# SECTION 2. Management in firms and organizations

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# Service branding: the development of a typology of service brands at the corporate level


## Abstract

This paper shows and discusses a typology of service brands at the corporate level. The typology emerges from a combination of two constructs: ‘customer base’ and ‘competitive environments’. The service brands are conceptualized as modes of *maintenance, surveillance* and *dynamic changes*, which are shown in a 2x2 matric. The service brand typology is discussed, and the paper explains that *dynamic change* is preferred in turbulent, competitive, complex and dynamic environments with a shifting and dynamic customer base. A set of implications is offered, i.e. theoretically that a high degree of customer and competitor focus is in alignment with the service brand conceptualized as dynamic change. The paper contributes to the extant knowledge of service branding by its discussion of a typology of service brands at the company brand level in service enterprises.


**Keywords:** service branding, corporate service brands, customer base, competitive environments, a typology of service brands, successful corporate service brands.
**JEL Classification:** O31.

## Introduction

We are today witnessing a huge growth of the service sector, service industries and service enterprises, especially in Western industrialized countries (Klaus & Maklan, 2007; Skaalsvik & Olsen, 2014b). One consequence is that competition between the service enterprises has been enhanced owing to the relatively low barriers to entry in services (Andreassen, 2008; Lovelock & Wright, 1999; Hoffman & Bateson, 1997). Furthermore, we are observing a customer trend of enhanced individualism (Johannessen & Olsen, 2010), one consequence being customers’ requests for tailor-made services (King, 1991). Thus, a changing economic ‘landscape’ requires appropriate planning and actions by management in order to differentiate a firm’s service offerings from those of competitors (Aaker, 1996), and obtain customers’ connectedness and loyalty to the individual firm (Aaker, 2002; Keller, 1993, 2003). One important tool in obtaining this is a firm’s possession of a competitive and strong service brand (Aaker, 1996), termed by Gale (1994) as a ‘power brand’. Nevertheless, the management of a firm’s service brand portfolio is a challenging and complex task (Ind, 2015; Keller, 1993), and the management of service brands is considered even more complex than the management of physical products (McDonald et al., 2001). This complexity is due to the characteristics of services (de Chernatony & Segal-Horn, 2003), whereby it is hard to assess the quality of services in advance as production and consumption usually take place at the same time (Grönroos, 2007). This complexity is one reason that more knowledge is required on this important field of service management inquiry. In relation to this, McDonald et al. (2001, p. 335) argue that a brand is ‘even more important for services than for goods’, which enhances the need for a holistic and comprehensive view of the branding process (de Chernatony & Cottam, 2006). Thus, effective branding of firms brand portfolio has become an area of priority in future service research (Blankson & Kalafatis, 1999; de Chernatony & Dall’Olmo Riley, Fetscherin & Heinrich, 2014; 1999; Ostrom et al., 2010; Tsiotsou & Ratten, 2006).

According to Keller (2003, p. 532): ‘brands can play a number of different roles in the brand portfolio based on considerations related to the consumers, the competition and the company’. Thus, a firm in its service branding efforts needs to take into consideration a set of issues in relation to the company itself, its competitors and its customers (Schlager et al., 2011). In this way, the corporate brand becomes a relationship builder (Riley & de Chernatony, 2000) built upon an integrative perspective (Brodie, 2009). Furthermore, as the world’s marketplaces have gradually become more competitive and complex (D’Aveni, 1994; Johannessen & Olsen, 2010; Skaalsvik & Olsen, 2014a, b), successful company brands as strategic, intangible resources have become effective competitive tools for enterprises (Arslan & Altuna, 2012; Aaker, 2002; Keller, 1998; Park et al., 2013; Urde, 1999). Nevertheless, brand management is ‘more difficult than ever’ (Keller, 2003, p. 38), which is a challenge to practise as well as the service research community.


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In the course of time, a vast amount of research on product branding in fast-moving goods industries and companies has been published in academic journals, which to some extent contrasts the lack of research activity on services branding (Davis, 2007; Moorthi, 2002). Nevertheless, today we see an exponential growth of services, which Droege et al. (2009) have termed as 'societies of services'. One practical implication of the service trend is, according to Kandampully (2007, p. 5) that 'the majority of the world's workforce is employed in services'. For academia, the growth of services has had consequences as well, i.e. a new stream of branding research has emerged, that of service brands, which today appears as a research direction in its own right. Nevertheless, the aim of branding physical and services products seems to be the same; the core aim being to build and leverage the brand equity in order to develop a strong relationship between the brand and the stakeholders, particularly the customers (de Chernatony, 2001; Kay, 2006).

According to Keller (2003, p. 60), customer-based brand equity is 'the differential effect of brand knowledge on consumer response to the marketing of the brand'. The citation implies that customers brand knowledge and experience affect the buying intention and behavior of the individual customer (Kayaman & Arasli, 2007). Thus, customer-based brand equity appears as an important marketing construct from a consumer behavior, financial and strategic perspective (Berry, 2000; Davis, 2007).

The service brand equity concept derives from the brand equity concept. However, while the brand equity is coupled to tangible products, the service brand equity construct concerns services which constitute a different field of literature. As an example, a seat on a plane not sold when the plane departs cannot be stocked and sold at a later date. Thus, an empty seat represents lost revenue for the airline. We therefore perceive service brand equity as 'the favorable and unfavorable perceptions and attitudes that are formed and influence a service buyer to buy a service product'. Thus, the service brand equity concept is an important construct in relation to a service firm's strategic brand orientation (Brodie et al., 2006; Urde, 1994).

Keller (2003), an authorized writer in the brand discipline, has focused on several issues in the brand hierarchy, and this paper addresses the highest level: the corporate level. The paper shows and discusses a typology of service brands at the company level. This is important because how management in the individualized company assesses the branding orientation of the company reveals to what extent the brand is viewed as subject to changes and not as a static entity (de Chernatony & Segal-Horn, 2003; de Chernatony et al., 2006; Harris & de Chernatony, 2001; Urde, 2003). The changes considered in this paper are external to the firm, i.e. the focus is on a service firm's *customers* and *competitors*. The customers and competitors are chosen because, according to brand knowledge and theory (Keller, 1993, 2003), they have a decisive influence on a firm's brand orientation and strategy (Aaker, 1996; Keller, 1993). Hence, the paper poses one research question:

What typology of service brands can operate at the corporate level in service enterprises?

It is important to address this question because, by answering it in a convincing way, more knowledge, insight and understanding will be obtained in relation to an under-researched area of service management inquiry. In order to answer this question, the paper is organized in the following way. After this introduction, the next section clarifies key concepts employed in the study. Then a model is developed which shows a typology of service brands applicable and useful at the corporate level. The next section entails the discussion part, followed by a section which entails the theoretical and practical implications, which may be drawn from the study. A conclusion part terminates the paper.

## 1. The concepts

In order to suggest a manageable typology of service brands at the corporate level, we will clarify four concepts: *service brand, customer base, competitive environments* and *service brand typology*. These concepts will be discussed in turn.

**1.1. Service brand.** According to Keller (2003, p. 536), a brand at the corporate level belongs to the highest level in the brand hierarchy. In the brand literature the brand is given different interpretations (Aaker, 1996). Lovelock & Wright (1999, p. 166), as an example, offer the following definition: 'A name, phrase, design, symbol, or some combinations of these that identifies a company's services and differentiates it from competitors'. Nevertheless, according to Grönroos (2007), due to the key characteristics of services (de Chernatony & Segal-Horn, 2001; Lovelock & Wright, 1999; Hoffman & Bateson, 1997), especially the integrating and participating role of customers, Grönroos offers a definition which encompasses both physical products and services because he claims that 'if anybody builds a brand, it is the customer' (Grönroos, 2007, p. 331). Hence, an alternative definition is developed saying that: 'A brand is created in continuously developing brand relationships, where the customer forms a differentiating image of a physical product, a service or a solution including goods, services, information and other elements based on all kinds of brand contacts the customer is exposed to'. Nevertheless, in order to enhance focus, we suggest that a service brand at the firm level is a 'combination of tangible and intangible elements that uniquely identifies a service produced by one service provider and thereby distinguishes it from the competitors' services'. Illustratively, by drawing on another example from the airline industry, the physical plane with a logo of Scandinavian Airlines (SAS) on the tail is a tangible element, which clearly differentiates the carrier from other airlines, but hardly provides any competitive advantage for the company in itself. On the other hand, the service attendants' performance of their service roles clearly differentiates the carrier from other airlines, which may foster competitive advantage for SAS. Thus, motivated and committed service employees are important in brand building processes and development (Wallace et al., 2013). In relation to this, front line employees will influence the reputation of a corporate service brand and indicate customers' expected future experiences with the brand (O'Cass & Gracy, 2004). According to this argument, a strong corporate service brand in the minds of customers may appear as a risk reducer (Sok & O'Cass, 2011).

**1.2. Customer base.** According to service brand knowledge and theory (Schlager et al., 2011), a brand is created in the triangle between the company, its customers and employees, which indicates the relational aspects of a brand (Riley & de Chernatony, 2000). In literature, the role of the employees in service brand development is emphasized (see Free, 1999; Jacobs, 2003; Kimpakorn & Toquer, 2010; King & Grace, 2005; Michell, 2002; Mohart et al., 2009; Punjaisri et al., 2009; Punjaisri & Wilson, 2007). Nevertheless, we focus on the role of a firm's customers as they are co-creators of the brand's development (Kay, 2006). Thus, as argued by Keller (2003, p. 59); 'the power of a brand lies in what resides in the minds of customers'.

In a world previously dominated by manufacturing industries and companies, a goods-centric view of brand development has dominated. However, in the 'new' service economy (Grönroos, 2007), which is part of the knowledge economy (David & Foray, 2003; Nonaka & Takeuchi, 1995; Tsoukas & Shepherd, 2004), a customer view is the dominant perspective (Kotler, 1984; Griffin & Hauser, 1993). Thus, in the new regime, a service-centric perspective of service brand development will dominate. In such an economic atmosphere, the customers become co-partners in enterprises' service brand planning and development (Boyle, 2007). The main reason is that brands are not static, instead they are subject to changes due to competitive environments, enhanced individualism and shifting customer preferences, which imply customer demands for individualized and tailor-made services (Simmons, 2007; Johannessen & Olsen, 2010; Skaalsvik & Olsen, 2014b, 2014c). As a consequence, management efforts to develop service brands in the brand hierarchy will take place through a co-creation process that involves several stakeholders, most importantly the customers (Kimpakorn & Toquer, 2009).

The ultimate goal of the co-creation process is to obtain customers' commitment and loyalty to the brand, but many brands in the brand hierarchy do not become sustainable market successes (Boyle, 2007; Kohli, 1997; Tilley, 1999). Practice shows that the customers to a large extent 'vote with their feet', they may simply leave. In fact, they may exhibit disloyal behavior by finding other suppliers who they think can better meet their needs, wants and preferences. Thus, in order to be attractive and stay competitive, a service provider must deliver unique benefits and superior value as perceived by the customers and, in doing so, the co-creation with the customers appears necessary in service brand planning, development and innovation. As argued by Kay (2006, p. 4), 'effective brand management depends upon innovation'.

For the purpose of this paper, we suggest that a firm's customer base can be classified along a continuum ranging from a *stable* to a *dynamic* customer base. A *stable* customer base implies that the customers are connected and tied to a firm by their pattern of loyal buying behavior. One illustrating example is customers who are early followers of new products on offer from Apple. In contrast, a *dynamic* customer base implies that the customers are not loyal to a specific firm; they will easily move to another supplier if they perceive their offerings to be better. One example is the economy passenger in any airline. In their buying decision, according to experts in the field of air transport (Shaw, 1999), they mainly consider two factors: the route schedule (destination) and the price.

**1.3. Competitive environments.** In the course of a few decades, the present competitive situation between industries and firms is characterized by uncertainty, ambiguity and turbulence; particularly in industrialized countries (Johannessen & Olsen, 2010; Johannessen & Skaalsvik, 2014). There is a set of driving forces to the rapid growth of competition at different levels. As an example, the deregulation of the airline industry in the late 1980s had a profound impact on the competition between the airlines. The difficulties faced by many carriers, which they were unable to cope with effectively, resulted in bankruptcies (Shaw, 1999). Nevertheless, a few, such as Southwest Airlines in the US and Lufthansa in Europe, were successful in their adaptation to new competitive environments. These carriers are still able to sustain successful business performance as they have effectively adapted their business operations to *dynamic* competitive environments. Conversely, Scandinavian Airlines (SAS), at the beginning of the deregulation of the airline industry performed their business operations as if they still operated in *stable* competitive environments owing to the possession of a more or less monopolistic market position in Scandinavia. Fortunately, SAS has gradually moved away from the mental models, systems and business solutions of the ‘old’ industrial economy. Nevertheless, despite management’s efforts to adapt to fierce competition and a trend of disloyal air travellers, the company has suffered heavy economic losses for many years.

For the purpose of this paper, we suggest that the *competitive environments* can be classified along a continuum, which ranges from *stable* to *dynamic* environments. A *stable* environment implies that the competition is at a low level. In contrast, *dynamic* environments imply fierce competition, which appears to be the current situation in the international airline industry, as illustrated above.

**1.4. What is meant by typology?** The concept of typology needs clarification. Typology as a construct is extensively used in the management and marketing literature and research. As an example, Strand (2006, p. 28) has developed a typology of organizations which entails four different types of organization, while Brodie (2009) has described a typology of the marketing discipline. In the context of this paper, a typology encompasses different modes of service brands at the corporate brand level. The typology concept equals that of “taxonomy” which is used in e.g. the brand literature.

## 2. A typology of service brand orientation at the corporate level: four cases

A typology of service brands at the corporate level is depicted in Figure 1. As explained, the typology of service brand orientation emerges from a combination of two constructs: *competitive environments* and *customer base*. The two constructs will be reviewed in turn.

**2.1. Competitive environments: stable versus dynamic.** According to Sundbo (1997), competitive environments imply challenges and opportunities for service enterprises. As explained, our suggestion is that *competitive environments* from a company perspective can be classified along a continuum, which ranges from *stable* to *dynamic*. A *stable* competitive environment implies that a firm operates in an economic area which by management is not perceived as attractive to new entrants. The firm does not necessarily have to be in a monopolistic position, but there are few competitors. As mentioned, an illustrating example is SAS in the period before the deregulation of the airline industry. On the other hand, *dynamic* competitive environments imply that the firm operates in an attractive area of business in which competition is fierce and intense, and the attractiveness of the field encourages new competitors to enter the firm’s business area. One illustrating example is the airline company Norwegian which, in the course of a few years, has entered the highly competitive international airline industry.

**2.2. Customer base: stable versus dynamic.** According to Kay (2006) and Kwortnik (2006), customers play a key role in a firm’s brand strategy. As explained, we opine that a firm’s customer base from a firm’s point of view can be conceptualized as either *stable* or *dynamic*. A *stable* customer base implies that there is little fluctuation in a firm’s customer base; the customers stand with the company by executing loyalty in their buying behavior. An example of this is the Norwegian retail chain REMA 1000, which has a constant market share of about 25%, and the chain’s customers seem attracted to and loyal to the company owing to the firm’s low price strategy in the retail market. On the other hand, a *dynamic* customer base implies that the customers, according to management assessments, may exhibit disloyal traits in their buying behavior. An illustrating example is the no-frills airline Ryanair, as the core reason for travellers to choose the company is its strategy of very low prices. Nevertheless, the company’s travellers will easily move to another airline if alternative prices on offer are lower, and the route schedule is the same.

A combination of the construct’s competitive environments (*stable* versus *dynamic*) and customer base (*stable* versus *dynamic*) leads to a 2x2 matrix which is shown in Figure 1.

## 3. Model

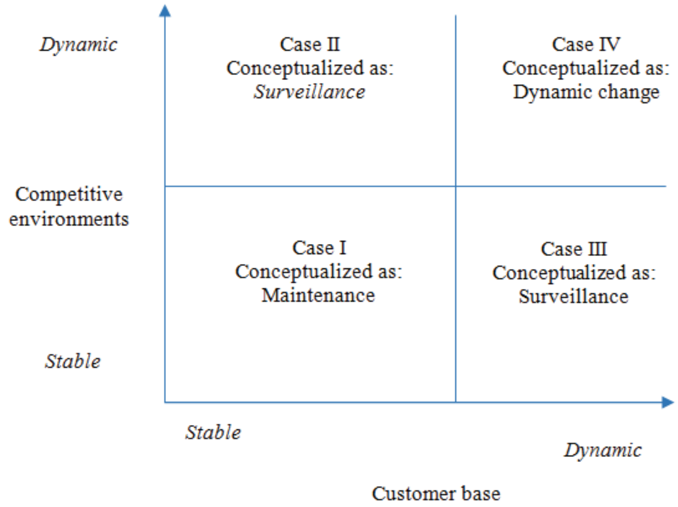


**Fig. 1. A typology of service brands at the corporate level: four cases**

Figure 1 matrix shows four quadrants which portray a typology of service brands at the corporate level, conceptualized as *maintenance* (case I); *surveillance* (cases II and III), and *dynamic change* (case IV).

- **Case I**. A service brand conceptualized as *maintenance* represents a status quo in service brand orientation at the corporate level. We associate case I with the ***red*** traffic light. Red indicates danger and the service firm must take initiatives to change its branding orientation because, most probably, the firm cannot stay in a stable market position over time. Furthermore, the firm will, most probably, be exposed to enhanced individualism on the part of customers, which represents a dynamic customer base. Illustratively, the downfall of the IT company Nokia is a good example of a firm which did not adapt to new customer trends and enhanced competition, and innovated accordingly, but stayed in the old 'industrial' model of business conduct.
- **Case II**. A service brand conceptualized as *surveillance* is related to two cases, which we associate with the ***yellow*** traffic light. Yellow indicates that the service firm must be on the alert to change its present brand orientation. Case II emerges from a stable customer base, which, we have argued, will be exposed to changes due to enhanced individualism and requests for tailor-made services; but from the firm's perspective, the firm's competitive environments are viewed as dynamic, which is a favorable stand. An illustrating example is the health-care sector in Norway. Despite quite favorable public health-care offerings, there has been a rise in private health-care organizations in the course of a few years owing to current trends of individuality.
- **Case III** is also associated with the ***yellow*** traffic light. However, case III differs from case II. From the firm's perspective, there is an acceptance that the customer base features dynamic characteristics, but the competitive environments are perceived as stable which, most probably, will change in the course of time. An illustrating example is the retail industry in Norway, in which we observe a tendency of fewer chains in the business sector, which many perceive as a threat to competition and service quality. However, due to the attractiveness of the retail market, international retail chains will most probably enter the business sector in the years to come.
- **Case IV**. A service brand conceptualized as *dynamic change*, case IV represents innovative brand orientation at the company level. The firm acknowledges that the customer base features dynamic characteristics and that the competitive environments feature dynamic characteristics as well. We associate case IV with the ***green*** traffic light. Green indicates that the service firm is constantly on the alert to change its present service brand strategy, which is a favorable stand. An example of this is the Norwegian airline company Norwegian, which has expanded its business operation worldwide by adapting to customers' preferences to obtain cheap air tickets, and at the same time adapting to fierce dynamic environments in the industry.

## 4. Discussion

The first quadrant (I) depicts a situation in which a firm's management considers the customer base and its competing environments to be *stable*. This stand is unfavorable due to a trend of enhanced individualism and shifting customer preferences (Johannessen & Olsen, 2010; Skaalsvik & Olsen, 2014b, 2014c), and enhanced competition, termed by D'Aveni (1994) as 'hyper-competition'. Case I is termed as a *maintenance* mode of service brand orientation at a corporate level. This type is associated with a status quo in service brand orientation, which does not take into account the need to adapt to changes in relation to customers and competitors.

The second quadrant (II), we conceptualize as *surveillance* at the corporate level. We consider this type of orientation as unfavorable and not fully in alignment with current trends in relation to customers. On the positive side is the firm's perception and assessment of the competitive environment as dynamic, complex and turbulent. Nevertheless, the firm does not view its customers accordingly, as the customer base is considered stable by management. Thus, there is a lack of an up-to-date assessment of the customers in line with a market and customer focus in the firm's branding efforts and actions. As emphasized by Grönroos (2007, p. 331), 'if anybody builds a brand, it is the customers'.

The third quadrant (III) is conceptualized as II, a *surveillance* mode of service brands at the company level, which we also consider as unfavorable and not in accordance with current trends in relation to competitors. On the positive side, management adopts a market and customer focus by perceiving the dynamics of customers by adapting to customer demands for tailor-made services (King, 1991; Johannessen & Olsen, 2010; Johannessen & Skaalsvik, 2014). However, on the negative side, the firm does not take into account the current trend of enhanced competition and complexity in business environments. The competitive environments are considered as stable, which most probably will not last, even in monopolistic situations. A monopolistic situation, which is often considered as economically beneficial for the monopolistic firm will, however, most likely encourage new entrants to the business due to opportunities for economic returns on investments.

Finally, the fourth quadrant (IV), which we conceptualize as *dynamic change* of service at the company level, we consider as favorable for the individual company. The core reason is management's assessment of *both* customers and competitors as dynamic entities. There is a prevailing belief in individualism, shifting customer preferences and demand for tailor-made services, and that competition in future most likely will increase and not decline. In case IV, the business model in not that of a status quo, but instead is a model which represents dynamic features.

## 5. Implications

This conceptual paper has developed and discussed a typology of service brand orientation at the corporate level. The suggested modes of service brand orientation at the corporate level have implications, both theoretical and practical, which will be reviewed in turn.

**5.1. Theoretical implications.** The theoretical implications considered here are linked to the service brand conceptualized as '*dynamic change*', which we have argued is a favorable mode at the company level. Firstly, a dynamic change is in accordance with a process view of service branding, which serves internal as well as external purposes (de Chernatony et al., 2006). This is an acceptance of the view that the brand is not a stable entity, but is subject to changes. In order to initiate and implement organizational changes, *leadership* possesses the authority and decision power to move an organization in a new direction (Daft, 1999; Horan et al., 2011) by its strategic brand choices (Keller, 2003; Vallaster & de Chernatony, 2005). The control mode of management/leadership cannot achieve this (Johannessen & Olsen, 2010). Instead, what is needed is an involvement model of change-oriented leadership (Lovelock & Wright, 1999) in which the leaders are the real change masters (Kanter, 1983). The theoretical point made here is the link between *leadership* and *brand strategy*, which is depicted in Figure 2.

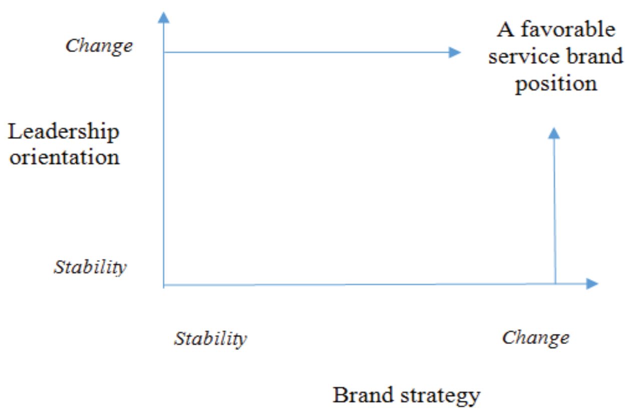


**Fig. 2. A favorable service brand position at the company level**

Secondly, due to the fact that leadership does not work in a 'vacuum', and as the employees are the real brand 'ambassadors' and brand 'champions' of a corporate brand (Jacobs, 2003; Mohart et al., 2009), a theoretical point is the need for change-oriented leadership in combination with highly motivated, committed and empowered service employees. According to service brand knowledge, the service employees' commitment and loyalty to a service brand appear to be a prerequisite for service brand success at the company level (Free, 1999; King & Grace, 2005). Illustratively, the theoretical implication of the coupling between *leadership orientation* and *committed employees* is depicted in Figure 3.

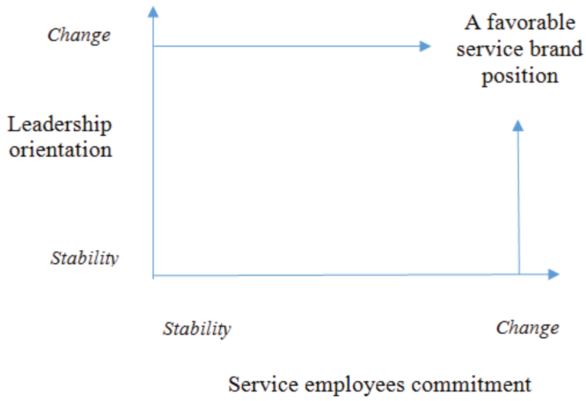


**Fig. 3. A favorable service brand position at the company level**

Thirdly, in relation to the brand's external orientation (Brodie, 2009), a theoretical implication at the corporate firm level is the conduct of a customer-oriented focus coupled with a focus on the firm's competitors, as argued in this paper. This theoretical point is illustrated in Figure 4.

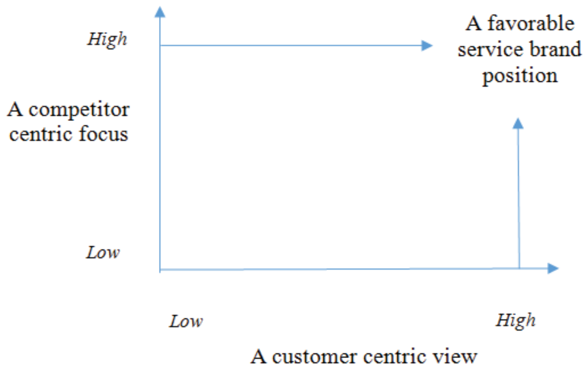


**Fig. 4. A favorable service brand position at the company level**

The theoretical points made in this section have addressed how a favorable service brand position may be obtained at the corporate level. It can be concluded that successful service brands at the company level rest upon a competitor- and customer-centric focus in business conduct.

**5.2. Practical implications.** Metaphorically, quadrant I is associated with the ***red*** traffic light. In this mode, the firm operates within a business logic of status quo, because the firm's competitive environments are perceived as *stable*, as is the customer base. However, from service knowledge, theory and practice we know that a monopolistic-type situation most probably will change as new service providers will enter the business area in which the monopolistic firm operates. Similarly, we know that it is hard to connect and tie the customers to a company, because customers are individuals who require tailor-made services, and if better services are provided by other suppliers, the customers leave; they 'vote with their feet'. Thus, their loyalty is hard to keep and instead of staying connected over time, they will most probably be unconnected due to shifting needs, wants and preferences. The practical implication of this line of argument is that a firm which operates in quadrant I – termed as *maintenance* – at the company level will most probably fall into a spiral of economic downturn.

Metaphorically, we associate quadrants II and III with the ***yellow*** traffic light, which signals a preparation to move forward. In quadrant II, the competitive environments are perceived as *dynamic*, which is a favorable stand for a firm's management, but at the same time the customer base is perceived as *stable*, which most probably will change due to trends of individualism, shifting customer preferences and brand values. A practical implication is that a service enterprise has to enhance its focus on the customers by monitoring customers' shifting trends and preferences, which may be done by the collection of customer information and close contact with the customers in order to connect the customers to the firm.

We also associate quadrant III with the ***yellow*** traffic light, which, as argued, encourages a firm to move forward. In quadrant III, the customer base is perceived by management as *dynamic*, which is a favorable position. However, the management's view of the customer base as *stable* is an unfavorable position, as argued above. A practical consequence is that management needs to closely monitor and assess the possible entrance of new competitors in the firm's business area.

Metaphorically, quadrant IV is associated with the ***green*** traffic light, which signals a need to continue to 'drive forward', and a practical implication is to speed up branding processes and development. Thus, quadrant IV depicts a favorable positioning of a corporate brand, because the firm acknowledges that the competitive environment in which the firm operates is *dynamic* and will develop in an even more competitive direction, and at the same time it adapts to shifting customer preferences and brand values. A practical consequence at the firm level is to give even more priority to monitoring systems, in particular in relation to customers and competitors.

## Conclusions

This paper has developed and discussed a typology of service brands at the company level by the use of two service concepts: *competitive environments* and *customer base*. We have suggested that competitive environments from a firm's perspective may be classified along a continuum, which ranges from *stable* to *dynamic*. Similarly, we have argued that the customer base from a firm's point of view may also be classified along a continuum, which ranges from *stable* to *dynamic*. From a combination of the two constructs, we have developed a typology of service brands at the company level. They are conceptualized as orientations of *maintenance, surveillance* and *dynamic change*. The *maintenance* orientation is associated with the ***red*** traffic light, while the *surveillance* orientation is associated with the ***yellow*** traffic light. The service brand conceptualized as *dynamic change* is associated with the ***green*** traffic light. The paper includes a discussion of how the three different typologies of service brands may work at the corporate level. We have argued that the *green* traffic light is associated with a service brand conceptualized as dynamic change at the corporate level, which is built upon competitive environments and a dynamic customer base. We have argued that in this mode, the service enterprise is constantly on the alert to change its present service brand strategy. In order to enhance understanding and strengthen our arguments, illustrating examples are included in the text.

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