



Interacting contributions of different departments to brand success

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ABSTRACT

Adopting a grounded theory perspective, this research investigates the roles and interactions between marketing, customer services and human resources (HR) in driving success in UK financial services brands. CEOs/MDs, Directors of Marketing, HR and Customer Services, their line reports, front line staff and their agencies from 2 successful and 4 less successful financial services corporations participated in depth interviews for this project. Marketing strategically defining the brand, HR aligning policies behind the brand and customer services staff being brand exemplars enhances brand success. Organizations should abhor power struggles as no one department is critical – rather working together is key. The brand fulcrum model helps managers and researchers appreciate the harmonious activities of brand guardians (marketing), brand enablers (HR) and promise delivers (customer services). Favoring one department shifts the brand center of gravity resulting in an unstable state, which more equitable responsibility allocation resolves.

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1. Introduction

Theories and techniques for effective services marketing differ from product marketing (e.g. Vargo and Lusch, 2004 and Booms and Bitner, 1981). Product marketing emphasizes the importance of the Production and Marketing departments (Kotler and Keller, 2006). The Marketing department is important for both services and product brands; however, due to the importance of staff, the HR and Customer Service departments may be more critical for services (Zeithaml and Bitner, 2003).

For a service, staff embody the brand to consumers, and appropriate employee behavior is vital in service interactions (e.g. McDonald et al., 2001; Gabbott and Hogg, 1994; Zeithaml and Bitner, 2003). O’Cass and Grace (2004) find that consumers perceive employees as one of the most important attributes when choosing between services brands. Similarly, Berry (2000, 135) writes “Service performers are a powerful medium for building brand meaning and equity. Their actions with customers transform brand vision to brand reality”. The HR department therefore shapes service brands as activities such as recruitment, training and reward management influence service interactions (e.g. Schneider and Bowen, 1993; Zerbe et al., 1998; Free, 1999). Thus for services brands, Customer Services, HR and Marketing are likely to impact brand success, representing the “service management trinity” of Lovelock, Vandermerwe and Lewis (1999).

This paper explores the roles of marketing, customer services and HR in the success of UK financial services brands and the efforts organizations make to ensure the departments work together. Firstly, the methodology section clarifies the research perspective behind the work, that of grounded theory. Inherent in this methodology is a commitment to discovery through direct contact with a phenomenon, rather than a priori theorization. Findings highlight the importance of all departments working together behind the brand. Issues which facilitate and impede departmental cooperations emerge from the findings. In common with much qualitative research, a holistic perspective emerges after the complete data analysis. Finally, this paper details the conclusions and implications of the findings. In the conclusions, a model expresses the relationship between the emergent themes.

2. Methodology

This research follows a grounded theory perspective, thus is inductive qualitative research (Glaser and Strauss, 1967). This perspective captures complexity and supports theory in new areas (Locke, 2000). Whilst research increases into services branding within the financial services sector, the objective of this work is to gain a new perspective rather than starting from the point of existing findings and assumptions. Inherent in this methodology is a commitment to discovery through direct contact with a phenomenon, rather than a priori theorization. Therefore, patterns emerged from the data and a theoretical framework developed, rather than testing hypotheses formed from existing theory.

Open-ended depth interviews defined the area of interest, as whilst grounded theory is not concerned with hypothesis testing,

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pragmatism necessitates some limitation of the field of research. As a starting point, interviewees asked the following questions: “How does your department contribute to building and sustaining your corporate brand?”, b). “Is there one department in your organization which plays a critical role in developing and strengthening your corporate brand?” and c). “How do you ensure that each department works together, so there is an integrated approach to supporting your corporate brand?”. Suitable probes and further lines of inquiry then followed according to the nature of the response. The research sample incorporates 6 financial services organizations, 2 with successful brands (coded S1 and S2) and 4 with less successful brands (coded L1, L2, L3, and L4). These organizations represent leading high street names in the UK consumer financial services market. The inclusion of both successful and less successful brands facilitates differentiation between the strategies utilized between the two groups. In total, the dataset comprises the responses of 68 individual participants.

Given the multi-faceted nature of brand success, triangulation of multiple measures (see Denzin, 1989; Flick, 1998; Blaikie, 1991) determined the selection of organizations. Appendix A details the triangulated measures. Triangulation facilitates a holistic assessment of brand success (for more information regarding the selection of measures and the triangulation process, see de Chernatony et al., 2005). Currently no *one* comprehensive methodology exists. The diverse dimensions assessed give a richer insight, in line with Doyle's (1992) recommendation.

Modern brand management is team based (Veloutsou and Panigyrakis, 2001) and to reflect this characteristic, the respondents from each firm include Brand Deciders, Brand Influencers and Brand Enactors. The Brand Deciders were CEOs or MDs. The Brand Influencers are Directors of Marketing, HR and Operations and key figures in agencies advising these firms' branding activities. The Brand Enactors are Managers of Marketing, HR and Operations along with Customer Service Supervisors and Customer Service staff. Appendix B shows the sample.

Data analysis adhered to the recommendations of leading writers in grounded theory (e.g. Strauss and Corbin, 1998; Glaser and Strauss, 1967). Incidents within the data were compared with others and to theoretical points from both the literature and the authors' experience (Locke, 2000). This comparison allowed the identification of similarities and differences and ultimately coding. Two individuals coded the data separately in line with accepted practice (Krippendorff, 1980). The coefficient of agreement for this study is 89.5%. The coding process resolved any differences through discussion and reference back to the transcripts (Miles and Huberman, 1994).

3. What do customer services, marketing and HR contribute to the brand?

Respondents stated what their department contributed to the brand. Such self-perceptions are subject to bias; however, this self-perception offers greater insight than potentially available from other methods. When analyzing the data, where possible cross-referencing of comments occurred as did the inclusion of respondents' opinions about other functions.

Across both successful and less successful brands, a common view emerges from this research about the roles which each department fulfils. However, some differences between respondents in the successful and the less successful brands also come to light. Customer services, marketing and HR are now considered in turn.

3.1. Customer services

Within both successful and less successful brands, customer services are perceived to be extremely important in terms of the brand. This finding is largely because the values of services brands are highly dependent on the staff delivering the brand promise (e.g. Ind, 2003;

Nguyen and Leblanc, 2002) and consumers' perceptions of the behavior of service employees notably influences brand perceptions (e.g. McDonald et al., 2001; Gabbott and Hogg, 1994; Zeithaml and Bitner, 2003). An example of a comment illustrating an awareness of this finding is:

“All of the customer service staff have got a part to play in everything they do. If they are inept the customers think the brand is inept. If they are great, they think the brand is great” – General Manager, S2

Within the successful brands this idea extends further. Customer service staff represent a living embodiment of the brand. For example:

“The customers' perception of the bank is the people that they deal with, the service that they get...the person who they speak to is the brand” –Customer Services Manager, S1

A further difference between successful and less successful brands is that in the less successful brands, respondents feel that customer service staff need to better understand their role supporting the brand. Given the importance of a brand-focused HR function (e.g. Burmann and Zeplin, 2005) in such organizations this perception possibly represents a need for more HR initiatives to ensure employee understanding and commitment to the brand. For example:

“People get a little bit confused so we need to get that sorted out so that people can understand what contribution they play to the success of the organization” – Operations Manager, L3

Particularly within the less successful brands, significant issues surface which are standing in the way of customer service staff helping to develop, strengthen and sustain the brand. A common problem is the pressure to reduce costs and raise productivity:

“We need to ensure we are doing the right things for our customers, which are reflected in our brand and our brand values. Where we see instances and examples of this not happening is because of short term profit, reducing cost, things like that” – Head of Customer Service, L1

3.2. Marketing

Respondents in both successful and less successful brands perceive that Marketing's role includes a responsibility for brand communications, the strategic management and development of the brand, and the integration of the brand throughout the organization. Therefore, respondents see the marketing function as that which brings together and directs the brand, before communicating the brand onwards to consumers. Comments from the data include:

“The marketing area define the strategy, the philosophy and I think they really have got the vision in terms of what brand looks like” – Operations Manager, L3

“The part that marketing plays is bringing it all together, being the glue that makes sense of it all” – Customer Services Director, L4

“Well, as the marketing department we do all the [external] communicationsmy job as a marketer is to communicate the brand in the best possible advertising way I can” – Marketing Director, S1

In less successful brands, respondents believe marketing staff place more emphasis upon tactical branding tasks, unlike those in

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