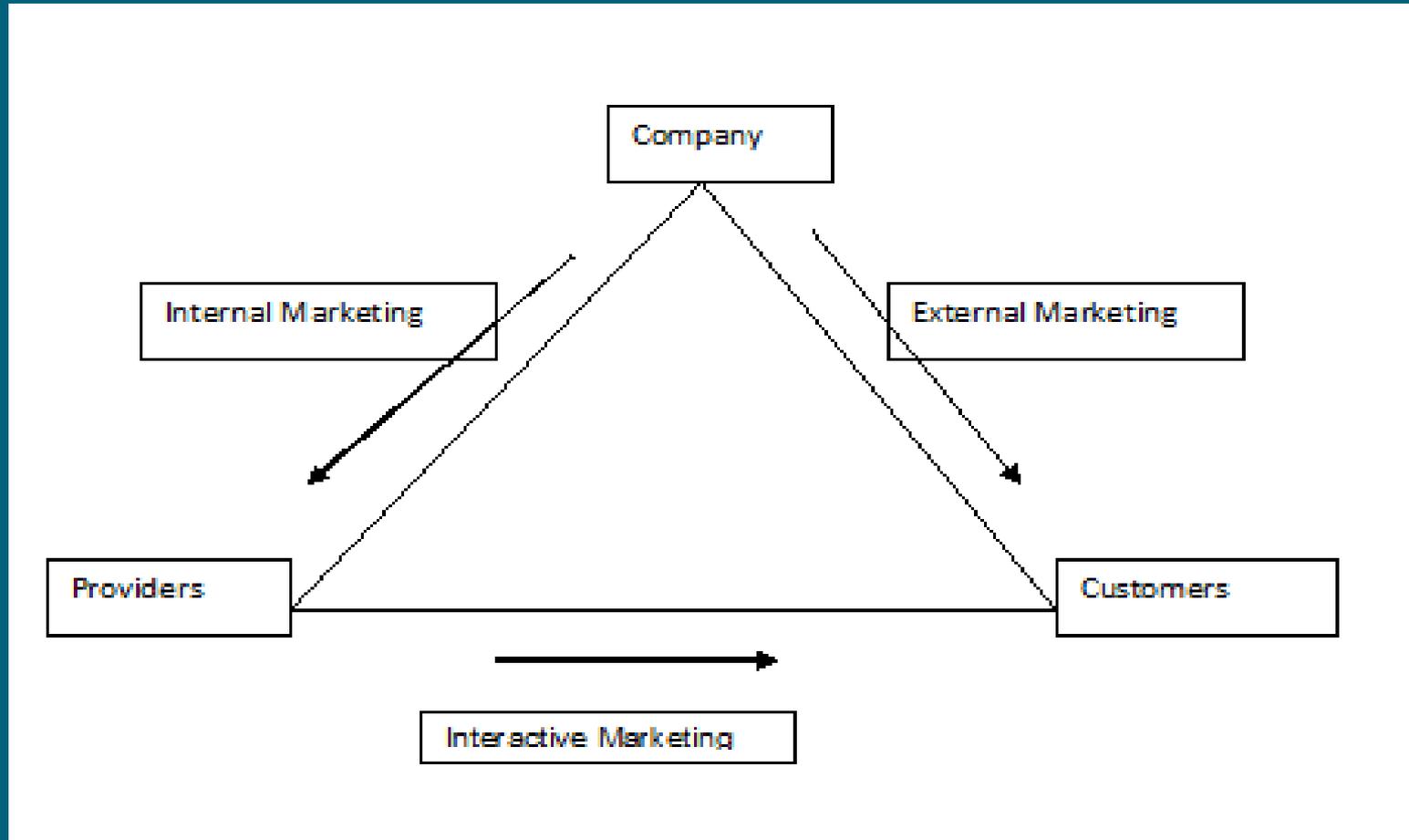
- The fast-moving consumer goods FMCG approach to branding needs to be adjusted for the services sector.

(Malcolm H B Mc Donald et al, 2001)

## The Service Marketing Mix

- Apart from the traditional mix elements like product ,price,place,promotion, the extended mix elements in services include process ,people and physical evidence
- The service marketing triangle is a holistic representation of all of these mix elements as to how they relate to service marketing

# The Service Marketing Triangle



Mary Jo Bitner, 1995

# External Communication(Advertising )

- one of the three components of the service marketing triangle
- Advertisement that is perceived favourably leads to a positive feeling towards the advertised brand and thus a positive service consumption experience. (O Cass et al, 2004)

- Advertising disseminates realistic expectations of the service experience to consumers in the pre purchase stage thereby inducing positive reactions and feelings on consumption

(Cobb Walgren et al, 1995)

- Their study established influence of advertising on the brand image antecedent to reinforce brand image

- Advertising significantly minimises the negative feelings that consumers' might have towards brands (Kempf & Smith, 1998)
- The role of advertising as a very strong and effective marketing communication tool has been validated and its positive impact on the different brand equity dimension including brand image has been confirmed (Villarejo-Ramos & Manuel J. Sa´ Nchez-Franco, 2005)

- Brand image encompasses brand personality as an important factor leading to brand associations and subsequently brand equity

( J Bryan Hayes et al, 2008)

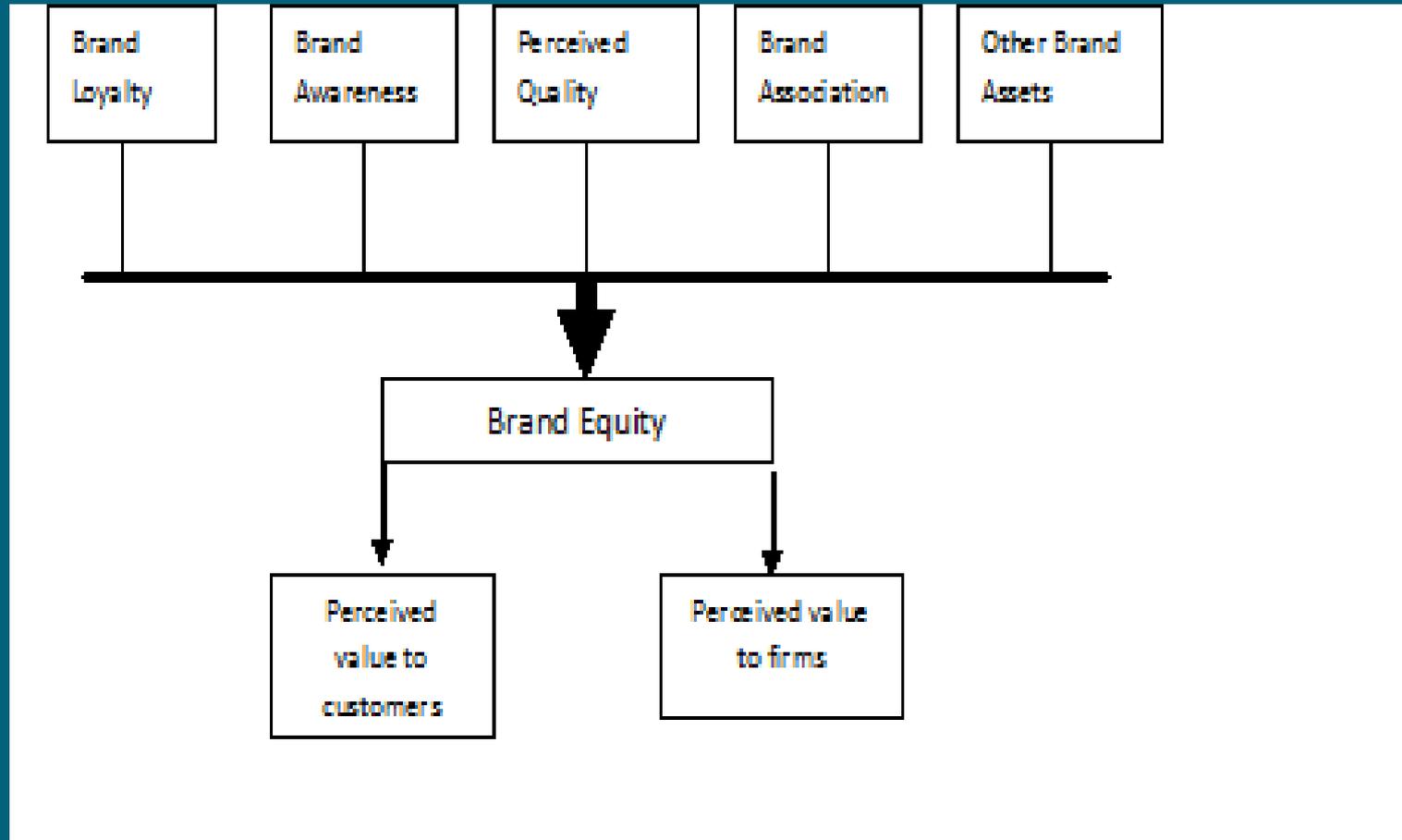
# Word of Mouth

- Word of mouth is the informal transmission of ideas, comments, opinions and information between two people neither one of which is the marketer. (Blackwell and Miniard, 2006)
- WOM has been in existence since long before the advent of the print media or the electronic media and was possibly the only tool the marketer had to further their interests. (Rick Ferguson, 2008)

- Word of mouth is a very powerful behaviour and purchase influencer for goods and services (Murray, 1991; File et al, 1994; Bansal & Voyer, 2000; O Cass & Grace, 2004).
- Word of Mouth facilitates the consumers positive brand evaluation (Sundaram & Webster, 1999)

- The unique characteristic of WOM is the fact that it is perceived as being of personal nature and the fact that the party who initiates the communication has nothing to benefit from the communication (Schiffman & Kanuk, 2007).
- The trustworthiness of Word of Mouth because of it being a personal source has been highlighted by Murray as well. (Murray, 1991)

# Using Aaker's Brand Equity Framework to enhance brand equity



- WOM and advertising do not work at cross purposes and both aim at achieving similar communication objectives and the effect is optimum when they work together (Keller and Fay, 2009)
- Marketers should strive to build on the brand equity and ensure a positive WOM dissemination for systematically influencing the consumer evaluation process and a holistic consumer experience

*Thank you*